



Cabinet Social Wellbeing Committee

Minute of Decision

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Reforming Financial Assistance for Caregivers: Proposed Response to the Review of the Foster Care Allowance, Orphan's Benefit, Unsupported Child's Benefit and Related Payments

Portfolio Children

On 11 December 2019, the Cabinet Social Wellbeing Committee:

- 1 **noted** that on 6 May 2019, Cabinet:
 - 1.1 agreed that officials undertake a 'first principles' review of financial assistance for caregivers, including the Foster Care Allowance (FCA) and Higher Foster Care Allowance (HFCA), Orphan's Benefit (OB), Unsupported Child's benefit (UCB) and related payments;
 - 1.2 invited the Minister for Children to report to the Cabinet Social Wellbeing Committee by October 2019 with key policy proposals arising out of the review; [SWC-19-MIN-0040];
- 2 **noted** that the review involved targeted consultation with caregivers, including Māori and Pacific caregivers, non-governmental organisation providers, advocacy groups, care-experienced young people, and Oranga Tamariki frontline staff;
- 3 **noted** that the review raised both systemic and discrete policy issues relating to the objectives and principles of the system of financial assistance for caregivers, rates of payment, eligibility, and accountability;

Strategic direction for the system of financial assistance for caregivers

- 4 **noted** that there is no single set of objectives and principles for the system of financial assistance for caregivers;
- 5 **agreed** that the State should provide support to caregivers, in addition to the general support available to parents, where they have taken responsibility for providing the day-to-day care of a child due to the child's natural or adoptive parents being unable to care for them;
- 6 **agreed** that the system of financial assistance for caregivers should seek to help achieve the following objectives, which are informed by the Oranga Tamariki outcomes framework, and intended to contribute to achieving the outcomes set in the Child and Youth Wellbeing Strategy:
 - 6.1 tamariki Māori are thriving under the protection of whānau, hapū and iwi;

- 6.2 children are living in safe and stable homes;
 - 6.3 children's care, protection and wellbeing needs are met;
 - 6.4 the need for children to enter State care is reduced;
- 7 **agreed** that financial assistance for caregivers be based on the following principles, recognising that progress towards these must be balanced with the need for fiscal responsibility and other government priorities:
- 7.1 financial assistance for caregivers should provide for the reasonable costs of caring for the child;
 - 7.2 regular, standardised payments should be available to, and accessible by, caregivers who provide the day-to-day care of children whose parents are unable to care for them;
 - 7.3 there should be no disparity in the standardised payment rate provided to support a child in the State care system, and a child living with a caregiver outside the State care system whose parents are unable to care for them;
 - 7.4 additional needs-based financial support should be available to, and accessible by, caregivers who provide the day-to-day care of children whose parents are unable to care for them;
 - 7.5 financial assistance for caregivers should not duplicate other social assistance;
 - 7.6 financial assistance for caregivers should be accompanied by wider (non-financial) support for caregivers;

Reforming the system of financial assistance for caregivers

- 8 **noted** that reform is required to simplify and unify the system, and address discrete and complex policy issues;
- 9 **agreed** that, as part of a work programme to respond to the findings of the review, officials explore a simplified and unified payment model for all caregiver payments, which considers:
- 9.1 replacing the three different base rate payments with a single unified payment for all caregivers, administered by a single agency;
 - 9.2 reviewing the funding model so that it aligns with the objectives sought through the financial assistance system;
 - 9.3 designing the caregiver financial assistance system to take account of the needs and interests of Māori, and the importance of Māori being cared for safely within their whānau, hapū or iwi;
 - 9.4 reviewing the base rate payments to align with the objectives and principles sought through the financial assistance system;
 - 9.5 addressing the additional financial support needs of caregivers, including assistance to help children connect with whānau, hapū, iwi and family groups, and their culture, and access to higher rates of payment where there is a special need;

- 9.6 how best to connect the financial assistance system to wider (non-financial) support that can be easily accessed by caregivers;
- 9.7 how best to meet any unmet care, protection or wellbeing needs of children living with caregivers outside the State care system;
- 10 **agreed** that the work programme also consider discrete policy issues identified through the review;

Initial work to start transforming the system in line with the strategic direction

- 11 **agreed** that initial work be progressed to the caregiver financial assistance system to address immediate issues and to move towards the principles and objectives set out in paragraphs 6 and 7 above, with a key focus on:
- 11.1 reducing disparities in the financial assistance received by OB and UCB caregivers compared to FCA caregivers;
- 11.2 improving support for caregivers;
- 11.3 addressing some of the most significant and immediate issues affecting children and their caregivers, as identified through consultation with stakeholders through the review of financial assistance for caregivers;
- 12 **noted** that, in support of paragraph 11 above, the Minister for Children intends to submit initiatives for Budget 2020, which could include, for example:
- 12.1 extending the Birthday and Christmas allowances to OB and UCB caregivers, in order to reduce disparities for OB and UCB caregivers and help enable the children they care for to have the same experiences as other children;
- 12.2 enabling caregivers who may provide care for less than 12 months to access OB and UCB;
- 12.3 enabling caregivers of children in State care to continue to receive financial assistance for a set number of days per year while the child they care for is in respite care;
- 13 **noted** that phasing and scaling options will be provided as part of the Budget 2020 process;
- 14 **noted** that changes to primary legislation would be required to implement some of these proposals;
- 15 **noted** that Oranga Tamariki operational policy will be amended to require any decision to pay the Higher Foster Care Allowance, and the amount paid, to reflect the costs of meeting specific needs identified in a child's plan, and the support needed by caregivers to meet those needs;

Next steps

- 16 **noted** that the Minister for Children intends to publicly release the summary of engagement findings report, attached to the submission under SWC-19-SUB-0199, along with a summary of how the review is aiming to address the issues raised by stakeholders;

- 17 **invited** the Minister for Children to report to SWC by November 2020 with an update on the work programme set out in paragraphs 8, 9 and 10.

Vivien Meek
Committee Secretary

Present:

Hon Kelvin Davis
Hon Grant Robertson
Hon Dr Megan Woods
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Dr David Clark
Hon Stuart Nash
Hon Jenny Salesa
Hon Kris Faafoi
Hon Tracey Martin
Hon Willie Jackson
Hon Aupito William Sio
Hon Julie Anne Genter

Officials present from:

Office of the Prime Minister
Officials Committee for SWC
Office of the Chair

Hard-copy distribution:

Minister for Children

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