



**Annual Report**

2018//19





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# Chief Executive foreword

Tēnā koutou katoa.

When Oranga Tamariki—Ministry for Children was first established on 1 April 2017, we inherited both a significant challenge and a rich whakapapa of insight and vision from the two reports from which we can trace our origins: Puao-te-Ata-tu in 1988, and the Expert Advisory Panel in 2015.

The challenge facing us – then and now – was not only the process and systemic changes needed, but even more significantly, the need for societal change to reflect that children are our taonga. We are now two years in to the multi-year journey to build Oranga Tamariki—Ministry for Children; but for the wider community, the change needed will be generational.

The work we do with children, young people and families can, and does, make a difference right now. For those children we work directly with, we are seeing higher numbers of stable care placements, increasing numbers of whānau caregivers, and fewer young people in youth justice custody than ever before. More broadly across New Zealand, fewer children are being found to be victims of abuse or neglect, and fewer have been hospitalised with non-accidental injuries. Despite these improvements, our track record compared to other countries shows we still have a long way to go.

We can't achieve the scale of change required by ourselves, and every day I am grateful to be joined in our mission by our partners: iwi, Māori groups, NGOs, caregivers, other Government agencies, and community groups. They are often the first point of contact for tamariki, rangatahi, and whānau accessing our services.

The Government has a powerful vision for New Zealand: **to be the best place in the world for children and young people.**

To ensure we all rise to the challenge of this vision, legislation came into effect on 1 July 2019 which put in place new expectations for how we do things. Much of our work this year has involved getting ready to meet the direction set by this legislation.

These legislative changes include setting out the rights of children and young people in care to live in loving, nurturing homes, through the introduction of National Care Standards, the right of young people to be supported into adulthood from care or custody, through the introduction of a Transitions Support Service, and the right of young people to be treated appropriately if they offend, with the inclusion of 17 year olds in the youth justice system.

While the journey towards this vision of every child and young person flourishing within a safe, loving home will take time, I believe that, with the support of New Zealanders across our communities, the work of our partners, and our work, we will achieve the better outcomes that our children deserve.

The Oranga Tamariki—Ministry for Children staff, our caregivers, our partners, providers, and sector organisations inspire me every day with their dedication and commitment to the children, young people, and families of New Zealand.

I thank you all for your incredible work, and look forward to continuing to work with you over the next 12 months and beyond.

Ngā mihi nui

*Gráinne M Moss*

Gráinne Moss | Chief Executive





# Our STORY

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Oranga Tamariki—Ministry for Children is dedicated to supporting any child in New Zealand whose wellbeing is at significant risk of harm now, or in the future. We also work with young people who may have offended, or are likely to offend.

Our belief is that in the right environment, with the right people surrounding and nurturing them, any child can, and should flourish.



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## Our Beginning

Oranga Tamariki—Ministry for Children plays a critical role in realising the Government's vision of ensuring New Zealand is the best place in the world for children and young people. We are a Ministry founded on an approach of listening and learning. It is important that the voices of children and young people, families, whānau, hapū and iwi, alongside caregivers, Māori organisations and Non-Governmental Organisation (NGO) partners, are at the centre as we work with others to design a new way of doing things.

The Ministry that now exists, which aims to transform New Zealand's child protection and youth justice system, was 30 years in the making.

The origin of Oranga Tamariki—Ministry for Children is in the findings of two key reports. The first half of the vision came with the landmark 1988 report Puao-te-Ata-tu – which examined issues of racism and inequity within the then Department of Social Welfare, calling for a series of sweeping reforms to child protection which led to the creation of the Family Group Conference. The second part of the vision was from the 2015 Expert Advisory Panel report, convened to propose a way to effect on a fundamentally different way to do things.

Together, they called for a commitment to deliver on our obligations under the Treaty of Waitangi and create the outcomes that all New Zealand children deserved while reducing the disparities experienced by tamariki Māori.

It was through this synthesis that Oranga Tamariki—Ministry for Children was established. The Ministry would be equipped with the legislation, resources, policies, practices and remit that it needed in order to do, in time, what Child, Youth and Family had never been set up for – intervening earlier, and supporting generations of families to stay together. We needed to work with others to effect long term change, and to set up, or facilitate, services enabling them to remain connected - both physically and emotionally - to their whānau, community, and culture.

We couldn't however, do it alone – as with our roots in the partnership of two reports, the Ministry was founded to work alongside our partners. The scale of change that was - and is - needed requires us to work broadly across the sector; including with whānau, hapū, iwi and Māori organisations, caregiving families, NGOs and other Government agencies involved in the wellbeing of children. It also requires we remain focused on the needs of the children we serve, through innovations like our Youth Advisory Group and the independent advocacy service VOYCE - Whakorongo Mai.

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## Year One:

### Laying stable foundations

We inherited a system recognised as fundamentally failing the children of New Zealand, with a long way to go to put it right. Indeed, while five years was set aside to transform the organisation, for whānau and wider society this shift is generational – but we could start making a difference immediately.

After our formation on 1 April 2017, our first full year as a Ministry focused on strengthening a somewhat fragile base. Listening to what children and caregivers told us was most urgent, we prioritised three core areas; Quality Practice, Stronger Partnerships, and Loving Homes.

The 2017-18 year was about fixing many of those most urgent shortcomings of the system as it was under Child, Youth, and Family; including raising the age of care to 17, investment in early interventions, giving our partners confidence with greater use of long term funding, significantly reducing the time young people were spending in police cells after offending, ensuring more tamariki Māori in care were placed with whānau, and strengthening social work practice. Additionally, in this first year we, with partners, established VOYCE – Whakorongo Mai as an independent advocacy service for care experienced children and young people to ensure we, and society, never lost sight of what was important to them.

More importantly, these shifts – the first green shoots of change we achieved – were the ways in which we showed our intent and commitment to doing things differently, and to move towards the much larger mindset change which the system needed.



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## Year Two: Building a new way

In our second full year as a new Ministry in 2018-19, our focus began to move beyond fixing and improving the system that already existed, and toward building the transformed system promised over the coming years.

The path towards that new system was set out in the amendments to the Oranga Tamariki Act (formerly Children, Young Persons, and Their Families Act), most of which would take effect on 1 July 2019. Accordingly, a key focus for the 2018-19 year was getting in place the building blocks to deliver on these changes for the year to come. This included:

- providing a greater quality of care and meeting a broader range of needs for children and young people in care or returning home, through new services, systems, and supports for caregivers to meet the new National Care Standards;
- raising the age of youth justice to include 17 year olds, by building our capability and capacity;
- supporting young people from care to adulthood, by working with partners to design and develop a new Transition Support Service;
- improving outcomes and reducing disparities for Māori, through meeting the requirements of section 7AA;
- preparing our front line for the new legislation and ways of working it requires, with 81 new pieces of practice policy and guidance; and
- working closely with our partners to increase the capacity and reach of preventative support across care and youth justice.

### While the Oranga Tamariki Act sets out our core legislative responsibilities, we also administer other pieces of legislation:

- Oranga Tamariki Act 1989, Children's and Young People's Well-being Act 1989 (formerly the Children, Young Persons, and Their Families Act 1989);
- Children's Act 2014 - Parts 1 and 2 (which deal with cross-agency arrangements to support vulnerable children and young people, and child protection policies);
- Children's Commissioner Act 2003;
- Adoption Act 1955 (operational administration);
- Adoption (Intercountry) Act 1997 (operational administration); and
- Adult Adoption Information Act 1985 (operational administration).

At the same time, we continued to build on the stabilised foundations; pages 18-39 of this report highlight some of our achievements over the year in continuing to improve the quality of our core services for tamariki, whānau, and caregivers.

**"We work with parents, families, whānau, hapū, iwi, caregivers, Māori organisations, NGO providers, community groups, health professionals, police, and the wider community. We can't do this alone."**



## Year Three: Transformation via partnership

Coming in to the third year of our transformation, the system received the significant additional resourcing through Budget 2019. This investment in Oranga Tamariki—Ministry for Children – and through us into over five hundred of our partners – will enable us to provide the new services that children, young people, and their families have told us they need.

A cornerstone of these new services is the introduction of the National Care Standards. They set out the standard of care that every child and young person in care needs to be well and do well, and the support that caregivers can expect to receive when they are looking after tamariki and rangatahi. The new services also include starting a new intensive intervention service, targeted at supporting those families and whānau on the edge of care to remain together to avoid care entry or re-entry.

We know that no child can be properly cared for in isolation, without having regard to mana tamaiti, whakapapa and whanaungatanga. As we move from focusing not just on keeping kids safe, but also recovery and whole-of-life wellbeing, being child-centric alone isn't enough - we take a broader view with the child at the centre, but in the context of their whānau. To do this, we need to work with children using our newly-developed Mana Tamaiti objectives to guide us. These principles apply to all children and we'll continue to embed these objectives throughout our policies, practices and services over the coming years as we mature as an organisation.

### **Our Mana Tamaiti objectives are:**

- ensuring the participation of tamariki Māori, rangatahi, whānau, hapū, and iwi in decisions affecting them at the earliest opportunity;
- supporting, strengthening and assisting whānau Māori to care for their tamariki and rangatahi to prevent the need for them to enter care or youth justice;
- supporting tamariki Māori to establish, maintain and strengthen their sense of belonging through cultural identity and connections to whānau, hapū and iwi;
- prioritising placement of tamariki Māori within their broader whānau, hapū and iwi wherever possible; and
- supporting, strengthening, and assisting tamariki and rangatahi Māori and their whānau to prepare for their return home or transition into the community.

In everything we will be doing – including early and intensive intervention, and supporting children directly in our care – we are committed to working with partners to provide services, access education and health support, and ensure caregivers are equipped to provide loving homes for children. We work with parents, families, whānau, hapū, iwi, caregivers, Māori organisations, NGO providers, community groups, health professionals, police, and the wider community. We can't do this alone.

Over the coming year that emphasis on partnership will become stronger, guided by the principles in section 7AA of the Oranga Tamariki Act. We'll be delivering more services than ever before through partners; but more than that, we'll be supporting our partners to ensure they can take the level of control over choices and decisions that's right for them. We have already been working closely with three iwi in 2018-19 as our strategic partners. Expanding the depth and range of partnerships, along with more active involvement by iwi and hapū, is a key focus for the coming year – including a fourth iwi strategic partnership signed in early 2019-20.

### **Section 7AA of the Oranga Tamariki Act requires us to set measurable outcomes to reduce disparities between Māori and non-Māori.**

We must ensure policies, practices and services have regard to the principles of Mana Tamaiti, whakapapa and whanaungatanga. We are required to establish strategic partnerships with iwi and Māori organisations. We also need to show what we are doing, by reporting annually on steps taken to fulfil these duties, and their impact on improving outcomes.

Working with children and young people, and our iwi and Māori partners, we will be designing a new way of looking at outcomes and measures meaningful for tamariki Māori. When our first report on how we are fulfilling our 7AA obligations is published, we'll be able to show how we're coming together with the sector to achieve a real step change for Māori. Oranga Tamariki—Ministry for Children is less than half way through the transformation of the child protection and youth justice system. Even then, it will still take generational change before we can be confident that all New Zealand children and young people are safe and nurtured within loving families, whānau and homes. We believe that through the right changes, and with the support of the right people, we can realise the Government's vision; ensuring that New Zealand is the best place in the world for children and young people.



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## Our name

The name 'Oranga Tamariki' carries our aspirations for all children, and it is our promise to the children and young people that we serve.

'Oranga' is the wellbeing we want to help the children we work with to have.

'Tamariki' reminds us that children are descended from greatness. They are born with an inherent mana that can be damaged by abuse and neglect.

We support children, young people, their family and whānau to restore their mana, their sense of self, their important connections and relationships, their right to heal and recover, and reach their potential.

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## Our purpose

**Our purpose is to ensure that all tamariki are in loving whānau and communities where their oranga tamariki can be realised.**

Our focus is on children and young people:

- who are at significant risk of harm now and into the future as a consequence of their family environment, and/or their own complex needs;
- who have offended or may offend in the future.

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## Our values

**We put tamariki first.**

**We believe aroha is vital.**

**We value whakapapa.**

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## The Pou

Te Whānau Aroha, the Youth Advisory Panel, drove the design and made decisions around the final look and feel of the identity of Oranga Tamariki—Ministry for Children.

This is what we mean by 'child-centred'. It is more than just words. It means involving young people in appropriate and meaningful ways. The young people set their expectations and the designers created an identity, which reflects what the young people wanted to see.

The logo draws on the Pou (a pillar of support) which suggested to the young people a group or a tribe getting strongly behind a cause. The young people involved in the panel liked that the Pou looked dependable, like a post they could lean on.

The Pou was also likened to a 'T' shape, which looked like it raised them up, lifting them and their whānau to realise oranga tamariki.





# Our Year at a Glance

1 July  
2018

30 June  
2019

1,503

Social Workers

1,625

86%

Children living away from home are with family/whānau or caregiver of same ethnicity

87%

6,350

Children in our care <sup>1</sup>

6,450

50

Average days on youth justice custodial remand

36

25.9%

Oranga Tamariki staff were Māori

26.5%

220

Young people in youth justice custody <sup>1</sup>

140

3,805

Caregivers

3,957

80%

Family/whānau stable placements

89%

79%

Staff understand the Oranga Tamariki way (our vision, purpose and values)

81%

<sup>1</sup> Key statistics under 1,000 are rounded to the nearest 10. Key statistics between 1,000 and 10,000 are rounded to the nearest 50. Key statistics over 10,000 are rounded to the nearest 100



# Our Timeline



# This Year

**87,300**

We received **87,300** reports of concern about **62,700** individual children<sup>1</sup>

**1,600**

individual children **entered** care<sup>1</sup>

**1,450**

individual children **exited** care<sup>1</sup>

**440**

individual young people **entered** youth justice custody<sup>1</sup>

**470**

individual young people **exited** youth justice custody<sup>1</sup>

**8,700**

We held **8,700** care and protection Family Group Conferences for **6,500** individual children and young people<sup>1</sup>

**3,950**

We held **3,950** Youth Justice Family Group Conferences about **1,850** individual young people<sup>1</sup>

**89%**

family and whānau placements were stable

**16%**

**reduction from 3290 to 2767**  
Saw a reduction in tamariki Māori referrals to the youth justice intervention system

**81**

new pieces of practice policy and guidance written to support our staff prepare for the legislation changes

**11**

We created 11 dedicated Care Teams to support caregivers

We and our partners provided

**2,303,600**

days of care placements<sup>1</sup>

<sup>1</sup> Key statistics under 1,000 are rounded to the nearest 10. Key statistics between 1,000 and 10,000 are rounded to the nearest 50. Key statistics over 10,000 are rounded to the nearest 100



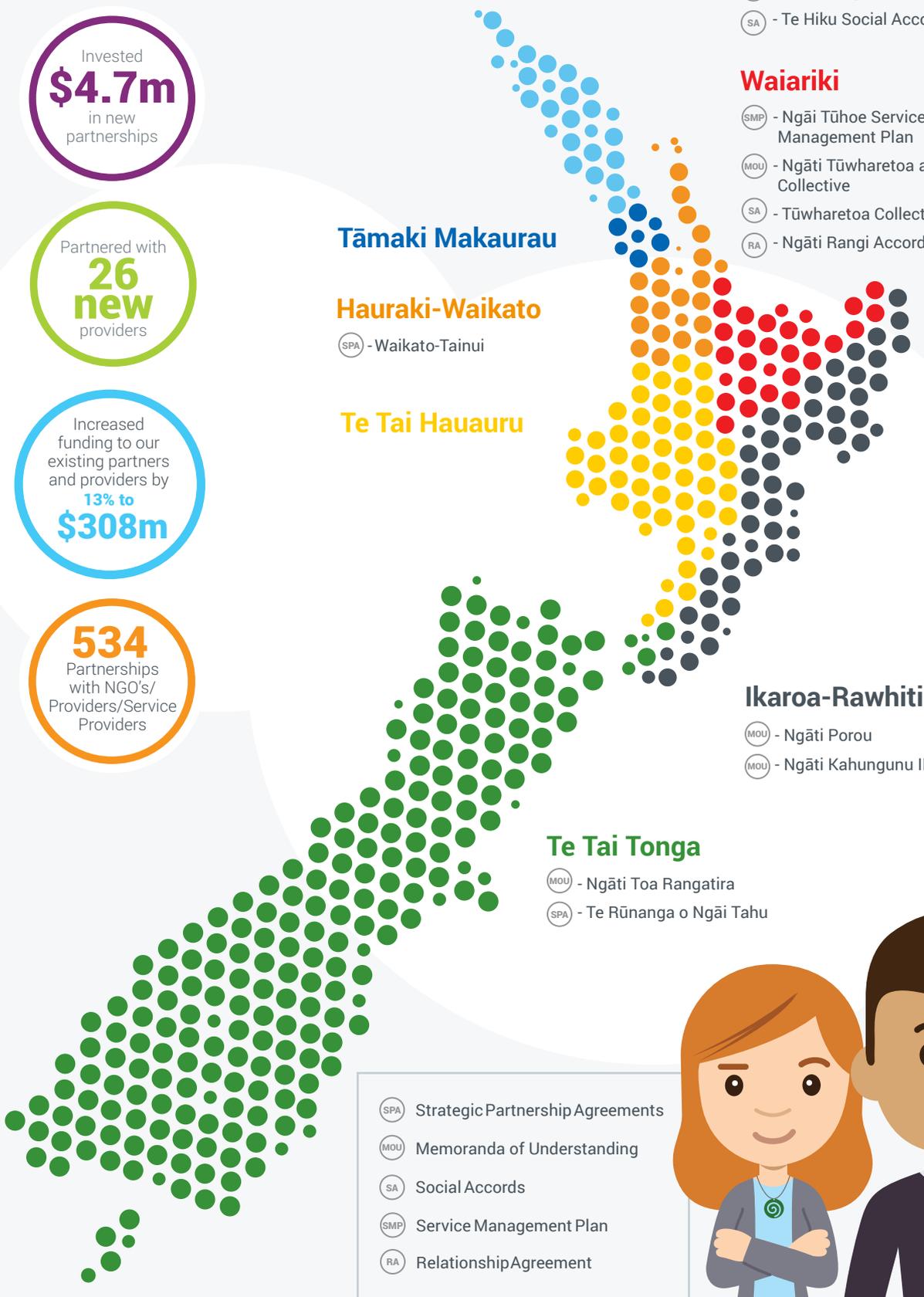
# Our Partners & Providers

Invested  
**\$4.7m**  
in new  
partnerships

Partnered with  
**26 new**  
providers

Increased  
funding to our  
existing partners  
and providers by  
**13% to**  
**\$308m**

**534**  
Partnerships  
with NGO's/  
Providers/Service  
Providers



## Tāmaki Makaurau

## Hauraki-Waikato

SPA - Waikato-Tainui

## Te Tai Hauauru

## Te Tai Tokerau

SPA - Te Rūnanga a Iwi o Ngāpuhi

SA - Te Hiku Social Accord

## Waiariki

SMP - Ngāi Tūhoe Service Management Plan

MOU - Ngāti Tūwharetoa and the Taupō Collective

SA - Tūwharetoa Collective Accord

RA - Ngāti Rangī Accord

## Ikaroa-Rawhiti

MOU - Ngāti Porou

MOU - Ngāti Kahungunu INC

## Te Tai Tonga

MOU - Ngāti Toa Rangatira

SPA - Te Rūnanga o Ngāi Tahu

- SPA Strategic Partnership Agreements
- MOU Memoranda of Understanding
- SA Social Accords
- SMP Service Management Plan
- RA Relationship Agreement



<sup>1</sup> Key statistics under 1,000 are rounded to the nearest 10. Key statistics between 1,000 and 10,000 are rounded to the nearest 50. Key statistics over 10,000 are rounded to the nearest 100



# Our Outcomes Framework

## Our Purpose

**To ensure that all Tamariki are in loving whānau and communities where oraŋga tamariki can be realised.**

### We work with children, young people

- Who are at significant risk of harm now and into the future as a consequence of their family environment, and/or their own complex needs
- Who have entered or are at risk of entering the youth justice system

**We are committed to our obligations under the Treaty of Waitangi to uphold and protect Māori rights and interests.**

## Our end goals

Tamariki Māori are thriving with whānau, hapū and iwi

Children are safe and flourishing in their homes

Children do not need to be in care or custody

Children and young peoples' wellbeing needs are understood and met

Young people leaving care or youth justice get a good start to their adult lives

Children in care or custody are safe, recovering and flourishing

Children who have offended do not re-offend

## What we do

### Intake, Assessment and Referral.

Understand what help I need to be safe & flourish, and who is best placed to provide it  
We identify the needs of children and whānau notified to us and find the best help for them

Early Intervention	Intensive Intervention	Care	Youth Justice	Transition
<p><b>Identify and respond early when my whānau and I need assistance.</b></p> <p>We coordinate support and services for children and whānau showing early signs of need.</p>	<p><b>Work with my family so I can be safe, recover and flourish at home.</b></p> <p>We support children at risk of harm and their whānau to keep them safely at home.</p>	<p><b>Give me stable and loving care that enables me to be safe, recover and flourish.</b></p> <p>We keep children in the custody of the Chief Executive safe and promote their wellbeing.</p>	<p><b>Support me to find new pathways.</b></p> <p>We support young people, whānau and victims of youth crime to restore their mana.</p>	<p><b>Set me up with the knowledge, skills and tools to flourish as an independent young adult.</b></p> <p>We prepare and support young people leaving care and youth justice to transition successfully to adulthood.</p>



### How we will do it differently

**We will conduct more accurate and meaningful needs assessments for the children and whānau we work with.**

We will ensure more effective and better targeting of services to meet the needs of children and prevent escalation of risk.

We will build an effective, targeted set of responses that keep children safe and out of care.

We will increase the quality of care, in accordance with the new Care Standards.

We will implement legislation to bring 17 year-olds into the youth justice system and increase community-based alternatives to custodial remand.

We will build a new transition service, in accordance with legislation, to support young adults leaving care and custody.

**We will make sure children, whānau, hapū and iwi have a say in decisions affecting them at the earliest opportunity to enhance their wellbeing and safety**

**We will partner with iwi and Māori organisations to improve outcomes for tamariki Māori and their whānau**

### How we will we know we are making a difference

**Reduced disparities in outcomes and experiences for tamariki Māori and their whānau.**

More families are connected to appropriate support services.

More children and their whānau are safe and flourishing at home.

More appropriate care arrangements are available for children in care.

More young people stop offending before adulthood.

More young people have safe and stable living arrangements.

Fewer children and families require statutory intervention.

Whānau are better supported to provide safe, stable and loving homes.

Caregivers are better supported to provide safe, stable and loving homes.

Fewer young people are escalated within the justice system.

More young people have the life skills they need to thrive as adults.

Fewer children offend.

Fewer children need to enter or re-enter care.

More children in care have their full range of needs met.

More young people are safely managed in the least restrictive placement appropriate.

More young people are healthy and recovering from trauma.

**DRAFT** to be developed alongside future work on the Child Wellbeing Strategy and Oranga Tamariki Action Plan.

Children and whānau have their needs addressed earlier, preventing escalation.

Children in care are better supported to remain and return home successfully.

More young people have a trusted adult in their lives and are engaged with family, cultural and community groups.

More young people are in education, training, employment or volunteering.

**Children, young people, their whānau and communities feel more listened to and better understood**





# Our ACHIEVEMENTS

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While the organisational, systemic and national change we need to see will take time, we know the difference that good social work can make to children, young people, and families right now.

We have made significant progress this year, and we, alongside our partners, have helped and supported thousands of tamariki, rangatahi and whānau every day.



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## Provider Profiles

Every day, right across New Zealand, we work alongside our provider organisations to provide vital, life-changing services for tamariki and whānau. These providers can be whānau, hapū, iwi, NGOs, sector organisations, or other community groups. In 2018-19, we provided \$312.7 million in funding for these partners to help them carry out their work.

We rely on them to be our true partners - to walk shoulder-to-shoulder with us, ensuring that tamariki are in loving homes where they can flourish.

We celebrate the incredible mahi that they carry out for the tamariki of New Zealand.

To shine a spotlight on this mahi, we have asked some of our providers to talk about what they do, and why they do it. These are just a few examples from throughout our provider communities, but they are representative of the determination, focus, drive and aroha for tamariki and rangatahi that unites all of our partners.

We thank and acknowledge the providers that talked to us about their work:

**Waitomo Papakainga: page 23**

**Nga Kete Matauranga Pounamu: page 30**

**Springboard: page 33**

We also thank the staff at the Oranga Tamariki–Ministry for Children Christchurch East site, who took the time to talk about their work.

**Christchurch East Site Profile: page 26**

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## Our Priorities

Our priority areas are based on what tamariki, rangatahi and whānau told us were the most important things to focus on in the early years of the Ministry.

Alongside these, we are working hard to amplify and listen to the voices of tamariki, rangatahi, whānau and caregivers to help shape our current and future priorities. This is the most vital way we can ensure our work has mana and represents the needs of the people we work with every day.

The following pages include some examples of how we have been working throughout the year. While this isn't an exhaustive list, it represents the way that Oranga Tamariki–Ministry for Children works, alongside our partners, every day to improve outcomes for children.





## We listen

**We listen to the voices of tamariki, whānau and caregivers**

We ensure our work has mana by providing ways for the voices of children, young people, families and caregivers to be heard - and listening to what they tell us.

**Children's Experience Survey: page 20**

**Caregiver Satisfaction Survey: page 20**

**What Makes A Good Life?: page 20**

**Oranga Tamariki National Youth Advisory Group: page 20**

**VOYCE - Whakarongo Mai: page 21**



## Stronger Partnerships

**Work with partners, including iwi and NGOs, to build stronger services for children**

We will work with partners across New Zealand to strengthen services for our children and young people, and build a new approach to commissioning, where services are supplied based on children's needs.

**Nationwide Hui: page 22**

**Strategic Partnerships: page 22**

**Te Hiku Oranga Whānau: page 22**

**Te Hiku Social Accord: page 24**

**Caregiver Recruitment and Support: page 24**

**Mahuru Remand Service: page 24**

**Waitangi Day: page 24**

**Arohata Prison: page 25**

**Department of Corrections: page 25**

**NGO Regional and National Forums: page 27**

**Spectrum Care: page 27**

**Barnardos: page 27**

**Rangiora Site school holiday programme: page 27**



## Quality Practice

**Lead social work practice that is child-centred, trauma-informed and effective for Māori as well as other cultures**

We will ensure consistent high quality front line practice across Oranga Tamariki—Ministry for Children through a national practice framework to support social workers and other practitioners to deliver world class support that is child-centred and trauma-informed.

**Australasian Youth Justice Conference: page 32**

**Mana Tamariki: page 32**

**National Youth Justice Residence Speech Competition: page 34**

**Oranga Tamariki co-location with Ngati Raukawa: page 34**

**Inspire Adventure Programme: page 34**

**Youth Justice Practice Forum: page 34**

**Graffiti-Free Youth Justice Residences: page 34**

**Social Worker pay equity agreement: page 35**

**Awards for Oranga Tamariki staff: page 35**

**Diversity and inclusion: page 36**

**Staff engagement: page 37**



## Loving Places

**Increase the number of safe and loving places available for children and young people when home isn't working**

We want to open more hearts and homes for children and young people in care. We want to make sure that for everyone in care, we can provide a tailored placement that best meets their needs and allows them to thrive.

**Real short term and crisis care facility: page 28**

**Keeping siblings together: page 28**

**Transitions Support Service: page 29**

**Trauma training and support for caregivers: page 29**

**Face to Face Kōrero: page 31**

**Te Ora Hou: page 31**

**Sport NZ: page 31**



## We listen

### We listen to the voices of tamariki, whānau and caregivers

Being a truly tamariki- and whānau-centred organisation means listening to the voices of tamariki, whānau and caregivers, and responding to what they tell us. This year we have been asking tamariki and their caregivers to let us know about their experiences with Oranga Tamariki–Ministry for Children, and their thoughts on where our focus should be. The results are being used as a baseline for measuring the impact of our services and some of the changes we're currently making across the Ministry.

We're working alongside our Social Workers and Caregiver Social Workers to ensure tamariki in care and their caregivers understand the purpose of the voluntary surveys and are supported to participate and have their voices heard in a safe way.

#### Children's Experience Survey

The Children's Experience Survey is a new annual survey of children in care designed to monitor how their experiences in care are changing over time. Over 60 children helped to frame the questions about what is important to their wellbeing, exploring a range of topics including family, belonging, having a say in important decisions, having hope for the future, and whether Oranga Tamariki–Ministry for Children makes things better for them.

The first year of this national survey is being rolled out in four waves throughout 2019 and 2020, with between two and five regions participating in each wave. Children and young people aged 10 to 17 are being offered the opportunity to do the survey. Two regions (Central Auckland and Canterbury) participated in the first survey wave from March to May 2019, and 344 out of 471 (73%) children agreed to take part.

Seven more regions will participate over two waves in the second half of 2019, with Youth Justice residences and the remaining regions participating in the first half of 2020. The full national results for 2019-20 are expected in September 2020.

#### Caregiver Satisfaction Survey

The Caregiver Satisfaction Survey was offered to around 4,000 Oranga Tamariki–Ministry for Children caregivers in February by Nielsen, an independent research company. This comprehensive survey covered a range of topics, including reflections on the process of becoming a caregiver, their experience at a number of stages throughout the caregiving journey, support, services and training, and attitudes to caregiving and children. The purpose of the survey was to help us better understand what our caregivers need in order to provide safe, stable, loving homes for tamariki.

The results of the survey have identified areas where we need to do better, and we are using the information to look for opportunities to improve – particularly in the areas of a child coming into a placement and the support provided by Oranga Tamariki–Ministry for Children.

We are currently reviewing the financial assistance provided to caregivers, including talking to caregivers throughout New Zealand.

#### What Makes a Good Life?

To children and young people, a good life is one where they can feel accepted, valued and respected, be happy, have the support of family and friends, have their basic needs met, enjoy good physical and mental health, have a good education and feel safe. The release in February 2019 of a joint report by Oranga Tamariki–Ministry for Children and the Office of the Children's Commissioner has found that the majority of Kiwi kids are flourishing – but some still face significant challenges.

The report, entitled "What Makes a Good Life?" involved more than 6,000 young people describing their experiences growing up in New Zealand.

A majority of children and young people told us that they are doing well, but up to a third are facing challenges in some areas of their life, and one in ten are facing multiple challenges. Around 2% of children are facing major challenges in multiple areas of their lives. The challenges children and young people are facing include racism, bullying, discrimination, judgement, violence, drugs and a feeling of continually being let down.

This small group of children and young people are not experiencing the lives we want for all children in New Zealand, and are likely to be growing up in difficult social, economic and physical environments.

#### Oranga Tamariki National Youth Advisory Group

The 2019 Oranga Tamariki National Youth Advisory Group came together this year to support Oranga Tamariki–Ministry for Children to develop and implement new policies and practices, making sure we have the perspectives of young people at the forefront of what we do. The Group is made up of nine young people, aged 19 to 23, all of whom have care experience.

During their induction they had meetings with the Chief Executive and the Minister for Children, where they shared their aspirations for children in care and their hopes for the future. At their first meeting, they agreed that what they want most for children and young people in care is to have as normal a life as possible.



**“What made me want to join this group is that it’s an internal approach – we’re able to have more influence on the direction of policies and legislation, as well as how they’re implemented.”**

**Jesse, Oranga Tamariki National Youth Advisory Group**

### **VOYCE – Whakarongo Mai**

VOYCE – Whakarongo Mai (‘Voice of the Young and Care Experienced – Listen to me’) (VOYCE) is an independent NGO established and supported by Oranga Tamariki–Ministry for Children that aims to provide an independent voice from children and young people to the care system, rather than an adult voice for these children and young people. Their guiding principle is that children and young people in care need to be heard, and their voices kept at the centre of all the decisions made about them.

VOYCE, like Oranga Tamariki–Ministry for Children, holds high aspirations for tamariki and rangatahi with experience of care, acts as their voice within the care system, and promotes and grows leadership from within the care-experienced community.

The Government put VOYCE in place in order to:

- help children and young people to use their stories and concerns to drive system change;
- support them to advocate for themselves as individuals and/or support a trusted person to advocate with and for them;
- connect them as a community of children and young people in care;
- build youth leaders from within the community to hold the system to account and help lead the service; and
- equip them with skills and confidence for their future.

Our social workers ensure that all tamariki in care, and their caregivers, are aware of VOYCE and the services it offers. Recently, joint workshops have been held for kaimahi (staff) from VOYCE in Auckland, Te Tai Tokerau, Christchurch, Tauranga and Napier, and facilitated by the Oranga Tamariki–Ministry for Children Care Support team, to ensure the VOYCE team were up to date with the new National Care Standards.

Staff came away inspired and optimistic that these changes will benefit children in care:

**“I’m feeling hopeful that the intended changes within Oranga Tamariki and the legislation supporting this will make a huge difference for children and young people.”**

**Tracie Shipton, VOYCE-Whakarongo Mai CEO**

**“Any way I can use my experience to help kids currently in care would be amazing, to help make a difference... There are so many social barriers being a kid in care, and I want to remove the unnecessary barriers”**

**Shanae, Oranga Tamariki National Youth Advisory Group**



## Stronger Partnerships

### We work with partners to build stronger services for children

We know that we cannot do what we need to do without close partnerships with organisations throughout New Zealand that are as committed to the wellbeing of tamariki and rangatahi as we are. Every day, our partners provide direct services for children, young people and families, ensuring access to the support they need and working with caregivers to provide loving homes for them.

Over the last year, Oranga Tamariki–Ministry for Children has invested \$4.7 million in new partnerships with NGOs, iwi, Māori organisations, and other sector and community groups, and signed strategic partnerships with three iwi. We simultaneously increased the funding to our existing partners and providers by \$35 million to \$308 million. Our investment in these partnerships means more people on the front line, looking out for tamariki and helping to keep them safe. It also means better connections throughout the community, whānau, hapū, and iwi, meaning we are responsive to local needs, and allows for more support at every stage of our interactions with tamariki.

### We work with iwi and Māori organisations to improve outcomes for tamariki Māori

Under our new legislation, we are specifically committed to improving outcomes for tamariki Māori. To make this happen, we need to work closely alongside iwi and Māori organisations. These Treaty-based partnerships sit alongside other Treaty-based relationships with iwi and Māori organisations. We've already seen significant changes with iwi-led projects in areas like Te Tai Tokerau, Waikato and Taupō, where tamariki are connected to their whakapapa and cared for by iwi and whānau.

We also know there is still some distance still to go. We are committed to authentic partnerships: to listening, to co-designing the way forward with iwi and Māori organisations, funding and implementing initiatives, and measuring how we can create better outcomes for tamariki Māori. Improving the lives of tamariki Māori cannot be done in isolation, and the journey ahead to ensuring we can enhance their lives is a shared one. We must prioritise our relationships with iwi, hapū and whānau to deliver services that work for tamariki Māori and their whānau, and to ensure that policies, practices and services align with the principles of mana Tamaiti, whakapapa and whanaungatanga.

#### Nationwide Hui

In November 2018, we hosted a Nationwide Hui of Iwi and Māori Organisations. The hui was attended by over 150 Māori social sector leaders, with representation from all around Aotearoa New Zealand. We heard clear, passionate voices calling for co-leadership and co-design, and we welcomed the robust discussions in the knowledge that we all believe that the best place for tamariki, where possible, is with loving whānau.

The Prime Minister and the Minister for Children joined the hui, speaking about the Government's commitment to wellbeing, the desire to keep children with whānau, and the need to shift some of the drivers that cause tamariki to come into care.

#### Strategic Partnerships

Strategic partnerships were signed in 2018-19 with three iwi: Ngāi Tahu, Te Rūnanga-Ā-Iwi O Ngāpuhi (Ngāpuhi), and Waikato-Tainui. These Treaty-based partnerships are focused on enhancing the wellbeing of tamariki from these iwi.

The agreements outline a strong mutual commitment to work closer together to co-design and deliver services for tamariki and whānau. The relationships help us to understand individual and shared opportunities to support the development, aspirations, and outcomes of the iwi communities.

#### Te Hiku Oranga Whānau

Partnerships are being strengthened with Māori providers in Te Hiku (the Far North), leading to better connections between tamariki and whānau. A memorandum of understanding has been signed with Te Hiku Oranga Whānau, a collective of Māori providers in Te Hiku known as 'The CoLab', to work closer together to improve outcomes for tamariki Māori and their whānau.

**"This is a result of working together over time to build a relationship based on being tika and pono... We are hearing valuable progress with families as a result of relationships being advanced."**

**Oranga Tamariki–Ministry for Children  
Partnering for Outcomes Advisor in  
Te Hiku**





"We've come through numerous economic and political changes and we are still here, still continuing to grow for our community. That's one of our greatest feats."

## Provider Profile: Waitomo Papakainga

Waitomo Papakainga is helping whānau in Te Hiku discover their tino rangatiratanga.

The kaupapa-Māori organisation has a team of 25 kaimahi who do everything from social work, counselling and emergency housing through to budgeting, cooking and literacy classes.

Their interventions and decisions are based on knowledge of tikanga Māori and whānau values, Chief Executive Katie Murray says.

"My father taught us to treat whānau as our own and ask ourselves if that was our child, what would we like to happen for them."

Katie started the organisation with her sisters more than 30 years ago as they could see their people needed help.

Waitomo Papakainga is facilitating hui-a-whānau in partnership with the Oranga Tamariki Kaitaia site. Since October last year they have placed more than 50 tamariki with their wider whānau.

"We work with the Kaitaia site to make sure the children are safe and then work alongside the parents and whānau to help them make better decisions for their tamariki and for themselves," Katie says.

"There are great opportunities for collaboration between Oranga Tamariki and the community."

Whanaungatanga is integral to their mahi as the staff who are predominantly Māori often share whakapapa with the whānau they work with.

"This helps us to speak truthfully and openly with whānau as we can relate to them and they are more accepting of us," Katie says.

Being a community social worker is tough, but it's worth it for the opportunity to bring light into people's lives, she says.

"Sometimes we are like the angry aunties and we have to challenge whānau, but then we make a plan to help them.

"We get such a huge buzz when we work with families and know that tamariki are safe."



## Te Hiku Social Accord

Oranga Tamariki–Ministry for Children has joined Te Hiku Social Accord, a collaboration of iwi and Government agencies in Te Hiku, to co-design solutions for tamariki, whānau and the community. Iwi involved include Te Aupōuri, Ngāi Takoto and Te Rarawa. The Ministry has worked with the Accord since 2013 when the first agreement was signed initially through the Ministry for Social Development. When the Chief Executive signed an agreement with the leaders of the Accord at Waitangi, Oranga Tamariki–Ministry for Children became an independent partner.

“There are strong overlaps between what we’ll do and explore together under the Accord, and the provisions of a very special part of the Oranga Tamariki Act – s7AA. I continue to be excited by the coming together of our skills, talents, and expertise with our partners and the difference we can make together. The signing was also an important moment for us to acknowledge the commitment across Government.”

Gráinne Moss, Chief Executive

## Caregiver Recruitment and Support

We believe that the best place for tamariki Māori is with loving whānau, hapū, or iwi. While nearly 80% of tamariki Māori care placements are currently with whānau or other Māori caregivers, the recruitment of more whānau caregivers is a priority for us. This year we’ve been taking a new approach, and have undertaken a Noho Wānanga caregiver recruitment process with Waikato Tainui, Ngāti Kahu, Ngāpuhi, Waitomo Papakainga, Ngāti Ruanui and Te Roopu Awhina, resulting in over 60 more whānau caregivers to look after tamariki Māori, with over 100 still in the noho process, and over 100 more who have signalled an interest in becoming whānau caregivers.

The noho is a marae-based assessment and learning experience that can reach whānau across the country and provides a safe and supportive environment to understand the process and implications of becoming a caregiver.

We have also continued the Kairaranga-a-whānau pilots, to help tamariki find a sense of belonging and connection with whānau. The Kairaranga-a-whānau look deeply into a child’s background and whakapapa, researching family links for suitable caregivers for a young person that cannot stay in their family home.

## Mahuru Remand Service

An example of the kind of work that can come about when we work alongside iwi can be seen in Mahuru, which is a Ngāpuhi-led Remand Service co-designed by Ngāpuhi Iwi Social Services (NISS) and Oranga Tamariki–Ministry for Children. The service was launched in October 2018 for tamariki of Ngāpuhi descent who commit a crime and are placed on remand. The first of its kind in the world, it has won both the Indigenous Service Award and NZ Procurement Excellence Award for the co-design and formation of equal partnerships between the iwi and Oranga Tamariki–Ministry for Children.

The service aims to make a difference for tamariki Māori by supporting them to make positive life choices and cultural connections, through two stages: firstly by providing specialist one-to-one care with well-functioning whānau during the four-to-six weeks they are on remand, exposing the young people in the service to what it might be like to belong to a loving whānau, to have structure and routines in their lives, and to inspire them to continue to make good choices following their remand.

The second stage of the service is to immerse the taitamariki in mana-enhancing activities supervised by two mentors to achieve the goals as negotiated in their individual plans. The overall goal is to implement new ways of looking at the world and new ways of making decisions, and to understand the role they play within the whānau, hapū, iwi, and wider community.

## Waitangi Day

Oranga Tamariki–Ministry for Children had a stall at the Waitangi Day Festival this year, allowing us to have direct conversations with the local community, answering their questions and addressing any concerns they had. We had good engagement with whānau and tamariki who came to visit the stall, and we heard feedback from Māori leaders who remarked that they were seeing positive and authentic engagement from Oranga Tamariki–Ministry for Children across the motu.

## We work with other Government organisations like Corrections and the Police to help children and families

Like many of our sector relationships, our partnerships with Corrections and the Police are vital throughout the entire range of our work, from preventative measures to helping young people already in the youth justice system to make positive choices. We often work with the same families as these sector partners, and, like us, they see first-hand the difficulties that the children and their families are going through. Working in partnership together is important to help these whānau and young people to get back on track with their lives and make more positive choices.

### Arohata Prison

Arohata Prison is a Corrections facility for medium to high security female prisoners located in Tawa, Wellington. This year there has been a new initiative for Oranga Tamariki—Ministry for Children staff to liaise closely with the prison staff, sharing information where appropriate, and to work together towards better outcomes for the children of the women in prison – such as safe, appropriate and supported contact between mothers and children, for example via video links or a face-to-face prison visit for tamariki.

Our research has shown that young people with a history of care and protection are more at risk of eventually being remanded in a youth justice residence, and for longer times, than those without a similar history. Working with Corrections at this level, and at this stage of the lives of the children, has the potential to be a key proactive and preventative measure to break the cycle of children and young people involved in both the care and Youth Justice systems.

A study in 2016 showed that 47% of children and young people in out-of-home care would experience a parent with a prison or remand sentence in their lifetime, with 26% experiencing a parent with a prison or remand sentence within the previous two years.

Working alongside Corrections and the Police, and working in different ways with young people in the Youth Justice system, we are aiming to break the intergenerational cycle and connections of care and remand <sup>2</sup>.

### Department of Corrections

Te Puna Wai o Tuhinapo Youth Justice Residence has formed a partnership with the local Department of Corrections work brokering team to support our young people into employment. The team are helping rangatahi to prepare CVs, practice interview skills, learn the importance of dressing appropriately, and researching the company before the interview. In turn, the Oranga Tamariki—Ministry for Children staff at the residence support the rangatahi in the development of good habits like getting up on time for work, taking a healthy lunch, and resolving potential issues with co-workers by using positive strategies.

<sup>2</sup> The results in this document are not official statistics, they have been created for research purposes from the Integrated Data Infrastructure (IDI), managed by Statistics New Zealand. The opinions, findings, recommendations, and conclusions expressed in this document are those of the author(s), not Statistics NZ. Access to the anonymised data used in this study was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business, or organisation, and the results in this document have been confidentialised to protect these groups from identification. Careful consideration has been given to the privacy, security, and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the Privacy impact assessment for the Integrated Data Infrastructure available from <http://www.stats.govt.nz>.





"We ensure the full breadth of whānau is identified and engaged through whakapapa research and information sharing to enable them to make meaningful contributions"

Aroha King.  
Kāiranga-a-whānau

## Site Profile: Christchurch East - Working in Partnership

"How do we weave tikanga Māori principles of mana tamaiti, whakapapa and whanaungatanga into our way of working?"

Staff at our Christchurch East site are embracing this challenge to ensure the right decisions are made for tamariki and their whānau.

The team of 18 social workers is responsible for the safety and wellbeing of tamariki in some of the most challenging parts of the city.

It's tough work and they couldn't do it without help from the community, Site Manager Maree Meechang says.

"We have to make huge decisions about the complex problems families are facing and it's very hard to plan our work because of the unpredictable and changing pressures every day."

The site has been based at Ngā Hau e Whā National Marae since the 2011 Christchurch earthquake and Maree says this has helped them build positive working relationships in the community.

"We work closely with the community to pull together all available resources we can to keep tamariki safe."

They collaborate with NGOs, Māori providers and other Government agencies including health and education to support whānau and keep tamariki at home or with other whānau members.

Oranga Tamariki also has a memorandum of understanding with Te Rūnanga o Ngāi Tahu and Te Pūtahitanga o Te Waipounamu – the Whānau Ora Commissioning Agency. As a result, about 87 percent of tamariki in care with the Christchurch East site are living with whānau. Kāiranga-a-whānau, Aroha King, has an integral role in this as she is focused on enhancing participation from tamariki and whānau in decision making.

"Our aspirations are for all tamariki to be with safe, stable and loving whānau." The team is excited to start co-designing a new intensive intervention service with the community, Maree says.

"Our aim is to provide greater support for whānau to keep tamariki safe at home and reduce the number of tamariki coming into care.

"We will listen to the experiences of the local community to better understand what works for them so they can influence the design and how it's implemented."

Although there is still work to do to build trust towards Oranga Tamariki in the community, Maree is proud of her team and the support they have earned.

"We want to help strengthen our community and improve the wellbeing of our tamariki. This is why we are here, and I think the word is getting out."



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## We work with other NGOs and community organisations to achieve holistic, wrap-around support for children and whānau

### NGO Regional and National Forums

At the successful NGO Regional and National Forums held in June 2018, attended by over 750 people from NGOs, iwi and Māori representatives, we heard that the attendees valued the opportunity to contribute to shaping the work underway, and inform the way we worked in the future to best improve outcomes for children. Since then, we have had a productive year forging even closer relationships with our many crucial partners and investing in new partnerships.

### Spectrum Care

We have partnered with Spectrum Care to open Mangere House, a new home for tamariki with high needs. It's designed to accommodate up to seven young people aged 13-18 in the care of Oranga Tamariki–Ministry for Children, and is the result of us working collaboratively with an NGO to fill a gap in care options. This home has the potential to make a significant difference to some of our most vulnerable tamariki, and will provide important opportunities to facilitate moves to longer term, more independent living options.

### Barnardos

Tāne Whakapiripiri ("If our purpose is shelter and protection, then let it be spiritually embraced"), a new small group home, opened in Christchurch in October. The home, managed by Barnardos NZ, is a response to our need for one-on-one home-based care placements for Canterbury children with high needs. Tamariki who stay in Tāne Whakapiripiri will receive therapeutic support for up to four months to stabilise and effectively transition them to long-term whānau or non-whānau care.

Partnership between agencies is a critical part to ensuring the home's success, and the establishment of the home would not have been possible without the combined work of Oranga Tamariki–Ministry for Children, Ngāi Tahu (who also gifted the name), Key Assets and Barnados.

### Rangiora Site school holiday programme

The Oranga Tamariki–Ministry for Children site in Rangiora, Canterbury, hosted a school holiday programme with a special focus of children attending with their whānau, caregivers, other community professionals and social workers.

The idea behind this was to get tamariki to have fun with the significant adults in their lives, and see all these adults in co-operation with each other for the benefit of the children, regardless of adult conflicts or issues. Police, parents, older siblings, NGO staff, social workers and caregivers all worked together with tamariki for two days of fun activities run by community members.





### We provide safe and loving places for children and young people to live when home isn't working

On 2 July 2018, history was made in New Zealand when the National Care Standards Regulations were passed by our Government. Some of the young people who had previously advised the Minister for Children about what needed to change, based on their experiences in care, were in the House when the Standards were passed into law, and had the chance to see the things they had talked about converted into law for the benefit of all children in care.

The National Care Standards Regulations set out the standard of care every child and young person in care needs to be well and do well, and the support caregivers can expect to receive when they open their hearts and homes to tamariki.

They are consistent with what we already consider to be good social work practice. These practices were passed into law in the regulations, and we're now officially held accountable for doing all the right things for tamariki and rangatahi.

They cover a range of things that are important for tamariki and rangatahi, like supporting them to express their views and develop a life plan, keeping them connected to their family and whānau, giving them opportunities to participate in their culture, and ensuring their education, health and recreation needs are met. While implementing these Care Standards will take a number of years, we are working closely with our Care Partners to achieve the best outcomes for tamariki and rangatahi in our care right now.

### We are creating care placements that are responsive to the needs of tamariki

#### Real short term and crisis care facility

In November 2018, a new short-term and crisis care residential facility was opened in Hamilton by Real and Oranga Tamariki—Ministry for Children to cater for four rangatahi with complex needs. This facility enables rangatahi from the Waikato who are in need of short-term care to remain in their community, and maintain their connections with their whānau, education, and other services while longer-term plans are made with them.

#### Keeping siblings together

We are committed to keeping family groups together where possible, and believe that permanent relationships are an important part in helping children to develop a sense of identity and belonging.

Our social workers are committed to supporting caregivers who wish to look after sibling groups, helping them to find and furnish suitable housing if needed through social housing services like Monte Cecelia Housing Trust. We have given assistance with school and GP enrolments, and leasing vehicles to help make everyday life run smoothly. We have worked with Youth Horizons Trust to provide parenting programmes and family therapy, and arranged for respite carers to go into homes to ensure that the caregivers have time away.



## Transitions Support Service

While the full range of the new Transitions Support Service are being introduced following the 1 July legislation, some core parts are already in place and helping rangatahi transitioning out of care.

Oranga Tamariki—Ministry for Children is working with Lifewise to open a cluster of six single-person units for 16 and 17 year olds transitioning out of care. The units, in central Auckland, allow easy access to transport, tertiary training and employment opportunities. Lifewise will provide regular on-site support to assist the young people to navigate living more independently and to make good decisions.

Young people leaving our care or a youth justice residence face some big challenges, and can struggle to overcome them alone. Supported living accommodation options like the Lifewise units are forming a core part of the new Transitions Support Service. This is being put in place to support the 600 young people aged between 15 and 17 who leave care and custody every year. Until now, they have tended to receive relatively little financial or social support after they leave our care or custody.

This service has been co-designed by talking with more than 1,000 people, and a significant proportion of these were young people who told us what they wanted and needed as they left our care and custody. We believe this is a real opportunity for us to prepare and support young people, particularly rangatahi leaving care and youth justice to transition successfully to adulthood. To become more independent and achieve their goals and potential, young people need responsive, flexible, relationship-based support.

The full service, coming into effect in 2019-20, will see:

- every eligible young person having a transition worker to walk alongside them and maintain regular contact up to the age of 21;
- be supported to remain living with, or return to living with, their caregiver between 18 and 21;
- be able to request advice and assistance from us after they leave care until they turn 25.

## Trauma training and support for caregivers

Mātua Kautia te Tamaiti (“One child, many parents”) is one of six pilot programmes run during 2019 that provide greater support for caregivers. It addresses the need for specialised training to support caregivers in dealing with tamariki who have experienced trauma. Combining group sessions, coaching, peer support and online training, it is based on a mātauranga Māori bi-cultural approach, with the focus on restoring the mana of tamariki in care. The responses have been positive, with carers, both kin and non-kin, learning new skills to support tamariki and form connections with each other.

These programmes were developed in direct response to feedback received from caregivers that they needed more support and training to know how best to meet the needs of tamariki in their care.





"We believe whānau can be the masters of their own destiny, and our job is to help them realise their potential and ignite the flame for change".

## Provider Profile: Nga Kete Maturanga Pounamu Charitable Trust

"If you drop a pebble in a puddle, it ripples out, and so do my staff when we work alongside whānau."

Nga Kete Maturanga Pounamu Chief Executive Tracey Wright-Tawha uses this metaphor to describe the positive impact her organisation is having within the Southland community.

Based in Invercargill, her team of 60 staff delivers more than 70,000 interventions every year through their health and social services.

This includes a stop smoking programme and other addiction services, whānau support, a general practice and social work in schools.

They have also recently set-up a supported living home for rangatahi transitioning out of care.

"Our mission is to connect them with resources and ideas for their wellbeing and independence," Tracey says.

Tracey was strongly influenced by Puao-te-Atatu and set up Nga Kete Maturanga Pounamu Charitable Trust in 2000 to provide improved access to care for Māori.

"I was concerned for the wellbeing of our people," she says.

Whānau ora is at the heart of their way of working.

"We demonstrate love and caring through the way we meet and greet whānau, the mihi process and how we take time to listen and respond to them."

Their dream is 'Arahina ki te Ao, ki te Ora' – to lead the way towards wellbeing.

"It's a belief in devolution to Māori, encompassing a by Māori for Māori approach which is inclusive of others.

"This is an expression of Tino rangatiratanga – our ability to lead out."

Tracey is encouraged that Māori and NGO providers are taking on a greater role in designing and delivering services for whānau in New Zealand.

"As community providers, we don't face the same barriers as Government agencies. We can provide a different type of support and manaakitanga with whānau at the centre.

"I look forward to further opportunities to enable local Māori leadership in our communities."



## We are implementing the new Care Standards through our work and the community

### Face-to-Face Kōrero

In July 2018, the National Care Standards Regulations were passed, making clear what every child or young person in care can expect. The accompanying Statement of Rights were written in child-friendly language, helping children and young people to understand their entitlements, and putting tamariki at the very heart of what Oranga Tamariki—Ministry for Children is setting out to do for children in care.

To prepare our staff for these changes, in April, May and June 2019 a total of 161 half-day sessions of Face to Face Kōrero training were held for over 4,500 staff. Led by local leaders, the sessions were designed to inform staff of the upcoming legislative changes, including the National Care Standards. We heard feedback from our staff that they really appreciated taking the time to talk through the implications of the new legislation, including discussing with how it would affect them at a local level.

**"I feel ready and say 'bring it on, about time!'"**

**"Change doesn't need to be a very scary thing and we're actually in a good position for the changes to come."**

Quotes from  
Oranga Tamariki—Ministry for Children staff

### Te Ora Hou

Te Ora Hou Northland (Te Ora Hou) is a provider of wrap-around youth mentoring and pastoral care services for up to 10 children aged 9-13 years who are in Oranga Tamariki—Ministry for Children care, and who are excluded from the formal education system. Once a referral to the service has been accepted, Te Ora Hou works for, on average, up to two terms with the care and protection social workers or the Children's Team Lead Professional to transition the child or young person back into mainstream school or alternative education. This will enable the young people to reconnect with peers and their communities and potentially form new significant relationships with positive role-models.

### Sport NZ

One of the key elements of the National Care Standards Regulations is ensuring that children in care have the opportunity to experience not just the basics, but a good standard of living that allows them to take part in activities that are fun, that they enjoy, and that help keep them healthy. In May, Oranga Tamariki—Ministry for Children signed a relationship agreement with Sport NZ to improve access to sport and physical activity for tamariki and rangatahi in care, or at risk of coming into care.

We are working together to provide these children with supported opportunities to fully participate in sport, play and recreation, with a strong focus on reducing disparities for tamariki Māori and enabling siblings and whānau to re-connect through activities. The agreement follows on from a successful pilot, Ngā Hapori, through which more than 90 tamariki and rangatahi in care have been connected to sports clubs across Gisborne, Auckland, and Christchurch between November 2017 and December 2018.

Speaking at the agreement signing, Sport NZ CEO Peter Miskimmin said sports and other forms of physical activity have the proven ability to enhance children's wellbeing, connectedness, and academic achievement:

**"We're excited about how we can maximise these benefits for at-risk children through closer collaboration with Oranga Tamariki."**

Peter Miskimmin, Sport NZ CEO



## Quality Practice

### We lead social work practice that is child-centred, trauma-informed and effective for all cultures

Our new Practice Framework underpins the work of all Oranga Tamariki—Ministry for Children practitioners, acting as a guide to how we work with tamariki, rangatahi, whānau and communities. The framework focuses on long-term outcomes for children, ensures our work is culturally responsive to tamariki and whānau Māori, and is trauma-informed, so we consider the impact of adverse life experiences on children and young people as we are helping them to recover and to be happy and healthy.

In addition to improving our practice right now, we have also been developing detailed practice guidance and support for practitioners involved in all our legislative changes, including the National Care Standards, Transitions Support Services, and raising the age of young people in the youth justice system to 17.

### We are working differently with young people in Youth Justice Residences

This year has seen a fundamental shift in youth justice practice, with the inclusion of 17 year olds in the youth justice system. This aligns New Zealand's policy settings to the United Nations Convention on the Rights of the Child (UNCROC), which defines a child up to the age of 18 years. We know that while offending rates for young people are reducing, reoffending rates are high, especially for the most serious offenders who come into our residences.

We are focusing on taking positive action to reduce these rates by finding new ways to work with our rangatahi, making changes to our system that aim to help all young people make early and sustained exits from youth justice. Succeeding at this means taking people and partners inside and outside Oranga Tamariki—Ministry for Children with us on the journey to help young people, victims, families and communities restore mana.

### Australasian Youth Justice Conference

Oranga Tamariki—Ministry for Children was well represented at the Australasian Youth Justice Conference which took place in Sydney in May. Close to 350 international Youth Justice practitioners, academics, community group representatives and senior managers came together to share their experiences and understanding of “Contemporary Challenges, Innovative Solutions”.

Our Chief Executive was a keynote speaker at the Conference. Other sessions presented and led by Oranga Tamariki—Ministry for Children included:

- Oranga Rangatahi: Whakangao kia Haumarua a Rangatahi, Investing in Prevention - An innovative Indigenous Approach to Tackle Youth Offending;
- Mahuru: A New Way to Support Tamariki who have Offended;
- Innovative Partnership: Government, NGO and FFT-LLC. Breaking Intergenerational Offending Cycles Through Hybrid Functional Family Therapy;
- Mitigating the Biases of Evidence-Based Public Policy Through Co-Design: Lessons Learned from Aotearoa New Zealand Youth Justice.

### Mana Tamariki

Mana Tamariki is a small team based at Oranga Tamariki—Ministry for Children in Grey Lynn, Auckland. It consists of four care and protection social workers, a supervisor, and a psychologist. The programme has been developed to address an identified gap for youth offending, by working with tamariki aged 8-12 years, identified as showing signs of youth offending or poor life outcomes. The tamariki involved often have an array of complex care and protection needs including offending by family members, trauma, family violence, abuse and truancy educational issues.

Evidence shows that early intervention for these tamariki will likely be successful, as behaviour patterns are less established due to their youth. Mana Tamariki social workers hold a lower caseload than other care and protection social workers, so will be able to complete intensive, therapeutic social work with whānau and tamariki. Social workers will also be running a wrap-around programme with the whānau.





"We try to show these young people how to become socially connected and be part of a community."

## Provider Profile: Springboard

Springboard is here to make sure every young person has someone in their corner.

The organisation was started in 2002 by Gary Diprose, an ex-dairy farmer, to help young people in Mahurangi who had been removed from school and were getting into trouble.

As deeper issues emerged such as mental health, drugs, unemployment and offending, the gaps and needs in the community became more evident, Springboard General Manager, Dan Gray says.

"Regardless of poverty, privilege or ethnic background, young people experience trauma and challenges due to unmet foundational needs and systemic failures," Dan says.

"Our services have been created to help fill some of those gaps." More than 20 staff are delivering social services for young people aged 8 to 24 on the North Shore of Auckland and as far north as Wellsford.

Springboard's Go 180 program has helped to significantly reduce the youth crime rate in North Rodney.

Young people referred by Oranga Tamariki and Police are mentored by positive role models and gain practical work experience. It's also an opportunity for them to complete community service hours.

"We try to show them how to become socially connected and be part of a community," Dan says.

"This helps to give them a sense of pride and responsibility."

Belonging is one of their core values and young people will always be part of the Springboard family, he says.

"We are like their extended family. We will never be too busy for them and we will always find a way to work with them, regardless of what they are going through."

Through its one-on-one mentoring programme, rangatahi are paired with mentors and they spend time together every week to form long-lasting positive relationships.

Springboard also offers alternative education and helps young people and their families access other social services such as financial and housing support.

They are launching a driving academy soon as licensing is a common barrier to employment for many young people, Dan says.

"We believe all young people have hope for their future and we want to help them find their purpose. It blows our mind to see the changes they can make."

### **National Youth Justice Residence Speech Competition**

In November 2018, our National Office in Wellington hosted the annual National Youth Justice Residence Speech Competition. The event brought together four young people from our youth justice system, who were awarded with new outfits and a greenstone necklace in honour of the event.

The competitors spoke movingly about their whānau, including apologies to parents and the desire to become a better role model for siblings, acknowledgments for the people who have supported them in their lives, and how they are now making more positive choices.

The winning speech, "Darkness cannot drive out darkness – only light can do that" told of victory over the threat of darkness by the realisation that the light comes from within us and our whānau. The moving speeches were a testament to the four finalists, their support network, and the staff, teachers, and other rangatahi at the residences who helped them prepare.

### **Oranga Tamariki co-location with Ngāti Raukawa**

In March, we opened the new Oranga Tamariki—Ministry for Children Youth Justice office co-located with local iwi, Ngāti Raukawa, in Tokoroa, with a pōwhiri to bless the space and welcome the collaborative group.

Our Chief Executive and Vanessa Eparaima, Ngāti Raukawa Board Chair, both spoke about the opportunity to do things differently, particularly for our Māori youth. We're hoping that the co-location between Oranga Tamariki—Ministry for Children and Raukawa will lead to other opportunities to work together collaboratively to build on and grow the strength of our partnership.

### **Inspire Adventure Programme**

The Inspire Adventure Programme at Te Puna Wai Youth Justice Residence was developed in partnership with a community group, Adventure Specialities Trust. The objective of the eight-week therapy programme is for the young people to learn more about themselves; how to manage their emotions and behaviour; how to work with others and be inspired towards positive change.

It provides a means to engage and motivate young people in identifying and addressing the causes of their offending.

The focus of the programme is giving the young people an opportunity to develop the sense of mastery at one activity and to create a community relationship that they continue following their time in the residence. The programme recognises that while these young people face significant challenges in their lives, they are often resilient, resourceful, fun loving, independent young people who thrive when given the opportunity to learn and grow in a positive environment.

### **Youth Justice Practice Forum**

In November, the Auckland region held a successful Youth Justice Practice Forum for 95 people from different sectors, including Corrections, Police, Ministry of Education, NGOs and Health.

The Forum is a joint endeavour between Oranga Tamariki—Ministry for Children and Auckland University showcasing the issues encountered, and progress in the areas of Remand Option Investigation Tool; Dialectical Behaviour Therapy Programme and Korowai Manaaki; Language and Communications; Adolescent Harmful Sexual Behaviours; Parent-Child Interactions Therapy and the qualitative process evaluation of the Auckland's Challenging Youth programme.

### **Graffiti-Free Youth Justice Residences**

A new initiative this year has been helping each of our Youth Justice residences to become graffiti-free. We wanted the young people in the residences to be able to live in better-quality environments, and for them to be motivated to look after those environments. Changing the mind-sets of both the staff and the young people in the residences, and developing ways to ensure the graffiti stayed away, was a key part of this project.

While the results have been positive for the facility buildings and the staff, the greatest impact has been on the rangatahi. We have noticed them taking more pride in their units, behaving more calmly during the day, and actively participating in the Graffiti Free programme. They are less likely to tag property, and have opportunities to draw on chalkboards in their rooms if they wish. They are showing pride in their residences, and are encouraging each other to maintain the graffiti-free state.



## We value our people and care about the ways in which they work

At Oranga Tamariki—Ministry for Children, we're committed to helping tamariki and their whānau thrive and flourish. We're all here because we truly care and want to make a difference. Alongside our partners, our staff do amazing work every day, in challenging circumstances, making a real difference to the lives of tamariki, whānau, hapū, iwi, and communities across New Zealand.

### Social Worker pay equity agreement

Our social workers are at the front line of our efforts to build safe, loving, and lifelong relationships for our children, to help them achieve their potential and enjoy happy lives. We are proud to be implementing the Oranga Tamariki—Ministry for Children Social Workers pay equity agreement that the Government announced in September 2018, with a Cabinet decision to provide funding of \$114.6m over five years. Once fully in place, the pay equity settlement will see an average lift in Oranga Tamariki—Ministry for Children social worker salaries of 30.6% over a two year period.

Every day, Social Workers use their highly developed skills to make decisions with the best interests of children in mind, often in difficult circumstances. This decision recognises a historic gender-based undervaluation of social workers, and seeks to put it right.

### Awards for Oranga Tamariki staff

Three members of our staff have won public recognition for their work serving New Zealand's children and young people this year.

New Zealand's inaugural Public Service Day was on 7 November. As part of recognising public servants, two new honours were created. We were thrilled to have two Oranga Tamariki—Ministry for Children staff members receive these awards and be recognised for their incredible mahi:



Left to Right: Hon. Chris Hipkins, Patricia Prchal, Peter Hughes CNZM, State Services Commissioner.

Patricia Prchal, recipient of the State Services Commissioner's Commendation for Frontline Excellence, was one of our most experienced social workers – up until her well-earned retirement this year, she had been coordinating Family Group Conferences since 1989. Patricia embodies the spirit of service, spent more than four decades on the frontline and is personally committed to improving the lives of young New Zealanders. Her deep understanding and commitment to the community she served made her a deserving recipient of this commendation.



Left to Right: Prime Minister Jacinda Ardern, Kyle Kuiti, Peter Hughes CNZM, State Services Commissioner.

Kyle Kuiti, Te Au Rere a Te Tonga Youth Justice Residence Manager, received the Public Service Medal. Kyle's dedication and unrelenting focus on some of our most vulnerable community members exemplifies the spirit of service we have to our own communities. His focus and connection to his mahi has given him insight to the potential in what is considered by many to be a lost group of young people. His impact goes beyond the residence, and lays a strong foundation to achieve the wider Oranga Tamariki —Ministry for Children goal of youth offenders not reoffending. Kyle's absolute focus on improving the lives of some of our most vulnerable young people makes him a worthy recipient of the award.

Additionally, Te Au Rere a Te Tonga Youth Worker Viliami Teumohenga is committed to helping young people gets ahead, both in his role and in his local community. That commitment to his community has been recognised with a national award from the Ministry of Foreign Affairs and Trade Pacific Education in November 2018.

When his daughter was at school, he noticed that a significant number of Pasifika students were seemingly falling through the cracks – so he started up a study group with five Pasifika students. Two years later, three of those students received scholarships to university. Word spread, the group quickly grew bigger, and by September 2017 it became a formal Academy - Amanaki STEM Academy (ASA).

There are now 30 students from nine schools in Palmerston North in the group, and 45 on the waiting list. The group are showing improvements academically, in sports, and in developing positive attitudes to life.



*Viliami Teumohenga*

### Online Practice Centre

Our Online Practice Centre, which is a central repository of information supporting practice approach, policy, and guidance, has undergone major improvements and updates this year to provide a better experience for our people, partners, providers and whānau.

This runs deeper than simply an upgrade in our technology: this critical tool is a key way in which we support our staff and partners to have the information they need when they are working with our tamariki, whānau, and communities. Having clear information at their fingertips enables them to carry out their highly valued work in the way that works best for tamariki.

### Diversity and Inclusion

We know that in order to fully support our staff, along with the tamariki, whānau and communities they serve, Oranga Tamariki—Ministry for Children must be a workplace where our people feel valued, respected and comfortable to be themselves. We have developed three key focus areas for Diversity and Inclusion: creating a culturally competent workforce, kaimahi ora (staff wellbeing), and supporting a family-friendly environment.

Work is underway in all three of these areas.

In November 2018, we launched our Māori Cultural Framework for all our staff to use. In order to meet all our obligations under Te Tiriti and do better for tamariki Māori, it's crucial that we keep deepening our understanding of key Māori values, concepts, practices, and events, and their impact on Māori. The Māori Cultural Framework is an important step towards this.

We are developing the way we work, adapting our practice and responding in culturally appropriate ways. We know that supporting positive cultural identity and connection to whakapapa is critical to enabling tamariki Māori to flourish. The framework, co-designed in partnership with the Māori Design Group, can help us all identify our own level of understanding, and work on the ways in which we can develop. With five principles oriented around mana, the framework sets standards for all staff to meet, and guides our people to deepen their understanding. The Māori Cultural Framework aims to remove bias and reduce the risk of discrimination in decision making, and to enable our people to practice consciously and with cultural confidence

To support this framework, we need tools to help guide the way – and so we developed our app, Te Kete Ararau, with a name gifted to us by Te Atiawa. The app allows our people to access the content of the framework in an easy to use and engaging way.

Building the knowledge, skills and, most importantly, confidence of te ao Māori of our staff places the needs and aspirations of tamariki (including cultural identity) at the centre. The app is available for everyone – not just Oranga Tamariki—Ministry for Children staff – and can be downloaded free from app stores. Our staff have been using it to listen to pronunciations, create their pepeha, and to learn waiata and karakia. It will evolve and grow as our organisation does, supporting us to build our knowledge and take action to advance our development.

We see kaimahi ora as a shared role, with staff being comfortable to identify what they need for their own being, and how their manager, and us as an organisation, can support them.

In some sites, such as Teatohi in Whangerei, flexible working hours are being trialled. Staff can choose from different start times, and see this as a positive step towards kaimahi ora, family-friendly working, and offering better support for the tamariki and whānau they work with.

This year we have seen a reduction in the gender pay gap by 2.3%. This has been significantly impacted by the pay equity settlement for social workers announced by the Government (see page 37).

Alongside these focus areas, we are committed to providing equal employment opportunities. Our Equal Employment Opportunities (EEO) policy and practices ensure equality in the workplace for everyone.

We want to remove barriers so all our people have opportunities to develop and progress in the workplace. We apply our EEO policy in all our people processes, including recruitment and development.

### Staff Engagement

As we continue on our journey towards realising oranga tamariki, it is important that the way we engage with our people reflects the way we want our people to interact with our tamariki, whānau, caregivers and sector partners – by listening to their needs and working with them to create solutions.

Our second annual staff engagement survey, Kōrero Mai – Have Your Say, was carried out in October 2018, with responses received from 66% of staff (an increase of 3% from the previous year). The survey tool we used promotes an iterative cycle of asking for feedback, acknowledging what people are telling us, and taking action in an inclusive way.

The overall survey score for Oranga Tamariki–Ministry for Children was 67%, an increase of 4% on the 2017 result, and 5% higher than the New Zealand Public Sector benchmark score of 62%.

We saw a positive shift between 2017 results and 2018 results on all key focus areas for the organisation.

The score for kaimahi ora, or staff wellbeing, increased 10% this year. An independent analysis of our results by the survey provider commented that:

**“This is a commendable uplift in a relatively short period and is testament to the focus that Oranga Tamariki has placed on the importance of kaimahi ora.”**





# Our PERFORMANCE

This part outlines the Oranga Tamariki—Ministry for Children service performance for the 12 months from 1 July 2018 to 30 June 2019.



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## Our Performance

### Statement of Responsibility

I am responsible, as Chief Executive of Oranga Tamariki—Ministry for Children, for:

- the preparation of the Ministry's financial statements and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by Oranga Tamariki—Ministry for Children, whether or not that information is included in the annual report.

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2019 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2020 and its operations for the year ending on that date.



Gráinne Moss | Chief Executive  
30 September 2019



## Independent Auditor's Report

### To the readers of Oranga Tamariki - Ministry for Children's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Oranga Tamariki - Ministry for Children (the Ministry). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 78 to 110, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date, and the statement of trust monies for the year ended 30 June 2019 and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2019 on pages 44 to 67 and 69 to 72;
- the statements of expenses and capital expenditure against appropriations of the Ministry for the year ended 30 June 2019 on pages 112 to 117; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 112 to 119 that comprise:
  - > the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2019;
  - > the schedules of expenses for the year ended 30 June 2019; and
  - > the notes to the schedules that include accounting policies and other explanatory information.

### Opinion

In our opinion:

- the financial statements of the Ministry on pages 78 to 110:
  - > present fairly, in all material respects:
    - > its financial position as at 30 June 2019;
    - > its financial performance and cash flow for the year ended on that date; and
    - > statement of trust monies for the year ended 30 June 2019; and
  - > comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Ministry on pages 44 to 67 and 69 to 72:
  - > presents fairly, in all material respects, for the year ended 30 June 2019: what has been achieved with the appropriation; and
  - > the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
  - > complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure against appropriations of the Ministry on pages 112 to 116 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 112 to 119 present fairly, in all material respects, in accordance with the Treasury Instructions:
  - > the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2019; and
  - > expenses for the year ended 30 June 2019.

Our audit was completed on 30 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.



## Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

## Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's Strategic Intentions 2017-2022 and relevant Estimates and Supplementary Estimates of Appropriations 2018-19, and the 2018-19 forecast financial figures included in the Ministry's 2017-18 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information within the Ministry's framework for reporting its performance.



- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 5 to 37, 39, 45 and 73 to 76, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Ministry.



Ajay Sharma | Audit New Zealand

On behalf of the Auditor-General  
Wellington, New Zealand

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa



## Our output measures

This section reports on our performance against our targets, as included in The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2019.

Throughout this section, we have included our performance information for both this year and last year, in order to provide a full picture of our results.

## Review of our performance measures and targets

As Oranga Tamariki—Ministry for Children has developed over the last two years, so have our appropriation measures. They need to reflect our structure and ways of working, along with expanding or increasing in time as we gather more data.

For 2018-19, we have removed a number of measures that we achieved last year, and created new measures that better demonstrate our focus on improved outcomes for children and young people.

We have included measures for volume, quality, impact, and the support we will provide or facilitate. Taken together, our measures will give a balanced view of outcomes for children before, during and after they receive care and support from Oranga Tamariki—Ministry for Children, contracted service providers and the wider social sector.

As we continue to evolve our services, we will continue to develop and refine our output measures to reflect the outcomes we are trying to achieve.

During 2018-19, we established our new Outcomes Framework. To ensure we are measuring our performance against the Framework, our 2019-20 performance measures as set out in The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2020 have also been updated to reflect the new Framework.

Who We Support	Appropriation
Children, young people & families	<ul style="list-style-type: none"><li>— Investing in Children and Young People</li><li>— Adoptions</li><li>— Supporting Equitable Pay for Care and Support Workers</li></ul>
Sector Partners	<ul style="list-style-type: none"><li>— Connection and Youth Advocacy Services</li><li>— Reducing Youth Offending Social Bond Pilot</li><li>— Evaluation and Auditing Expenses for the Reducing Youth Re-Offending Social Bond Pilot</li></ul>
Government	<ul style="list-style-type: none"><li>— Data, Analytics and Evidence Services</li><li>— Policy Advice</li><li>— Ministerial Services</li></ul>
Our assets	<ul style="list-style-type: none"><li>— Capital Expenditure</li></ul>



## Our Outcomes Framework

Our Outcomes Framework (page 15) sets out the services we provide, the new services we are introducing, and how we will know we are making a difference for tamariki and whānau – including our accountability for reducing disparities for tamariki Māori.

It reflects the way that Oranga Tamariki—Ministry for Children has been set up to meet the new legislation that came into effect on 1 July 2019, and how our goals align to the Government’s vision: that New Zealand is the best place in the world for children and young people.

We publish a quarterly report on our website that provides a snapshot of how we are performing, as measured against our Outcomes Framework. This report includes:

- a clear picture of our operational data; highlighting the size and scale of our functions; and
- performance information linked to the main changes we want and need to see.

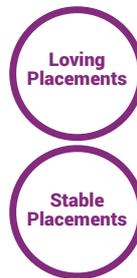
## How will we know if we are making a difference?

The Outcomes Framework helps us track whether or not we are seeing the differences that we need to see in order to improve outcomes for tamariki. Our initial focus has been to develop metrics for Care and Youth Justice. Some example metrics can be seen to the right.

We are continually revising our reporting to make sure it accurately reflects all the 1 July legislation changes, including the inclusion of 17 year olds in the youth justice system, and the measures for our new Transition Support Service.

### Examples of our Care Metrics:

More children in care are in safe, stable and loving homes



#### What We Are Measuring

**Out of Home Placement Type for Longer Term Placements**

These measures show how well we are performing at:

1. Keeping children and young people in the types of placement that are most home like; and

**Family/Whānau Placement Instability**

2. Keeping family/whānau placements stable.

More appropriate care arrangements are available for children



#### What We Are Measuring

**Placement availability on entry to care**

These measures show how well we are performing at:

1. Maintaining an appropriate supply of care options for children entering out-of-home placements, including our matching and whakapapa searching capability; and

**Quality of placement matching**

2. Keeping children and young people in out of home placements with caregivers of their own ethnicity.

### Examples of our Youth Justice Metrics:

More young people stop offending before adulthood



#### What We Are Measuring

**Re-engagement for those with youth justice history**

These measures show how well we are performing at:

1. Keeping young people from reoffending following their first offence; and

**Family Group Conference (FGC) history for young people with current FGC**

2. Keeping young people from returning to youth justice multiple times.

Youth Justice Family Group Conferences are a youth justice response to an offence. This gives a young person, with their whānau, victims and professionals - a chance to help find solutions together.

More young people are safely managed in the least restrictive placement appropriate



#### What We Are Measuring

**Custodial placements in youth justice**

These measures show:

1. The extent to which we manage young people safely in the least restrictive placements; and

**Average days on custodial remand**

2. How we are performing at holding young people on remand for an appropriate length of time. Remands should be for the shortest period possible of time appropriate to the circumstances of the case.



## Our Services for Children, Young People and Families

### Departmental: Investing in Children and Young People

The overarching purpose of this appropriation is to ensure New Zealand's vulnerable children and young people have positive outcomes.

This is a Multi-Category Appropriation (MCA) as detailed below:

#### Early and intensive intervention

This category is limited to intake assessments and early and intensive intervention services for children and young people exhibiting needs which place them at risk of poor life outcomes and/or requiring a statutory intervention.

#### Prevention

This category is limited to providing prevention and awareness programmes and services to identify and support children, young people and their families at risk of poor life outcomes.

#### Statutory intervention and transition

This category is limited to providing statutory care and youth justice services, and services to transition children and young people from statutory intervention.

#### Supporting and developing providers and services

This category is limited to service development; and approving, monitoring, contracting and managing the relationship with, and developing the capacity and capability of, service providers.

### What we intend to achieve with this appropriation

This appropriation is intended to enhance the wellbeing of children and young people, their families, and their communities, who are most in need of extra support.

## What we do

We aim to put children's needs at the heart of what we do. Our goal is to work with families, whānau and the wider community to create circles of protection and care around children and young people whose well-being is at risk. Our core services for children and young people range from prevention through to early adulthood services.

### Prevention

We are moving from a system focused on crisis response to one focused on prevention and early intervention, with the aim of having fewer children moving through the system and into care.

### Intervention

We aim to keep children safe in their own homes. We will develop intervention services that work intensively with families and whānau to enable this to happen.

This will involve quality decision-making and intensive support that prioritises a child's need for stable loving care at the earliest opportunity and meets their full range of needs.

### Care Support

Where it is not possible for children and young people to remain safely at home within their birth family, we will find stable homes and loving care for them. We will look to place them firstly within their own families and whānau, but if that is not possible, with a caregiving family that best matches their needs.

They will be supported to maintain relationships with their birth family, if possible, in a way that supports the development of their personal and cultural identity.

We also aim to create a larger and more diverse pool of caregiver families, who have the capacity, skills, resources and support to build and maintain loving, stable and lifelong relationships.

### Youth Justice

We will help children and young people who have offended to accept responsibility for their actions and support them so they do not re-offend. We will also help children who may be likely to offend, so they do not go down this path. This will involve providing services at the earliest opportunity to address the underlying factors that contribute to offending. We will also work with victims to try to repair harm.

### Transition to Adulthood

We will help provide ongoing support as young people find their feet in the world and become young adults. This will include additional help for caregivers.



## The numbers we work with <sup>3</sup>

### Care & Protection

**87,300**

Reports of Concern



**41,700**

Referrals for assessment or investigation



**8,700**

Family Group Conferences held



**1,650**

Total entries into care



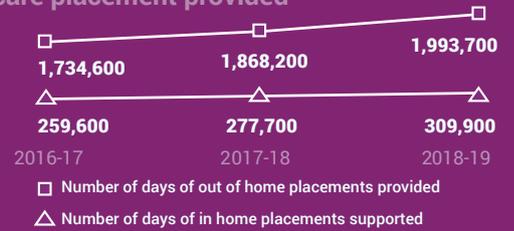
**1,450**

Total Exits out of care



**2,303,600**

Days of care placement provided



**6,450**

Children in care

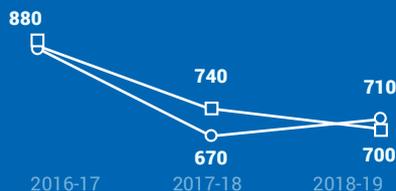


## The numbers we work with <sup>3</sup>

### Youth Justice

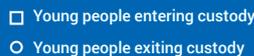
**700**

Young people entered custody



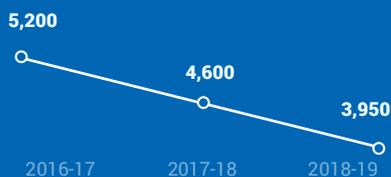
**710**

Young people exited custody



**3,950**

Youth Justice Family Group Conferences held



**55,300**

Days of custodial placements



<sup>3</sup> Key statistics under 1,000 are rounded to the nearest 10. Key statistics between 1,000 and 10,000 are rounded to the nearest 50. Key statistics over 10,000 are rounded to the nearest 100



## Initiatives for which we received additional Government funding

### We received:

- To support the preparatory changes to transform the care system, establish the new transition support service, and introduce the new information sharing provisions for the July 2019 legislative changes, we received \$17 million of Budget 19 pre-commitment funding;
- To transform the care system to improve the safety and wellbeing of children in care, we received \$18 million for:
  - > building our frontline capacity and capability to provide care and support for children and young people in care and with their families, whānau and caregivers, and developing work environments suited to our new way of working;
  - > delivering high quality services and support that addresses the children's and young people individual needs;
  - > finding and retaining high quality caregivers and supporting them to provide safe, stable, loving homes for children and young people in their care; and
  - > building placement capacity for very high needs children and young people whose therapeutic needs cannot be met in a whānau or traditional foster care environment.
- To establish our Corporate services operating model including the establishment of and/or increasing capacity in the following functions we received \$3.515 million:
  - > Governance, Risk and Assurance which includes our Health and Safety and Privacy teams;
  - > People and Leadership team;
  - > Finance and Business Information team; and
  - > Information Technology team.
- For services to reduce youth offending which include Functional Family Therapy, Cognitive Behavioural Therapy, and Professional Youth Mentoring we received \$1.141 million.

## How well we delivered it

Our two key focus areas for 2018-19 year were:

- continued delivery of our core services to meet the needs of children, young people and their families; and
- getting in place the building blocks to deliver on the key legislative changes that would take effect on 1 July 2019 (page 8).

## Intakes, Assessments and Referrals

Our National Contact Centre is the first point of contact for people to connect to services within Oranga Tamariki—Ministry for Children, including receiving reports of concerns regarding a child or young person.

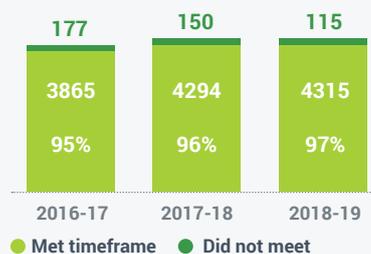
In 2018-19, we received 87,260 reports of concern (compared to 92,250 in 2017-18).

When a report of concern is received, the National Contact Centre might assess that a critical or very urgent response is required, meaning that a social worker will need to make an initial assessment of the safety and well-being of the child within 24 or 48 hours.

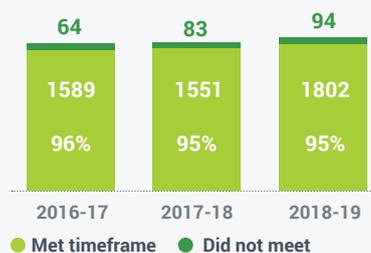
We have continued to meet our performance standard of assessing between 95-100% of critical or very urgent notifications within our operational timeframes.

In some instances it is not possible to meet this timeframe, for example when a family are transient and cannot be located, or are actively avoiding engagement.

### Critical - 24 hours



### Very urgent - 48 hours



This year, in order to improve earlier decision making we began testing a new approach to intakes and assessment.

Whānau, hapū, iwi and the wider community are given the opportunity to address concerns about tamariki at the earliest opportunity so that we can more consistently and reliably identify tamariki requiring assessments. This allows us to provide children and young people with more appropriate support earlier.



This new approach, aligning with our Practice Standards and embedding legislative requirements, will be implemented across all our sites in 2019-20.

### Placement Stability

A stable placement can support children in out of home placements to develop and maintain family, peer and community relationships while separated from their families. While some placement changes can be beneficial, multiple and unplanned placements have been associated with negative outcomes for children and young people.

When children come into our care under urgent circumstances they are placed with a temporary caregiver for a period of time until a more stable arrangement can be planned for, preferably with whānau.

Improving the stability of placements is a high priority for us. To achieve this, we are:

- creating more care placements that are better responsive to the needs of tamariki (page 28); and
- improving the training and support available to our caregivers (page 29).

### Keeping Siblings Together

Keeping siblings together is always a priority for us. We believe that separating siblings should only ever be a very last resort, as we know this can bring grief and disruption. Sibling relationships need to be recognised, fostered and protected.

Examples of the way that our social workers support caregivers to help keep siblings together, can be seen on page 28.

Over the last three years, the proportion of siblings placed together has remained consistent despite an increase in the total number of siblings in out of home placements<sup>4</sup>. As we improve our services and support to caregivers, we would expect to see an increase in the proportion of children who are able to be placed with siblings.

Although not ideal, there will be some situations where siblings are removed from their parents' care but are not able to be placed together. In these circumstances, as long as these visits are beneficial to their wellbeing, we continue to actively encourage contact between siblings.

### Percentage of children & young people who have been in care for 12 months or less with more than one caregiver



### Percentage of children & young people who have been in care for 12 months or more with more than one caregiver



### Proportion of siblings placed together



<sup>4</sup> For 2018-19, we revised our methodology to treat any children being cared for by the same adults at the time they come into our custody as being siblings with the aim to keep that family unit together no matter what the exact relationship is between the children.



## Building our Quality Practice

In 2018-19, we continued to work to broaden and strengthen our practice quality assurance framework to enable the monitoring and continuous improvement of practice for tamariki and whānau.

Our quality assurance approach:

- is informed by the feedback and experiences of tamariki and whānau, and those we work with to support them;
- provides assurance that the organisation is meeting its core requirements for practice, and considers the quality of professional judgements and decision making processes for tamariki;
- takes a systemic approach to identifying factors in the wider environment that are enabling or presenting barriers to effective practice; and
- drives an integrated and coordinated approach to practice improvement.

We established a set of monitoring and self-assessment mechanisms to provide a structured method for evaluating our practice quality against our core practice standards. These include:

- an **annual site self-assessment** to identify core areas of strength and areas for improvement in practice.  
All our frontline sites carried out their 2018-19 annual assessment;
- **monthly monitoring of core areas of practice in each site**. From 2019-20, this includes a focus on the new Care Standards requirements;
- **independent annual monitoring of all Care and Protection and Youth Justice Residences**, to assure compliance with the residential care regulations and to assess the quality of practice for tamariki and rangatahi in residential care. All residences are scheduled for another monitoring visit in 2019-20; and
- **an annual programme of independent site visits ('practice checks')**, to provide comprehensive information on the strengths and areas for improvement in the operations of an individual site. This includes the broader context in which the site operates.

Practice checks were carried out across 32 Oranga Tamariki–Ministry for Children sites and Youth Justice teams in 2018-19. All sites are scheduled to be visited on a three yearly basis with more frequent monitoring conducted where required to support improvement or address identified areas of risk.

## Our monitoring highlighted:

- an increased focus on engagement with tamariki and family/whānau, and advocating for the best possible outcomes for tamariki;
- efforts by a number of sites to work more collaboratively in order to better coordinate services and supports for tamariki. This included use of a variety of panels and multi-agency team meetings for guidance, advice, and collective decision-making; and
- a focus during the year on the development of frontline supervisors had a positive impact on the provision of formal practice supervision to support social work decision making.

## We will continue to:

- emphasise the need to ensure the views of tamariki, their family/whānau, wider family and caregivers inform, and are recorded in, assessments and plans for tamariki, and that information is shared with them;
- build staff knowledge and understanding of the principles of mana tamaiti, whakapapa and whanaungatanga, and their application to frontline practice; and
- facilitate cultural practices to support engagement and relationship building with tamariki and their whānau, hapū and iwi; and
- strengthening the connection of tamariki to their whakapapa were identified as particular opportunity areas. Specialist roles such as the Kairānanga-a-whānau will assist in identifying whakapapa and connecting tamariki with their hapū and iwi.

With the implementation of the Care Standards from 1 July 2019, changes to the Oranga Tamariki Act 1989 including new section 7AA, and the ongoing development of our operating model, we are continuing to develop and expand our practice quality assurance system. The Care Standards in particular require Oranga Tamariki–Ministry for Children to implement systems for the self-monitoring of the standards, and to provide specific information and reporting to assist the new Independent Children's Monitor in its work.

A key principle in designing these changes is ensuring we build off and integrate into our existing quality assurance system, to ensure a co-ordinated and coherent approach to monitoring and improvement across the Oranga Tamariki–Ministry for Children operating model.



### Specialist Care Teams

We have setup a new Caregiver Recruitment and Support Service, with 11 dedicated Care teams in place to ensure caregivers get the support they are entitled to. This includes caregiver assessments, support plans and ongoing training and guidance.

These teams include Caregiver Social Workers supported by Operational, Caregiver and Practice Managers.

To ensure tamariki Māori are connected to their culture and identity, the teams work closely with hapū, iwi and kaupapa Māori providers to find loving homes for tamariki Māori within their whakapapa line. The teams also work closely with Pacific partners to support quality care for Pacific tamariki.

A caregiver satisfaction survey has been carried out, with the results available in 2020 (page 20).

### Strengthening Whānau Care

We have implemented new specialist Māori roles to increase the identification and involvement of whānau early in the care and wellbeing of tamariki, and have progressed new strategic partnerships to establish different models of engaging, approving and supporting caregivers from within whānau, hapū and iwi (page 24).

### Transition Support Services

In 2018-19, we established the foundation

Transition Support Service to support rangatahi leaving care and youth justice to successfully transition and thrive as healthy young adults (page 29).

Under Part Five of the National Care Standards, we have to make sure rangatahi are well supported during their transition from care or youth justice placements to adulthood. This now includes:

- conducting a life skills assessment;
- making decisions about and setting up, the support and assistance they need; and
- ensuring they are aware of other transition support services such as entitlement to remain or return and advice and assistance.

We have contracted with 40 community partners to provide transition support workers. They will provide practical and emotional support to rangatahi – helping to develop their life-skills, learn from their mistakes and plan for their future.

They will help rangatahi develop and achieve their goals, guide them in accessing the supports and services available to them and also connect rangatahi to their strengths, their identity and a wider network of support, including whānau, hapū and iwi.

We have also established a new Transition Support Team within our National Contact Centre and a new 0800 number to provide information about this new service and advice and assistance for eligible young people up to the age of 25 who have left care or a youth justice placement.

In addition to standing up these new services, we have designed new processes, policies, and practice guidance to enable our frontline staff to understand and access the range of support and entitlement for rangatahi transitioning to independence. We also designed a performance evaluation, monitoring and reporting framework.

The wider roll-out of this service will take place throughout 2019-20.



## Children and Young People Harmed in Care

When children come into our care, Oranga Tamariki—Ministry for Children is responsible for providing them with stable and loving placements and ensuring that they are safe.

In 2018-19, we established the Safety of Children in Care unit to implement a new approach to assessing children and young people's safety in care, to better identify patterns and address the drivers of harm. This new approach will allow us to better understand, and effectively address the harm experienced by tamariki in care. This understanding will enable focused and effective work to prevent future harm, and improve the safety of tamariki in care.

The new reporting system records harm committed against a child by anyone, not just the caregiver, and in any location, not just within the child's placement. It records all incidents of harm. Harm is defined as an action or inaction that meets the definitions of the four abuse types: neglect, emotional, physical and sexual.

Our first Safety of Children in Care report was published in March 2019 covering the period June 2018 – December 2018. Reports are being published quarterly and provide detailed information relating to:

- the overall number of individual children who have experienced harm;
- the number of individual children who have experienced each type of harm;
- the number of findings of each type of harm experienced;
- where the child was living when the harm occurred and whether the harm occurred inside or outside the placement; and
- who is alleged to have caused the harm.

The level of detail in these reports is based on a desire to be open and transparent whilst protecting the privacy of those affected by the harm.

Visit [www.orangatamariki.govt.nz/statistics/safety-of-children-in-care/](http://www.orangatamariki.govt.nz/statistics/safety-of-children-in-care/) for all our published reports.

## Raising the Age

From 1 July 2019, the majority of 17 year olds who offend are now considered within the youth justice jurisdiction. A predicted 1,600-2,000 additional youth offence cases were estimated to come under the jurisdiction of the Youth Court, requiring community and custodial service responses from Oranga Tamariki—Ministry for Children. This will ensure they have access to the therapeutic support they need to stop offending and that we keep our young people out of prison, both now and later on in their lives.

To ensure the jurisdictional age change is a success we have:

- invested in 21 new community remand placements including homes at Rotorua, Palmerston North, Dunedin, Hamilton, Auckland (including the Ngā Puhi Mahuru remand service in Te Tai Tokerau – page 24). A further two homes in Auckland and one in Tauranga are nearing operational readiness;
- increased Youth Justice Residence capacity by 10 beds to 156;
- invested in our Youth Justice Residence infrastructure with a programme to make all four residences graffiti-free (page 34); and
- continued to build the wider Youth Justice workforce to help reduce offending, re-offending and the need for custodial placements, including the expansion of flexible Supported Bail programmes.

To support our people to prepare for this change, we have:

- rolled out a new induction training programme for youth justice residence staff;
- embarked on a programme of induction for all new Family Group Conference co-ordinators, and in service training for existing staff;
- provided speech and language training for our Youth Justice workforce, designed to ensure our ability to engage young people in complex youth justice issues is enhanced; and
- trained staff in new behavioural management techniques to avoid the use of physical restraint.

We are also piloting:

- a new approach to restorative practice, Whakamana Tangata, in one Youth Justice residence at Te Maioha o Parekarangi in Rotorua; and
- additional mentoring support for tamariki and a co-designed hybrid functional family therapy (FFT) programme in Auckland.

We have increased our focus on victims with a new role created to develop a comprehensive framework to increase engagement, participation and satisfaction of victims experiencing youth crime. Our Family Group Conference (FGC) Co-ordinator training focuses on improving the rates of victim attendance at the FGC.



In the community, we have invested in early intervention programmes such as Mana Tamariki (page 32) in Auckland and Oranga Rangatahi in Huntly which both aim to reduce escalation into the youth justice system through interventions that strengthen whānau and help keep tamariki on an educational pathway.

The past year has seen youth crime continuing to fall, and an overall reduction in the numbers of tamariki Māori referred to Oranga Tamariki—Ministry for Children for a youth justice intervention. The year to June 2019 saw a 16% reduction in tamariki Māori referrals, from 3,290 to 2,767.

This year has also seen fewer young people being held for more than a day in police cells.

### The number of young people in police cells more than 24 hours



To achieve this, we:

- increased the overall number and availability of placements so that tamariki can be moved more easily from police custody to a locally-available remand placement;
- introduced a daily, weekly and monthly review of all tamariki arrested and detained, to ensure that we are aware and responsive whenever bail or release to parents/caregivers is a likely outcome; and
- are strengthening our after- hours responses for youth justice, particularly in areas of high throughput such as South Auckland, to ensure the duty staff are able to respond to Police requests to take custody of tamariki before the 24 hours has elapsed.

### Supporting and Developing Providers and Services

We have continued to work with our sector partners to build and commission strong services for children.

In 2018-19 we:

- established Strategic Partnership Agreements with Te Rūnanga o Ngāi Tahu (Ngāi Tahu), Te Rūnanga-Ā-Iwi O Ngāpuhi (Ngāpuhi) and with Waikato-Tainui. The agreements, part of our response to section 7AA of the Oranga Tamariki Act 1989 (page 9) aim to strengthen the relationships between iwi and Oranga Tamariki—Ministry for Children and to make a real difference for tamariki from those iwi and for tamariki Māori overall;
- successfully convened a national hui of iwi and Māori organisations, attended by over 150 representatives of around 90 iwi and Māori organisations (page 22); and
- convened a Workforce Working Group with sector and NGO partner's to better understand how we can work together to develop effective responses, including how we respond to the workforce capacity and capability requirements for delivering new services.

For the first time in a number of years we applied a general adjustment increase (1.36%) for providers of services to children, to assist providers to respond to cost pressures.

We also continue to improve certainty for our providers by establishing multi-year contracts. The proportion of funding in multi-year contracts has increased from 30% to over 80% in two years.

The proportion of providers who achieved or exceeded the target for their primary contracted measure<sup>5</sup> increased significantly following a focus on ensuring that contract measures were appropriate to the services and volumes being delivered (2018-19: 92%, compared to 2017-18: 74%)

<sup>5</sup> The majority of our contracted services have multiple reporting measures, one of which is designated to be the primary measure. This is usually a quantitative measure, based around the volume of contracted funding.



2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
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### Early and Intensive Intervention

97%	The percentage of critical (within 24 hours) notifications of immediate concern which are assessed within operational standards appropriate to the needs of the child or young person will be between	95 - 100%	97%
95%	The percentage of very urgent (within 48 hours) notifications of immediate concern which are assessed within operational standards appropriate to the needs of the child or young person will be between	95 - 100%	95%

### Prevention

New Measure in 2018-19	The percentage of New Zealanders who feel a sense of responsibility support children and young people in their communities who they don't know personally.	Establish baseline	42%
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### Statutory Intervention and Transition

Not Achieved	Establish an effective measure for percentage of children and young people harmed in care by 30 June 2019	Achieved	Achieved
85%	The percentage of exits from care which are sustainable for children and young people, within two years, will be no less than	83%	87%
93%	Report on the percentage of children and young people enrolled in an appropriate education service while in statutory care	Per 2017-18 baseline	93%
New Measure in 2018-19	Report on the truancy rates for children and young people while in statutory care (and after leaving care) <sup>7</sup>	Per 2017-18 baseline	9% in care 13% after leaving care
46%	The percentage of children and young people who have been in care for 12 months or less with more than one caregiver will be no more than	58%	45%
36%	The percentage of children and young people who have been in care for more than 12 months with more than one caregiver will be no more than	41%	37%
71%	The percentage of children and young people placed with siblings will be no less than	72%	77% <sup>6</sup>
New Measure in 2018-19	Report on the proportion of children and young people not in education, employment or training (NEET) after having reached the maximum age of care <sup>7</sup>	Per 2017-18 baseline	35%
46%	Report on the percentage of children and young people (15-17 year olds) with youth justice history not in education, training or employment following intervention <sup>7</sup>	Per 2017-18 baseline	29% <sup>8</sup>
New Measure in 2018-19	Establish a baseline of quality practice for Services for Families and Children	Establish Baseline	Achieved Page 52
New Measure in 2018-19	Establish a baseline of quality practice four Youth Justice Services	Establish Baseline	Achieved Page 52
New Measure in 2018-19	The number of Family Group Conferences convened within timeframes, per month	Per 2017-18 baseline	Achieved See FGC table
New Measure in 2018-19	The number of young people in police cells more than 24 hours	Establish Baseline	132
New Measure in 2018-19	The number of youth offenders who reduce the severity of offending <sup>7</sup>	Establish Baseline	1,515
New Measure in 2018-19	The number of youth offenders who do not re-offend (includes a subset on frequency of offending) <sup>7</sup>	Establish Baseline	726 did not re-offend 1,464 reduced frequency of offending

### Supporting and Developing Providers and Services

90%	The percentage of providers that meet their contractual reporting requirements will be no less than	100%	85%
74%	The percentage of contracted services which achieved or exceeded the target for their primary contracted measure will be no less than	75%	92% Page 55
New Measure in 2018-19	Report on the percentage of longer term funding arrangements (establish a baseline for number and percentage of providers on a multi-year contract)	Establish baseline	87%

All standards are unaudited



## Youth Justice Family Group Conferences

Youth Justice Family Group Conferences (FGC) give the child or young person – along with their whānau, victims and professionals – a chance to help find solutions when they have offended.

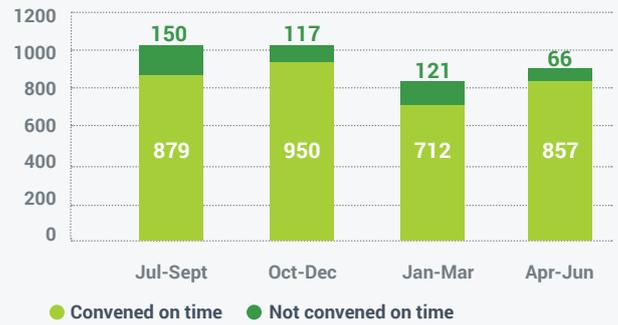
The timeframes for convening and holding a Youth Justice Family Group Conference are directed under s249 of the Oranga Tamariki Act 1989.

The number of Youth Justice FGCs convened is dependent on the number of arrests and referrals from police. They are also impacted by the seriousness of the offending as this determines how many times an FGC is required for a young person.

In 2018-19, a total of 3,852 Youth Justice Family Group Conferences were convened<sup>9</sup>. Of these, 3,398 (88%) were convened within timeframes.

The legislation allows some flexibility regarding the timings, and allows us to extend the timeframe for holding the FGC if the extension makes it a more inclusive and effective process. While we do aim for the timeframes, a quality FGC is always our priority as this will help ensure better outcomes for tamariki, rangatahi and whānau.

Family Group Conferences (FGCs)



<sup>6</sup> For 2018-19, we revised our methodology to treat any children being cared for by the same adults at the time they come into our custody as being siblings with the aim to keep that family unit together no matter what the exact relationship is between the children.

<sup>7</sup> The results in this document are not official statistics, they have been created for research purposes from the Integrated Data Infrastructure (IDI), managed by Statistics New Zealand. The opinions, findings, recommendations, and conclusions expressed in this document are those of the author(s), not Statistics NZ. Access to the anonymised data used in this study was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business, or organisation, and the results in this document have been confidentialised to protect these groups from identification. Careful consideration has been given to the privacy, security, and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the Privacy impact assessment for the Integrated Data Infrastructure available from <http://www.stats.govt.nz>.

<sup>8</sup> These results are as at 31 December 2017, this being the most recent data available in the IDI. Tertiary enrolment data is approximately 6 months behind other data sets. The recently discovered lag in tertiary information means NEET (Not in Education, Employment, or Training) measure previously reported over represented those who were NEET. Using this revised methodology the results are 28% NEET as at 31 December 2016 and 29% NEET as at 31 December 2017.

<sup>9</sup> "Convening" refers to the time taken to plan and prepare a family group conference.



## Review of 2019-20 Performance Measures and Targets

Our current suite of appropriation measures were agreed in March 2018. At this time we were still undertaking the policy work which ultimately resulted in Cabinet decisions on our future direction and which underpinned our Outcomes Framework (page 15).

For 2019-20, we reviewed our full suite of appropriation measures within this multi-category appropriation to ensure they aligned with the Outcomes Framework and our Quarterly Report (page 44), and to integrate the new elements of our service functions.

Changes from the previous year's measures have largely been driven by the following goals:

### Outcomes Framework and Quarterly Report Alignment

Where appropriate, measures now directly align to the outcomes set out in the Oranga Tamariki Outcomes Framework. Where suitable, we have used an existing measure within our quarterly performance report in the format of an appropriation measure.

### Increased Timeliness

All measures now depend on data we and/or our partner providers own. This mitigates our reliance on external data and the corresponding time lags and lack of visibility which this created.

### Increased Specificity

All but one of our measures require the reporting of specific performance information, rather than requiring us to "report on" or "develop" a measure. The exception to this is reporting on rates of harm while in statutory care, which reflects the developmental nature of our work on the Safety of Children in Care.

Our performance measures and targets for 2019-20 are listed in The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2020.

## What it cost Financial Performance (figures are GST exclusive)

Actual 2018 \$000		Main Estimates 2019 \$000	Supplementary Estimates 2019 \$000	Actual 2019 \$000	Main Estimates 2020 \$000
	<b>Revenue</b>				
810,458	Crown	903,715	958,858	958,858	1,129,219
9,041	Department	9,041	9,041	9,041	9,052
4,045	Other	3,724	5,424	5,017	5,424
<b>823,544</b>	<b>Total Revenue</b>	<b>916,480</b>	<b>973,323</b>	<b>972,916</b>	<b>1,143,695</b>
<b>816,161</b>	<b>Total Expense</b>	<b>916,480</b>	<b>973,323</b>	<b>943,201</b>	<b>1,143,695</b>
<b>7,383</b>	<b>Net Surplus/ (Deficit)</b>	<b>-</b>	<b>-</b>	<b>29,715</b>	<b>-</b>

## Departmental: Adoption Services

This appropriation is limited to the management of services, incorporating education, assessment, reporting, counselling, and mediation, to all people who are party to adoption-related matters, past or present.

### What we intend to achieve with this appropriation

This appropriation is intended to achieve the legal adoption of children by approved parents and to provide access to information on adoptions.

### What we do

Adoption services are delivered under three pieces of legislation – the Adoption Act 1955, Adult Adoption Information Act 1985 and the Adoption Intercountry Act 1977.

Adoption provides a child with a new legal family when their birth parents are not able to raise them or the parental relationship needs to be legalised, as in the case of surrogacy. The most important consideration in adoption is what is best for the child.

We work with families or individuals wanting to adopt, as well as expectant parents who want to place a child for adoption. Our services include:

- education and preparation of applicants who wish to adopt;
- the assessment of adoptive applicants;
- the provision of social work reports to the Family Court;
- advice assistance and counselling of expectant parents; and
- assistance, counselling, mediation for people wanting to access information about their adoption.

We also provide information and social work services to adult parties to past adoptions who are seeking information about their birthparents or their birth child.

These services are provided to all people who are party to adoption-related matters, past or present.

Data on adoptions within New Zealand is the responsibility of the Ministry of Justice.

The Department of Internal Affairs is responsible for reporting on inter-country adoptions finalised overseas and recognised in New Zealand.

Oranga Tamariki–Ministry for Children reports on the number of information requests received under the Adult Adoption Information Act.

All of our adoptions services are demand-driven, including timeframes, as clients and applicants can chose to pause or stop action at any time.



## How well we delivered it

In 2018-19, we continued to deliver our core adoption services which are adoptive applicant assessments and respond to requests from adults seeking identifying information on birth parents.

With the development of open adoption, we would expect to see a reduction in the number of adults seeking information about their birth parents through the Adult Adoption Information Act 1985. However we are still receiving a relatively consistent number of applications from adults seeking identifying information about their birth parents.

In addition, this year we set up our National Adoptions structure. This means people who approach us about placing their child for adoption, or to seek information about their adopted child - or their own adoption, or want to apply to adopt a child, will be supported by a service dedicated to adoption practice. Our new structure will focus on developing staff to improve the quality and consistency of our social work practice in this area.

We have continued to maintain a strong connection between our adoptions staff and Caregiver Recruitment Support Service. This includes combined training for our caregiver and adoptive applicant group.

### Annual number of requests



2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
221	The number of requests from adults seeking identifying information on birth parents will be between	150-200	257

All standards are unaudited

### What it cost Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
	Revenue				
7,422	Crown	7,502	7,502	7,502	7,642
<b>7,422</b>	<b>Total Revenue</b>	<b>7,502</b>	<b>7,502</b>	<b>7,502</b>	<b>7,642</b>
<b>7,144</b>	<b>Total Expense</b>	<b>7,502</b>	<b>7,502</b>	<b>7,203</b>	<b>7,642</b>
<b>278</b>	<b>Net Surplus/ (Deficit)</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>-</b>



## Departmental: Supporting Equitable Pay for Care and Support Workers

This appropriation is limited to the additional costs of worker hours resulting from the Care and Support Workers (Pay Equity) Settlement Act 2017.

### What we intend to achieve with this appropriation

This appropriation is intended enable the additional costs of worker hours resulting from the Care and Support Workers (Pay Equity) Settlement Act 2017.

### What we do

This funding is to cover the additional costs of worker hours resulting from the Care and Support Workers (Pay Equity) Settlement Act 2017.

### How well we delivered it

We continued to meet our obligations under the legislation.

### Review of appropriation structure

As part of a review of our appropriation structure, it was apparent that this Departmental output expense would fit better within the MCA –Investing in Children and Young People. This change did not affect our overall financial position.

2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
100%	Oranga Tamariki–Ministry for Children will meet all Departmental costs related to workers in the care and support sector, incurred as a result of legislation giving effect to the pay equity settlement with care and support workers	100%	100%

All standards are unaudited

### What it cost Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
	Revenue				
323	Crown	544	-	-	-
<b>323</b>	<b>Total Revenue</b>	<b>544</b>	-	-	-
<b>323</b>	<b>Total Expense</b>	<b>544</b>	-	-	-
-	<b>Net Surplus/(Deficit)</b>	-	-	-	-



## Supporting Sector Partners

### Non-Departmental: Connection & Advocacy Services

This appropriation is limited to supporting an independent connection and advocacy service for children and young people in statutory care.

### What we intend to achieve with this appropriation

This appropriation is intended to achieve reduced isolation for children and young people in care by connecting them with each other, promoting their individual and collective voice and building their leadership.

### What is VOYCE – Whakarongo Mai

VOYCE – Whakarongo Mai (VOYCE) is an independent, non-Governmental organisation established in April 2017 to advocate with and connect care experienced children and young people (page 21).

It is funded by the Government and four philanthropic partners (Foundation North, the Tindall Foundation, Todd Foundation and Vodafone New Zealand Foundation). Oranga Tamariki–Ministry for Children distributes funding to VOYCE – Whakarongo Mai on behalf of the Government under a contract which we monitor. The contract includes advocacy and connection services.

### How well did VOYCE – Whakarongo Mai deliver its services

In 2017-18, its first full year of operation, VOYCE focused on the set-up of its Auckland national office, developing its connection and advocacy operating model and initial delivery of connection and advocacy services in Auckland.

In 2018-19, VOYCE has significantly expanded its service delivery to include:

- direct outreach to the population of children and young people in care;
- advocacy and connection services in Northland and Christchurch, as well as Auckland;
- advocacy services within two Youth Justice residences and associated remand homes;
- advocacy services within two care and protection residences and homes; and
- an active National Youth Council.

### Children's Experiences Survey

The Children's Experiences Survey ('the survey') (page 20), was administered via Oranga Tamariki–Ministry for Children sites, with social workers offering the survey to eligible children and young people during their routine visits.

The baseline figures are drawn from the pilot survey, which was delivered in Auckland and Canterbury between March and April 2019. The baseline figure is an average for the two regions. Given VOYCE has been active in Auckland for longer than it has been active in Canterbury, it is expected that awareness levels would be higher among children and young people in Auckland than in Canterbury.

2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
New Measure in 2018-19	Percentage of 12-17 year olds who: <ul style="list-style-type: none"> <li>— Are aware of the independent advocacy service; and</li> <li>— Know how to contact it</li> </ul>	Establish baseline	41% 25%

All standards are unaudited

### What it Cost Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
2,400	Total Expense	4,000	4,000	4,000	4,000



## **Non-Departmental: Reducing Youth Reoffending Social Bond Pilot**

This appropriation is limited to the outcome payments incurred under the Reducing Youth Reoffending Social Bond Pilot.

### **What we intend to achieve with this appropriation**

This appropriation is intended to achieve a reduction in reoffending by children and young people.

### **About the Social Bond Pilot**

Social Bonds are a way for private and not-for-profit organisations to partner with investors to deliver better social outcomes and be rewarded by Government. The way the pilots are designed is that the Government only pays for outcomes once outcomes are achieved.

Oranga Tamariki–Ministry for Children is responsible for administering the current reducing youth offending Social Bond. The funding is paid to G-Fund Limited (part of Genesis Youth Trust), designed to reduce youth re-offending in South Auckland. The social bond is a partnership between the New Zealand Government, youth development agency Genesis Youth Trust and a group of investors including the New Zealand Super Fund, Mint Asset Management Limited and the Wilberforce Foundation.

Outcomes are based on whether tamariki reduced their offending rate, or the severity of their offending has fallen, or a reduction in a risk of offending profile was recorded.

The Bond was signed in 2017 and is due to expire in 2023.

### **How the Bond Operates**

A young person is eligible for a referral to the Genesis Youth Trust Bond programme if they are on a Police Alternative Action plan, are aged between 10–17 years old, living in the Counties Manukau area, and have a medium or high Police youth risk assessment screen score.

Once enrolled, Tamariki take part in a 20 week intensive programme including mentoring, counselling, social work and parenting programmes, followed by further mentoring and monitoring for 18 months.

Genesis Youth Trust and New Zealand Police are working closely to help build relationships across the Counties Manukau region, with the emphasis on promoting referrals to ensure the right young people are referred for the programme.



## How well did Genesis Youth Trust deliver its services

Genesis Youth Trust provides us with three monthly enrolment reports with referral information. Interim outcome reports are received in June and December of each year.

More comprehensive outcome reports with reoffending information and payment claims are received in September and March each year. The next report is due in September 2019.

Referrals have been slower than predicted however Genesis have worked closely with Police and Oranga Tamariki–Ministry for Children to ensure the right young people are being referred and continue to build understanding of the programme and eligibility.

Since the start of the programme, we have paid \$3.703 million to Genesis Youth Trust.

Payments are based on their achievement of the agreed outcomes - whether tamariki reduced their offending rate, or the severity of their offending has fallen, or a reduction in a risk of offending profile was recorded.

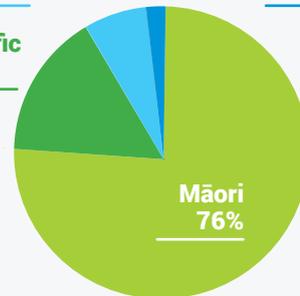
## 277 Referrals and 206 Enrolments as at 30 June 2019

### Ethnicity

NZ European  
7%

Other  
2%

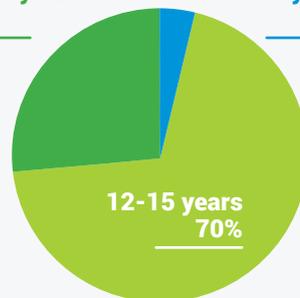
Pacific  
15%



### Age

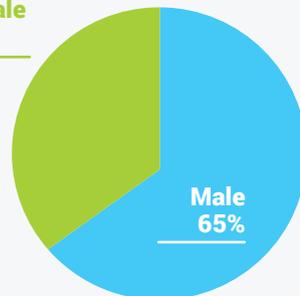
16-18 years  
26%

0-11 years  
4%



### Gender

Female  
35%



2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
New Measure in 2018-19	The total investment of the Reducing Youth Reoffending Social Bond Pilot will reach 1000 young people by September 2023 (year 6 of the pilot). Oranga Tamariki–Ministry for Children will track and report progress annually	Report Progress	Achieved

All standards are unaudited

## What it Cost

### Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
429	Total Expense	3,384	3,394	3,280	9,886



## Departmental: Evaluation and Auditing Expenses for the Reducing Youth Reoffending Social Bond Pilot

This appropriation is limited to the costs of evaluating and auditing the Reducing Youth Reoffending Social Bond Pilot.

### What we intend to achieve with this appropriation

This appropriation is intended to achieve effective and efficient evaluations and audits of the Reducing Youth Reoffending Social Bond Pilot.

### What we do

We undertake regular evaluations of the programme to assess the effectiveness of the Reducing Youth Reoffending Social Bond Pilot.

## How well we delivered it

Due to the phasing of the programme, it was necessary to transfer the evaluation to 2019-20, to enable a more robust evaluation. The initial evaluation will include assessing how the social bonds approach and service is operating on the ground including understanding emergent outcomes. A further outcomes evaluation will be undertaken in 2022-23 to assess longer-term outcomes achieved.

2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
New Measure in 2018-19	Oranga Tamariki–Ministry for Children will complete an evaluation of the Pilot by 30 June 2019	Achieved	Not Achieved

All standards are unaudited

## What it Cost

### Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
	<b>Revenue</b>				
-	Crown	75	75	10	75
-	<b>Total Revenue</b>	<b>75</b>	<b>75</b>	<b>10</b>	<b>75</b>
-	<b>Total Expense</b>	<b>75</b>	<b>75</b>	<b>10</b>	<b>75</b>
-	<b>Net Surplus/ (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Supporting Government

### Departmental: Data Analytics and Evidence Services

This appropriation is limited to providing data, analytics and evidence services to better inform Government decision-making on vulnerable children and young people.

### What we intend to achieve with this appropriation

This appropriation is intended to achieve an increase in evidence-based decision making to improve outcomes for vulnerable children and young people.

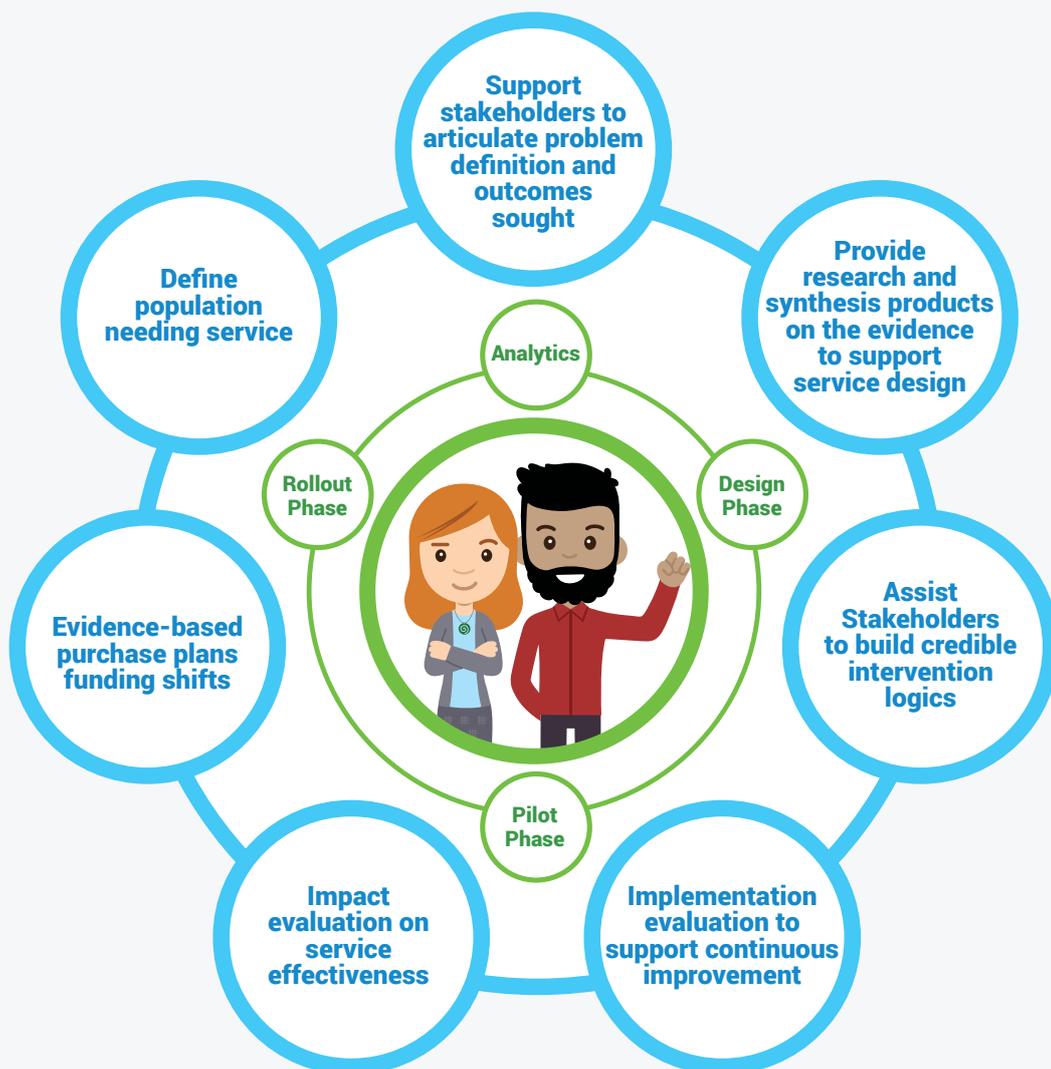
### What we do

The Oranga Tamariki–Ministry for Children Evidence Centre works to build the evidence base that helps us better understand wellbeing and what works to improve outcomes for New Zealand’s children, young people and their whānau.

Developing a strong evidence base supports the design and implementation of new or existing interventions, and operating model functions, so we can be confident they are contributing positively to children and young people’s wellbeing.

Our integrated evidence building cycle allows us, as an organisation, to have information and evidence at the right times to support decision making.

We also hold bi-monthly seminar series, partnering with a range of social sector agencies to present current research and thinking for those working in areas that impact New Zealand’s children and their families.



## Initiatives for which we received additional Government funding

We received additional funding to evaluate:

- the Services to Reduce Offending Programme;
- clothing allowance for children supported by the Orphan's Benefit or Unsupported Child's Benefit; and
- Social Workers in Schools.

All three evaluations are underway and due to be completed in 2019-20 with the exception of the Services to Reduce Offending evaluation which is a multiyear evaluation due to be completed by June 2022.

## How well we delivered it

In 2018-19, the Evidence Centre completed 22 studies including:

- What Makes a Good Life? - Children and Young People's Views on Wellbeing (page 20);
- International Approaches For Reporting On Harm Experienced By Children In Care – High Level Review;
- Evidence Brief – Complex Needs;
- 2018 Transitions Cohort Needs Assessment - Results From Stage Two: 'High' And 'Very High' Needs Survey; and
- Children's Teams Evaluation Final Report.

These studies informed Budget 19 policy decisions including our new intensive intervention and transition services.

As part of our public seminar series programme, we held six seminars that covered a range of topics including:

- What is the Integrated Data Infrastructure (IDI) and how it can help us measure the impact of Oranga Tamariki–Ministry for Children on children and their families;
- Understanding young people with high needs transitioning out of care; and
- Educational insights into children in care.

All published reports and seminar presentations can be found on our website

<https://www.orangatamariki.govt.nz/>

2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
New Measure in 2018-19	Where appropriate and in the public interest, all Evidence Centre Research and Evaluation products are pro-actively released to the public within 6 months of completion	100%	100%

All standards are unaudited

## What it Cost

### Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
	<b>Revenue</b>				
2,979	Crown	3,200	6,950	6,950	11,018
<b>2,979</b>	<b>Total Revenue</b>	<b>3,200</b>	<b>6,950</b>	<b>6,950</b>	<b>11,018</b>
<b>2,832</b>	<b>Total Expense</b>	<b>3,200</b>	<b>6,950</b>	<b>5,770</b>	<b>11,018</b>
<b>147</b>	<b>Net Surplus/ (Deficit)</b>	<b>-</b>	<b>-</b>	<b>1,180</b>	<b>-</b>



## Departmental: Policy Advice

This appropriation is limited to providing advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to vulnerable children and young people.

### What we intend to achieve with this appropriation

This appropriation is intended to achieve high quality policy decisions in relation to vulnerable children and young people.

### What we do

We provide expert policy advice to support quality decision-making. We do this by:

- providing strategic advice to Ministers and our leadership team to help improve outcomes for children; and
- maintaining strong internal and external engagement to ensure our advice reflects children's experiences, best evidence, Treaty obligations, Minister and Ministry needs and the wider context.

### Initiatives for which we received additional funding from the Government

We used funds allocated in the corporate services establishment contingency to increase our policy capacity.

## How well we delivered it

In 2018-19, our work programme included:

- developing core policy settings for the new Oranga Tamariki—Ministry for Children service lines across Intensive Intervention, 7AA, Care, Youth Justice and Transitions;
- advising on children's policy and wider social policy that impacts on children and young people;
- delivery of legislative amendments to enable the implementation of raising the age provisions; and
- policy input into shared cross-agency work, including: Child and Youth Wellbeing Strategy, Family Violence Sexual Violence Joint Venture, Mental Health, Education and Homelessness.

The policy advice we provide is vital to supporting decision making by Ministers to achieve Government's aspiration to make New Zealand the best place in the world to be a child or young person.

This year, we used the Policy Quality Framework criteria from the Department of the Prime Minister and Cabinet to assess the quality of our policy advice.

The Minister for Children completed the Common Satisfaction Survey which measures their satisfaction with the quality, timeliness and value for money of policy advice. The improved results reflects our continued efforts in providing high quality policy activities.



2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
75%	The technical quality of policy advice papers assessed by a survey with a methodological robustness of 85% will be no less than	73%	73% <sup>10</sup>
8.0	The satisfaction rating given by Ministers for the quality and timeliness of policy advice, as per the Common Satisfaction Survey will be no less than	8.0	8.3
\$115-\$130	The total cost per hour per person of producing outputs will be between <sup>11</sup>	\$115-\$130	\$123-\$128

All standards are unaudited

### What it Cost Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
	<b>Revenue</b>				
4,275	Crown	4,377	5,097	5,097	5,189
<b>4,275</b>	<b>Total Revenue</b>	<b>4,377</b>	<b>5,097</b>	<b>5,097</b>	<b>5,189</b>
<b>3,939</b>	<b>Total Expense</b>	<b>4,377</b>	<b>5,097</b>	<b>4,926</b>	<b>5,189</b>
<b>336</b>	<b>Net Surplus/ (Deficit)</b>	<b>-</b>	<b>-</b>	<b>171</b>	<b>-</b>

<sup>10</sup> The independent assessor we use to check the technical quality of our policy advice was changed in 2018-19 from the previous year. Our 2018-19 results have improved from 2017-18, from 72% -73%.

<sup>11</sup> The total cost of an hour of professional staff time devoted to both policy advice and other policy unit outputs. Total cost includes the cost of labour, overheads, support staff, direct costs and outsourced work to support output production.



## Departmental: Ministerial Services

This appropriation is limited to providing services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) relating to vulnerable children and young people.

### What we intend to achieve with this appropriation

This appropriation is intended to achieve efficient and effective ministerial services to support Ministers to discharge their portfolio responsibilities.

### What we do

In addition to managing requests under the Official Information Act 1982, the team also manages all Ministerial correspondence, parliamentary questions, any other correspondence that is received directly by Oranga Tamariki—Ministry for Children as well as running the Annual Review process and providing support to the Ministry on preparing advice for the Minister.

## How well we delivered it

As well as Ministerial correspondence, written parliamentary questions and Ministerial Official Information Act request, in 2018-19 Oranga Tamariki responded to over 800 individual pieces of department correspondence as well as around 280 department Official Information Act requests.

Due to the higher than anticipated volumes of department correspondence and department Official Information Act requests, we were unable to achieve the measures below. The small numbers of Ministerial Official Information Act requests and Ministerial correspondence involved also means that a few late items of work can significantly impact on the performance measure. For example, one late Ministerial Official Information Act request resulted in the measure not being achieved.

We will continue to refine our systems and processes to ensure the timeliness of our responses. We have also invested in our Ministerial Support Team to ensure there is sufficient capacity to meet the increasing number of information requests.

2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
94%	The percentage of ministerial Official Information Act request replies completed five days prior to the statutory time limit (unless otherwise agreed) will be between	95-100%	92%
93%	The percentage of ministerial correspondence replies completed within 20 working days of receipt by the Ministry for Vulnerable Children, Oranga Tamariki—Ministry for Children, unless otherwise agreed, will be between	95-100%	86%
100%	The percentage of Parliamentary question responses provided to the Minister's Office so that the answers can meet the timeframe set in Parliamentary Standing Orders will be between	95-100%	99%

All standards are unaudited

### What it Cost Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
	<b>Revenue</b>				
1,181	Crown	1,190	1,190	1,190	1,212
<b>1,181</b>	<b>Total Revenue</b>	<b>1,190</b>	<b>1,190</b>	<b>1,190</b>	<b>1,212</b>
<b>1,065</b>	<b>Total Expense</b>	<b>1,190</b>	<b>1,190</b>	<b>1,053</b>	<b>1,212</b>
<b>116</b>	<b>Net Surplus/ (Deficit)</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>-</b>





## Departmental: Crown Response to the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-Based Institutions

This appropriation is limited to the provision of support to deliver a coordinated and effective Crown response to the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-Based Institutions.

### What we intend to achieve with this appropriation

This appropriation is intended to achieve an effective, timely and joined-up Crown response to, and engagement with, the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-Based Institutions.

### What we do

#### The Royal Commission

The Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions (the Royal Commission) was announced in February 2018, with its final terms of reference issued in November 2018.

Over the next four years the Royal Commission will inquire into the nature and extent of abuse that occurred in state care and in faith-based institutions. The Royal Commission will also review the current systems for responding to abuse; to ensure what occurred historically cannot happen again.

More information about the Royal Commission is available at [www.abuseinstatecare.royalcommission.govt.nz](http://www.abuseinstatecare.royalcommission.govt.nz)

#### The Crown response to the Royal Commission

The Crown recognises the independence of the Royal Commission is paramount, and will be guided by the Royal Commission's tikanga. The Crown is a core participant in the Royal Commission's inquiry, both in examining what occurred in the past and ensuring things are improved in future.

The Crown will respond to Royal Commission requests for information (including historical records, data and expert evidence), appear at hearings, and consider and implement relevant recommendations. The Crown will also respond to requests for personal files from people formerly in State care.

The Royal Commission gives the Crown a unique opportunity to learn from the past and improve our care systems now and into the future. Agencies are looking to be joined up, ensuring engagement with the Royal Commission is coordinated and resulting actions are collectively owned. The agencies involved include Oranga Tamariki—Ministry for Children, the Ministries of Education, Health, Justice and Social Development, the New Zealand Police, the Department of Corrections, Crown Law Office, the State Services Commission, Archives New Zealand and Te Puni Kōkiri.

### How well we delivered it

In 2018-19 the focus has been on:

- developing the strategic approach to guide the Crown's engagement with the Royal Commission; and
- putting in place the governance and management arrangements to support the effective delivery of the Crown's approach.

#### Strategic approach to responding to the Royal Commission

The Government has agreed six principles that will guide Crown engagement with the Royal Commission and survivors of abuse in care - manaakitanga, openness, transparency, learning, being joined up, and meeting our obligations under Te Tiriti o Waitangi.

The Crown response is being guided by the Royal Commission's tikanga and seeks to be non-legalistic, respectful of all participants' experiences, and focused on learning from the events of the past. More information about the Crown's strategic approach is available in the proactively-released Cabinet material at [www.ssc.govt.nz/proactive-releases](http://www.ssc.govt.nz/proactive-releases)



## Government and management arrangements

Strategic governance of the Crown response is provided by a Sponsoring Group consisting of the Chief Executives of Oranga Tamariki—Ministry for Children, the Ministries of Education, Health, and Social Development, and the Crown Law Office. The nominated lead Chief Executive is Gráinne Moss, the Chief Executive of Oranga Tamariki—Ministry for Children, who reports to the Minister of State Services, Hon Chris Hipkins, for this work. The Minister is provided with fortnightly update reports.

Day-to-day management of the Crown response is handled by a small Crown Secretariat. It was established in February 2019, is housed within Oranga Tamariki—Ministry for Children and reports direct to the Chief Executive. The Crown Secretariat has operational responsibility for ensuring the Crown’s engagement with the Royal Commission conforms with the six principles and other aspects of the strategic approach referred to above. Individual workstreams, driven by working groups drawn from across agencies, drive particular aspects of the work.

## Providing information to the Royal Commission in 2018-19

The Crown Secretariat and agencies have been responding to individual requests for information from the Royal Commission, within the timeframes set by it, and pulling together preparatory material. For example, in May 2019 the Crown Secretariat provided the Royal Commission with an overview document giving a high-level description of agencies’ records holdings, known issues with some of the historical records, and published material that might be of use to the Royal Commission.

## Public hearings in 2019-20

The Royal Commission will conduct public hearings during 2019-20 examining particular themes or issues. The Royal Commission will publish scope notes ahead of its hearings that will enable participants to prepare. The Crown will pull together relevant material and analysis as hearing topics are notified.

2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
New Measure in 2018-19	Report progress on the Crown Response to the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-Based Institutions annually	Report progress	Achieved

All standards are unaudited

## What it Cost Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
	<b>Revenue</b>				
-	Crown	-	548	548	6,748
-	<b>Total Revenue</b>	-	<b>548</b>	<b>548</b>	<b>6,748</b>
-	<b>Total Expense</b>	-	<b>548</b>	<b>300</b>	<b>6,748</b>
-	<b>Net Surplus/ (Deficit)</b>	-	-	<b>248</b>	-



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## Supporting our assets

### Departmental: Capital Expenditure

This appropriation is limited to the purchase or development of assets by and for the use of the Oranga Tamariki–Ministry for Children; as authorised by section 24(1) of the Public Finance Act 1989.

### What we intend to achieve with this appropriation

This appropriation is intended to achieve the replacement or upgrade of assets in support of the delivery of the Ministry's services.

## What we do

Our priorities for 2018-19 were:

- maintaining and improving our technology platforms<sup>12</sup>; and
- maintaining and upgrading our family homes and residences to improve the experience and wellbeing of tamariki and rangatahi in our care.

Oranga Tamariki–Ministry for Children family homes provide a stepping stone for many of those tamariki and rangatahi deemed at risk if they remained at home with their whānau.

We are investing in our family homes to provide healthy environments that create therapeutic surroundings that promote secure and consistent placement stability. International evidence suggests placement stability reduces harm, offending, hospitalisation and substance abuse.

Our 'graffiti-free' Youth Justice residential environment project aims to make environments more home-like, comfortable and tidier.

The intended outcome is to teach rangatahi to be motivated in taking ownership of their surroundings and to be proud of them (page 34).

<sup>12</sup> Our office accommodation is provided by the Ministry of Social Development who are accountable for managing their maintenance.



## How well we delivered it

A key focus for 2018-19 has been to gain a comprehensive understanding of our existing property portfolio to ensure that our future investment is well informed. We are currently developing a long term capital plan that will be underpinned by an investment strategy and an asset management plan.

Our key property projects this year include:

- **Refurbishment of Youth Justice residences** at Te Puna Wai, Christchurch and Korowai Manaaki, South Auckland under our 'graffiti-free' residential environment programme; and

- **Setting up the new hub at Weymouth**

As part of our transformation of the care and protection system, we are also aiming to improve the experience of tamariki in our care by moving to smaller, more homely, therapeutic environments with shorter stays.

Following a co-design process, an interim operating model was designed as a 'hub and spoke' model. The hub will be the entry point (formally known as the Community Residential Service). It offers staff a chance to assess the needs of the tamaiti and to collaborate. Tamariki admitted through the hub will stay for a short time before being transitioned into one of our community homes, the spokes.

- The **on-going maintenance and upgrade of our residences and family home portfolio.**

This year has been about gathering the information to develop the long term capital plan and asset management plan. With this in mind, limited capital investments outside of the key projects were undertaken.

In 2018-19, we also began our digital workplace programme. Key features of the programme include:

- replacing existing desktop and iPad devices with a single multi-use device that can be used in varying work situations;
- better ways to collaborate and communicate including voice and video conferencing from these devices; and
- upgrades to networks at our sites and residences.

Our goal is to provide technology that is easy to use, up-to-date, safe and secure, so that we can access information where and when we need it.

While we have experienced some delays in rolling out Digital Workplace, we began the transition in early May 2019, first with a small group in National Office to test and iron out any wrinkles before we rolled it out to our frontline.

Our first frontline site in Wellington went live on 27 May 2019, with two other sites in Auckland and Christchurch going live in June. We will continue to transition our other sites and offices around the country over the next few months.

2017-18 Actual	Performance Measure	2018-19 Standard	2018-19 Actual
New Measure in 2018-19	Oranga Tamariki-Ministry for Children will deliver capital expenditure projects per plan	100%	55%

All standards are unaudited

## What it Cost Financial Performance (figures are GST exclusive)

Actual 2018		Main Estimates 2019	Supplementary Estimates 2019	Actual 2019	Main Estimates 2020
\$000		\$000	\$000	\$000	\$000
5,922	Capital Expenditure (PLA)	11,110	18,610	10,214	9,150



## Our Financial Summary

### Operating expenditure

In 2018-19, we spent \$965.898 million to operate our organisation and provide services to meet the needs of children, young people and their whānau. This was \$28.315 million lower than our Government funding and other income. The lower spend is primarily due to initiatives requiring a longer timeframe for delivery.

We have approval in-principle from the Minister of Finance and Minister for Children to transfer \$26.7 million to 2019-20 to complete activities relating to our Change Programme, including rolling out our Digital Workplace programme, finalising work on the Caregiver Information System and continuing the implementation of expanded Youth Justice services.

#### Personnel

Our total personnel costs were \$362.887 million. Approximately 95% of these costs were directly related to our employees' remuneration costs.

#### Children's Costs

We spent \$439.715 million to support tamariki, rangatahi and whānau. Through this funding, we and our partners provided:

- support for 2.3 million days of placement (both in and out-of-home placements);
- 3,957 Oranga Tamariki—Ministry for Children caregivers;
- statutory care, transitions and youth justice services which include therapeutic care programmes and caregiver support and training;
- early and intensive intervention services which include social workers in schools, teen parent support and support for children and their whānau affected by family violence and sexual violence; and
- services to meet the health, education, recreational and cultural needs of children and young people in care.

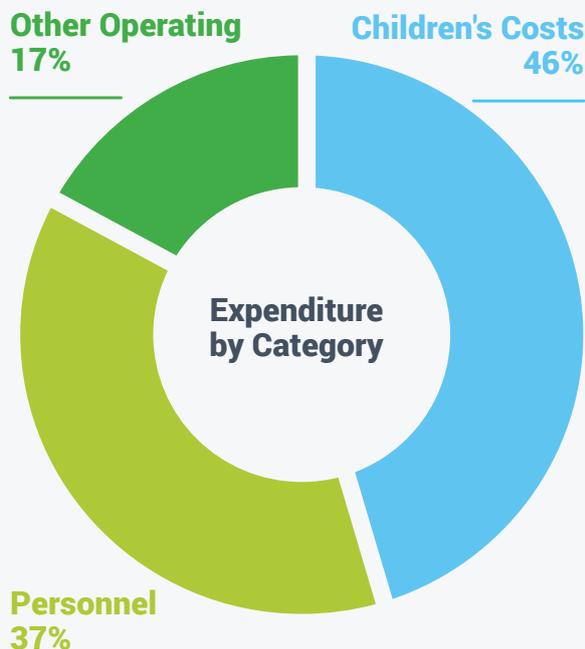
#### Other Operating

Other operating costs for the year were \$163.296 million. This covers professional services, information technology, shared services, and travel.

Shared Services fees are paid to the Ministry of Social Development to provide back office functions such as property management, and accounts payable, and shared IT infrastructure (shared platforms, financial management information system, payroll systems). Also included is the cost of property rental.

### Operating expenditure by cost categories

Our expenditure includes personnel, children's costs and other operating costs such as staff travel and professional services.



### Comparing our 2018-19 to 2017-2018

Our total operating costs were \$110.328 million higher than in 2017-18, mostly driven by an increased investment in our providers, our workforce, spend on children, and implementing required changes to our operating model.

In 2018-19, we grew our social workers workforce by 122. We also invested in our enabling functions to support the transition and changes that would come into effect with the new Care Standards.

Our increased spend on children's costs is combination of an increase in the number of children in paid placements, a greater commitment to meeting a broader range of needs of children and young people in care and general price increases across our service providers.

### Breakdown of 2017-18 and 2018-19 Expenditure by Category (\$M)



### Capital expenditure

We spent \$10.214 million in capital investment in 2018-19. This was lower than our revised capital budget of \$18.610 million, mainly due to re-phasing of the capital plan for our Digital Workplace programme to align with the revised delivery schedule.



## Future outlook

As part of Budget 19, Government has invested \$1.092 billion<sup>13</sup> of new operating expenditure and \$174.325 million of capital expenditure over four years to deliver child-centred services that meet new legislative requirements.

### Over four years, the new funding includes:

- **\$847.936 million** of operating expenditure to implement our new operating model initiatives. These include transforming the Care System; standing up a new intensive intervention and transition services;
- **\$168.555 million** to meet the increasing costs of children in care, support the sustainability and effectiveness of our NGO social service partners and to meet the costs of our obligations under collective agreements for Oranga Tamariki—Ministry for Children staff;
- **\$48.781 million** for joint cross agency bids including the provision of sexual violence services and for the Crown response to the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care for Faith-Based Institutions; and
- **\$174.328 million** of capital expenditure to build Care and youth justice community-based placements, upgrade our core information technology systems, and make improvements to community sites to ensure they are safe and welcoming for whānau and tamariki, and conducive to productive work alongside partners.

### Four Year Operating Funding (\$M)



## Over the full four years, Budget 2019 will support us to deliver:

### For Tamariki Māori:

We will ensure that the Budget 2019 investments deliver better outcomes and reduced disparities for Māori across all our services, so that fewer Māori need to enter care, and those who do are supported to remain connected to their whānau, hapū, iwi, and culture. This includes:

- Intensive Intervention Services, delivered alongside iwi and Māori organisations to support whānau to remain safely together at home, and reducing the need for Māori children to enter care;
- Transition Support Services, provided in partnership with iwi and Māori organisations, to ensure we are responsive to the needs of young Māori adults;
- long-term commitment to specialist Māori roles, such as kairāanga and iwi/Māori FGC co-ordinators; and
- new whānau care partnerships, with iwi and Māori organisations, providing wraparound models for the development and support of whānau caregivers.

### For Families:

To address early risk factors and reduce the need for children to enter care, Budget 2019 provides the resourcing to ensure:

- \$26 million additional investment in early intervention services; and
- a new Intensive Intervention Service will be developed and rolled out across five sites, supporting 400 children and young people within 150 whānau.

<sup>13</sup> This includes \$36.248 million of pre-commitment funding received in 2018-19



### For Children in Care:

An investment of \$524 million to raise the quality of care for children and young people in care including:

- \$70 million additional investment in recreational, cultural, health and education needs of children and young people in care; this will include books, toys, laptops, sports and recreational memberships and whānau and cultural connectedness;
- better assessments and support for children and young people in care from Oranga Tamariki–Ministry for Children frontline through 350 new frontline roles;
- significant additional investment in support, respite support and training for caregivers;
- partnerships to provide wraparound models for the development and support of caregivers;
- significant additional investment in NGO providers of care to help raise quality; and
- more specialist placements for children and young people with higher needs.

### For Young People who Offend:

- 100 new placements, primarily community based, in smaller homes to reduce the need for large residential or institutional care; and
- pilots of new therapeutic support services.

### For those reaching Adulthood:

Resourcing from Budget 19 will enable an all-new service line to support young people reaching adulthood following on from care or youth justice, including:

- 175 specialist transition support roles;
- supported accommodation places by the end of year four for young people who need a stepping stone to make a successful transition to independent living;
- \$25 million over four years to support arrangements for young people to continue to live with their caregiver beyond the age of 18; and
- \$9 million over four years to provide advice and assistance to individual young people transitioning from care to independence, up to the age of 25.

### For Caregivers:

Budget 19 also provides for a significantly increased level of support for the thousands of whānau acting as caregivers, in most cases for tamariki from their broader whānau, hapū and iwi, which includes:

- 60 additional new dedicated support roles for caregivers, including caregiver social worker staff, by year four;
- \$29 million additional funding for iwi, Māori and NGO providers of care, including to provide high quality support for caregivers;
- new high quality, specialised, training and support, including respite support, available to all caregivers;
- new Whānau Care Partnerships with iwi providing wraparound models for development and support of whānau caregivers;
- new support to allow caregivers to continue to provide a home, if they want to, for young people beyond the age of 18 as they transition to adulthood; and
- as announced recently, a review of the financial assistance for caregivers.

### For our Partners:

In addition to deliver a significant portion of the broader investment package through iwi, Māori organisations and NGOs – including our investment in Intensive Intervention and Transition Support Services – there is also additional funding for current services to meet cost pressures and to deliver higher quality or expanded services:

- \$26 million additional investment to meet cost pressures in early intervention services;
- an additional \$29 million over four years to better support iwi, Māori and NGO providers of care to meet the Care Standards; and
- new Whānau Care Partnerships with iwi and Māori organisations providing wraparound models for the development and support of whānau caregivers.





# Financial STATEMENTS



# Oranga Tamariki—Ministry for Children

## Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

Actual 2018 \$000		Notes	Actual 2019 \$000	Unaudited Budget 2019 \$000	Unaudited Forecast 2020 \$000
<b>Revenue</b>					
852,662	Revenue Crown		980,155	920,603	1,161,103
9,041	Department Revenue		9,041	9,041	9,052
4,045	Other Revenue	2	5,017	3,724	5,424
<b>865,748</b>	<b>Total revenue</b>		<b>994,213</b>	<b>933,368</b>	<b>1,175,579</b>
<b>Expenses</b>					
301,440	Personnel costs	3	362,887	286,200	434,989
5,895	Depreciation and amortisation expense	10,11	6,836	6,958	8,658
11,431	Capital charge	4	11,581	9,636	11,581
86,907	Shared service fees		72,616	86,618	86,618
449,658	Other expenses	5	511,051	543,956	633,733
237	Loss on disposal of property, plant & equipment/ write off	11	927	-	-
2	Loss on foreign exchange		-	-	-
<b>855,570</b>	<b>Total expenses</b>		<b>965,898</b>	<b>933,368</b>	<b>1,175,579</b>
<b>10,178</b>	<b>Surplus/(deficit)</b>		<b>28,315</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive revenue and expense</b>					
	Item that will not be reclassified to net surplus/ (deficit)				
-	Gain on property revaluations		30,542	-	-
-	<b>Total other comprehensive revenue and expense</b>		<b>30,542</b>	<b>-</b>	<b>-</b>
<b>10,178</b>	<b>Total comprehensive revenue and expense</b>		<b>58,857</b>	<b>-</b>	<b>-</b>

Explanations of major variances against the original 2018-19 budget are provided in Note 20.

The accompanying notes form part of these financial statements.



# Oranga Tamariki – Ministry for Children

## Statement of Financial Position

As at 30 June 2019

Actual 2018 \$000		Notes	Actual 2019 \$000	Unaudited Budget 2019 \$000	Unaudited Forecast 2020 \$000
<b>Equity</b>					
126,316	Taxpayers' funds	16	126,316	126,316	126,316
66,702	Property revaluation reserve	16	97,244	66,702	66,702
-	Capital contribution	16	-	-	54,228
<b>193,018</b>	<b>Total equity</b>		<b>223,560</b>	<b>193,018</b>	<b>247,246</b>
<b>Assets</b>					
<b>Current assets</b>					
34,288	Cash and cash equivalents	7	68,620	13,888	85,441
428	Receivables	8	232	3,293	49
1,474	Prepayments		1,049	876	1,474
29,927	Crown receivable	9	-	-	-
484	Receivables from Ministry of Social Development		18,629	656	863
<b>66,601</b>	<b>Total current assets</b>		<b>88,530</b>	<b>18,713</b>	<b>87,827</b>
<b>Non-current assets</b>					
233,374	Property, plant and equipment	10	270,479	242,098	242,557
6,505	Intangible assets	11	2,393	11,533	10,206
<b>239,879</b>	<b>Total non-current assets</b>		<b>272,872</b>	<b>253,631</b>	<b>252,763</b>
<b>306,480</b>	<b>Total assets</b>		<b>361,402</b>	<b>272,344</b>	<b>340,590</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
55,519	Payables and accruals	12	52,153	36,460	45,577
-	Income in advance		65	-	-
10,178	Return of operating surplus	13	28,315	-	-
30,123	Employee entitlements	15	34,169	27,010	30,124
591	Other provisions	14	2,939	414	591
<b>96,411</b>	<b>Total current liabilities</b>		<b>117,641</b>	<b>63,884</b>	<b>76,292</b>
<b>Non-current liabilities</b>					
17,051	Employee entitlements	15	20,201	15,442	17,052
<b>17,051</b>	<b>Total non-current liabilities</b>		<b>20,201</b>	<b>15,442</b>	<b>17,052</b>
<b>113,462</b>	<b>Total liabilities</b>		<b>137,842</b>	<b>79,326</b>	<b>93,344</b>
<b>193,018</b>	<b>Net assets</b>		<b>223,560</b>	<b>193,018</b>	<b>247,246</b>

Explanations of major variances against the original 2018-19 budget are provided in Note 20.

The accompanying notes form part of these financial statements.



## Oranga Tamariki – Ministry for Children

### Statement of Changes in Equity

For the year ended 30 June 2019

Actual 2018 \$000		Notes	Actual 2019 \$000	Unaudited Budget 2019 \$000	Unaudited Forecast 2020 \$000
<b>188,018</b>	<b>Balance at 1 July</b>		<b>193,018</b>	<b>193,018</b>	<b>193,018</b>
10,178	Total comprehensive revenue and expense		58,857	-	-
<b>Owner transactions</b>					
(10,178)	Return of operating surplus to the Crown	13	(28,315)	-	-
5,000	Capital injections		-	-	54,228
<b>193,018</b>	<b>Balance at 30 June</b>		<b>223,560</b>	<b>193,018</b>	<b>247,246</b>

Explanations of major variances against the original 2018-19 budget are provided in Note 20.

The accompanying notes form part of these financial statements.



# Oranga Tamariki—Ministry for Children

## Statement of Cash Flows

For the year ended 30 June 2019

Actual 2018 \$000		Notes	Actual 2019 \$000	Unaudited Budget 2019 \$000	Unaudited Forecast 2020 \$000
<b>Cash flows from operating activities</b>					
836,076	Receipts from Revenue Crown		1,010,147	920,603	1,161,103
15,895	Receipts from other revenue		14,264	12,856	14,476
(521,652)	Payments to suppliers		(589,182)	(630,574)	(633,733)
(296,321)	Payments to employees		(355,396)	(286,200)	(434,989)
(11,431)	Payments for capital charge		(11,581)	(9,636)	(11,581)
4,111	Goods and services tax (net)		4,617	-	-
10,081	Payments to the Ministry of Social Development		(18,145)	9,909	(86,618)
<b>36,759</b>	<b>Net cash flow from operating activities</b>		<b>54,724</b>	<b>16,958</b>	<b>8,658</b>
<b>Cash flows from investing activities</b>					
(5,621)	Purchase of property, plant and equipment		(10,185)	(10,860)	(9,150)
(301)	Purchase of intangible assets		(29)	(250)	-
<b>(5,922)</b>	<b>Net cash flow from investing activities</b>		<b>(10,214)</b>	<b>(11,110)</b>	<b>(9,150)</b>
<b>Cash flows from financing activities</b>					
5,000	Capital injections		-	-	54,228
(9,947)	Return of operating surplus		(10,178)	-	-
<b>(4,947)</b>	<b>Net cash flow from financing activities</b>		<b>(10,178)</b>	<b>-</b>	<b>54,228</b>
25,890	Net (decrease)/ increase in cash		34,332	5,848	53,736
8,398	Cash at the beginning of the period		34,288	8,040	31,705
<b>34,288</b>	<b>Cash at the end of the period</b>		<b>68,620</b>	<b>13,888</b>	<b>85,441</b>

Explanations of major variances against the original 2018-19 budget are provided in Note 20.

The accompanying notes form part of these financial statements.



# Oranga Tamariki—Ministry for Children

## Statement of Cash Flows

For the year ended 30 June 2019

### Reconciliation of net surplus/(deficit) to net cash flow from operating activities

Actual 2018 \$000		Notes	Actual 2019 \$000	Unaudited Budget 2019 \$000	Unaudited Forecast 2020 \$000
10,178	Net surplus/(deficit)		28,315	-	-
<b>Add/(less) non-cash items</b>					
3,531	Depreciation expense	10	3,622	3,774	6,279
2,364	Amortisation expense	11	3,214	3,184	2,379
5,895	<b>Total non-cash items</b>		<b>6,836</b>	<b>6,958</b>	<b>8,658</b>
<b>Add/(less) items classified as investing or financing activities</b>					
867	Losses/(Gains) on disposal property, plant and equipment or write off	11	927	-	-
867	<b>Total net movements in investing or financing activities</b>	<b>11</b>	<b>927</b>	<b>-</b>	<b>-</b>
<b>Add/(less) movements in statement of financial position items</b>					
(3,550)	(Increase)/Decrease in receivables		11,979	43,010	-
(599)	Decrease/(Increase) in prepayments		427	-	-
19,067	Increase/(Decrease) in payable and accruals		(3,302)	(33,010)	-
3,113	Increase/(Decrease) in employee entitlements		4,045	-	-
177	Increase/(Decrease) other provisions		2,348	-	-
18,208	<b>Total net movements in working capital items</b>		<b>15,497</b>	<b>10,000</b>	<b>-</b>
<b>Add/(less) movements in non-current liabilities</b>					
1,611	Increase/(Decrease) in employee entitlements		3,149	-	-
1,611	<b>Total net movements in non-current liabilities</b>		<b>3,149</b>	<b>-</b>	<b>-</b>
36,759	<b>Net cash flow from operating activities</b>		<b>54,724</b>	<b>16,958</b>	<b>8,658</b>

The accompanying notes form part of these financial statements.

## Oranga Tamariki—Ministry for Children

### Statement of Commitments

As at 30 June 2019

Actual 2018 \$000		Actual 2019 \$000
<b>Capital commitments</b>		
3,000	Digital work programme	-
<b>3,000</b>	<b>Total capital commitments</b>	<b>-</b>
<b>Operating leases as lessee</b> The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
223	Not later than one year	2,911
752	Later than one year and not later than five years	16,534
685	Later than five years	8,474
<b>1,660</b>	<b>Total non-cancellable leases</b>	<b>27,919</b>
<b>4,660</b>	<b>Total commitments</b>	<b>27,919</b>

#### Digital Workplace Programme leases

Oranga Tamariki—Ministry for Children leases computer equipment in the normal course of its business. These leases are for lap-top computers and mobile phones for the Digital Workplace Programme which have non-cancellable leasing periods ranging from 36 months to 7 years. These non-cancellable operating leases have varying terms, escalations clauses and renewal rights.

#### Non-cancellable accommodation leases

Oranga Tamariki—Ministry for Children leases property in the normal course of its business. These leases are for premises which have non-cancellable leasing periods ranging from three to 20 years. These non-cancellable operating leases have varying terms, escalation clauses and renewal rights.

The accompanying notes form part of these financial statements.



## Oranga Tamariki—Ministry for Children

### Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2019

#### Unquantifiable contingent liabilities

There is legal action against the Crown relating to historical abuse claims. At this stage the number of claimants and the outcomes of these cases are uncertain. The disclosure of an amount for these claims may prejudice the legal proceedings.

Oranga Tamariki—Ministry for Children also has other unquantifiable contingent liabilities in relation to potential claims against Oranga Tamariki—Ministry for Children for costs associated with proceedings under the Oranga Tamariki Act 1989 or other civil claims. This unquantified liability only relates to potential claims for court or legal costs.

#### Quantifiable contingent liabilities

Actual 2018 \$000		Actual 2019 \$000
112	Personal grievances	113
100	Other claims	20
<b>212</b>	<b>Total contingent liabilities</b>	<b>133</b>

#### Personal grievances

Personal grievance claims are claims raised as personal grievances under the Employment Relations Act 2000 by employees of Oranga Tamariki—Ministry for Children. There are 18 personal grievances claims (2018: 17 personal grievance claims). The assessed contingent liability for personal grievance claims is assessed by Oranga Tamariki—Ministry for Children as the potential compensation payment under section 123(1)(c)(i) of the Employment Relations Act 2000 that may be awarded by the Employment Relations Authority if the employee's claim was successful.

#### Quantifiable contingent assets

Oranga Tamariki—Ministry for Children has no contingent assets.

The accompanying notes form part of these financial statements.

## Oranga Tamariki—Ministry for Children

### Statement of Trust Monies

For the year ended 30 June 2019

Oranga Tamariki—Ministry for Children operates trust accounts as the agent under section 66 of the Public Finance Act 1989. The transactions through these accounts and their balances as at 30 June 2019 are not included in the financial statements for Oranga Tamariki—Ministry for Children.

Actual 2018 \$000		Actual 2019 \$000
<b>William Wallace Trust</b>		
475	<b>Balance at 1 July</b>	493
-	Contributions	32
(26)	Distributions	(15)
44	Revenue	15
493	<b>Balance at 30 June</b>	525
<b>Custody Trust</b>		
6	<b>Balance at 1 July</b>	6
-	Revenue	1
6	<b>Balance at 30 June</b>	7

#### William Wallace Trust Account

The Prime Minister's Oranga Tamariki Awards are held by Oranga Tamariki—Ministry for Children on an annual basis to celebrate the achievements of young people in care. The William Wallace prizes are given in the form of scholarship funding for tertiary study or a contribution to vocational and leadership programmes at these annual awards. The trust was established in May 1995 and administered by the Ministry of Social Development (MSD) to hold funds from an estate for the above purpose. The administration of the trust was transferred to Oranga Tamariki—Ministry for Children from 1 May 2018.

#### Custody Trust Account

The Custody Trust account has been established and administered by MSD to administer donations received from the public on behalf of children who were under the care and guardianship of the Chief Executive of the Ministry of Social Development. The administration of the trust was transferred to Oranga Tamariki—Ministry for Children from 1 May 2018.



Notes to

# Financial STATEMENTS



# Oranga Tamariki—Ministry for Children

## Note 1: Statement of Accounting Policies: Departmental

### Reporting entity

Oranga Tamariki—Ministry for Children is a Government department as defined by section 2 of the Public Finance Act 1989 (PFA) and is domiciled and operates in New Zealand. The relevant legislation governing the operations for Oranga Tamariki—Ministry for Children includes the PFA, Vulnerable Children Act 2014 and Oranga Tamariki Act 1989. The ultimate parent for Oranga Tamariki—Ministry for Children is the New Zealand Crown.

In addition, Oranga Tamariki—Ministry for Children has reported on trust monies administered by the department and Crown activities that it administers in the non-departmental statements and schedules on pages 118 to 121.

The financial statements were authorised for issue by the Chief Executive of Oranga Tamariki—Ministry for Children on 30 September 2019.

The primary objective for Oranga Tamariki—Ministry for Children is to provide services to support any child in New Zealand whose wellbeing is at significant risk of harm now, or in the future. Oranga Tamariki—Ministry for Children also supports young people who may have offended, or are likely to offend. It is believed that in the right environment, with the right people surrounding and nurturing them, any child can, and should flourish which in turn will reduce re-offending. Oranga Tamariki—Ministry for Children does not operate to make a financial return.

Oranga Tamariki—Ministry for Children has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

### Basis of preparation

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of compliance

The financial statements of Oranga Tamariki—Ministry for Children have been prepared in accordance with the requirements of the PFA, which includes the requirements to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and Treasury Instructions.

These financial statements have been prepared in accordance with and comply with PBE accounting standards.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the related party transaction disclosures in note 17. The related party transaction disclosures are rounded to the nearest dollar.

### Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to Oranga Tamariki—Ministry for Children are:

### Impairment of Revalued Assets

In April 2017 the XRB issued Impairment of Revalued Assets (Amendments to PBE IPSASs 21 and 26), which now clearly scopes in revalued property, plant and equipment into the impairment accounting standards. Previously only property, plant and equipment measured at cost were scoped into the impairment accounting standards.

This amendment is effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

The main change under the amendment is that a revalued asset can be impaired without having to revalue the entire class-of-asset to which the asset belongs.

Oranga Tamariki—Ministry for Children will adopt this amendment for the financial year ending 30 June 2020. Oranga Tamariki—Ministry for Children is currently assessing the effects of the new standard.

### Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.



The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of the receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

### Income tax

Oranga Tamariki—Ministry for Children is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

### Cost Allocation

Oranga Tamariki—Ministry for Children has determined the cost of outputs using the cost allocation system outlined below.

Input costs can be classified as direct and indirect.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be attributed to a specific output in an economically feasible manner. These costs are incurred in the operations of Oranga Tamariki—Ministry for Children and are charged to outputs based on cost drivers such as full-time equivalent (FTE) staff or workload information obtained from surveys and/or other data sources, which reflect an appropriate measure of resource consumption or use.

To ensure that corporate costs are allocated as accurately as possible Oranga Tamariki—Ministry for Children has adopted a three tier corporate allocation methodology:

- The first stage allocates all direct costs to output expenses as and when they are incurred.
- The second stage accumulates and allocates indirect costs to output expenses based on cost drivers, such as full-time equivalent (FTE) staff or workload information obtained from surveys and/or other data sources, which reflect an appropriate measure of resource consumption or use.
- The third stage accumulates and allocates overhead costs to output expenses based on resource consumption/use where possible, such as the FTE staff ratio, or where an appropriate driver cannot be found then in proportion to the cost charges in the previous two stages.

There have been no changes in cost accounting policies since the date of the last audited financial statements.

### Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

*Estimating the fair value of land and buildings – see Note 10*

*Assessing the useful lives of software – see Note 11*

*Measuring long service leave and retirement leave – see Note 15*

### Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

#### Budget and forecast figures

##### *Basis of the budget and forecast figures*

The 2019 budget figures are for the year ended 30 June 2019. They are consistent with the best estimate financial forecast information for Oranga Tamariki—Ministry for Children submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2017-18.

The 2019 forecast figures are for the year ending 30 June 2020 which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2019-20.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2020 forecast figures have been prepared in accordance with PBE FRS 42 Prospective Financial Statements.

The forecast financial statements were approved for issue by the Chief Executive on 9 April 2019.



The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While Oranga Tamariki—Ministry for Children regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2020 will not be published.

#### ***Significant assumptions used in preparing the forecast financials***

The forecast figures contained in these financial statements reflect the purpose and activities of Oranga Tamariki—Ministry for Children and are based on a number of assumptions of what may occur during the 2018-19 year. The forecast figures have been compiled on the basis of existing Government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 9 April 2019, were as follows:

- the activities of Oranga Tamariki—Ministry for Children and output expectations will remain substantially the same as the previous year focusing on the Government's priorities;
- personnel costs were based on 4,515 full time equivalent staff positions, which take into account staff turnover;
- operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the best estimate of future costs that will be incurred by Oranga Tamariki—Ministry for Children;
- remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes;
- land and buildings are not revalued; and
- Estimated year-end information for 2018-19 was used as the opening position for the 2019-20 forecasts.

The actual financial results achieved for 30 June 2020 are likely to vary from the forecast information presented, and the variations may be material.



## Note 2: Revenue

### Accounting policy

The specific accounting policies for significant revenue items are explained below:

#### Revenue Crown

Revenue from the Crown is measured based on the funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, Oranga Tamariki—Ministry for Children can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

### Breakdown of Other Revenue

Actual 2018 \$000		Actual 2019 \$000
4,045	Other recoveries	5,009
-	Gain on foreign exchange	8
<b>4,045</b>	<b>Total revenue other</b>	<b>5,017</b>

#### Other Recoveries

Oranga Tamariki—Ministry for Children received revenue from child support receipts on behalf of children in the care of the Chief Executive.



### Note 3: Personnel costs

Actual 2018 \$000		Actual 2019 \$000
283,021	Salaries and wages	337,594
4,432	Increase/(decrease) in employee entitlements	7,819
7,703	Employer contributions to defined contribution plans	9,450
6,284	Other	8,024
<b>301,440</b>	<b>Total personnel costs</b>	<b>362,887</b>

#### Accounting policy

##### *Salaries and Wages*

Salaries and wages are recognised as an expense as employees provide services.

##### *Superannuation schemes - Defined contribution scheme*

Employee contributions to the State Sector Retirement Savings Scheme, KiwiSaver, and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the Statement of Comprehensive Revenue and Expense.

### Note 4: Capital charge

Oranga Tamariki—Ministry for Children pays a capital charge to the Crown on its equity at 31 December and 30 June each financial year. The capital charge rate for the year ended 30 June 2019 was 6% (2018: 6%).

#### Accounting policy

The capital charge is recognised as an expense in the financial year to which the charge relates.

## Note 5: Other expenses

Actual 2018 \$000		Actual 2019 \$000
374	Audit fees <sup>14</sup>	401
7,868	Rental, leasing and occupancy costs	8,112
43	Impairment of receivables	93
176,762	Client financial plan costs <sup>15</sup>	214,861
205,167	Non-specific client costs <sup>16</sup>	224,854
6,779	Office operating expenses	7,285
10,307	IT related operating expenses	4,738
4,616	Travel expenses	4,983
19,938	Consultancy and contractors' fees	26,101
6,817	Professional fees	8,636
10,987	Other operating expenses	10,987
<b>449,658</b>	<b>Total operating costs</b>	<b>511,051</b>

### Accounting policy

#### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to the ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

#### Other expenses

Other expenses are recognised as an expense in the financial year in which they are incurred.

<sup>14</sup> Audit fees includes statutory audit fees only

<sup>15</sup> Client financial plan costs includes monies paid for the provision of the care and protection of children and young persons, and the provision of programmes and services to support the resolution of behaviour and relationship difficulties. A portion of these costs is used to support statutory processes to promote opportunities for family/whānau, hapū/iwi and family groups to consider care and protection and youth justice issues and to contribute to a decision-making process that often removes the need for court involvement.

<sup>16</sup> Non-specific client costs include costs which cannot be attributed to a specific client. It includes costs for maintaining an infrastructure that supports Oranga Tamariki—Ministry for Children to meet its legal and support obligations for the care and protection of children and young persons and the casework resolution process. The costs can be grouped into four main categories:

- family home costs including bed availability allowances, family home supplies and foster parent resettlement grants
- residential costs including programmes and client costs
- costs for Care and Protection resource panels of external advisors mandated by the Oranga Tamariki Act 1989, to advise on procedures
- external provider contract costs for specific programmes run by non-Government organisations to help children and young people.

## Note 6: Loss on disposal of property, plant and equipment

During the year, Oranga Tamariki—Ministry for Children did not dispose any property, plant and equipment. (2018: Nil).

## Note 7: Cash and cash equivalents

Actual 2018 \$000		Actual 2019 \$000
34,288	Cash at bank and on hand	68,620
<b>34,288</b>	<b>Total cash and cash equivalents</b>	<b>68,620</b>

### Accounting policy

Cash and cash equivalents includes cash on hand, cash in transit, bank accounts and deposits with a maturity of no more than three months.

Oranga Tamariki—Ministry for Children is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

## Note 8: Debtors and other receivables

Actual 2018 \$000		Actual 2019 \$000
<b>Trade and other receivables</b>		
471	Debtors (Gross)	368
(43)	Less provision for uncollectability	(136)
<b>428</b>	<b>Net debtors</b>	<b>232</b>
428	Receivables from exchange transactions	232
<b>Impairment of trade and other receivables</b>		
-	Balance at 1 July	43
43	Additional provisions made during the year	93
<b>43</b>	<b>Balance at end of the year</b>	<b>136</b>
43	Collective impairment allowance	136
<b>43</b>	<b>Balance at end of the year</b>	<b>136</b>

The ageing profile of receivables at year end is detailed below:

	As at 30 June 2018			As at 30 June 2019		
	Gross \$000	Provision for uncollectability \$000	Net \$000	Gross \$000	Provision for uncollectability \$000	Net \$000
Not past due	9	(1)	8	145	-	145
Past due 1–30 days	97	(7)	90	41	-	41
Past due 31–60 days	19	-	19	23	-	23
Past due 61–90 days	17	-	17	15	(9)	6
Past due >91 days	329	(35)	294	144	(127)	17
<b>Total</b>	<b>471</b>	<b>(43)</b>	<b>428</b>	<b>368</b>	<b>(136)</b>	<b>232</b>

#### Accounting policy

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

#### Debtors uncollectability

As at 30 June 2019 impairment of trade and other receivables has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

As at 30 June 2019 Oranga Tamariki—Ministry for Children had no debtors deemed insolvent (2018: Nil).

All receivables more than 30 days in age are considered to be past due.

### Note 9: Crown receivable

Crown receivable represents cash yet to be drawn down from the Treasury. As at 30 June 2019 Crown Receivable was nil (2018: \$29.927 million).



## Note 10: Property, plant and equipment

	Land	Buildings	Furniture & Fittings	Computer Equipment	Motor Vehicles	Plant & Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cost or revaluation</b>							
<b>Balance at 1 July 2017</b>	<b>73,495</b>	<b>158,504</b>	<b>311</b>	<b>67</b>	<b>1</b>	<b>-</b>	<b>232,378</b>
Additions	-	1,462	36	-	-	24	1,522
Work in progress movement	-	4,155	-	(65)	1	8	4,099
Other asset movement	-	-	(300)	-	-	-	(300)
<b>Balance at 30 June 2018 and 1 July 2018</b>	<b>73,495</b>	<b>164,121</b>	<b>47</b>	<b>2</b>	<b>2</b>	<b>32</b>	<b>237,699</b>
Additions	-	10,153	-	2	92	-	10,247
Revaluation increase	17,119	5,517	-	-	-	-	22,636
Work in progress movement	-	(3,251)	-	3,182	(1)	8	(62)
Other asset movement	-	-	-	1	-	-	1
Disposals	-	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>90,614</b>	<b>176,540</b>	<b>47</b>	<b>3,187</b>	<b>93</b>	<b>40</b>	<b>270,521</b>
<b>Accumulated depreciation and impairment losses</b>							
<b>Balance at 1 July 2017</b>	<b>-</b>	<b>851</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>856</b>
Depreciation expense	-	3,462	67	-	-	2	3,531
Impairment losses	-	1	(63)	-	-	-	(62)
<b>Balance at 30 June 2018 and 1 July 2018</b>	<b>-</b>	<b>4,314</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>4,325</b>
Depreciation expense	-	3,592	9	1	15	5	3,622
Eliminate on revaluation	-	(7,906)	-	-	-	-	(7,906)
Other asset movement	-	-	1	-	-	-	1
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>1</b>	<b>15</b>	<b>7</b>	<b>42</b>
<b>Carrying amounts</b>							
<b>At 1 July 2017</b>	<b>73,495</b>	<b>157,653</b>	<b>306</b>	<b>67</b>	<b>1</b>	<b>-</b>	<b>231,522</b>
<b>At 30 June 2018 and 1 July 2018</b>	<b>73,495</b>	<b>159,807</b>	<b>38</b>	<b>2</b>	<b>2</b>	<b>30</b>	<b>233,374</b>
<b>At 30 June 2019</b>	<b>90,614</b>	<b>176,540</b>	<b>28</b>	<b>3,186</b>	<b>78</b>	<b>33</b>	<b>270,479</b>

The total amount of property, plant and equipment under construction and work in progress is \$4.586 million (2018: \$4.648 million).

### Accounting policy

Property, plant and equipment consist of the following asset classes: land, buildings, furniture and fittings, computer equipment, motor vehicles and plant & equipment.

Land is measured at fair value and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Individual assets are capitalised if their cost is greater than \$2,000.

### Revaluations

Land and buildings are revalued at least every three years to ensure the carrying amount does not differ materially from the fair value. Fair value is determined from market-based evidence by an independent valuer. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure those values are not materially different from fair value. Additions to assets between revaluations are recorded at cost.

Oranga Tamariki—Ministry for Children accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluations are recorded in the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, the balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase in value after revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable the future economic benefits or service potential associated with the item will flow to Oranga Tamariki—Ministry for Children and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

### Disposals

Gains and losses on disposal are determined by comparing the proceeds of disposal with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit.

When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable the future economic benefits or service potential associated with the item will flow to Oranga Tamariki—Ministry for Children and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Asset Type	Estimated Life	Depreciation Rate
Buildings (including components)	10–80 years	1.25%–10%
Furniture and fittings	3–5 years	20%–33%
Computer equipment	3–5 years	20%–33%
Motor vehicles	4–5 years	20%–25%
Plant and equipment	3–5 years	20%–33%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.



### **Impairment**

Oranga Tamariki—Ministry for Children does not hold any cash-generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

### **Non-cash generating assets**

Property, plant and equipment held at cost that have a finite useful life are reviewed for impairment at each balance date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and its value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is considered to be impaired and the carrying amount is written-down to the recoverable service amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### **Critical accounting estimates and assumptions**

#### ***Estimating the fair value of land and buildings***

A valuation of land and buildings owned by Oranga Tamariki—Ministry for Children was completed by Quotable Value Limited as at 30 June 2019. Registered valuer David Cornford, from Quotable Value Limited was the project manager.

The valuation involved both full physical inspections and desktop valuations of land and buildings assets and has been completed in compliance with Public Benefit Entity International Public Sector Accounting Standards (IPSAS).

As a result of the valuation, land and buildings had a net increase of \$22.636 million, excluding accumulated depreciation.

#### ***Land***

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

#### ***Buildings***

Non-specialised buildings such as, family homes, are valued at fair value using market-based evidence. Market rents and capitalisation rate methodologies were applied in determining the fair value of buildings. Residential centers such as, Care and Protection Residences and Youth Justice Residences, have been valued using optimised depreciated replacement cost. Optimised depreciated replacement cost is used for these buildings because of the specialised nature of the assets.

#### ***Restrictions***

There are no restrictions over the title of the property, plant and equipment assets for Oranga Tamariki—Ministry for Children; nor are any property, plant and equipment assets pledged as security for liabilities.



## Note 11: Intangible assets

	Internally Generated Software \$000
<b>Cost</b>	
<b>Balance at 1 July 2017</b>	<b>9,663</b>
Additions	3,622
Work in progress movement	(3,953)
<b>Balance at 30 June 2018 and 1 July 2018</b>	<b>9,332</b>
Additions	71
Work in progress movement	(42)
Impairment	(1,855)
<b>Balance at 30 June 2019</b>	<b>7,506</b>
<b>Accumulated amortisation and impairment losses</b>	
<b>Balance at 1 July 2017</b>	<b>463</b>
Amortisation expense	2,364
<b>Balance at 30 June 2018 and 1 July 2018</b>	<b>2,827</b>
Amortisation expense	3,214
Other asset movement	(1)
Impairment losses	(927)
<b>Balance at 30 June 2019</b>	<b>5,113</b>
<b>Carrying amounts</b>	
<b>At 1 July 2017</b>	<b>9,200</b>
<b>At 30 June 2018 and 1 July 2018</b>	<b>6,505</b>
<b>At 30 June 2019</b>	<b>2,393</b>

The total amount of intangibles in the course of construction is nil (2018: \$42,000).

## Accounting policy

### Software acquisition and development

Acquired computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the cost of services, software development employee costs, and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software and staff training costs are recognised as an expense when incurred.

Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software.

Costs associated with the development and maintenance of the website are recognised as an expense when incurred for Oranga Tamariki—Ministry for Children.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the Statement of Comprehensive Revenue and Expense.

The useful lives and associated amortisation rate is as follows:

Asset Type	Estimated Life	Amortisation Rate
Developed computer software	3–8 years	12.5%–33%

### Impairment

Oranga Tamariki—Ministry for Children has recognised an impairment loss of \$927,000 (2018: Nil) for internally developed software. The software was developed prior to the introduction of the Digital Workplace Programme. This programme introduces greater functionality that supersedes the software. The impairment expense was based on the remaining net book value of the asset. The impairment loss has been recognised in the Statement of Comprehensive Revenue and Expense in the line item "loss on disposal of property, plant & equipment/write off".

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant and equipment in Note 10. The same approach applies to the impairment of intangible assets.

## Critical accounting estimates and assumptions

### Restrictions

There are no restrictions over the title of the intangible assets, nor are any pledged as security for liabilities.

## Note 12: Payables and accruals

Actual 2018 \$000		Actual 2019 \$000
<b>Payables and deferred revenue under exchange transactions</b>		
717	Creditors	1,109
48,221	Accrued expenses	39,845
<b>48,938</b>	<b>Total payables and deferred revenue under exchange transactions</b>	<b>40,954</b>
<b>Payables and deferred revenue under non-exchange transactions</b>		
6,581	GST payable	11,199
<b>55,519</b>	<b>Total payables and accruals</b>	<b>52,153</b>

### Accounting policy:

Short-term payables are recorded at the amount payable.

## Note 13: Return of operating surplus

Actual 2018 \$000		Actual 2019 \$000
10,178	Net surplus/(deficit)	28,315
<b>10,178</b>	<b>Total return of operating surplus</b>	<b>28,315</b>

The return of operating surplus to the Crown is required to be paid to the Crown by 31 October of each year.

## Note 14: Provisions

	Actual 2018 \$000	Actual 2019 \$000
70	Restructuring provision	-
521	Other provisions	2,939
<b>591</b>	<b>Total provisions</b>	<b>2,939</b>

### Accounting policy

A provision is recognised for future expenditure of uncertain amount or time when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate based on market yields on Government bonds at balance date with terms to maturity that match, as closely as possible, the estimated timing of the future cash outflows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

### Provisions by category

	Lease Reinstatement \$000	Restructure \$000	Others \$000	Total \$000
<b>2018</b>				
<b>Balance as at 1 July 2017</b>	<b>300</b>	<b>-</b>	<b>114</b>	<b>414</b>
Additional provisions made	-	70	407	477
Unused amounts reversed	(300)	-	-	(300)
<b>Balance as at 30 June 2018</b>	<b>-</b>	<b>70</b>	<b>521</b>	<b>591</b>
<b>2019</b>				
<b>Balance as at 1 July 2018</b>	<b>-</b>	<b>70</b>	<b>521</b>	<b>591</b>
Additional provisions made	-	-	2,823	2,823
Amounts used	-	(70)	(405)	(475)
<b>Balance as at 30 June 2019</b>	<b>-</b>	<b>-</b>	<b>2,939</b>	<b>2,939</b>

### Others

Oranga Tamariki—Ministry for Children provides an ex-gratia payment to employees related to return to work for a period of time following parental leave. Oranga Tamariki—Ministry for Children anticipates that this provision will be realised within 12 months.

Oranga Tamariki—Ministry for Children has a provision for a one-off payment to employees following union remuneration negotiations. Oranga Tamariki—Ministry for Children anticipates that this provision will be realised within 12 months.





## Note 15: Employee entitlements

### Note 15A: Employee entitlements

Actual 2018 \$000		Actual 2019 \$000
<b>Current liabilities</b>		
6,777	Retirement and long service leave	7,678
23,343	Provision for annual leave	26,491
3	Provision for sickness leave	-
<b>30,123</b>	<b>Total current portion</b>	<b>34,169</b>
<b>Non-current liabilities</b>		
17,051	Retirement and long service leave	20,201
<b>17,051</b>	<b>Total non-current portion</b>	<b>20,201</b>
<b>47,174</b>	<b>Total employment entitlements</b>	<b>54,370</b>

#### *Short-term employee entitlements*

Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlement at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

Oranga Tamariki—Ministry for Children recognises a liability and an expense for performance payments where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

#### *Long-term employee entitlements*

Entitlements payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accrued to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement and contractual entitlements.
- the present value of the estimated future cash flows.

#### **Critical accounting estimates and assumptions**

##### *Long service leave and retirement leave*

The present value of the retirement and long service leave obligations is determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability are the discount rate and the salary inflation factor. Any changes in these assumptions will have an impact on the carrying amount of the liability.

Oranga Tamariki—Ministry for Children uses the interest rates and the salary inflation factor as supplied and published by the Treasury.

## Note 15B: Discount rates and salary inflation applied

as at 30 June 2018			Employee Entitlement Variables	as at 30 June 2019		
2018 %	2019 %	2020 %		2019 %	2020 %	2021 %
1.78	1.90	3.55	Discount rates	1.26	1.03	2.23
-	3.10	3.10	Salary inflation	-	2.92	2.92

## Note 15C: The financial impact of changes to the discount rates and salary inflation variables

Movements	Actual 2019 \$000	Salary + 1% 2019 \$000	Salary - 1% 2019 \$000	Discount + 1% 2019 \$000	Discount - 1% 2019 \$000
Current	7,678	24	(24)	(12)	13
Non-current	20,201	2,052	(1,788)	(1,692)	1,978
<b>Total</b>	<b>27,879</b>	<b>2,076</b>	<b>(1,812)</b>	<b>(1,704)</b>	<b>1,991</b>



## Note 16: Equity

Actual 2018 \$000		Actual 2019 \$000
<b>Taxpayers' funds</b>		
<b>121,316</b>	<b>Balance at 1 July</b>	<b>126,316</b>
10,178	Surplus/(deficit)	28,315
5,000	Capital contribution	-
(10,178)	Repayment of surplus	(28,315)
<b>126,316</b>	<b>Balance at 30 June</b>	<b>126,316</b>
<b>Property revaluation reserves</b>		
<b>66,702</b>	<b>Balance at 1 July</b>	<b>66,702</b>
-	Revaluation gains	30,542
<b>66,702</b>	<b>Balance at 30 June</b>	<b>97,244</b>
<b>Property revaluation reserves consists of:</b>		
37,971	Land revaluation reserve	55,090
3,074	Non residential building revaluation reserve	-
25,657	Building revaluation reserve	42,154
<b>66,702</b>	<b>Total property revaluation reserves</b>	<b>97,244</b>
<b>193,018</b>	<b>Total equity</b>	<b>223,560</b>

### Accounting policy

Equity is the Crown's investment in Oranga Tamariki—Ministry for Children and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds and property revaluation reserves.

#### Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

#### Capital management

The capital of Oranga Tamariki—Ministry for Children is its equity, which comprise taxpayers' funds and property revaluation reserves. Equity is represented by net assets.

Oranga Tamariki—Ministry for Children manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities and compliance with the Government budget processes, Treasury Instructions and the PFA.

The objective of managing the equity is to ensure that Oranga Tamariki—Ministry for Children effectively achieves its goals and objectives for which it has been established while remaining a going concern.



## Note 17: Related party transactions

Oranga Tamariki—Ministry for Children is a wholly-owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favorable than those that it is reasonable to expect Oranga Tamariki—Ministry for Children would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other Government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between Government agencies and undertaken in the normal terms and conditions for such transactions.

### *Transactions with key management personnel*

Key management personnel compensation includes the remuneration for the Chief Executive and 10 members of the Senior Management Team (2018: Chief Executive and 10 members of the Senior Management Team).

Actual 2018		Actual 2019
\$3,526,457	Leadership Team, including the Chief Executive Remuneration	\$3,499,855
11	Full-time equivalent members	11

The above key management personnel disclosure excludes the Minister for Children. The Minister's remuneration and other benefits are received not only for her role as a member of the key management personnel of Oranga Tamariki—Ministry for Children. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority and are not paid by Oranga Tamariki—Ministry for Children.



## Note 18: Events after the balance sheet date

No significant events, which may have had an impact on the actual results, have occurred between year-end and the signing of the financial statements.

## Note 19: Financial instruments

### Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

Actual 2018 \$000		Actual 2019 \$000
<b>Loans and receivables</b>		
34,288	Cash and cash equivalents	68,620
30,839	Receivables	18,861
<b>65,127</b>	<b>Total loans and receivables</b>	<b>87,481</b>
<b>Financial liabilities measured at amortised cost</b>		
55,519	Payables	52,153
<b>55,519</b>	<b>Total financial liabilities measured at amortised cost</b>	<b>52,153</b>

### Financial instrument risks

The activities of Oranga Tamariki—Ministry for Children expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Oranga Tamariki—Ministry for Children has policies to manage the risks associated with financial instruments and seeks to minimise its exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

#### Market risk

##### *Currency risk and interest rate risk*

Oranga Tamariki—Ministry for Children has no exposure to interest rate risk or currency risk on its financial instruments, as there were no foreign currency forward contracts at balance date and Oranga Tamariki—Ministry for Children does not hold any interest bearing financial instruments.

### Credit risk

Credit risk is the risk a third party will default on its obligation to Oranga Tamariki—Ministry for Children, causing Oranga Tamariki—Ministry for Children to incur a loss.

In the normal course of its business, credit risk arises from receivables and deposits with banks.

Oranga Tamariki—Ministry for Children is permitted to deposit funds only with Westpac (Standard & Poor's credit rating of AA-), a registered bank. For its other financial instruments, Oranga Tamariki—Ministry for Children does not have significant concentrations of credit risk.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

### Liquidity risk

Liquidity risk is the risk Oranga Tamariki—Ministry for Children will encounter difficulty raising liquid funds to meet its commitments as they fall due.

As part of meeting its liquidity requirements, Oranga Tamariki—Ministry for Children closely monitors its forecast cash requirements with expected cash draw-downs from the New Zealand Debt Management Office. Oranga Tamariki—Ministry for Children maintains a target level of available cash to meet liquidity requirements.

The table below analyses the financial liabilities of Oranga Tamariki—Ministry for Children into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Actual 2018 \$000		Actual 2019 \$000
<b>Creditors and other payables</b>		
55,519	Less than six months	52,153
<b>55,519</b>	<b>Total creditors and other payables</b>	<b>52,153</b>



## Note 20: Explanations of major variances against budget

Explanations for major variances from the estimated figures in the Forecast Financial Statements 2018-19 are as follows:

	Notes	Actual 2019 \$000	Unaudited Budget 2019 \$000	Variance 2019 \$000
<b>Statement of Comprehensive Revenue and Expense</b>				
<b>Revenue</b>				
Revenue Crown	a	980,155	920,603	(59,552)
<b>Expenses</b>				
Personnel costs	b	362,887	286,200	(76,687)
Shared service fees	c	72,616	86,618	14,002
Other expenses	d	511,051	543,956	32,905
<b>Statement of Financial Position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Receivables from Ministry of Social Development	e	18,629	656	(17,973)
<b>Non-current assets</b>				
Property, plant and equipment	f	270,479	242,098	(28,381)
<b>Current liabilities</b>				
Payable and accruals	g	52,153	36,460	(15,693)
<b>Statement of Cash flows</b>				
<b>Cash flows from operating activities</b>				
Receipts from Revenue Crown	a	1,010,147	920,603	(89,544)
Payments to suppliers	d	(589,182)	(630,574)	(41,392)
Payments to employees	b	(355,396)	(286,200)	69,196
Payments to the Ministry of Social Development	h	(18,145)	9,909	28,054



- a. Increase in Revenue Crown of \$59.552 million is largely related to:
  - Increase in progressing the delivery of the new operating model for Oranga Tamariki—Ministry for Children (\$62.462 million).
  - This has been offset by a reduction in corporate service costs (\$2.800 million).
- b. Personnel expenses/Payment to employees variance to budget is mainly due to higher staff numbers as a result of the new operating model and in preparation for the legislative changes from 1 July 2019 onwards.
- c. Shared service fees variance against budget is due to an amendment in services provided by MSD to Oranga Tamariki—Ministry for Children, agreed between the two agencies during the year.
- d. Other expenses/ payments to suppliers variance to budget is mainly due to underspends in major projects throughout the year. These underspends are mainly due to project changes out of our control throughout the year and projects that were delivered under budget.
- e. The increase in receivables is mainly due to our shared service agreement with MSD and the timing of these payments.
- f. Property, plant and equipment variance against budget is mainly due to the revaluation of land and buildings that was performed during the year which saw an increase in land and buildings of \$30.542 million.
- g. Payable and accruals are higher than budget due to the growth in the organisation in order to deliver the new operating model and prepare for the legislative changes from 1 July 2019 onwards.
- h. The decrease in payments to MSD is mainly due to a reduction in our shared service agreement with MSD and the timing of payments at the end of the year.



A close-up photograph of a person's torso and arms. The person is wearing a grey t-shirt and denim shorts. They have a large, colorful tattoo on their right arm. They are holding a blue pen and writing in a white notebook. A black lanyard is around their neck. The background is slightly blurred, showing a patterned rug.

# Financial STATEMENTS

Non-Departmental

## Non-Departmental Financial Statements and Schedules

*For the year ended 30 June 2019*

The following non-departmental statements and schedules record the revenue, capital receipts, expenses, assets, liabilities, commitments, contingent liabilities and contingent assets that Oranga Tamariki—Ministry for Children manages on behalf of the Crown.

### Schedule of Non-Departmental Expenses

*For the period ended 30 June 2019*

Actual 2018		Actual 2019	Unaudited Budget 2019
\$000		\$000	\$000
2,829	Non-departmental output expenses	7,280	7,384
<b>2,829</b>	<b>Total non-departmental expenses</b>	<b>7,280</b>	<b>7,384</b>

Explanations of significant variances against budget are detailed in Note 2

The accompanying notes form part of these financial statements

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2019.



## Schedule of Non-Departmental Assets

As at 30 June 2019

Actual 2018 \$000		Actual 2019 \$000	Unaudited Budget 2019 \$000
<b>Current assets</b>			
6,469	Cash and cash equivalents	5,312	-
<b>6,469</b>	<b>Total current assets</b>	<b>5,312</b>	<b>-</b>

Explanations of significant variances against budget are detailed in Note 2

The accompanying notes form part of these financial statements

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2019.



## Schedule of Non-Departmental Liabilities

As at 30 June 2019

Actual 2018		Actual 2019	Unaudited Budget 2019
\$000		\$000	\$000
<b>Current liabilities</b>			
156	Accruals - other than Governemnt departments	-	-
<b>156</b>	<b>Total non-departmental liabilities</b>	<b>-</b>	<b>-</b>

Explanations of significant variances against budget are detailed in Note 2.

The accompanying notes form part of these financial statements

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2019.



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## Schedule of Non-Departmental Commitments

*As at 30 June 2019*

Oranga Tamariki—Ministry for Children on behalf of the Crown has no lease commitments (2018: \$Nil).

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## Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

*As at 30 June 2019*

### **Unquantifiable contingent liabilities**

Oranga Tamariki—Ministry for Children on behalf of the Crown has no unquantifiable contingent liabilities (2018: \$Nil).

### **Quantifiable contingent liabilities**

There are no quantifiable cases lodged against Oranga Tamariki—Ministry for Children that remain unresolved as at 30 June 2019 (2018: \$Nil).

### **Contingent assets**

Oranga Tamariki—Ministry for Children on behalf of the Crown has no contingent assets (2018: \$Nil).

The accompanying notes form part of these financial statements

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2019.





Notes to Non-Departmental

# Financial STATEMENTS & Schedules



## Note 1: Statement of Accounting Policies: Non-Departmental

### Reporting entity

These non-departmental statements and schedules present financial information on public funds managed by Oranga Tamariki—Ministry for Children on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2019. For a full understanding of the Crown's financial position, results of operations, and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2019.

### Basis of preparation

The non-departmental statements and schedules have been prepared in accordance with the accounting policies of the Consolidated Financial Statements of the Government, Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Sector Benefit Entity Accounting Standards) as appropriate for public benefit entities.

### Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### Expenses

Expenses are recognised in the period they relate to.

### Financial instruments

#### *Financial assets*

Cash and cash equivalents includes cash on hand, cash in transit, bank accounts and deposits with a maturity of no more than three months.

#### *Financial liabilities*

The major financial liability type is accounts payable. These are entered into with a duration of no more than 12 months.

### Commitments

Commitments are future expenses and liabilities to be incurred on non-cancellable contracts entered into at balance date. Information on non-cancellable capital and operating lease commitments are reported in the Statement of Commitments.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are reported in the Statement of Commitments at the lower of the remaining contractual commitment and the value of these penalty or exit costs (i.e. the minimum future payments).

### Goods and services tax

Items in the non-departmental statements and schedules are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

### Contingent assets and liabilities

Contingent assets and liabilities are disclosed at the point the contingency is evident.

### Critical accounting estimates

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Budget figures

The 2019 budget figures are for the year ended 30 June 2019, which are consistent with the best estimate financial information submitted to the Treasury for the BEFU for the year ended 30 June 2019.



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## Note 2: Explanation of major variances against budget

Explanations for major variances from the non-departmental budget figures for Oranga Tamariki—Ministry for Children, is as follows:

### Schedule of expenses

There are no significant variances against budget.

### Schedule of assets and liabilities

Cash and cash equivalents is higher in 2018-19 compared with the unaudited budget by \$5.312 million mainly due to the timing of the cash draw-down from the Treasury.

There are no other significant variances against budget.

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## Note 3: Financial instruments

### Financial instrument categories

Funds must be deposited with Westpac, a registered bank.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Other than Westpac bank, there are no significant concentrations of credit risk.

### Credit risk

Credit risk is the risk a third party will default on its obligation, causing a loss to be incurred. Credit risk arises from deposits with banks and receivables.



# Statement of Budgeted and Actual Expenses and Capital Expenditure incurred against appropriations

For the period ended 30 June 2019

The statements report information about the expenses and capital expenditure incurred against each appropriation administered by Oranga Tamariki—Ministry for Children for the year ended 30 June 2019. They are prepared on a GST exclusive basis.

Expenditure including Remeasure-ments 2018 \$000	Appropriation title	Expenditure including Remeasure-ments 2019 \$000	Remeasure-ments 2019 \$000	Expenditure excluding Remeasure-ments 2019 \$000	Main Estimates 2019 \$000	Appropriation Voted 2019 \$000	Main Estimates 2020 \$000	Location of end-of-year performance information
<b>Vote Oranga Tamariki</b>								
<b>Departmental output expenses</b>								
7,153	Adoption Services	7,255	52	7,203	7,502	7,502	7,642	1
-	Crown Response to the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-Based Institutions	300	-	300	-	548	6,748	1
2,834	Data, Analytics and Evidence Services	5,786	16	5,770	3,200	6,950	11,018	1
1,066	Ministerial Services	1,061	8	1,053	1,190	1,190	1,212	1
3,943	Policy Advice	4,953	27	4,926	4,377	5,097	5,189	1
323	Supporting Equitable Pay for Care and Support Workers	-	-	-	544	-	-	1
<b>15,319</b>	<b>Total departmental output expenses</b>	<b>19,355</b>	<b>103</b>	<b>19,252</b>	<b>16,813</b>	<b>21,287</b>	<b>31,809</b>	
<b>Departmental other expenses</b>								
23,629	Transformation Programme: Investing in New Zealand Children and their Families	-	-	-	-	-	-	1
<b>23,629</b>	<b>Total departmental other expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Department capital expenditure</b>								
5,922	Ministry for Vulnerable Children, Oranga Tamariki - Capital Expenditure PLA	10,214	-	10,214	11,110	18,610	9,150	1
<b>5,922</b>	<b>Total departmental capital expenditure</b>	<b>10,214</b>	<b>-</b>	<b>10,214</b>	<b>11,110</b>	<b>18,610</b>	<b>9,150</b>	
<b>Non-departmental output expenses</b>								
2,400	Connection and Advocacy Service	4,000	-	4,000	4,000	4,000	4,000	1
<b>2,400</b>	<b>Total non-departmental output expenses</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	
<b>Multi-category appropriations Investing in Children and Young People MCA</b>								
<b>Departmental output expenses</b>								
255,501	Early and Intensive Intervention	274,749	758	273,991	267,570	262,320	-	1
11,909	Prevention	10,566	-	10,566	15,025	12,673	-	1
530,511	Statutory Intervention and Transition	644,018	2,435	641,583	605,818	679,191	-	1
18,701	Supporting and Developing Providers and Services	17,200	139	17,061	28,067	19,139	-	1
-	Intensive Intervention	-	-	-	-	-	11,796	1
-	Prevention and Early Intervention	-	-	-	-	-	276,823	1
-	Statutory Intervention and Transition	-	-	-	-	-	855,076	1
<b>816,622</b>	<b>Total multi-category appropriations</b>	<b>946,533</b>	<b>3,332</b>	<b>943,201</b>	<b>916,480</b>	<b>973,323</b>	<b>1,143,695</b>	
<b>Multi-Year Appropriations Departmental output expenses</b>								
-	Evaluation and Auditing Expenses for the Reducing Youth Reoffending Social Bond Pilot	10	-	10	75	75	75	1
<b>Non-Departmental Output Expenses</b>								
429	Reducing Youth Reoffending Social Bond Pilot	3,280	-	3,280	3,384	3,394	9,886	1
<b>429</b>	<b>Total multi-year appropriations</b>	<b>3,290</b>	<b>-</b>	<b>3,290</b>	<b>3,459</b>	<b>3,469</b>	<b>9,961</b>	
<b>864,321</b>	<b>Total annual, permanent and multi-year appropriations</b>	<b>983,392</b>	<b>3,435</b>	<b>979,957</b>	<b>951,862</b>	<b>1,020,689</b>	<b>1,198,615</b>	



The Multi category Appropriation (MCA) Investing in Children and Young people has been revised in 2019-20 to bring this more in line with the operating model as set out in the Outcomes Framework for Oranga Tamariki—Ministry for Children.

The appropriations were changed as follows: Early and Intensive Intervention has been revised to Intensive Intervention and the Early intervention core functions has now combined with Prevention, with the new appropriation renamed as Prevention and Early Intervention.

The Supporting and Developing Providers and Services appropriation has been disestablished and funding has been reallocated to the three remaining appropriations within the MCA.

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<sup>17</sup> The remeasurement adjustment to departmental output expense appropriations relates to movements in the unvested long service leave provision due to changes in discount rates. Oranga Tamariki—Ministry for Children is appropriated for expenditure excluding remeasurements.

<sup>18</sup> These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the Public Finance Act.

<sup>19</sup> The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by Oranga Tamariki—Ministry for Children, as detailed below:

1. The annual report for Oranga Tamariki—Ministry for Children.

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## Transfers approved under section 26A of the Public Finance Act

There were no transfers made under section 26A of the Public Finance Act.

## Statement of Expenses and Capital Expenditure incurred without, or in excess of, appropriation or other authority

For the period ended 30 June 2019

Expenses and capital expenditure approved under section 26B of the Public Finance Act

Nil

Expenses and capital expenditure incurred in excess of appropriation

Nil

## Statement of Departmental Capital Injections

For the period ended 30 June 2019

Actual capital injections 2018 \$000	Actual capital injections 2019 \$000	Approved appropriation 2019 \$000	Approved appropriation 2020 \$000	
Vote Oranga Tamariki				
5,000	Ministry for Children	-	-	54,228

## Statement of Departmental Capital Injections without, or in excess of, authority

For the period ended 30 June 2019

Oranga Tamariki—Ministry for Children has not received any capital injections during the year without, or in excess of, authority.







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