

The Treasury

Budget 2024 Information Release

September 2024

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- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
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- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [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
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

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Cabinet

Minute of Decision

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2024 Budget Package: Vote Oranga Tamariki

On 29 April 2024, Cabinet:

Appropriation Administrator: Oranga Tamariki - Ministry for Children

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2024 Budget package, as listed in the summary tables below and detailed in the attached initiative documents:

Summary of initiatives:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15456	Addressing Serious Youth Offending	-	7.342	5.946	7.190	7.563
15532	Crown Response Unit (Abuse in Care)	-	10.428	-	-	-
15457	Fast Track Youth Offending Programme	-	7.650	7.650	7.650	7.650
15455	High Needs Children Services Cost Pressure	-	10.955	29.483	29.673	29.673
15448	Reduction in Back Office Administration Costs - Oranga Tamariki	-	(15.000)	(15.000)	(15.000)	(15.000)
15450	Reduction in Back Office Functions - Oranga Tamariki	-	-	(37.750)	(50.900)	(50.900)
15449	Reduction in Contracting Service Costs - Oranga Tamariki	-	(30.000)	(30.000)	(30.000)	(30.000)
15454	Remuneration Cost Pressures for Frontline Staff	-	9.180	17.263	17.263	17.263
Total Operating		-	0.555	(22.408)	(34.124)	(33.751)

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15456	Addressing Serious Youth Offending	-	1.000	-	-	-
15443	Return of Funding for Frontline Workplace Upgrades - Oranga Tamariki	-	(25.900)	-	-	-
15444	Return of Funding for Specialist Group Homes Development - Oranga Tamariki	-	(16.300)	-	-	-
15442	Return of Funding for Youth Justice Community Based New Builds - Oranga Tamariki	-	(72.000)	-	-	-
Total Capital		-	(113.200)	-	-	-

Summary of contingency initiatives:**Operating Contingency**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
[38]						
15446	Frontline Technology Systems Upgrade - Tagged Contingency	-	24.500	26.000	6.000	6.000
Total Operating		-	[38]			

Note: Throughout the document, “total operating” refers to funding over five years (2023/24 to 2027/28) and “total capital” refers to funding over 10 years (2023/24 to 2032/33).

Rachel Hayward
Secretary of the Cabinet

Vote:	Oranga Tamariki
Appropriation Administrator:	Oranga Tamariki - Ministry for Children
Title:	Addressing Serious Youth Offending
Description:	This initiative funds two components aimed at addressing serious youth offending: a new legislative Young Serious Offender category in the Oranga Tamariki Act, and a military-style academy pilot for Young Serious Offenders that will operate in 2024/25.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	7.342	5.946	7.190	7.563
Net Core Crown Debt Impact Only	-	1.000	-	-	-
No Impact	-	-	-	-	-
Total	-	8.342	5.946	7.190	7.563

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Capital Injections:					
Oranga Tamariki—Ministry for Children - Capital Injection	-	1.000	-	-	-
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)	-	7.342	5.946	7.190	7.563
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	7.342	5.946	7.190	7.563
Total Operating	-	7.342	5.946	7.190	7.563
Total Capital	-	1.000	-	-	-

Additional Recommendations

- noted** that legislative change is proposed which will create a young serious offender declaration and military-style academy order;
- noted** that this initiative relates to Initiative 16162 in Vote Police, Initiative 16198 in Vote Justice and Initiative 16188 in Vote Courts;

[38]

Initiative No: 15532

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Crown Response Unit (Abuse in Care)

Description: This initiative provides funding to extend the Crown Response Unit into the 2024/25 financial year, enabling the Crown to respond to the Abuse in Care Royal Commission of Inquiry's full set of findings and recommendations. The funding provides for advice and co-ordination of work to deliver more effective redress services for survivors of abuse in care.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	-	10.428	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	10.428	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Crown response to the Abuse in Care Royal Commission of Inquiry and establishment of a new redress system for abuse survivors (funded by revenue Crown)	-	10.428	-	-	-
Total Operating	-	10.428	-	-	-

Initiative No: 15457

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Fast Track Youth Offending Programme

Description: This initiative will continue Fast Track - a joint Oranga Tamariki/Police initiative that provides a rapid response pathway for children with offending behaviour. It will also extend Fast Track to a targeted group of young people (14 to 17 year olds).

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	7.650	7.650	7.650	7.650
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	7.650	7.650	7.650	7.650

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & 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)	-	7.650	7.650	7.650	7.650
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	7.650	7.650	7.650	7.650
Total Operating	-	7.650	7.650	7.650	7.650

Additional Recommendations

- 8 **agreed** to continue the Fast Track programme;
- 9 **agreed** to extend Fast Track to a targeted group of young people (14 to 17 year olds);

Initiative No: 15446

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Frontline Technology Systems Upgrade - Tagged Contingency

Description: This initiative establishes a tagged operating contingency to fund the upgrade of the existing Oranga Tamariki case and care management digital system, as well as some other smaller systems.

Tagged Contingency

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Contingency	-	24.500	26.000	6.000	6.000
Total	-	24.500	26.000	6.000	6.000

Additional Recommendations

- 10 **authorised** the Minister for Children and Minister of Finance jointly to draw down the tagged operating funding above (establishing any new appropriations as necessary), subject to Cabinet's approval of a Detailed Business Case;
- 11 **agreed** that the expiry date for the above tagged contingency be 1 February 2025;

Initiative No: 15455

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: High Needs Children Services Cost Pressure

Description: This initiative funds specialised caregiving services for disabled children and young people with high support needs in Oranga Tamariki's care. The funding provides for increased demand and cost of these services.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	10.955	29.483	29.673	29.673
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	10.955	29.483	29.673	29.673

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & 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)	-	10.955	29.483	29.673	29.673
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	10.955	29.483	29.673	29.673
Total Operating	-	10.955	29.483	29.673	29.673

Initiative No: 15448

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Reduction in Back Office Administration Costs - Oranga Tamariki

Description: This savings initiative returns \$60.000 million total operating funding from back office administration savings. These will be drawn primarily from contractors and consultants, travel, and reduced Information and Communications Technology costs.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(15.000)	(15.000)	(15.000)	(15.000)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(15.000)	(15.000)	(15.000)	(15.000)

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Adoption Services (funded by revenue Crown)	-	(0.197)	(0.197)	(0.197)	(0.197)
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Intensive Response (funded by revenue Crown)	-	(0.152)	(0.152)	(0.152)	(0.152)
Policy Advice and Ministerial Services (funded by revenue Crown)	-	(0.192)	(0.192)	(0.192)	(0.192)
Prevention and Early Support (funded by revenue Crown)	-	(3.824)	(3.824)	(3.824)	(3.824)
Statutory Intervention and Transition (funded by revenue Crown)	-	(10.635)	(10.635)	(10.635)	(10.635)
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	(14.803)	(14.803)	(14.803)	(14.803)
Total Operating	-	(15.000)	(15.000)	(15.000)	(15.000)

Additional Recommendation

- 12 **noted** that Oranga Tamariki will report jointly to the Minister of Finance and the Minister for Children in the second half of 2024/25 on the progress of its three savings initiatives, including this initiative and Initiatives 15450 and 15449;

Initiative No: 15450

Vote:	Oranga Tamariki
Appropriation Administrator:	Oranga Tamariki - Ministry for Children
Title:	Reduction in Back Office Functions - Oranga Tamariki
Description:	This savings initiative returns \$139.550 million total operating funding by reducing the number of back office staff at Oranga Tamariki.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	(37.750)	(50.900)	(50.900)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	(37.750)	(50.900)	(50.900)

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Adoption Services (funded by revenue Crown)	-	-	(0.594)	(0.800)	(0.800)
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Intensive Response (funded by revenue Crown)	-	-	(0.365)	(0.493)	(0.493)
Policy Advice and Ministerial Services (funded by revenue Crown)	-	-	(0.453)	(0.611)	(0.611)
Prevention and Early Support (funded by revenue Crown)	-	-	(9.942)	(13.406)	(13.406)
Statutory Intervention and Transition (funded by revenue Crown)	-	-	(26.396)	(35.590)	(35.590)
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	-	(37.156)	(50.100)	(50.100)
Total Operating	-	-	(37.750)	(50.900)	(50.900)

Additional Recommendation

- 13 **noted** that Oranga Tamariki will report jointly to the Minister of Finance and the Minister for Children in the second half of 2024/25 on the progress of its three savings initiatives, including this initiative and Initiatives 15448, and 15449;

Initiative No: 15449

Vote:	Oranga Tamariki
Appropriation Administrator:	Oranga Tamariki - Ministry for Children
Title:	Reduction in Contracting Service Costs - Oranga Tamariki
Description:	This initiative returns \$120.000 million total operating funding from contracts with third-party providers. These will be drawn from under-utilised services and Fee for Service arrangements, which will be replaced by more efficient and consistent formal arrangements.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(30.000)	(30.000)	(30.000)	(30.000)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(30.000)	(30.000)	(30.000)	(30.000)

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & 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)	-	(18.000)	(18.000)	(18.000)	(18.000)
Statutory Intervention and Transition (funded by revenue Crown)	-	(12.000)	(12.000)	(12.000)	(12.000)
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	(30.000)	(30.000)	(30.000)	(30.000)
Total Operating	-	(30.000)	(30.000)	(30.000)	(30.000)

Additional Recommendation

- 14 **noted** that Oranga Tamariki will report jointly to the Minister of Finance and the Minister for Children in the second half of 2024/25 on the progress of its three savings initiatives, including this initiative and Initiatives 15448 and 15450;

Vote:	Oranga Tamariki
Appropriation Administrator:	Oranga Tamariki - Ministry for Children
Title:	Remuneration Cost Pressures for Frontline Staff
Description:	This initiative provides funding for contractually entitled progression uplifts for frontline staff.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	9.180	17.263	17.263	17.263
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	9.180	17.263	17.263	17.263

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Adoption Services (funded by revenue Crown)	-	0.144	0.272	0.272	0.272
Multi-Category Expenses and Capital Expenditure:					
Investing in Children and Young People (MCA)					
<i>Departmental Output Expenses:</i>					
Intensive Response (funded by revenue Crown)	-	0.089	0.167	0.167	0.167
Policy Advice and Ministerial Services (funded by revenue Crown)	-	0.110	0.207	0.207	0.207
Prevention and Early Support (funded by revenue Crown)	-	2.418	4.547	4.547	4.547
Statutory Intervention and Transition (funded by revenue Crown)	-	6.419	12.070	12.070	12.070
Total Multi-Category Expenses and Capital Expenditure: Investing in Children and Young People (MCA)	-	9.036	16.991	16.991	16.991
Total Operating	-	9.180	17.263	17.263	17.263

Initiative No: 15443

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Return of Funding for Frontline Workplace Upgrades - Oranga Tamariki

Description: This initiative returns \$25.900 total capital funding allocated for the improvement of frontline work environments. Oranga Tamariki has not progressed these improvements as scheduled.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	(25.900)	-	-	-
No Impact	-	-	-	-	-
Total	-	(25.900)	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Capital Withdrawals:					
Oranga Tamariki—Ministry for Children - Capital Withdrawal	-	(25.900)	-	-	-
Total Capital	-	(25.900)	-	-	-

Additional Recommendations

15 **agreed** to halt further uncommitted work on Oranga Tamariki's Frontline Workplace Upgrades programme;

16 [33]

Initiative No: 15444

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Return of Funding for Specialist Group Homes Development - Oranga Tamariki

Description: This initiative returns \$16.300 million total capital funding allocated for the development of homes for tamariki with high support needs.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	(16.300)	-	-	-
No Impact	-	-	-	-	-
Total	-	(16.300)	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Capital Withdrawals:					
Oranga Tamariki—Ministry for Children - Capital Withdrawal	-	(16.300)	-	-	-
Total Capital	-	(16.300)	-	-	-

Additional Recommendations

17 **agreed** to halt further uncommitted work on Oranga Tamariki's Specialist Group Homes Development programme;

18 [33]

Initiative No: 15442

Vote: Oranga Tamariki

Appropriation Administrator: Oranga Tamariki - Ministry for Children

Title: Return of Funding for Youth Justice Community Based New Builds - Oranga Tamariki

Description: This initiative returns \$72.000 million total capital funding allocated for the building of sixteen purpose-built youth justice facilities and services. Work towards building these facilities has not progressed as scheduled since funding was allocated.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	(72.000)	-	-	-
No Impact	-	-	-	-	-
Total	-	(72.000)	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Capital Withdrawals:					
Oranga Tamariki—Ministry for Children - Capital Withdrawal	-	(72.000)	-	-	-
Total Capital	-	(72.000)	-	-	-

Additional Recommendations

19 **agreed** to halt further work on Oranga Tamariki's Youth Justice Community Based New Builds programme;

20 [33]