



Cabinet Social Wellbeing Committee

Minute of Decision

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Financial Assistance for Caregivers Bill

Portfolio **Social Development / Children**

On 17 June 2020, the Cabinet Social Wellbeing Committee:

- 1 **noted** that on 11 May 2020, Cabinet agreed to a package of initiatives as part of Budget 2020 to address specific impacts of COVID-19 on children and caregivers and as the next step towards addressing fundamental issues with the system of financial support for caregivers [CAB-20-MIN-0219.25];
- 2 **noted** that a 2019 review identified that the system of financial support for caregivers is complex and fragmented [SWC-19-MIN-0199];
- 3 **noted** that as part of the 2020 Budget package, Cabinet agreed to two initiatives to improve financial assistance for caregivers:
 - 3.1 extending eligibility for the Orphan's Benefit (OB) and Unsupported Child's Benefit (UCB) to caregivers who may provide care for less than 12 months (by removing the 12-month eligibility rule);
 - 3.2 extending the Christmas and Birthday Allowance to OB and UCB caregivers in the same way and at the same rate as that received by recipients of the Foster Care Allowance (FCA);
- 4 **noted** that the above initiatives contribute towards addressing principles agreed by Cabinet following the review, that:
 - 4.1 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;
 - 4.2 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;
- 5 **noted** that, in order to give effect to the two agreed Budget initiatives, primary legislation changes are required to the Social Security Act 2018;

- 6 **agreed** that the following two legislative amendments are included in a Financial Assistance for Caregivers Bill, which currently has category 2 priority on the 2020 Legislation Programme (to be passed in the year):
- 6.1 remove the requirement for caregivers to be likely to be the caregiver for at least one year from the date of application before receiving the OB or UCB, by removing the '12-month rule';
- 6.2 establish Birthday and Christmas Allowances to caregivers receiving the OB or UCB in the same way and at the same rate as that received by recipients of FCA (paid in the month of the child's birthday and in December for Christmas, at half the weekly base rate of the FCA or OB/UCB per child);
- 7 **agreed** that, subject to the legislation passing, the change to eligibility for the OB and UCB will take effect for all new applications for OB and UCB, and applications that have been made, but for which no decision has been made, from 1 July 2021;
- 8 **noted** that it is no longer necessary to pass the Bill in 2020, but it will be necessary to refer the Bill to Select Committee in 2020 in order to have the legislation in place in time for initiatives to start from July 2021;
- 9 **agreed** to change the priority category of the Financial Assistance for Caregivers Bill, from category 2 (must be passed in 2020), to category 4 (to be referred to a select committee in 2020);
- 10 **invited** the Minister for Children to issue drafting instructions to the Parliamentary Counsel Office to draft amendments to the Social Security Act 2018 to give effect to Cabinet decisions in the paper attached under SWC-20-SUB-0073;
- 11 **authorised** the Minister for Children, in consultation with the Minister for Social Development as appropriate, to make any necessary technical, consequential, and minor policy changes to the draft legislation in keeping with the overall policy intent;
- 12 **noted** that the Minister for Children will report back to the Cabinet Legislation Committee with a Bill in July 2020.

Vivien Meek
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Nanaia Mahuta
Hon Tracey Martin
Hon Willie Jackson
Hon Poto Williams
Hon Julie Anne Genter
Jan Logie, MP

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Office of the SWC Chair