



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA



**ORANGA
TAMARIKI**
Ministry for Children

Report

Date: 11 December 2020

Security Level: In Confidence

To: Hon Kelvin Davis, Minister for Children
Hon Carmel Sepuloni, Minister for Social Development and Employment

File reference: T1610852

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REP/20/12/1209

Reforming financial assistance and support for caregivers: scope and direction of system reform

Purpose of the report

- 1 This report provides an update on the work to reform the system of financial assistance and support for caregivers. Cabinet invited the Minister for Children to report back on the progress of this work by November 2020 [SWC-19-MIN-0199; CAB-19-MIN-0672 refer]. This report seeks your agreement to:
 - the parameters of work to explore agency accountabilities, powers, roles and functions in relation to the system ahead of moving into detailed policy work
 - move the Cabinet report to March 2021.
- 2 Subject to your agreement, the contents of the report would form the basis of a draft Cabinet paper.

Key points

- Most caregivers are members of a child's whānau, hapū or iwi who are caring for tamariki in the most difficult circumstances. They play a critical role in preventing the need for tamariki to enter or re-enter State care.
- The primary payments to caregivers are the Orphan's Benefit and Unsupported Child's Benefit which support caregivers to care for tamariki outside of the State care system when their parents are unable to care for them, and the Foster Care Allowance which supports tamariki to be in safe, stable and loving homes if they do need to be in State care.
- A review of financial assistance for caregivers was completed by Oranga Tamariki in 2019 and found there are fundamental issues with the system. Cabinet agreed that, as part of a work programme to respond to the findings of the review, officials explore a simplified and unified payment model for all caregiver payments, and to consider other discrete policy issues identified through the review.
- Work is underway to reform the caregiver financial assistance and support system to give effect to strategic direction agreed to by Cabinet. This work programme is ambitious and the operational, legislative and fiscal implications could be wide ranging.

- The model addresses three different aspects of an improved system – **system settings**, **support settings** and **delivery settings**. Building the system in this way will enable choice around your priorities and desired level of transformation.
- The system is complex, involving different payments and agencies. It is not equitable for caregivers nor is it easy for them to navigate.
- Work on **system settings** will address the fragmented nature of the system. We recommend that this work consider the accountabilities, powers, roles and functions of Oranga Tamariki, the Ministry of Social Development (MSD) as well as Inland Revenue to create a cohesive system. It would also consider the system the payments are made through and any required arrangements to support cross-agency working.
- The system is not equitable for the largely whānau caregivers caring for tamariki outside of the State care system. The level of support provided to these caregivers does not adequately recognise the role they fulfil in the lives of some of our most at-risk tamariki.
- Caregivers need a range of support to meet the needs of tamariki, both financial and non-financial. The way government supports caregivers is important for reducing disparities for tamariki Māori and their whānau, and ensuring tamariki Māori are thriving under the protection of whānau, hapū and iwi.
- Work on **support settings** will ensure that caregivers, particularly whānau caregivers caring for tamariki outside the State care system, are empowered to access the support they need.
- A set of design principles have been developed to guide the identification of support options and are provided at Appendix D. They place the needs and interests of Māori at the centre, and include recognising *manaakitanga*, that the experience of accessing support should be mana-enhancing and acknowledging caregivers as experts in the lives of tamariki; *whanaungatanga*, that the system should be underpinned by the concept of reciprocity; and *whakapapa*, recognising the mutual long-term wellbeing outcomes of caregivers and tamariki.
- The design principles will also be used more broadly across the model, to ensure the experience for caregivers and tamariki remain at the forefront of the design of an improved system.
- **Delivery settings** are focused on how changes would be implemented and would begin once preferred options have been identified.

Recommended actions

It is recommended that you:

Developing a unified model for the system of financial assistance and support for caregivers

- 1 **note** that in response to the 2019 review of financial assistance for caregivers, Cabinet agreed to the strategic direction for the financial assistance system and a work programme to explore a simple and more unified payment model for all caregiver payments [SWC-19-MIN-0199; CAB-19-MIN-0672 refer]
- 2 **note** that we are approaching system reform at three levels to create a unified model:

- 2.1 **system settings** – determining the agency accountability, powers, roles and functions required to support a unified financial assistance and support model
- 2.2 **support settings** – determining the support caregivers and children should receive (financial and other support and assistance)
- 2.3 **delivery settings** – determining how the system will be implemented

Scope of potential options for work on system settings

- 3 **note** Cabinet agreed that officials would explore replacing the three different base rate payments with a single payment administered by a single agency (either through the welfare, tax or the care and protection system)
- 4 **note** that the work outlined in recommendation 3 above may have machinery of government implications as it could involve shifting agency roles and functions
- 5 **agree** that work to explore the organisational form of the system should consider:
 - 5.1 the system the payments are made through (for example, the care and protection, welfare or tax systems)
 - 5.2 the powers, roles and functions of Oranga Tamariki and MSD, as well as Inland Revenue in relation to the system (including, policy advice, administration of legislation, finance, system infrastructure, communications, operational policy, operations, data and information, and evaluation)
 - 5.3 the governance requirements to support cross-agency working

Agree / Disagree

Minister for Children

Agree / Disagree

*Minister for Social Development
and Employment*

Draft design principles to guide the development of support settings options

- 6 **note** that Cabinet agreed that officials would consider how the system could be designed to take account of the interests of Māori and the importance of Māori being cared for safely within their whānau, hapū or iwi
- 7 **note** we have developed a set of design principles, consistent with the mana tamaiti objectives and section 7AA of the Oranga Tamariki Act 1989, which are intended to ensure the needs and interests of Māori are at the centre of options to improve support to caregivers and tamariki as well as to guide the design of an improved system

Proposed engagement with targeted stakeholders

- 8 **note** that it is desirable for options for system reform to be tested with key stakeholders and we will provide further details on a proposed engagement approach as part of developing a draft Cabinet paper

Next steps

- 9 **note** that Cabinet invited the Minister for Children to report-back on the progress of the work programme by November 2020, however, due to the timing of the General election this timeframe was unable to be met
- 10 **agree** on a new Cabinet report-back for March 2021, and that this be confirmed with the chair of the Cabinet Social Wellbeing Cabinet Committee if required

Agree / Disagree

Minister for Children

- 11 **note** that, if you agree to recommendation 10 above, you will receive a draft Cabinet paper for comment and circulation for Ministerial consultation in February 2021, with the contents of this report forming the basis of the draft Cabinet paper.



9/12/2020

Anita West
Deputy Chief Executive, Policy and
Organisational Strategy, Oranga Tamariki

Date

Hon Kelvin Davis
Minister for Children

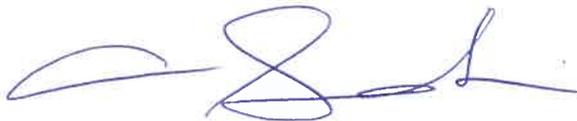
Date



11/12/20

Simon MacPherson
Deputy Chief Executive, Policy, Ministry of
Social Development

Date



12/12/20

Hon Carmel Sepuloni
Minister for Social Development and
Employment

Date

Work to reform the system of financial assistance and support for caregivers is underway

- 3 On 18 November 2020, we provided you with an introductory briefing detailing work to reform financial assistance and support provided to caregivers [REP-OT/20/11/243].
- 4 The financial assistance and support system for caregivers generally describes the primary payments provided to caregivers:
 - **Orphan's Benefit (OB)** and **Unsupported Child's Benefit (UCB)** provided to caregivers caring for tamariki **outside the State care system**. (Administered by MSD.)
 - **Foster Care Allowance (FCA)** provided to caregivers caring for tamariki **inside the State care system**.¹ (Administered by Oranga Tamariki.)
- 5 In response to a fundamental review of financial assistance for caregivers carried out in 2019, Cabinet agreed to a strategic direction for the system and noted that reform to the system was required to respond to the findings of the review [SWC-19-MIN-0199; CAB-19-MIN-0672 refer]. In particular, it agreed that the financial assistance system should seek to achieve the following strategic objectives:



- 6 It agreed to a work programme to explore a simple and more unified payment model for all caregiver payments.
- 7 Cabinet invited the Minister for Children to report back to Cabinet Social Wellbeing Committee (SWC) by November 2020 with an update on the work programme. However, due to the timing of the General election we are seeking your agreement to a new report-back in March 2021.

Reforming the system is critical to supporting tamariki to thrive outside the State care system and reduce disparities for Māori

- 8 Work to reform the system is focused on some of New Zealand's most at-risk tamariki, who are growing up in particularly difficult circumstances away from their

¹ In the context of this paper "in State care" or "in care" in relation to a child or young person means being subject to an order for custody or sole guardianship or to a care agreement under the Oranga Tamariki Act 1989, in favour of (or naming as the carer) the chief executive of Oranga Tamariki, an iwi social service, a cultural social service, or the director of a child and family support service.

parents. There are around 15,000 caregivers, who have stepped up to provide day-to-day care for around 24,000 tamariki who are unable to be cared for by their parents. Most caregivers are members of a child's whānau, hapū or iwi.²

- 9 Detailed facts and figures on caregivers and tamariki are set out at **Appendix A**. Information on the assistance available to caregivers is set out at **Appendix B**.
- 10 Financial assistance and support for caregivers are levers government can use to better enable tamariki to be cared for safely within their whānau, hapū and iwi without State intervention as well as to contribute to wider goals such as reducing child poverty and improving child wellbeing.
- 11 Progress has been made to improve the system in line with the strategic direction set by Cabinet, and address some of the most pressing issues faced by caregivers. This included proposals funded through the COVID-19 Response and Recovery Fund, such as a \$25 per week per child increase to the rates of OB, UCB and FCA. It also includes the proposals in the Social Security (Financial Assistance for Caregivers) Amendment Bill, which has its first reading on 8 December 2020.³
- 12 However, we are still some distance away from achieving the full strategic direction as envisaged by Cabinet. At the heart of many of the issues is the complex and fragmented nature of the system, which involves different payments and agencies. Reform will need to address fundamental issues:
 - The system is not equitable for caregivers. The level of support provided to caregivers outside of the State care system does not adequately recognise the critical role they play in reducing the need for tamariki to enter or re-enter State care.
 - The current split of agency accountabilities, powers, roles and functions across the FCA, OB and UCB is not supporting a responsive, efficient and equitable system for caregivers and tamariki. This has contributed to a system that caregivers find difficult to navigate and access their entitlements and support.
 - The rates of payments are insufficient to cover the cost of caring for tamariki and enabling them to have the same experiences as their peers.
- 13 Now that Cabinet has set a clear direction for the reform of the system, there is an opportunity to put in place a system that:
 - is fairer and more equitable for whānau Māori caring for tamariki outside the State care system when their parents are unable to, providing these whānau with the appropriate support at the right time
 - is responsive to the needs of Māori, by supporting whānau, hapū and iwi to exercise kaitiakitanga (guardianship) and whanaungatanga responsibilities over

² Around 90 percent of children for which OB and UCB are paid and around 70 percent of children in State care are living with members of their whānau.

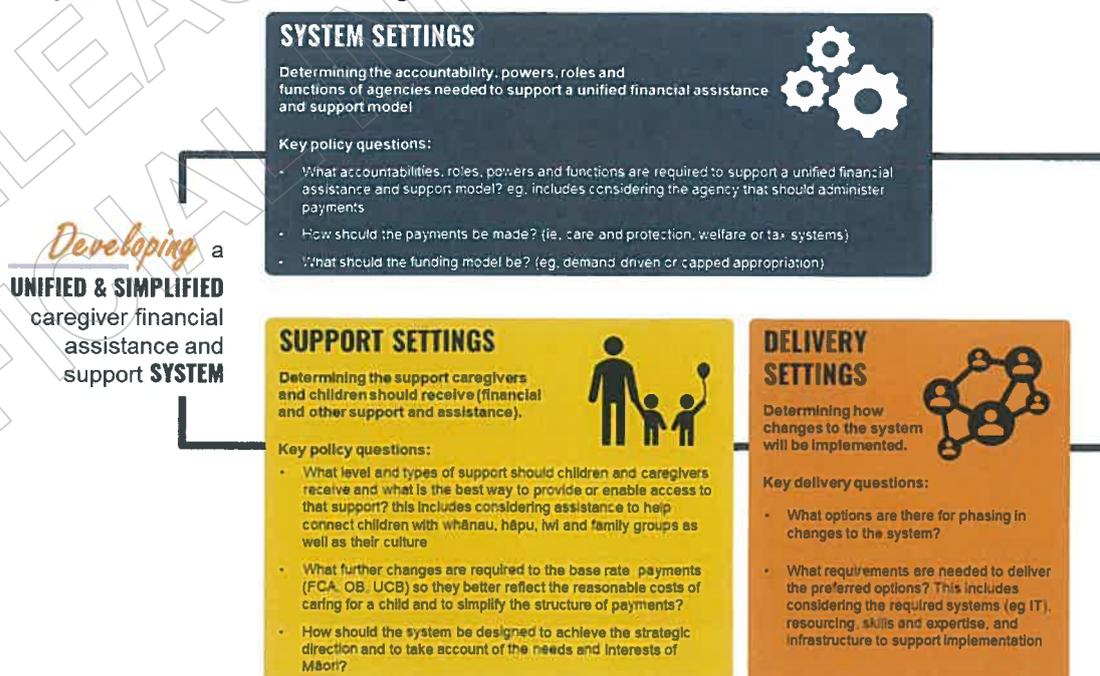
³ The Bill amends the Social Security Act 2018 and would extend the Birthday and Christmas Allowances to tamariki who live with caregivers receiving the OB or UCB (currently only available for tamariki who live with caregivers receiving the FCA). It would also extend eligibility for the OB or UCB to caregivers who may provide care for less than 12 months.

the tamariki in their care and empowering them to access the support they require to care for their tamariki

- better supports whānau OB and UCB caregivers to care for tamariki, preventing the need for entry or re-entry into State care.
- 14 There are also opportunities to connect with related areas which are focused on preventing the need for tamariki to enter State care, eg work exploring how the Crown partners with Māori to develop whānau-centred approaches to early support. This work is also taking place alongside increased efforts to recognise and support carers under the cross-government Mahi Aroha Carers' Strategy Action Plan 2019-2023 in partnership with the Carers Alliance and Carers New Zealand.⁴
- 15 This work needs to consider the relationship between caregiver payments and the welfare and tax systems, for example, Working for Families tax credits. MSD and Inland Revenue are currently reviewing Working for Families tax credits, and there are opportunities for the reform of financial assistance to caregivers to connect to this work.

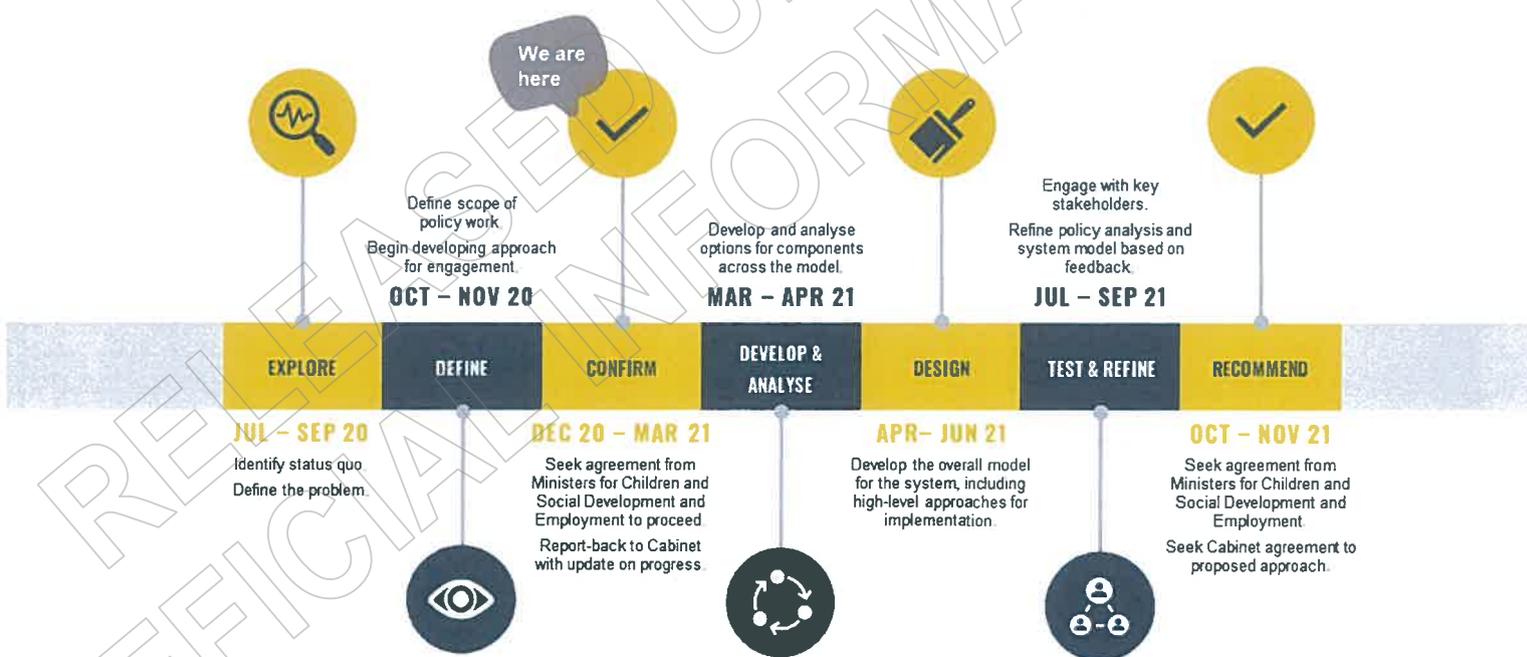
We are developing a model for a simple, fairer, more equitable and unified system of financial assistance and support

- 16 The work programme to explore a unified system will lay the foundations for an improved system. Foundational changes are being approached at three interrelated levels to build a model that considers all the elements needed to build an improved system in line with the strategic direction:



⁴ Carers are people who care for friends, family, whānau and āiga members with a disability, health condition or illness who need help with everyday living. While most caregivers supported by FCA or UCB will not be "carers" for the purpose of the Carers' Strategy, there may be opportunities to work in alignment for support and information provided to those UCB and FCA caregivers who are caring for a child or young person who has a disability, health condition or illness.

- 17 There will be choices about the options within each of the levels that make up the proposed model – **system, support and delivery**. Depending on the desired level of transformation and scope of the system, reform could have significant operational, structural, fiscal and legislative changes.
- 18 As the work progresses, Oranga Tamariki will work closely with MSD as well as engaging with other key agencies.⁵ An external Subject Matter Expert Advisory Group was established as part of the 2019 review. We have continued to engage with this group on the potential impact of policy proposals. As the work progresses, we will test detailed policy settings and the design of the system with this group. We also intend to use their expertise to help guide engagement with stakeholders. They have supported the general direction of initial policy work. Further information on this group is set out at **Appendix C**.
- 19 We expect to start providing you with detailed policy advice ahead of engagement with stakeholders in May/June 2021. A high-level timeline for the work is set out below:



- 20 The next sections update you on the policy work on **system settings** and **support settings**. As the **delivery settings** component is focused on implementation, work on this component will begin once preferred options have been identified.

⁵ A Cross-Agency Working Group has been established for this work. This includes MSD, the Ministry of Health, Te Puni Kōkiri, and Inland Revenue. We are also engaging with Te Kawa Mataaho Public Service Commission on work relating to the system settings. We will engage with other agencies, such as The Treasury and the Department of the Prime Minister and Cabinet as appropriate as the work progresses.

To proceed with the work on system settings, we seek your agreement to the scope of potential options

21 Cabinet agreed that as part of exploring a unified payment system we would consider replacing the three base rate payments⁶ with a single payment administered by a single agency (either through the welfare, tax, or the care and protection system).⁷ Shifting the roles and functions of agencies in relation to the payments would have machinery of government implications.⁸ As part of determining the scope of this work, we have identified that there are a range of other options that should be explored to address the underlying problems / issues with the current settings.

Problems / issues with the current system settings

22 The current system arrangements are not supporting a responsive, efficient and equitable system in the long-term for caregivers and tamariki. Feedback from stakeholders, including caregivers, through the 2019 review indicates that caregivers find the system complex and difficult to navigate, particularly for those that need to engage with multiple agencies. They thought there was a lack of consistency between sites, both within and across Oranga Tamariki and MSD.

23 The current split of agency roles and functions between Oranga Tamariki and MSD has created complexities, particularly for OB and UCB payments, for which Oranga Tamariki holds the policy responsibility but MSD holds the legislative vehicle and service delivery functions. As the levers to implement policy changes do not sit within one agency, this may be creating barriers to ensuring that the OB, UCB and FCA are equitable and aligned and can operate as a cohesive system.

Setting the proposed scope of the work

24 Based on the work programme as agreed by Cabinet as well as the issues identified, we recommend the scope of this work include the following:



SYSTEMS

The system the payments are made through (for example, the care and protection system, welfare system or tax system)



ACCOUNTABILITY, POWERS, ROLES AND FUNCTIONS

The accountability, powers, roles and functions of Oranga Tamariki and MSD, as well as Inland Revenue in relation to the system (including policy advice, administration of legislation, finance, system infrastructure, operational policy, operations, communications, data and information, and evaluation)



GOVERNANCE

The governance arrangements to support cross-agency working

⁶ While there are three separate base rate payments for OB, UCB and FCA caregivers, these base rates are the same. However, the total amount of financial assistance that caregivers can receive varies across the payments, as FCA caregivers are eligible for a number of additional payments that OB and UCB caregivers are not.

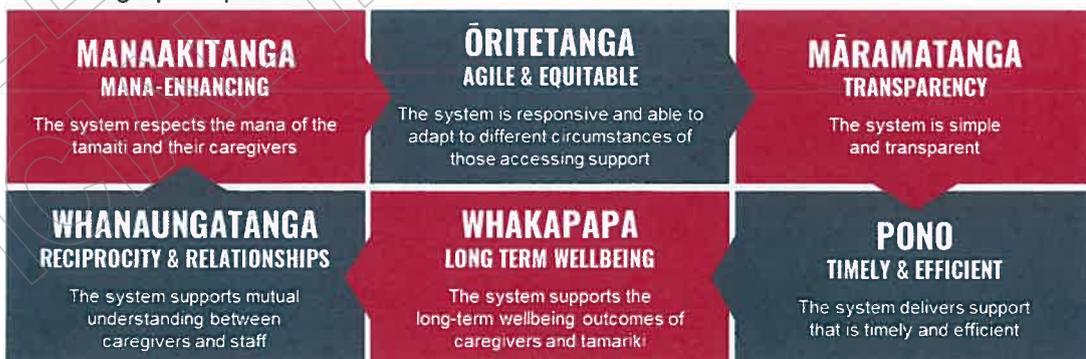
⁷ The 'Machinery of Government – Process Review – Reviewing Governance and Structures' Guidance provided by Te Kawa Mataaho recommends a two-step process when reviewing governance and structures. The first, is to brief ministers on the problems/opportunity and scope to enable ministers to decide whether to proceed with the work. The second, is developing and assessing options.

⁸ Machinery of government refers to the governance and structures of government and how they work. It includes the changing set of organisations within government, their functions and governance arrangements, and how they work together to deliver results for Ministers and the public.

- 25 Subject to your agreement, we will move into detailed options analysis. The options will take account of factors such as the size and scale of the issues we are trying to solve, how well it supports achieving the strategic direction for the system as agreed by Cabinet, the durability of the arrangement, and the costs of the approach.
- 26 When we report to you with detailed policy advice in May/June 2021, it will cover the range of recommended options which will include the legal, fiscal and implementation implications.

We have developed a set of draft design principles to guide the development of an improved system

- 27 One of the objectives for the improved system is that tamariki Māori are thriving under the protection of whānau, hapū and iwi. Cabinet agreed that the work programme would consider designing the system to take account of the interests of Māori and the importance of Māori being cared for safely within their whānau, hapū or iwi.
- 28 To ensure the needs and interests of Māori are at the centre of options to improve support to caregivers we have developed a set of design principles which will guide our approach to this work.
- 29 The design principles are intended to bring to life the strategic objectives for the system and clarify how improvements align with the mana tamaiti objectives,⁹ which underpin how Oranga Tamariki will meet its obligations under section 7AA of the Oranga Tamariki Act 1989.¹⁰ They are based on feedback from the Subject Matter Expert Advisory Group as well as issues raised by stakeholders as part of the 2019 review and feedback from key agencies involved in the work.
- 30 The design principles are:



- 31 These principles are set out in more detail at **Appendix D**. As work progresses, they may evolve to ensure that the needs and interests of caregivers and tamariki remain at the centre of any proposed improvements.

⁹ This work will support the mana tamaiti objectives which focus on: preventing entry into care or custody; placing with whānau, hapū and iwi; and supporting identity and belonging.

¹⁰ Section 7AA(2)(b) requires that the chief executive must ensure that the policies, practices, and services of the department have regard to mana tamaiti (tamariki) and the whakapapa of Māori children and young persons and the whanaungatanga responsibilities of their whānau, hapū, and iwi.

- 32 The design principles will guide the identification of support options. In May/June 2021, we will provide advice on a range of support packages. This would enable choice around the intensity of support for caregivers based on the outcomes being sought.

Proposed engagement with targeted stakeholders

- 33 Extensive stakeholder engagement undertaken as part of the 2019 review has clarified the issues that should be addressed. Changes to the system have the potential to be transformative, and engagement with stakeholders would assist with testing the design and feasibility of potential options.
- 34 Engagement to test the design and feasibility of options would involve caregivers, frontline staff, and NGO providers (including Māori and Pacific providers). We would draw on the expertise of the Subject Matter Expert Advisory Group to help identify who we should engage with and test the engagement approach. Based on the indicative timeline presented for this work, engagement could take place in July to September 2021.

Next steps

- 35 Due to the timing of the General election, it was not possible to meet the Cabinet report-back by November 2020. Subject to your agreement, we propose that this be in March 2021, to be confirmed with the Chair of SWC if required.
- 36 Subject to your agreement to the decisions sought in this report, the content of this report will form the basis of a draft Cabinet paper.
- 37 We will report to you with detailed policy advice across the system and support settings components of the model in May/June 2021, prior to engaging with stakeholders.
- 38 A high-level indicative timeframe is set out below. More definitive dates can be provided once a Cabinet and Cabinet committee timetable for 2021 has been confirmed:

Date	Item
Late January 2021	Draft Cabinet paper circulated for departmental consultation
Early February 2021	Draft Cabinet paper provided to ministers for comment and recommending it be circulated for Ministerial consultation
Mid-March 2021	Final Draft Cabinet paper provided for lodging
Late March 2021	Cabinet paper considered at SWC and Cabinet
May/June 2021	Detailed policy advice provided to ministers on system and support settings components of the model, prior to engagement with stakeholders

Appendix A: detailed facts and figures on caregivers and tamariki

39 The table below sets out the number of caregivers and children the OB, UCB and FCA cover:

	FOSTER CARE ALLOWANCE (FCA)	ORPHAN'S BENEFIT (OB)	UNSUPPORTED CHILD'S BENEFIT (UCB)
PAID TO ¹¹	around 2,700 caregivers ¹²	around 250 caregivers	around 12,500 caregivers
PAID IN RELATION TO ¹³	around 4,500 children and young people ¹⁴	around 350 children and young people	around 19,000 children and young people

Ethnicity of tamariki and caregivers

40 The majority of children living with caregivers are Māori:

- Around 58 percent of children living with caregivers receiving the FCA identify as Māori, 6 percent identify as Pacific, and 10 percent as Māori and Pacific.¹⁵
- The proportions of children in the care of OB and UCB caregivers who are Māori and Pacific are similar, with around 57 percent identifying as Māori, 8 percent identifying as Pacific, and a further 9 percent identifying as both Māori and Pacific.¹⁶

41 A significant proportion of caregivers are Māori:

- 43 percent of OB caregivers and 50 percent of UCB caregivers identify as Māori. Additionally, 14 percent of OB caregivers and six percent of UCB caregivers identify as Pacific.¹⁷
- Around 40 percent of Oranga Tamariki caregivers identify as Māori (this includes those identifying as Māori and Pacific) and around six percent identify as Pacific.¹⁸

¹¹ Oranga Tamariki and MSD operational data as at 30 June 2020.

¹² The number represents approved caregivers with an open placement, but does not include the number of caregivers that are supported through an approved care provider (ie iwi, social, cultural or child and family support services approved by the chief executive under section 396 of the Oranga Tamariki Act 1989).

¹³ Oranga Tamariki and MSD operational data as at 30 June 2020.

¹⁴ This includes children that are supported through an approved care provider (i.e. iwi, social, cultural or child and family support services approved by the chief executive under section 396 of the Oranga Tamariki Act 1989). The categories included from our data are 'Child and Family Support Services – Bednights', 'Family home placement', 'Family/whanau placement', and 'non family whanau placement'. It does not include children in return/remain home placements, independent living placements and residential placements who are not living with a caregiver.

¹⁵ Oranga Tamariki operational data as at 30 June 2020.

¹⁶ Stats NZ Integrated Data Infrastructure (IDI), as at 30 June 2018. Due to matching and identification in the IDI, ethnicity was available for two out of three children in the OB and UCB population. The results are not official statistics, they have been created for research purposes from the IDI managed by Statistics New Zealand.

¹⁷ MSD operational data as at 30 June 2020.

¹⁸ Oranga Tamariki operational data as at 30 June 2020.

Relationship of tamariki to their caregiver

- 42 Most OB (92 percent) and UCB (87 percent) caregivers are related to the nominated child they are caring for through a whānau or family relationship.¹⁹
- 43 71 percent of children who the FCA is paid in relation to are living with whānau.²⁰

Gender of tamariki and caregivers

- 44 Around 52 percent of children living with caregivers receiving the FCA identify as male and 47 percent identify as female.²¹
- 45 The percentages are very similar for children receiving the OB and UCB. Just over half of children and young people living with OB (53 percent) and UCB (51 percent) caregivers identify as male and just under half, OB (47 percent) and UCB (49 percent), identify as female.²²

Contact with Oranga Tamariki system

- 46 A significant proportion of the children in OB or UCB arrangements have had experiences with the statutory care and protection system. UCB children tend to have had greater levels of involvement than OB children:
- Around four in five of the children and young people who are living with caregivers receiving UCB have had some level of interaction with Oranga Tamariki, with half of these children having had significant interaction (FGC and/or State care) with the care and protection system.²³
 - Over half of OB children (57 percent) have had some interaction with Oranga Tamariki in the past, with 11 percent having had significant interaction (FGC and/or State care).²⁴

Income level and benefit receipt

- 47 Around half of OB and UCB caregivers earn less than \$43,000 per year (approximately 45 percent).²⁵
- 48 As at the end of June 2020, a large proportion of caregivers receiving the OB and UCB are receiving main benefit support through MSD (57 percent and 52 percent respectively). This compares to figures from the end of June 2018, which showed a smaller number of OB and UCB caregivers receiving main benefits (41 percent and

¹⁹ Caregivers raising children with the orphan's benefit and the unsupported child's benefit survey results (2019).

²⁰ MSD operational data as at 30 June 2020. Figure is the proportion of children who are in an Oranga Tamariki supported placement, who are living with family/whānau. It does not include children that are supported through an approved care provider (i.e. iwi, social, cultural or child and family support services approved by the chief executive under section 396 of the Oranga Tamariki Act 1989), or children in an Oranga Tamariki supported Family home.

²¹ Oranga Tamariki operational data as at 30 June 2020.

²² MSD operational data as at 26 June 2020.

²³ IDI, as at 30 June 2018.

²⁴ IDI, as at 30 June 2018.

²⁵ Oranga Tamariki Evidence Centre. (2019). Caregivers raising children with the Orphan's Benefit and the Unsupported Child's Benefit - a survey of caregivers. Wellington, New Zealand: Oranga Tamariki—Ministry for Children.

44 percent respectively). The biggest changes seen were in the uptake of the New Zealand Superannuation or Veteran's Pension and the Job Seeker Support payment.

49 The table below provides a breakdown of the benefit type OB and UCB caregivers are receiving:²⁶

BENEFIT TYPE	OB%	UCB%
Emergency Benefit, Emergency Maintenance Allowance, Jobseeker Support Student Hardship, Sole Parent Support and Youth Payment and Young Parent Payment	12	8
Jobseeker Support	15	15
New Zealand Superannuation or Veteran's Pension	24	19
Supported Living Payment	6	9
Overall percentage of caregivers receiving a main benefit	57	52
Caregivers not receiving a main benefit	43	48

50 June 2020 figures for the proportion of caregivers receiving the FCA who are also receiving main benefit support through MSD are not available. However, as at the end of June 2018 around 21 percent of caregivers supported by Oranga Tamariki through the FCA also received a main benefit.

Expenditure on the OB, UCB and FCA

51 Monthly expenditure on the Orphan's Benefit and Unsupported Child's Benefit was \$20.6 million in June 2020. From 6 July 2020, the rates for Orphan's Benefit and Unsupported Child's Benefit were increased by \$25 as part of the COVID-19 response. This contributed to monthly expenditure increasing to \$23.4 million in July 2020.²⁷

52 Monthly expenditure on the FCA was \$4.4 million in June 2020. The rates for the FCA were also increased by \$25 as part of the COVID-19 response which contributed to monthly expenditure increasing to \$4.7 million in July 2020.²⁸

²⁶ MSD operational data as at 26 June 2020. Data includes New Zealand Superannuation or Veterans Pension, Emergency Benefit or the Emergency Maintenance Allowance, Job Seeker benefit and Jobseeker Support Student Hardship, Supported Living Payment and Sole Parent Support, Youth Payment or Young Parent Payment. The category labelled 'not receiving a main benefit' consists of OB and UCB caregivers who do not receive a main benefit – some of these caregivers are receiving 'non-beneficiary assistance' i.e. weekly supplementary assistance from MSD.

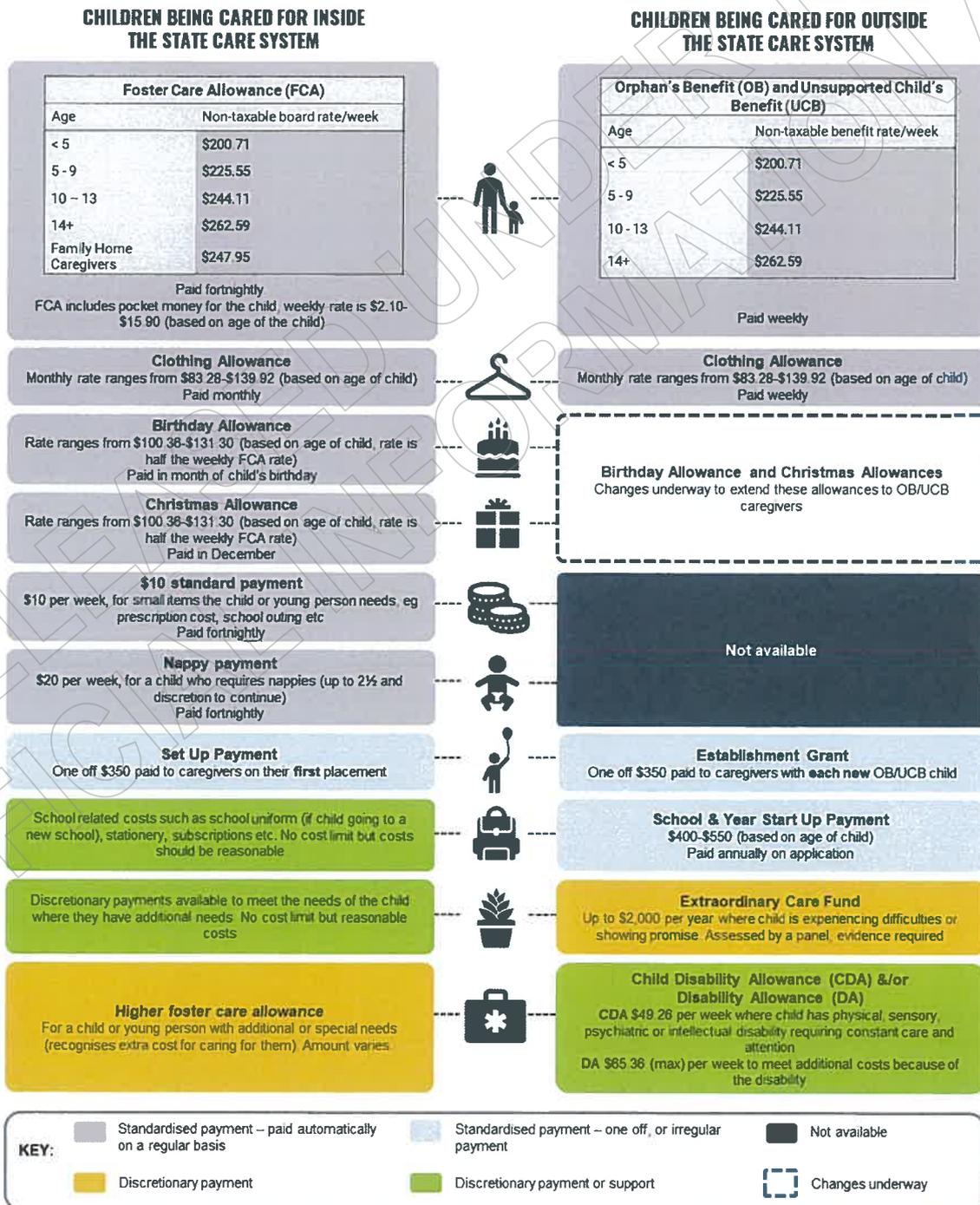
²⁷ Includes OB/UCB benefit payment, clothing allowance, school start up payment, establishment grant and ad hoc payments.

²⁸ This analysis utilises financial data from CYRAS, the Oranga Tamariki case management system, and is not audited. It is based on placement costs made to Oranga Tamariki caregivers as recorded in CYRAS. This includes payments made on the FCA, HFCA, Birthday Allowance, Christmas Allowance, Nappy Payments, and Pocket Money. This figure does not include contracted spend to approved care providers (s396 providers), a portion of which is provided to caregivers as financial assistance.

Appendix B: Information on the payments caregivers can receive

53 The diagram below sets out the different payments available to caregivers based on whether they are caring for a child inside the State care system or are supporting a child outside the State care system.

Financial assistance available to caregivers, effective from 6 July 2020



54 The table below sets out other arrangements relating to the OB, UCB and FCA:

	FOSTER CARE ALLOWANCE (FCA)	ORPHAN'S BENEFIT (OB)	UNSUPPORTED CHILD'S BENEFIT (UCB)
AUTHORISING LEGISLATION	Oranga Tamariki Act 1989	Social Security Act 2018	Social Security Act 2018
CAREGIVERS WHO CAN ACCESS THE PAYMENT	caring for a child or young person in State care	looking after a child or young person whose parents have died, are missing, or have a long-term serious disability	looking after a child or young person whose parents are unable to care for them or provide fully for that child or young person's support and where there has been a family breakdown
INTENT OF PAYMENTS	meet the reasonable needs of a child or young person	assist with the cost of caring for a child who is not the caregiver's own. It must be used to the benefit of the child, including their maintenance and education	assist with the cost of caring for a child who is not the caregiver's own. It must be used to the benefit of the child, including their maintenance and education
AGENCY WITH POLICY RESPONSIBILITY	Oranga Tamariki	Oranga Tamariki	Oranga Tamariki
AGENCY THAT ADMINISTERS PAYMENTS	Oranga Tamariki	Ministry of Social Development	Ministry of Social Development
SYSTEM PAYMENTS ARE MADE THROUGH	Care and protection system	Welfare system	Welfare system
FUNDED FROM	Vote Oranga Tamariki	Vote Social Development	Vote Social Development
TYPE OF APPROPRIATION	Capped appropriation	Demand driven	Demand driven

Appendix C: Subject Matter Expert Advisory Group

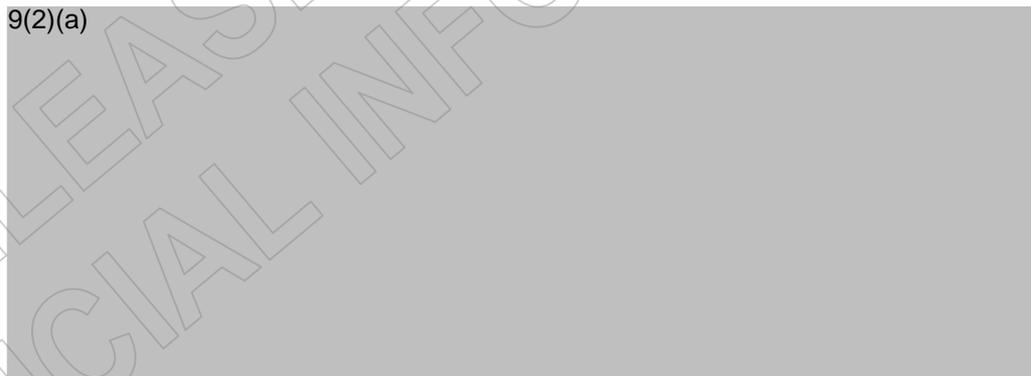
Purpose of the Subject Matter Expert Advisory Group (the Group)

- 55 The Group was established as part of the 2019 review of financial assistance for caregivers. The Terms of Reference for the Group sets out that it provides specialist advice on policy issues and proposals for the review of financial assistance for caregivers. Members have signed confidentiality agreements as part of being on the Group.
- 56 Members understand the experiences of caregivers who access financial assistance and the issues they face, as a result of their own experiences as caregivers and/or expertise in supporting or advocating for caregivers.
- 57 In the December 2019 Cabinet paper seeking agreement to the response to the review, it was outlined that officials would continue to engage with the Group on the impact of policy proposals and detailed policy settings.

The Group consists of eight members who have experience relating to caregiving

- 58 Members include Māori and Pacific caregivers, whānau and non-whānau caregivers, and demonstrate a range of experience and expertise in caregiving.
- 59 The members are:

9(2)(a)





Appendix D: draft design principles for the financial assistance and support system for caregivers

In December 2019, Cabinet agreed to the response to the review of financial assistance for caregivers [SWC-19-MIN-0199; CAB-19-MIN-0672 refer]. This included a set of objectives which set out what the system should seek to achieve. These are: Tamariki Māori are thriving under the protection of whānau, hapū and iwi Children's care, protection and wellbeing needs are met The need for children to enter State care is reduced Children are living in safe and stable homes

The draft design principles set out below are intended to be aspirational and guide options around service design and will help to ensure options align with the strategic objectives for the system.

