



Improving child wellbeing

PRESS RELEASE

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Key Budget initiatives:

- **New programmes and funding to break the cycles of child poverty and family violence**
- **Stopping children from falling through the cracks – a \$1.1 billion investment to protect our most vulnerable kids**
- **Taking financial pressure off parents by increasing funding to decile 1-7 schools so they don't need to ask for school donations**
- **Taking action to improve incomes and reduce inequality through benefit indexation and removing punitive sanctions**
- **Encouraging physical activity and healthy eating in schools**
- **\$320 million to address NZ's shameful domestic violence record**

The Wellbeing Budget will continue the Government's drive to make New Zealand into the best place in the world to be a child, Prime Minister Jacinda Ardern says.

"Evidence shows us that children in poverty are more likely to get sick, leave school without a qualification, sometimes struggle to get food, and fall through the cracks. We know that to improve New Zealanders' wellbeing, so much depends on the early years.

"Improving outcomes for our children is central to the objectives of the Coalition Government and is at the heart of this wellbeing budget.

"That means tackling the long-term challenge of lifting children out of poverty, making sure our children can access education, taking financial pressure off parents and ensuring our children are healthy and active."

Stopping children falling through the cracks

If all New Zealand's children are to do well, we must do more to stop our most vulnerable from falling through the cracks. Breaking the cycle of child harm requires intervention at the earliest possible point and better support for children in care so they can recover and live the lives they deserve.

The Wellbeing Budget targets major new investments towards children at serious risk and in the most need of help, providing the very best care and support through a new Oranga Tamariki as we transform the broken Child, Youth and Family (CYF) model.

The Wellbeing Budget package includes:

- a new intensive intervention service that will work with families to keep children safe at home
- more money for non-government organisations (NGOs) providing early intervention services
- more money to support Oranga Tamariki to meet the new care standards and an extra 350 frontline roles, including more social workers to ease caseloads
- more support so children in care can get things they need – toys, books, laptops, sports and specialist health equipment

- 60 extra dedicated support staff for caregivers and new specialised training for all caregivers
- new whānau care partnerships to attract more Māori caregivers
- 16 new, small community-based homes for 100 additional youth justice placements for 17-year-olds, with an extra 300 staff
- a new service to support 3,000 young people to prepare for and transition successfully from care and youth justice services to adulthood.

A new approach

As at 31 March this year, 6,400 children and young people were in State care. This shouldn't be the case in a country like New Zealand.

"In 2015, the Expert Advisory Panel on Modernising CYF advised the Government that New Zealand's most vulnerable children needed a new, child-centred agency that would lead the change to a completely different care, protection and youth justice system," Minister for Children Tracey Martin says.

"The Wellbeing Budget starts to deliver that new system. The Oranga Tamariki that was envisaged by the Expert Panel can now start to be built."

New intensive and early intervention service

A new Intensive Intervention service will use new, highly skilled, family/whānau intensive support workers to work with families and whānau of children most at risk of entry or re-entry into State care to support them to remain safely at home.

"This is about breaking the cycle of harm and reducing the number of children who are removed from their families," Tracey Martin says.

This new partnered approach will be rolled out to five Oranga Tamariki sites or areas covering around 150 families and 400 children in its first year.

In addition, the Budget provides \$26 million over four years for the Ministry's NGO partners currently providing early intervention services.

Improved care

The new National Care Standards come into force on 1 July 2019 – the first time New Zealand's State care system will have explicit care standards. Lifting these standards requires a significant investment – \$524 million over the next four years.

We're also investing in extra capacity, with an extra 350 frontline staff including social workers, and more caregivers and improved support for caregivers to ensure there is adequate support to meet the new and enhanced Care Standards.

"New National Care Standards will let children in care and their caregivers know what to expect and what is required. This new funding will help provide it. Those in care have said they want to see their social workers more and more social workers will help with that," Tracey Martin says.

"As part of this transformation, \$70 million will go towards better meeting the needs of the individual children in care – providing things like toys, books, laptops, sports equipment and specialist health resources.

“Our care system would not exist without our remarkable and dedicated caregivers. We’re acknowledging the work they do by providing them more help, including respite support. An extra 60 dedicated support staff for caregivers will include caregiver social workers. We’ll also provide new specialised training for all caregivers, including for those who have children with high behavioural needs.”

Improved support for tamariki Māori

Extra funding will allow Oranga Tamariki to provide appropriate care to the 70 per cent of children and young people in care who are Māori.

“The vast majority of Māori children and their whānau have no need for assistance from Oranga Tamariki. However, rangatahi and tamariki are over-represented in both the care and youth justice systems. We need to ensure that they receive appropriate care and support – including being connected to their whānau and culture,” Tracey Martin says.

“This is not just about spending more money on care and protection. To achieve better outcomes for Māori children and their whānau, Oranga Tamariki will use this investment to work in very different ways.”

Section 7AA of the Oranga Tamariki Act 1989, which takes effect on 1 July 2019, sets out the Ministry’s responsibilities in line with the principles of the Treaty of Waitangi to improve outcomes for Māori children and young people, and their whānau. To support this, the Ministry will build on its strategic partnerships and relationships with iwi and Māori organisations. New funding will allow:

- an ongoing commitment to Māori specialist roles, including Kairāranga and Iwi Family Group Conference co-ordinators
- new Whānau Care Partnerships with iwi and Māori organisations providing models for the development and support of caregivers

Youth justice

Legislative changes mean most 17-year-olds will be included in the youth justice system, instead of the adult system, from 1 July 2019.

The Wellbeing Budget provides extra funding to make this successful and to support the extra numbers of young people in the system, with an increased focus on education, training and rehabilitation.

“Over the last year, Oranga Tamariki has built and successfully run four new community-based remand homes that take a more therapeutic approach to youth justice. These young people need the chance to get the skills to stop their offending and live responsibly in society,” Tracey Martin says.

Up to 16 of these small, community-based homes will be built over four years, contributing to 100 additional youth justice placements. An extra 300 staff – youth workers, night care workers and team leaders – will work in these facilities.

Transition services

The Wellbeing Budget also establishes a new service to support young people to transition successfully from care and youth justice services into adulthood.

A relationship-based service with 175 staff will support young people to prepare for this important transition, respond to their needs as they leave and help them gain their independence. It will provide advice and assistance, after-hours support and broker services and housing supports.

“It has been a huge hole in our system of care that young people didn’t have this support. Over the first four years of the service we expect it to support around 3,000 young people,” Tracey Martin says.

The \$153.7 million initiative also provides supported accommodation places for young people who need a stepping stone to independent living, and allowances for these young people to continue to live with a caregiver after they turn 18.

Taking financial pressure off parents

We know that child wellbeing, and the potential for positive outcomes later in life, is linked to educational outcomes early in life. Through the Wellbeing Budget, the Coalition Government is making a number of significant investments to improve New Zealand's education system. This includes investing in more teachers, meeting demand pressures and setting aside \$1.2 billion for a 10-year school property investment plan.

The Coalition Government is also taking a number of practical steps to reduce the financial pressure on families when it comes to their children's education.

Families of nearly half a million children at 1,700 schools stand to benefit from no longer having to pay school donations as a result of the Wellbeing Budget.

All decile 1-7 State and State-integrated schools, attended by about 63 per cent of all students, will be eligible to receive \$150 per student per year if the school agrees to stop requesting school donations from parents.

"Budget 2019 takes a major step towards making school education free again," Education Minister Chris Hipkins says.

"We know how difficult it is for parents to afford the fees that schools charge, and the pressure it places on parents who aren't able to afford the donations. Many students will now be able to get the education they need with less financial pressure on their parents.

"Where schools opt to continue to seek donations, those donations remain voluntary – meaning parents and caregivers are not required to pay them," Chris Hipkins says.

The Ministry of Education will monitor schools that opt in to ensure they do not continue to seek donations.

"I will introduce legislation so funding paid to schools that do not comply with the scheme's conditions can be recovered," Chris Hipkins says.

The initiative will take effect from the start of the 2020 school year. It is budgeted to cost \$265.6 million in the four financial years from 2019/20 through 2022/23.

"This is a meaningful step in relieving material hardship by reducing the expectation and financial pressure on parents to contribute to the basic needs of their children's schools," Chris Hipkins says.

Removing NCEA Fees

The Government is also taking financial pressure off parents by removing fees for NCEA and New Zealand Scholarship.

More than 145,000 households are estimated to benefit from the removal of the \$76.70 NCEA fee that families pay every year for around 168,000 secondary school students.

"Abolishing these fees will make things a bit easier for families to make ends meet and ensure every student who achieves NCEA can receive their qualification," Education Minister Chris Hipkins says.

"This is another step by the Coalition Government to put the 'free' back into free education."

Maintaining quality and keeping a lid on Early Childhood Education fees

The Wellbeing Budget also helps maintain the quality of Early Childhood Education (ECE), while meeting rising demand and keeping a lid on potential fee increases for parents, Chris Hipkins says.

Around 4,200 early-learning services serving about 190,000 children will receive a 1.8 per cent increase in their subsidy rates to cover for inflation over the past year.

“Without the subsidy increase to offset rising costs, providers would likely face the choice of raising fees and making parents pay more, or reducing the quality of the services they provide to young children and their families. The previous Government never gave per child funding a full inflation adjustment between 2010 and 2017,” Chris Hipkins says.

The higher subsidies for ECE are budgeted to cost \$131.1 million in operating funding over the four-year forecast period. This is on top of the \$105 million that we provided for the ECE sector in Budget 2018.

Tackling New Zealand’s world-leading rates of child obesity

Evidence shows that children’s nutrition and physical activity are linked to academic achievement and improved physical and mental health.

New Zealand has one of the highest childhood obesity rates in the OECD, with one in eight (12 per cent) of our children aged 2-14 years classed as obese. The Coalition Government is committed to looking at new ways break this cycle by working collaboratively across government.

Minister for Sport and Recreation Grant Robertson joined Minister of Health David Clark, Associate Minister of Health Jenny Salesa, and Minister of Education Chris Hipkins to develop a \$47.6 million programme to promote healthy eating and physical activity in schools under the Child Wellbeing priority for Budget 2019.

As a joint Ministry of Health, Ministry of Education and Sport New Zealand initiative, all schools and early learning centres will be supported to deliver change with new resources and guidance, health promotion staff, and school physical activity advisors.

“Sport NZ’s Active NZ Survey 2017/18 found that only seven percent of young people aged 5 to 18 were meeting the New Zealand guidelines for physical activity through sport, exercise and active recreation. Giving teachers the tools to turn this around will help improve child wellbeing and promote healthy development,” Sport and Recreation Minister Grant Robertson says.

“As children spend a significant proportion of their day in school and eat around a third of their food each day there, schools play an important role in promoting healthy environments and supporting child wellbeing.”

Indexing benefits to increase incomes and removing punitive sanctions

The Wellbeing Budget will lift the incomes of 339,000 individuals and families as part of the next step of the Government’s overhaul of the welfare system.

The Government is delivering a key recommendation of the Welfare Expert Advisory Group’s Report, Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand.

In 2017 Children’s Commissioner Andrew Beecroft said the single best thing the Government could do to combat child poverty was the indexation of benefits to changes in average wages. Currently, main benefits are indexed to the Consumers Price Index (CPI).

From 1 April 2020, main benefits will be indexed to average wage increases, to ensure the incomes of people needing to access main benefits do not fall further behind.

This applies the same principle currently used for NZ Super. It's a more consistent approach and will limit the need for Governments to make single ad-hoc benefit increases in any one year, as the previous Government did.

The change will mean incremental increases to rates each year, which could lead to a cumulative increase of up to \$46 per week by 1 April 2023 based on current forecasts (an additional increase of \$10-\$17 per week over and above CPI indexation).

"This will help reduce rates of poverty for those living on benefits," Social Development Minister Carmel Sepuloni says.

"By taking this action, we are reversing a decades-long policy that has meant those on benefits have fallen further and further behind. In 1991 the National Government significantly cut benefits, including scrapping the Universal Family Benefit.

"Since then main benefit levels have been adjusted using the CPI instead of wages and income.

"Pressures on low income families were already being felt through cuts to housing, health and education support from the reforms of the late 1980s and early 1990s. These cuts resulted in poverty traps for many low income New Zealanders. Many have never really recovered.

"It's time for change."

The cost of indexing main benefits to average wage increases is forecast to be \$320.2 million over four years.

Indexation is the latest part of our response to the WEAG Report.

The Government has already announced repealing section 192 of the Social Security Act 2018, (what was formerly section 70a), which reduces a client's benefit if they do not name the other parent of their child and apply for child support. This sanction created further financial pressure for parents who are often already in hardship. Around 24,000 children will be better off as a result of this change.

In order to better support those who are working while on a main benefit, we are also increasing the abatement thresholds for main benefits in line with increases to minimum wage. This means families will be able to earn more before their benefit is reduced.

"This Government is committed to ensuring the welfare system is fairer and upholds the dignity of New Zealanders," Carmel Sepuloni says.

"These changes are an important step toward this and align with the recommendations of the Welfare Expert Advisory Group. This is a Government that is committed to improving the wellbeing of families and these initiatives will ensure many families who are facing hardship have more money in their pockets."

Breaking the cycle of family violence and sexual violence

Breaking the cycle of family violence and sexual violence and better supporting survivors is a major feature of the Wellbeing Budget, with the Government delivering the largest ever investment in family violence and sexual violence support services.

The Budget package delivers more support services to more New Zealanders, major campaigns aimed at stopping violence occurring and major changes to court processes to reduce the trauma victims experience through a \$320 million package.

It is a new and collaborative approach to tackling one of the country's most disturbing long-term challenges.

“There has never before been investment of this scale in preventing and responding to family violence and sexual violence,” Prime Minister Jacinda Ardern says.

“Every year about one million New Zealanders are affected by family violence and sexual violence, including almost 300,000 children. This is something I know New Zealand is ashamed of and the Government is taking a major step forward in fixing.

“Wellbeing means being safe and free from violence. That is why this package is such a significant cornerstone of the Wellbeing Budget.

“My goal has always been for New Zealand to be the best place in the world to be a child and that means supporting parents and communities to ensure children grow up in secure homes free from violence,” Jacinda Ardern said.

The family violence and sexual violence package, which sits across eight portfolios, includes funding and support for:

- 1 million New Zealanders covered by Integrated Safety Response sites (Christchurch and Waikato) and 350,000 by the Whāngaia Ngā Pā Harakeke and Whiria Te Muka sites (in Gisborne, Counties Manukau and Kaitaia)
- 24/7 sexual violence crisis support services for up to 2,800 children and young people every year, and an additional 7,700 adult victims and survivors from 2020/21
- major advertising campaigns and intervention programmes to reduce violence occurring
- video victim statements to reduce trauma for up to 30,000 victims of family violence every year, and reduce time spent in court
- enabling victims of sexual violence to give evidence in court in alternative ways in order to reduce the risk of experiencing further trauma
- improving the wellbeing of male victims and survivors of sexual violence through peer support services – up to 1,760 from 2020/21 onwards
- a dedicated kaupapa Māori response to sexual violence
- training for health practitioners in District Health Boards to provide effective screening and referrals for family violence.

“We know this is a long-term project. The package we’re announcing today lays the foundation for a violence-free Aotearoa New Zealand,” Jan Logie, Parliamentary Under-Secretary to the Minister of Justice (Domestic and Sexual Violence Issues) said.

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