

In Confidence

Office of the Minister for Children  
Chair, Cabinet Social Wellbeing Committee

## **A FRAMEWORK FOR CABINET OVERSIGHT OF THE IMPLEMENTATION OF THE ORANGA TAMARIKI OPERATING MODEL**

### **Proposal**

1. This paper seeks agreement to a framework to enable Cabinet oversight of how the Government's investment through Budget 2019 is being used to implement the Oranga Tamariki operating model.

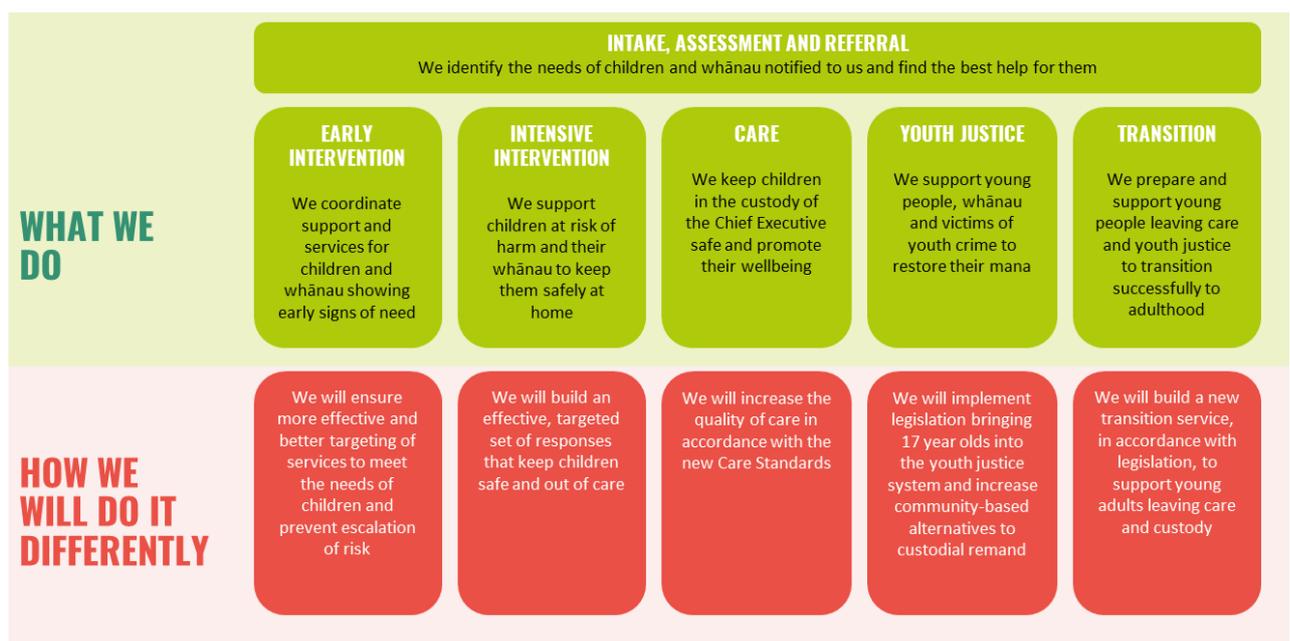
### **Executive Summary**

2. In Budget 2019, this Government invested \$1.1 billion over the next four years to start implementing a new operating model for Oranga Tamariki. This is part of our wider aspiration to make New Zealand the best place in the world for children and young people. At that time, I was invited to report to Cabinet with a framework that enables oversight of progress in implementing the Oranga Tamariki operating model.
3. I propose to provide Cabinet with six-monthly progress reports from March 2020. These reports will update Cabinet on transformation across the Ministry in the five initiatives funded through Budget 2019 – Improving Outcomes for Tamariki Māori, Intensive Intervention, Care, Youth Justice, and Transitions.
4. This reporting will be based on the Oranga Tamariki Outcomes Framework. It aims to give Cabinet confidence that its significant investment is having the intended transformative effect, as set out in the framework. It will complement other existing Ministry-led and external accountability mechanisms.
5. The programme of transformation will take time to implement, and its effects may in some cases take even longer to be observed. Reporting will initially focus on how the new operating model funding secured in Budget 2019 is being spent (inputs), followed by the immediate impacts of this spending (outputs). Over time, there will be more information available on the longer-term effects of this spending (outcomes) on the lives of children, young people, families and whānau whom the Ministry serves.
6. The oversight framework is dependent on a collaborative process with Māori experts and Oranga Tamariki strategic partners to develop a revised Outcomes Framework, with outcomes and measures that are meaningful for Māori. These outcomes and measures will then form part of this reporting. This paper sits alongside advice I am providing to Cabinet on these proposals, as well as ancillary changes to regulations to support the Oranga Tamariki operating model.

## Background

*Oranga Tamariki is in the middle of a multi-year programme to deliver transformational change for children, their whānau and communities*

7. Oranga Tamariki—Ministry for Children (Oranga Tamariki) was established as a new organisation on 1 April 2017 with the purpose of transforming the care, protection and youth justice systems. Oranga Tamariki has already made significant progress in addressing some of the most urgent failings of the former Child, Youth, and Family system. This has included:
  - recruiting more social workers and caregivers
  - increasing the rate of placement of children in care with their family and whānau
  - minimising the use of police cells for young people in the youth justice system
  - building new strategic partnerships with iwi and Māori organisations to improve outcomes for tamariki Māori
  - giving providers of social services more confidence through longer term funding arrangements.
8. In Budget 2019, this Government invested \$1.1 billion over the next four years to start implementing a new operating model for Oranga Tamariki. This incorporates the significant legislative changes to the Oranga Tamariki Act 1989 (the Act), the majority of which came into force on 1 July 2019. The new operating model consists of six parts and is shown in the diagram below.



9. Within the overall investment package, five key operating model initiatives were funded, including:<sup>1</sup>
- support to meet the chief executive's new duties to provide a practical commitment to the principles of the Treaty of Waitangi (te Tiriti o Waitangi) by ensuring a focus on and commitment to a reduction in disparities through **improving outcomes for tamariki and rangatahi Māori**<sup>2</sup> (\$25 million)
  - an **intensive intervention** service to support children and young people at risk of harm to be safe at home with their families and whānau (\$33 million)
  - transforming the **care system** to improve the safety and wellbeing of children in care (\$530 million)
  - investing to manage increased volumes of young people in the **youth justice** system due to raising the age of the youth justice jurisdiction, and to reduce young people's reoffending (\$212 million)
  - a service to meet the new entitlement to a supported **transition to adulthood** for young people leaving statutory care or youth justice (\$139 million).
10. This investment will enable Oranga Tamariki to implement the new operating model and meet the expanded obligations, as outlined in the Act, through:
- hiring new frontline staff, including social workers and Māori specialist roles
  - partnering with iwi and Māori organisations to deliver new initiatives such as whānau care partnerships
  - contracting with NGOs, and iwi and Māori organisations, to deliver new services such as transitions support
  - developing a new approach to work intensively with whānau to ensure that their children can remain at home
  - providing more resources and services to children in care and custody, including through supporting their caregivers and whānau
  - creating new placements in care, youth justice, and for young people transitioning to adulthood
  - providing advice and assistance, including financial assistance, to young people who have left care or youth justice, up to the age of 25.

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1 This breakdown will not add up to \$1.1 billion as additional funding was provided for other bids, including cost pressures, increased payment rates for NGO partners, funding related to the Royal Commission of Inquiry into Historical Abuse in Care, and for expanded Sexual Violence Services.

2 These duties are in section 7AA of the Act.

11. The Oranga Tamariki Outcomes Framework sets the high level outcomes sought for children and young people who come to the attention of Oranga Tamariki. It was noted by Cabinet in October 2018 [SWC-18-MIN-0149]. The Outcomes Framework forms the logical frame from which to report the progress on the implementation of the new operating model.
12. In everything the Ministry does, it seeks to improve outcomes and reduce disparities for tamariki and rangatahi Māori.
13. Accordingly, the oversight framework will align to the latest version of the Outcomes Framework as set out in the *Enhancing the Wellbeing of Tamariki and Rangatahi Māori: Setting Measurable Outcomes and Developing Strategic Partnerships* paper I am presenting to Cabinet alongside this paper. The oversight framework will be adapted as a revised Outcomes Framework is developed through a collaborative process with key Māori experts, including Oranga Tamariki strategic partners, by 1 July 2020.

*The scale and complexity of the Oranga Tamariki operating model changes are such that it warrants oversight of delivery and outcomes achieved*

14. The five initiatives outlined above encompass both fundamental changes to existing operations, and the creation of new service lines to support some of the most vulnerable children, young people and whānau in New Zealand (refer paragraph 9). They represent shifts in what, how, and for whom Oranga Tamariki delivers.
15. As a flagship investment from New Zealand's first Wellbeing Budget, it is appropriate that Cabinet should have oversight of progress to ensure that the intended changes are being made, and that they are achieving the expected improved outcomes for children and young people.
16. As part of the Budget 2019 process, I was invited to report back to the Cabinet Social Wellbeing Committee six-monthly (or less frequently subject to Cabinet agreement) beginning in December 2019, on:
  - expenditure
  - workforce recruitment
  - strategic partnership development
  - alignment with strategic intent
  - evidence of impact
  - any other factors.
17. Reporting on these factors will enable Cabinet to retain oversight of how the five operating model initiatives (Improving Outcomes for Tamariki Māori, Intensive Intervention, Care, Youth Justice, Transition Support Services), and the Oranga Tamariki operating model as a whole, are progressing [SWC-18-MIN-0149 refers].

18. I was also invited to report to the Cabinet Social Wellbeing Committee setting out an oversight framework for this reporting, including the progress information Cabinet will receive over the next four years.
19. A number of mechanisms already exist to ensure accountability for the performance of Oranga Tamariki, as listed in the figure below.

Ministry-led accountability mechanisms	External accountability mechanisms
<ul style="list-style-type: none"> <li>• Annual Report to Parliament</li> <li>• Quarterly performance reporting (public)</li> <li>• Appropriations reporting</li> <li>• Internal performance reporting including monitoring of National Care Standards</li> <li>• Annual Report on improving outcomes for tamariki Māori (Section 7AA) from July 2020</li> <li>• Report back to Parliament on meeting the needs of children and young people (Section 448B<sup>2</sup>) by July 2022</li> </ul>	<ul style="list-style-type: none"> <li>• The Office of the Children's Commissioner (OCC)</li> <li>• The Chief Ombudsman complaints oversight and investigation function</li> <li>• The Independent Children's Monitor [CAB-19-MIN-0113 refers]</li> </ul>

20. The oversight framework outlined here does not seek to duplicate or replace these mechanisms for independent external accountability. Instead, it provides Cabinet with oversight of the implementation of the new Oranga Tamariki Operating Model through the investment of Budget 2019. Together these mechanisms will provide an understanding of the Ministry's performance, across both baseline investment and the transformation programme.

### **Oversight framework for Cabinet**

*Reporting will initially focus on input measures, moving to outputs and outcomes as these shifts become apparent and corresponding data becomes available*

21. The purpose of this oversight framework is to enable Cabinet to have confidence that the Government's significant investment in Oranga Tamariki is having the intended transformative effect. As the operating model is implemented and there are shifts in intermediate outcomes, the reporting framework will provide insights into use of the investment, and inform decisions on future investment.<sup>4</sup>
22. The purpose of Budget 2019 funding was to enable Oranga Tamariki to deliver better outcomes for children, young people, their families and whānau. However, it will take time for changes in the Ministry's operations to generate

<sup>3</sup> Section 448B requires the Ministry to report back to Parliament no later than 1 July 2022 on whether existing legislation, government policy, and other arrangements that affect the accountability of the Minister, the chief executive, and other persons or bodies carrying out functions under this Act ensures that the needs of children and young persons, with particular reference to tamariki and rangatahi Māori, with whom the department is concerned are met.

<sup>4</sup> Note that the timing of this reporting does not preclude earlier sharing of performance information as part of any conversations around Budget 2020.

improvements in life circumstances for these groups. Therefore, reporting will focus on the factors we are able to measure, and its emphasis will change over time.

23. In the first instance, I propose that the oversight framework for Cabinet consists of the following:
- Reporting what has been purchased with new funding (input measures), for example:
    - staff recruited
    - partnerships agreed<sup>5</sup>
    - placements created
    - programmes and services contracted.
  - Reporting on the resulting changes to operations that flow from these (output measures). This will flow from the “How we will do it differently” section of the Outcomes Framework (see Appendix 1), and include outputs such as:
    - children and whānau being supported by kairaranga
    - provision of intensive support to whānau of children at risk of harm
    - caseloads for care social workers
    - availability of whānau placements for children in care
    - provision of programmes and services (including health and education-related services) to children in care
    - provision of training and support to caregivers
    - availability of community-based placements for young people in the youth justice system
    - uptake of new entitlements such as the right to remain or return to live with a caregiver up to age 21.
  - Reporting on the improvement in the immediate circumstances and experiences of children and young people that result from these activities (intermediate outcomes).<sup>6</sup> This will be reporting on the “How will we know we are making a difference” and “What this means for tamariki Māori” sections of the Outcomes Framework, and will include outcomes such as:
    - children in care being placed with family and whānau
    - children in care remaining with the same caregiver

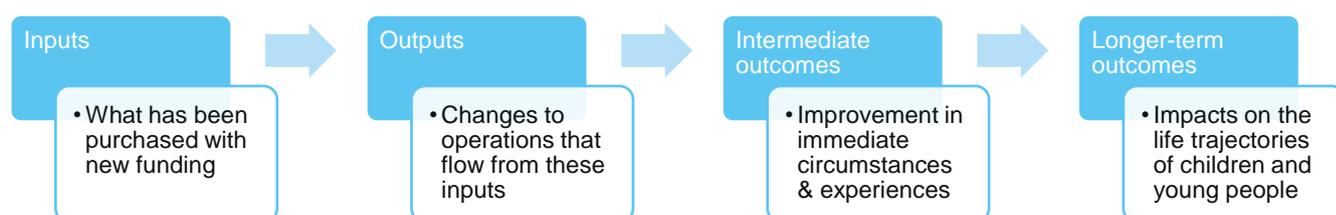
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5 This refers to both ‘strategic partnerships’ as required under Section 7AA of the Act and other partnerships, such as Memoranda of Understanding or Social Accords with iwi and Māori organisations.

6 Reporting on circumstances will draw on administrative data and quality assurance activities. Reporting on experiences will draw on information from the Children’s Experiences Survey (a survey of all children in care) and the Caregiver Experiences Survey (a survey of all caregivers), among other activities.

- children in care attending school
  - children in care feeling that they have a say in important decisions
  - caregivers reporting feeling well-supported by Oranga Tamariki
  - young people involved with youth justice not reoffending
  - young people who have left care and youth justice having safe and stable living arrangements.
- Reporting on the expected and actual impacts on the life trajectories of children and young people associated with the reforms (longer-term outcomes), for example children becoming physically and mentally healthy adults, who are living with sufficient material resources, are educated and employed, and connected to their communities and culture.<sup>7</sup>
  - Summary information from notable pieces of research and evaluation activity where appropriate.

**Figure 1: the oversight framework**



*The oversight framework will allow development in reporting over time*

24. The first oversight reports will establish a baseline from which to track progress over time. As we move forward we will learn more, and reporting will evolve over time to reflect activities and trends identified as involving significant risk or representing a significant opportunity for the transformation programme and therefore requiring a specific focus. Where we introduce new reporting measures, we will report retrospectively on them where possible to allow comparison before and after investment.
25. Reporting will initially focus on the five key initiatives (refer paragraph 9) funded through Budget 2019.
26. There will be ongoing policy development, consultation, and design work; for example on the Early Intervention part of the operating model. When the inputs, outputs, intermediate outcomes, and long-term outcomes of new

<sup>7</sup> Reporting on life trajectories will leverage the Integrated Data Infrastructure and the Children’s Wellbeing Model.

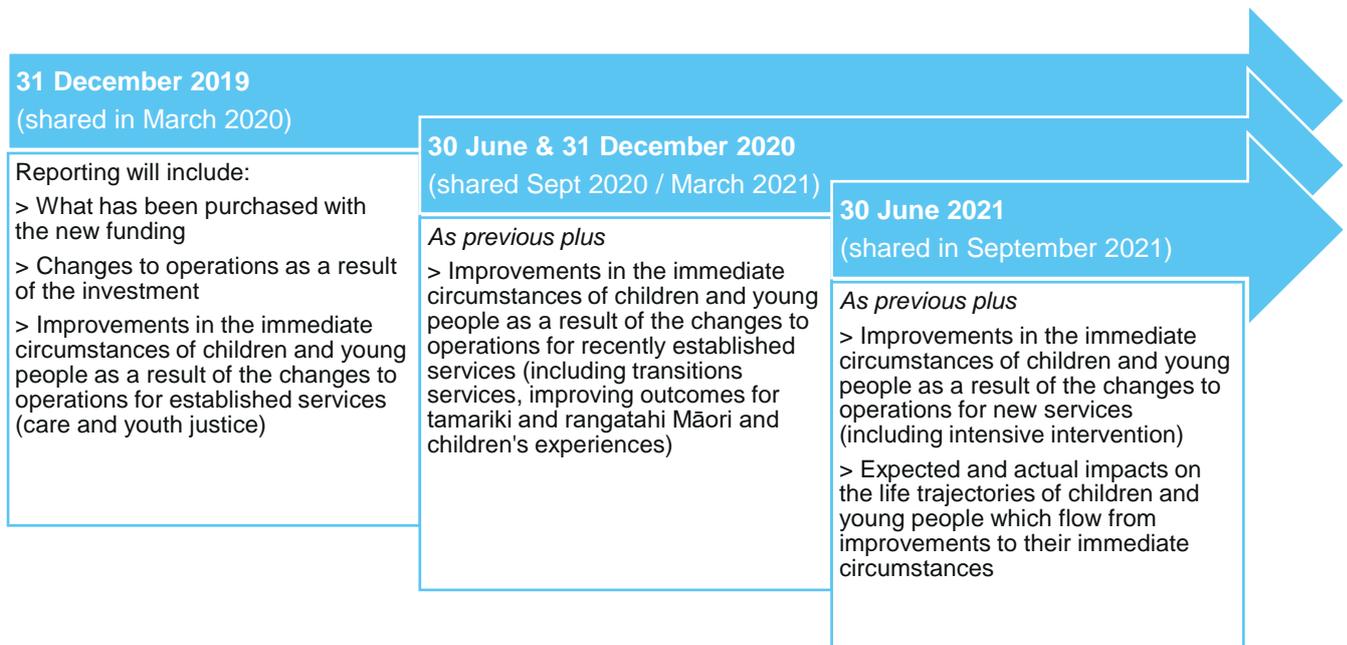
initiatives have been identified, they will also be included within the scope of this reporting.

27. As part of our work to reduce disparities by improving outcomes for tamariki and rangatahi Māori, officials will develop a revised Outcomes Framework through a collaborative process with Māori experts, including Oranga Tamariki strategic partners. This will be completed before 1 July 2020, and these changes will guide ongoing outcomes reporting.<sup>8</sup>

*Reporting will be six-monthly, beginning March 2020, for four years*

28. I propose that the first report, giving a view as at 31 December 2019, is shared with Cabinet in March 2020.<sup>9</sup> The second report will follow six months later in September 2020. The frequency of future reports may need to change, dependent upon the time period required to allow Oranga Tamariki to demonstrate meaningful change between reports. The diagram below shows the high level content of the reports that Cabinet will receive.

**Figure 2: Reporting content and timeframes**



**Consultation**

29. The Treasury, Social Investment Agency, Ministry of Social Development, Ministry of Education, Ministry of Health, Te Puni Kōkiri, Office for Māori Crown Relations - Te Arawhiti, Ministry of Justice, Corrections and New Zealand Police have been consulted on this paper.

8 See *Enhancing the Wellbeing of Tamariki and Rangatahi Māori: Setting Measurable Outcomes and Developing Strategic Partnerships*.

9 Please note that these timelines do not preclude the sharing of information about the performance of Budget 2019 investment before March 2019 as part of the Budget 2020 process.

## Treaty of Waitangi Implications

30. The Treaty places positive obligations on the Crown to act fairly between Māori and non-Māori and to uphold and actively protect Māori rights and interests. Officials have assessed the proposals in this paper against the three articles of the Treaty:<sup>10</sup>
- *Kāwanatanga/government* – the oversight framework will enable Cabinet to understand the extent to which Oranga Tamariki policies, practices and culture are changing such that they are focused on protecting the interests and wellbeing of tamariki and rangatahi Māori and their whānau. This will support the Crown to deliver kāwanatanga in a way that recognises the Treaty partnership.
  - *Rangatiratanga/chieftainship* – the oversight framework will reflect ongoing work to develop meaningful measurable outcomes for tamariki and rangatahi Māori. It will enable Cabinet to monitor progress in developing strategic partnerships with iwi and Māori organisations. This will help address systemic issues which prevent the realisation of tino rangatiratanga.
  - *Oritetanga/equity* – the oversight framework will allow Cabinet to have visibility of disparities in outcomes for tamariki and rangatahi Māori who have come to the attention of Oranga Tamariki, and will help to hold Oranga Tamariki to account for addressing these.

## Financial Implications

31. The proposals outlined in this paper do not have any financial implications.

## Legislative Implications

32. The proposals outlined in this paper do not have any legislative implications.

## Impact Analysis

33. The Impact Analysis requirements do not apply to the proposals in this paper.

## Human Rights

34. Whilst the initiatives funded through Budget 2019 themselves have human rights implications, the proposals outlined in this paper do not.

## Gender Implications

35. Internal performance reporting includes comparative measures for males and females. However, the information reported to Cabinet will not be broken down at this level initially. At a later point, it may be appropriate to present disaggregated data where it is relevant.

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<sup>10</sup> Officials have analysed these proposals in line with analysis of the articles of the Treaty by the Waitangi Tribunal in the 2019 report *Hauora: Report on Stage One of the Health Services and Outcomes Kaupapa Inquiry*. Definitions provided for the articles have been taken from that report.

## Disability Perspective

36. Internal performance reporting will include information specific to children and young people living with disabilities. However, the information reported to Cabinet will not be broken down at this level initially. At a later point, it may be appropriate to present disaggregated data where it is relevant.

## Publicity and Proactive Release

37. I propose to proactively release this Cabinet paper, subject to redactions as appropriate under the Official Information Act 1982.

## Recommendations

It is recommended that the Committee:

1. **note** that Oranga Tamariki was funded \$1.1 billion over four years in Budget 2019 for its new operating model, as part of its wider aspiration to make New Zealand the best place in the world for children and young people, including:
  - a. support to meet the chief executive's new duties to provide a practical commitment to the principles of the Treaty of Waitangi (te Tiriti o Waitangi) by ensuring a focus on and commitment to a reduction in disparities through **improving outcomes for tamariki and rangatahi Māori** (\$25 million)
  - b. an **intensive intervention** service to support children and young people at risk of harm to be safe at home with their families and whānau (\$33 million)
  - c. transforming the **care system** to improve the safety and wellbeing of children in care (\$530 million)
  - d. investing to manage increased volumes of young people in the **youth justice** system due to raising the age of the youth justice jurisdiction, and to reduce young people's reoffending (\$212 million)
  - e. a service to meet the new entitlement to a supported **transition** to adulthood for young people leaving statutory care or youth justice (\$139 million)
2. **note** that as a requirement of the funding outlined in recommendation 1, the Minister for children is required to report six monthly to the Social Wellbeing Committee, beginning in December 2019, on:
  - a. expenditure
  - b. workforce recruitment
  - c. strategic partnership development
  - d. alignment with strategic intent

- e. evidence of impact
  - f. any other factors that enable Cabinet to retain oversight of how the five operating model initiatives (outlined in recommendation 1), and the Oranga Tamariki operating model as a whole, are progressing [CAB-19-MIN-0174.28 refers]
3. **note** that the Minister for Children was further invited to report to Cabinet setting out an oversight framework for these reports, including the progress information Cabinet will receive over the next four years
  4. **note** that the oversight framework for Cabinet will complement other Ministry-led and external accountability mechanisms by providing additional accountability for the operating model initiatives funded through Budget 2019
  5. **note** that the scope of the reporting will initially be focused on the five key initiatives funded through Budget 2019
  6. **agree** that the oversight framework will initially include reporting on inputs, outputs, and over time intermediate and longer-term outcomes alongside summary information from notable pieces of research and evaluation activity where appropriate
  7. **agree** that the reports will be provided six-monthly for four years starting in March 2020
  8. **note** that reporting will align to the latest version of the Oranga Tamariki Outcomes Framework, and will therefore be adapted once a revised Outcomes Framework is developed through a collaborative process with key Māori experts including Oranga Tamariki strategic partners.

Authorised for lodgement

Hon Tracey Martin  
Minister for Children

# Appendix 1 – Oranga Tamariki Outcomes Framework

## THE GOVERNMENT’S VISION: NEW ZEALAND IS THE BEST PLACE IN THE WORLD FOR CHILDREN AND YOUNG PEOPLE



INCLUDING: CHILDREN AND YOUNG PEOPLE ARE SAFE AND NURTURED IN THEIR FAMILIES, WHĀNAU AND HOMES

**OUR PURPOSE: TO ENSURE THAT ALL TAMARIKI ARE IN LOVING WHĀNAU AND COMMUNITIES WHERE ORANGA TAMARIKI CAN BE REALISED**

**WE WORK WITH CHILDREN AND YOUNG PEOPLE:**

- Who are at significant risk of harm now and into the future as a consequence of their family environment, and/or their own complex needs
- Who have entered or are at risk of entering the Youth Justice system

**WE ARE COMMITTED TO OUR OBLIGATIONS UNDER THE TREATY OF WAITANGI TO UPHOLD AND PROTECT MĀORI RIGHTS AND INTERESTS**

