

16 March 2012

SUBMISSION TO THE MĀORI AFFAIRS COMMITTEE INQUIRY INTO THE DETERMINANTS OF WELL-BEING FOR MĀORI CHILDREN

To the Chairman Hon. Tau Henare and Members
Māori Affairs Select Committee
Parliament Buildings
Wellington

1. ORGANISATION BACKGROUND

Thank you for your invitation to make a submission to the Committee's inquiry into the determinants of well-being for Māori children.

This submission is from The New Zealand Institute, a privately funded think tank whose purpose is to improve long-term outcomes for New Zealand and New Zealanders. The Institute aims to contribute to economic prosperity, social well-being, environmental quality and environmental productivity. We are committed to the generation of ideas, debate and solutions. Our work involves research, policy proposal formulation and advocacy.

The New Zealand Institute would be pleased to appear before the Committee to speak to its submission. We can be contacted as follows:

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2. MAIN POINTS AND RECOMMENDATIONS FOR THE COMMITTEE

Our submission addresses three of your terms of reference by focusing on:

1. Education, welfare and health profiles of Māori youth;
3. How public investment in education and in the school-to-work transition can lead to improved well-being of Māori children and to reduced costs in social services and justice;
6. Policy pathways to secure the outcomes targeted by our proposals.

In summary we recommend the following actions by the Committee and other arms of government.

- a) Support involvement by the Ministry of Education in facilitating, monitoring and researching the roll-out of the Manaiakalani Education Trust model for blended e-learning and school improvement into other districts.
- b) Support the involvement of Careers New Zealand in the above roll-out to improve guidance and engagement of employers in the school-to-work transition.
- c) Monitor and advocate for ultra-fast broadband implementation to prioritise low decile schools and the associated community for coverage.

- d) Encourage adjustments in the collation and reporting of statistics by all relevant government departments so breakdowns by age and ethnic groups are readily publicly available i.e., so Māori children and youth can be readily compared with others.

3. SUMMARY

New Zealand's youth are more disadvantaged than youth in other OECD countries on average, the disadvantage is strongly concentrated in Māori and there is no convincing sign of improvement trends.

Unemployment is central; it is an important consequence of disadvantage as well as a cause of further disadvantage. Disengaged, inactive youth are at greater risk of lower earnings, needing social assistance, criminal offending, substance abuse, teenage births, suicide, homelessness, and mental or physical ill health.

Māori youth are much more likely than many other youth to leave school educationally disadvantaged. That makes them more likely to be exposed to the risk of unemployment and other disadvantages too.

Breaking the cycle requires two interventions; keeping children engaged at school and ensuring successful school-to-work transitions. Once young people are established in work the outcomes for them and their children are improved.

Our two recommendations to materially reduce youth unemployment and resulting social issues for Māori are:

- Accelerate the roll-out of blended e-learning and school improvement programmes to low decile schools; and
- Improve the school-to-work transition.

4. INTRODUCTION

The New Zealand Institute's interest in this subject stems from our purpose to improve long-term outcomes for New Zealanders and the inclusion of social well-being within our scope. The aim of our ongoing engagement with the issue of youth disadvantage is to affect policy change and implementation practice in addition to producing discussion papers and influencing debate.

Our social research began with a decision about the life-stage we would investigate. We chose youth because:

- There are immediate benefits from reducing human harm, response costs and productivity losses while people are youth or younger;
- Better experiences while people are young lead to improved trajectories for the rest of their lives; and
- Better youth outcomes lead to better starts in life and better long-term outcomes for their children, and will help break the cycle of disadvantage that for some has become inter-generational.

The discussion paper '*More ladders, fewer snakes: Two proposals to reduce youth disadvantage*' contains our published findings and is attached separately as an appendix (http://www.nzinstitute.org/index.php/social/paper/more_ladders_fewer_snakes_two_proposals_to_reduce_youth_disadvantage/). This submission draws from and refers to data and content included in '*More ladders, fewer snakes*'. It also draws on learning from responses to the discussion paper and from efforts to encourage implementation of the two proposals.

It is important to note that we did not focus our research effort on improving outcomes specifically for Māori youth, but our findings showed that disadvantage is strongly concentrated in Māori and Pacific ethnic groups. In this submission we highlight benefits for Māori youth and children.

5. EDUCATION, WELFARE AND HEALTH PROFILES OF MĀORI YOUTH

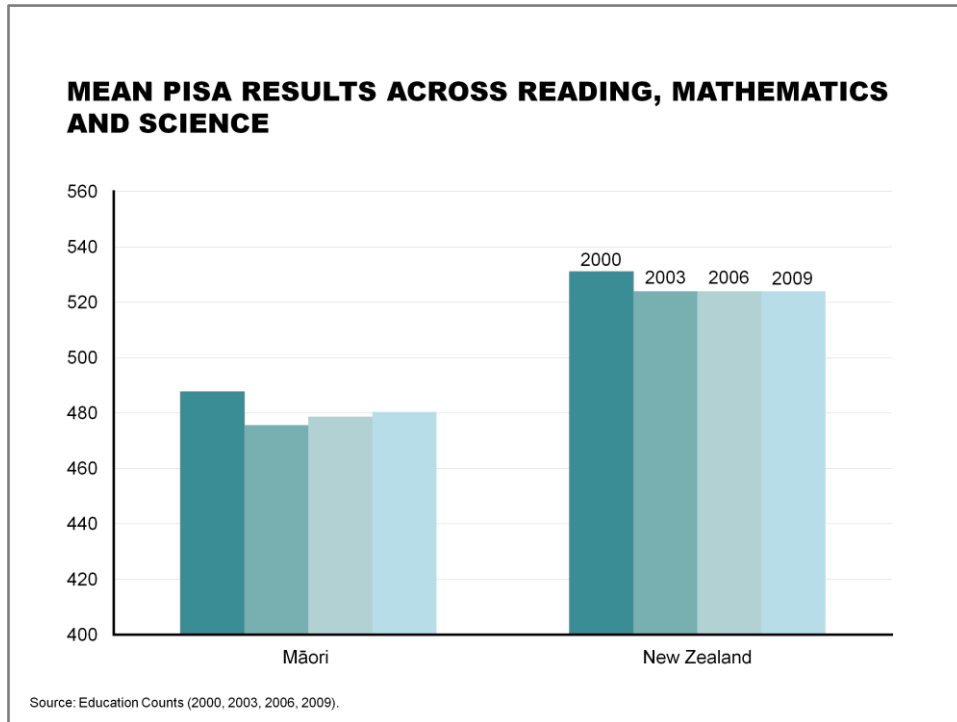
Every country has disadvantaged youth. New Zealand's are more disadvantaged than youth in other OECD countries, on average. They exhibit high rates of risky behaviour, crime and teenage births.

Unemployment is an important cause of youth disadvantage, exposing youth to higher risks of social issues such as low earnings, reliance on social assistance, criminal offending, substance abuse, early pregnancy, suicide, homelessness and mental or physical ill health.

In the December 2011 quarter, 24% of New Zealand's total unemployed were aged 15-19 years. Many young people are becoming disengaged from school and leaving early, and then failing to successfully transition to employment. New Zealand has the lowest median leaving age from initial education in the OECD.

Youth disadvantage is strongly concentrated among Māori.

- Māori are concentrated in low decile schools; 44% of all Māori students are in decile one to three schools;
- Mean PISA results across reading, mathematics and science for Māori have consistently been below the overall mean for New Zealand, and show only very small signs of improvement (see figure below);
- The overall rate of unemployment for Māori aged 15+ is more than twice the New Zealand average (note a breakdown for youth is unavailable);
- The rate of imprisonment of Māori is seven times that of Europeans;
- The risk of death for Māori youth is much higher than for other ethnicities and although the youth suicide rate has almost halved in the last decade, there has been no decline in the high suicide rate of young Māori;
- Almost half of 15-19 year old Māori are overweight or obese, a much higher rate than for European and Asian youth; and
- Māori teenage birth rates are very high, higher than that of Mexico, the highest of the countries measured in the OECD.



Poor education and school-to-work outcomes are exposing Māori to high rates of unemployment and social issues. When many youth compete for few jobs the less well educated are going to be over-represented among those who remain unemployed. That in turn leads to a further generation of disadvantaged children commencing school at age five. Early disadvantage increases the risk of children becoming disengaged from education, contributing to a cycle of inter-generational disadvantage.

6. HOW PUBLIC INVESTMENT IN EDUCATION AND IN THE SCHOOL-TO-WORK TRANSITION CAN LEAD TO IMPROVED WELL-BEING OF MĀORI CHILDREN AND TO REDUCED COSTS IN SOCIAL SERVICES AND JUSTICE

Breaking the cycle requires two interventions; keeping children engaged at school, and ensuring successful school-to-work transitions. Once young people are established in work the outcomes for them and their children are improved.

The first intervention to keep children engaged at school is to accelerate the roll-out of transformational teaching methodology resulting from the blend of e-learning and school improvement programmes (i.e., blended e-learning) into low decile schools. E-learning will come to all schools eventually. However, implementing it is complex and especially difficult for small schools with limited technical capability. Low decile schools are smaller on average than high decile schools, and almost all schools lack the scale and resources to successfully establish e-learning without additional support.

Unless there is an intervention, larger schools with more capable governance and better resourced parents will gain further advantages over the smaller schools, increasing inequality and widening the digital divide.

Focusing the intervention on low decile schools will disproportionately benefit Māori as Māori students are concentrated in low decile schools; as noted earlier, 44% of all Māori students are in decile one to three schools. The intervention will also disproportionately benefit

Pacific students; 60% of Pacific students are in decile one to three schools. 16% of Asian students, 8% of European students and 18% of other students are also in decile one to three schools and would benefit from the intervention.

The rationale for intervention is:

- There are already proven examples of schools in New Zealand that succeed in keeping children engaged at school using blended e-learning;
- There is already a national investment to install ultra-fast broadband in schools and implementation of the 'Network for Learning' from 2013 will enable access to content, services and resources so every classroom in New Zealand can function as a modern learning environment;
- The Ministry of Education's Statement of Intent identifies as a priority "Māori achieving success as Māori" and improving literacy and numeracy achievement particularly for Māori students, Pacific students and students from low socio-economic communities. These priorities are supported by '*Ka Hikitia - Managing for Success: The Māori Education Strategy 2008 - 2012*', which is the Ministry's approach to improving the performance of the education system for and with Māori.

It is now timely that consideration is given to how to change education delivery in low decile schools and what professional learning and technical support the schools, students and whānau might need to succeed.

The Manaiakalani cluster in Auckland provides an excellent model and foundation for intervention. It has:

- A decile one intake at Pt. England School comprising almost exclusively Pacific and Māori children whose starting performance is in the lowest 10% of New Zealand 5 year olds, on average;
- Managed methodologies for blended e-learning incorporating school improvement programmes that are being developed in a way that can be transferred to other schools;
- Developed computing and e-learning tools that the Manaiakalani Education Trust is willing to make available to other schools;
- Engaged children with very low rates of truancy;
- Dramatically improved outcomes so that the average performance approximately matches the national average by graduation from primary school;
- A community governance organisation integrating the Manaiakalani initiatives at Pt. England School with other primary schools, secondary schools and the community in a way that can provide a model for integration in other districts;
- Credibility and connections with the Ministry of Education and other education and public agencies;
- Commercial and philanthropic support willing to invest and to wait 3-5 years for materially improved outcomes; and
- Willingness to participate in a project that will lead to a national roll-out provided that does not compromise the school's effectiveness of contribution within its own district.

School districts are the logical unit for intervention because the required support skills can be shared among the schools in the district. International research on improving school success indicates that poor performing schools are best improved with a layer of district management in place.

The second intervention is to improve school-to-work transition outcomes. '*More ladders, fewer snakes*' proposed an intervention with four components.

The first is to establish vocational and technical pathways to work that begin at a younger age and that are positively encouraged and recognised as leading to employment success. From year 7, learning about work should be introduced and work skill development should begin.

Second, develop a national view of future workforce requirements and adjust education capacity to more closely match the supply of workers that will be needed.

Third, strengthen the connections between employers and educational institutions so employers have more input into the content of education and earlier links with potential employees.

Fourth, provide better career guidance and transition support to students as they make their way from school through study or training and into the workplace. Make a central agency, such as Careers NZ, responsible for supervision of the careers advice system and framework, setting targets, ensuring provision of high quality advice to all students and monitoring and reporting outcomes. The central agency should also require active career planning and tracking for all students, not simply those at risk or those who are headed for academic success.

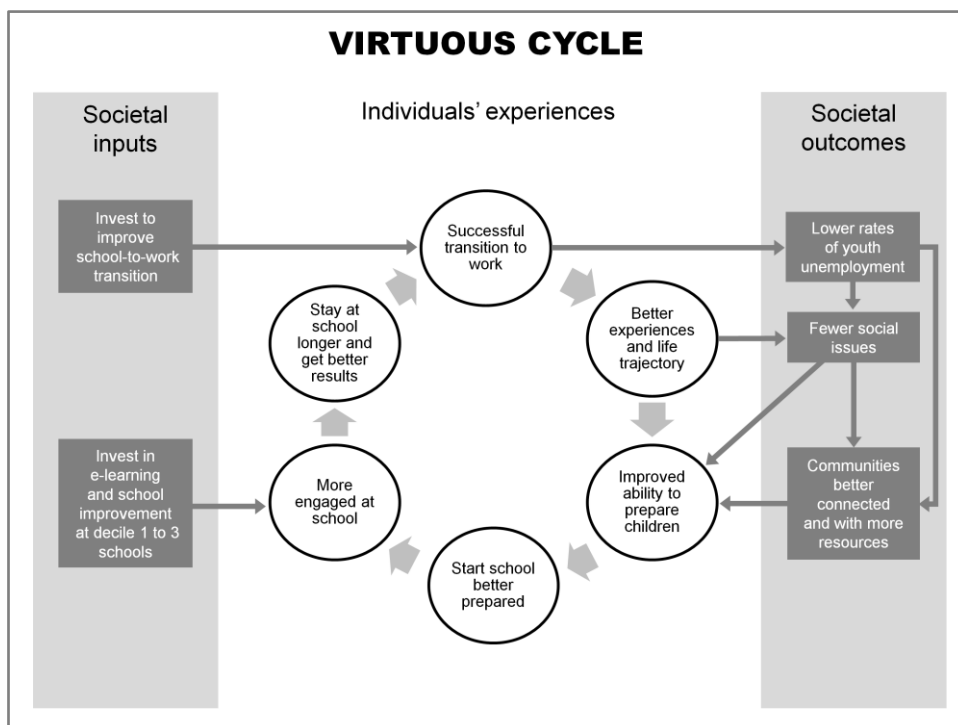
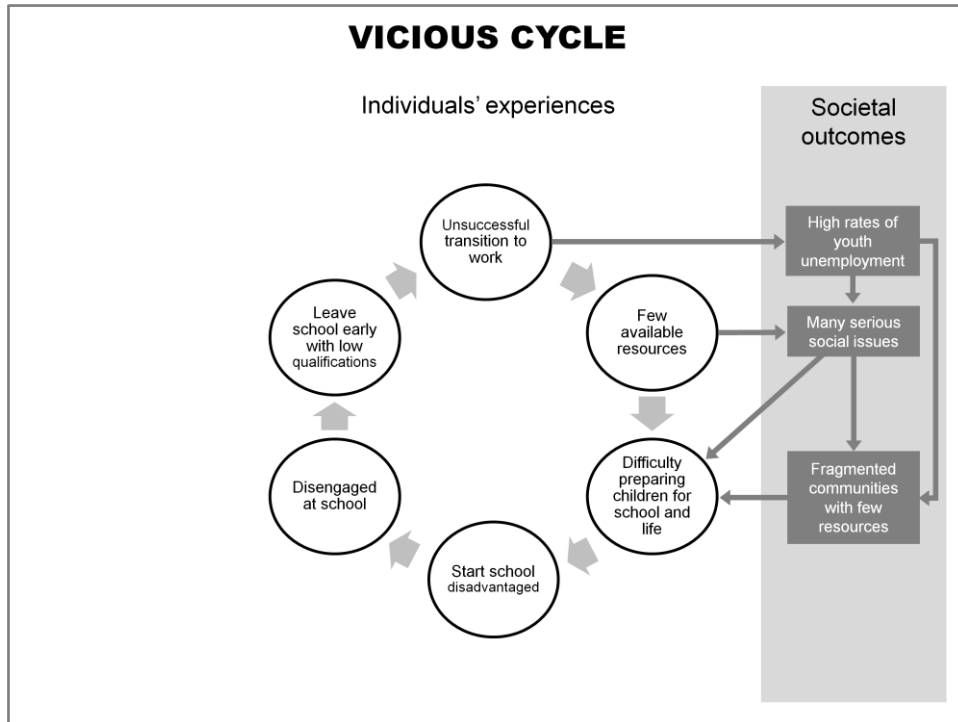
Two of the components, *pathways to work* and *better matching skills supply with future needs*, are best implemented nationwide.

The others, *providing high quality guidance* and *engaging employers*, can be done at a district level and would complement efforts to improve engagement and education outcomes for young people.

High quality guidance requires information and professional input that helps young people make important choices based on understanding of their interests, aptitudes and available opportunities. Careers New Zealand (CNZ) is committed to improving guidance outcomes in New Zealand and has expressed interest in participating in the project.

Engaging employers may be more challenging. Dialogue with employers and experience with school-to-work interventions indicates that employers are willing to participate and contribute but it must be made easy and valuable for them.

These two interventions, keeping children engaged at school and ensuring successful school-to-work transitions, would transform the current vicious cycle described to a virtuous cycle that breaks the inter-generational disadvantage.



An indication of the materiality of the gains available can be obtained by taking the current costs for youth issues and estimating the reduction in costs if New Zealand outcomes looked more like outcomes in better performing OECD countries.

'More ladders, fewer snakes' includes a crude but revealing analysis. The estimates show targeting decile one to three schools with a roll-out of blended e-learning and investing to improve the school-to-work transition nationwide would cost around \$200m annually. The gains available from improved outcomes are very large. Achieving performance at the

OECD average level in measures of youth unemployment, incarceration rates and teenage births would save an estimated \$270m per annum from lost income tax revenue, unemployment benefit, incarceration costs and sole parent benefit alone. Making it to the top 10 in the OECD for performance in these areas would save an estimated \$480m per annum from these sources.

Further detail on the rationale for the two interventions is provided in '*More ladders, fewer snakes*'.

7. POLICY PATHWAYS TO SECURE THE OUTCOMES TARGETED BY OUR PROPOSALS

Blended e-learning engages children and produces successful primary school graduates, but the students may become less engaged if blended e-learning is not integrated in the secondary school they subsequently attend. Alternatively, some children may remain engaged in secondary school but then experience an unsuccessful school-to-work transition.

Successfully establishing young people in work requires success at each stage of the education and socialisation process. In the districts where many young people are disadvantaged their outcomes are the result of failures at several stages. An integrated intervention to ensure improved engagement, better primary and secondary education outcomes and successful school-to-work transitions will be more effective than spreading the effort with one kind of intervention tried in one place and another intervention in a different place.

What is required is to:

- Resource an effort to abstract the best available methods from international experience and what is already working in New Zealand, defining the best practice interventions according to current understanding in a way that can be rolled out;
- Set milestones and targets, and allocate sufficient resources to the interventions;
- Implement the engagement effort for a group of decile one to three schools within a district, and the school-to-work transition effort in an urban area where transition outcomes are poor;
- Govern the interventions effectively, monitoring implementation and evaluation outcomes to understand effectiveness, measure benefit/cost ratios and improve methods;
- Explicitly recognise that there will likely be formed new kinds of arrangements or partnerships to make this happen; and
- Once the first group of schools is launched, begin to scale to the whole of New Zealand, starting with the lowest decile schools and most disadvantaged cities and rolling out to progressively less disadvantaged groups until the benefit is insufficient to justify the cost.

Successes in New Zealand and statistics in other OECD countries indicate there is huge room for improvement. It is not sufficient to only remedy youth issues which are disproportionately disadvantaging Māori; they can and should be prevented.

We are engaged with others forming a group to launch an intervention that will extend the Manaia Kalani Education Trust initiative to include the school-to-work transition and facilitate transfer to other districts comprising decile one to three schools.

8. CONCLUSION

Our proposals:

- Have a very powerful beneficial effect;
- Disproportionally benefit Māori children due to the focus on low decile schools where Māori students are concentrated;
- Do not require policy that exclusively targets Māori but improve outcomes for all ethnic groups in the most disadvantaged communities;
- Are consistent with existing objectives to gain educational benefits from the roll-out of ultra-fast broadband, introduce e-learning, reduce inequality and improve productivity;
- Aim to ensure all students and their associated families and communities have access to educational opportunities required to succeed in the 21st century; and
- Are being developed and implemented today with credible, transparent and potentially replicable results.

We encourage the Committee to ensure its actions will leave a transformative legacy in place for improving the well-being of all children in the most disadvantaged communities, but in particular Māori.

Finally, we would like to thank the Committee for taking the time to review our submission and we look forward to meeting with you to clarify any points.