

The Treasury

Budget 2021 Information Release

August 2021

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Cabinet Document Details

Title: **Cabinet Minute: CAB-21-MIN-0116.21: 2021 Budget Package: Vote Oranga Tamariki**

Date: **16 April 2021**

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- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
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Cabinet

Minute of Decision

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2021 Budget Package: Vote Oranga Tamariki

On 12 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 Budget package, as listed in the summary below and detailed in the attached initiative documents:

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13094	Continuing to Meet the Assessed Needs of Children in Oranga Tamariki's Care	-	17.240	-	-	-
13096	Continuing to Support Social Service Delivery for Community Services Providers	-	8.500	8.030	-	-
13069	Crown Response to the Abuse in Care Inquiry	-	8.489	-	-	-
13498	Enabling the Separation of the Ministry of Social Development and Oranga Tamariki Corporate Services Functions	-	2.250	2.250	2.250	2.250
13090	Improving Financial Assistance for Caregivers	-	0.151	0.488	0.489	0.488
13071	Oranga Tamariki Corporate Systems Replacement Programme	-	6.111	7.790	7.864	7.816
13500	Preventing Family Violence and Sexual Violence: Working with Communities and Whānau to Support Parents and Reduce Risk	-	1.142	1.808	2.402	2.648
13070	Supporting Continued Operations of Oranga Tamariki	-	26.643	29.122	-	-
Total Operating		-	70.526	49.488	13.005	13.202

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13498	Enabling the Separation of the Ministry of Social Development and Oranga Tamariki Corporate Services Functions	-	4.000	-	-	-
13071	Oranga Tamariki Corporate Systems Replacement Programme	-	15.965	-	-	-
Total Capital		-	19.965	-	-	-

- 2 **approved** changes to appropriations and/or the capital injections to the administering department to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;
- 5 **noted** that all communications relating to the 2021 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;
- 6 **agreed** that the initiative in the following table and as detailed in the attached initiative documents be a contingency item and that the corresponding funding for the operating initiative contingency be a charge against the Operating Allowance:

Summary of contingency initiatives included in the attached initiative documents:

Operating Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13092	Supporting Partners and Enhancing the Wellbeing of Tamariki and Whānau in Greatest Need	-	23.426	-	-	-
Total Operating		-	23.426	-	-	-

- 7 **approved** the additional recommendations relating to the contingency initiatives, as set out in the attached initiative documents.

Michael Webster
Secretary of the Cabinet

Initiative No: 13094

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Continuing to Meet the Assessed Needs of Children in Oranga Tamariki's Care

Description: This initiative provides funding to meet the increased costs of meeting children's assessed needs, including educational, health and therapeutic interventions. This will allow children's assessed needs to continue to be met in line with Oranga Tamariki's statutory obligations.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	17.240	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	17.240	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Statutory Intervention and Transition (funded by revenue Crown)	-	17.240	-	-	-
Total Operating	-	17.240	-	-	-

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Continuing to Support Social Service Delivery for Community Services Providers

Description: This initiative provides funding to restore the previous pay differential between Oranga Tamariki and non-governmental organisation partner social workers that was widened by the Oranga Tamariki social worker pay equity settlement. This will support non-governmental organisation partners to recruit and retain social workers and will contribute to the long-term sustainability of the social sector.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	8.500	8.030	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	8.500	8.030	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Prevention and Early Support (funded by revenue Crown)	-	8.500	8.030	-	-
Total Operating	-	8.500	8.030	-	-

Additional recommendation

8 [33]

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Crown Response to the Abuse in Care Inquiry

Description: This initiative provides funding to ensure the Crown can continue to engage with the Royal Commission of Inquiry into Historical Abuse in State Care and Faith-Based Institutions in a timely, collaborative and coordinated manner. This will be achieved through continued funding for a Secretariat to drive the coordinated Crown approach, legal support for representation, specialist records support, training and support to non-governmental organisations and Crown entities, and support for affected staff. The funding will ensure the Crown's response is proportionate to the Inquiry's scale.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	8.489	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	8.489	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Departmental Output Expenses:					
Crown Response to the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-Based Institutions (funded by revenue Crown)	-	8.489	-	-	-
Total Operating	-	8.489	-	-	-

Additional recommendations

- 9 **noted** that related funding has also been provided through each of Vote Internal Affairs (Initiative 13508), Vote Education (Initiative 13546), Vote Health (Initiative 13525), Vote Courts (Initiative 13509), Vote Justice (Initiative 13510) and Vote Māori Development (Initiative 13547);
- 10 **noted** that under CO (18) 2 Joint Ministers may approve a fiscally neutral adjustment between appropriations at a baseline update in 2021/22 to an appropriation in any Vote to support the Crown to best respond to the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-Based Institutions;

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Enabling the Separation of the Ministry of Social Development and Oranga Tamariki Corporate Services Functions

Description: This initiative provides funding to address fixed costs that will remain for the Ministry of Social Development (MSD) once it ceases to provide corporate services to Oranga Tamariki. It also invests in Oranga Tamariki to progressively maintain and replace some of its smaller legacy technology systems.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	2.250	2.250	2.250	2.250
Debt Impact	-	4.000	-	-	-
No Impact	-	-	-	-	-
Total	-	6.250	2.250	2.250	2.250

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Departmental Output Expenses:					
Adoption Services (funded by revenue Crown)	-	0.033	0.033	0.033	0.033
Capital Injections:					
Oranga Tamariki—Ministry for Children - Capital Injection	-	4.000	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Intensive Response (funded by revenue Crown)	-	0.008	0.008	0.008	0.008
Policy Advice and Ministerial Services (funded by revenue Crown)	-	0.027	0.027	0.027	0.027
Prevention and Early Support (funded by revenue Crown)	-	0.611	0.611	0.611	0.611
Statutory Intervention and Transition (funded by revenue Crown)	-	1.571	1.571	1.571	1.571
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	2.217	2.217	2.217	2.217
Total Operating	-	2.250	2.250	2.250	2.250
Total Capital	-	4.000	-	-	-

Additional recommendation

- 11 **noted** that related funding, for the implementation of new Financial Management and Payroll technology systems and costs arising from the shared service separation for both Oranga Tamariki and the Ministry of Social Development, has also been provided through Vote Social Development (Initiatives 13237 and 13236), and Vote Oranga Tamariki (Initiative 13071);

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Improving Financial Assistance for Caregivers

Description: This initiative provides funding to remove the remaining disparities in standardised payments between caregivers receiving the Orphan's Benefit (OB) or the Unsupported Child's Benefit (UCB) and those receiving the Foster Care Allowance (FCA). It increases the base rate of the OB and UCB by \$30 per week for children aged 0-4 years and by \$10 for children aged 5 years and over. It also provides for a small increase to the nappy payment for caregivers receiving the OB, UCB and FCA, to better reflect the cost of nappies. Updating the standardised payments will support greater placement stability for children being looked after by caregivers.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	0.151	0.488	0.489	0.488
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.151	0.488	0.489	0.488

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Statutory Intervention and Transition (funded by revenue Crown)	-	0.151	0.488	0.489	0.488
Total Operating	-	0.151	0.488	0.489	0.488

Additional recommendation

12 **noted** that related funding has been provided through Vote Social Development (Initiative 13520);

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Oranga Tamariki Corporate Systems Replacement Programme

Description: This initiative provides funding to continue Oranga Tamariki's corporate systems replacement programme. This programme will replace high-risk and obsolete finance, human resources and payroll technologies and deliver transformational improvements. It will also allow for the technological separation from the Ministry of Social Development for these systems.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	6.111	7.790	7.864	7.816
Debt Impact	-	15.965	-	-	-
No Impact	-	-	-	-	-
Total	-	22.076	7.790	7.864	7.816

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Departmental Output Expenses:					
Adoption Services (funded by revenue Crown)	-	0.089	0.113	0.114	0.114
Capital Injections:					
Oranga Tamariki—Ministry for Children - Capital Injection	-	15.965	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Intensive Response (funded by revenue Crown)	-	0.021	0.026	0.027	0.027
Policy Advice and Ministerial Services (funded by revenue Crown)	-	0.074	0.094	0.095	0.095
Prevention and Early Support (funded by revenue Crown)	-	1.659	2.116	2.135	2.121
Statutory Intervention and Transition (funded by revenue Crown)	-	4.268	5.441	5.493	5.459
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	6.022	7.677	7.750	7.702
Total Operating	-	6.111	7.790	7.864	7.816
Total Capital	-	15.965	-	-	-

Additional recommendations

- 13 **authorised** the Minister for Children, Minister of Finance, and Minister for the Digital Economy and Communications jointly to approve the final Implementation Business Case which will be associated with this initiative;
- 14 **noted** that related funding, for the implementation of new Financial Management and Payroll technology systems and costs arising from the shared service separation for both Oranga Tamariki and the Ministry of Social Development, has also been provided through Vote Social Development (Initiatives 13237 and 13236), and Vote Oranga Tamariki (Initiative 13498);

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Preventing Family Violence and Sexual Violence: Working with Communities and Whānau to Support Parents and Reduce Risk

Description: This initiative provides funding for the Strategies for Kids - Information for Parents (SKIP) community prevention programme. SKIP builds community capability and equips parents with evidence-based strategies focused on the early years, which are critical to child development. Funding for this initiative will: (a) increase the Local Initiative Fund, which provides grants to innovative community initiatives; and (b) provide funding for community connectors to support whānau, develop accessible tools and guidance, and deliver training in the community. This initiative will contribute to improved outcomes for tamariki Māori and reduce inequities for whānau Māori and Pacific peoples.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	1.142	1.808	2.402	2.648
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.142	1.808	2.402	2.648

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Prevention and Early Support (funded by revenue Crown)	-	1.142	1.808	2.402	2.648
Total Operating	-	1.142	1.808	2.402	2.648

Additional recommendation

15 **noted** that this initiative forms part of the package for preventing family violence and sexual violence, led by the Minister for the Prevention of Family and Sexual Violence with the support of family violence and sexual violence Ministers.

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Supporting Continued Operations of Oranga Tamariki

Description: This initiative provides funding to meet the increased costs of maintaining Oranga Tamariki's operations. This will primarily fund increased remuneration costs for staff in line with employment agreements as well as rents, insurances and utilities. This will allow Oranga Tamariki to continue to deliver programmes and services to support the wellbeing of children and their families.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	26.643	29.122	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	26.643	29.122	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Departmental Output Expenses:					
Adoption Services (funded by revenue Crown)	-	0.396	0.435	-	-
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Intensive Response (funded by revenue Crown)	-	0.092	0.101	-	-
Policy Advice and Ministerial Services (funded by revenue Crown)	-	0.330	0.362	-	-
Prevention and Early Support (funded by revenue Crown)	-	7.387	8.100	-	-
Statutory Intervention and Transition (funded by revenue Crown)	-	18.438	20.124	-	-
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	26.247	28.687	-	-
Total Operating	-	26.643	29.122	-	-

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Supporting Partners and Enhancing the Wellbeing of Tamariki and Whānau in Greatest Need

Description: This initiative provides funding for Oranga Tamariki to enable Māori partners to lead a shift in the way that Government supports tamariki and whānau with the greatest needs. Funding will assist Oranga Tamariki and whānau, hapū, and iwi to ensure that tamariki Māori are thriving. This includes funding for partners to build capacity, and develop solutions.

Tagged contingency

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Contingency	-	23.426	-	-	-
Capital Contingency	-	-	-	-	-
Total	-	23.426	-	-	-

[33]