

In Confidence

Office of the Minister for Children

Chair, Cabinet Social Wellbeing Committee

REPORT BACK ON THE IMPLEMENTATION OF ORANGA TAMARIKI BUDGET 2019 INITIATIVES

Proposal

- 1 This paper:
 - 1.1 provides an update on the implementation of the Oranga Tamariki—Ministry for Children (Oranga Tamariki) key Budget 2019 initiatives over the period July 2019 to December 2020, in line with the agreed framework for Cabinet oversight [SWC-19-MIN-0159]
 - 1.2 provides an update and overview of the first annual report on improving outcomes for tamariki Māori (the “section 7AA report”)
 - 1.3 notes that the next report on the implementation of the five key Budget 2019 initiatives will be provided within six months.

Executive Summary

- 2 In Budget 2019, \$1.1 billion was invested over four years to enable the transformation of the Oranga Tamariki operating model. Five key initiatives were funded to: transform the care system, increase the capacity of the youth justice system, establish a new transition support service, develop a new intensive response function, and improve outcomes for tamariki and rangatahi Māori [CAB-19-MIN-0174 refers].
- 3 This paper meets requirements agreed by Cabinet in 2019 to:
 - 3.1 report on the progress of implementing the five key Budget 2019 initiatives [SWC-19-MIN-0159 refers]
 - 3.2 report back on the first section 7AA report [SWC-19-MIN-0161 refers].
- 4 The first Cabinet report back on the five Budget 2019 initiatives, covering July to December 2019, was due in March 2020. Due to the COVID-19 response and recovery period, this paper was prepared and consulted with Ministers, but not lodged or considered by Cabinet. Similarly, a second report back at one year was not prepared due to competing Cabinet priorities. Further detail on past reporting is included in **Appendix One**.
- 5 Therefore this is the first report back to Cabinet on the implementation of the five key Budget 2019 initiatives and covers the 18-month period from July 2019 to December 2020. Oranga Tamariki is on track to deliver the initiatives ‘transforming the care system’ and ‘improving outcomes for tamariki and

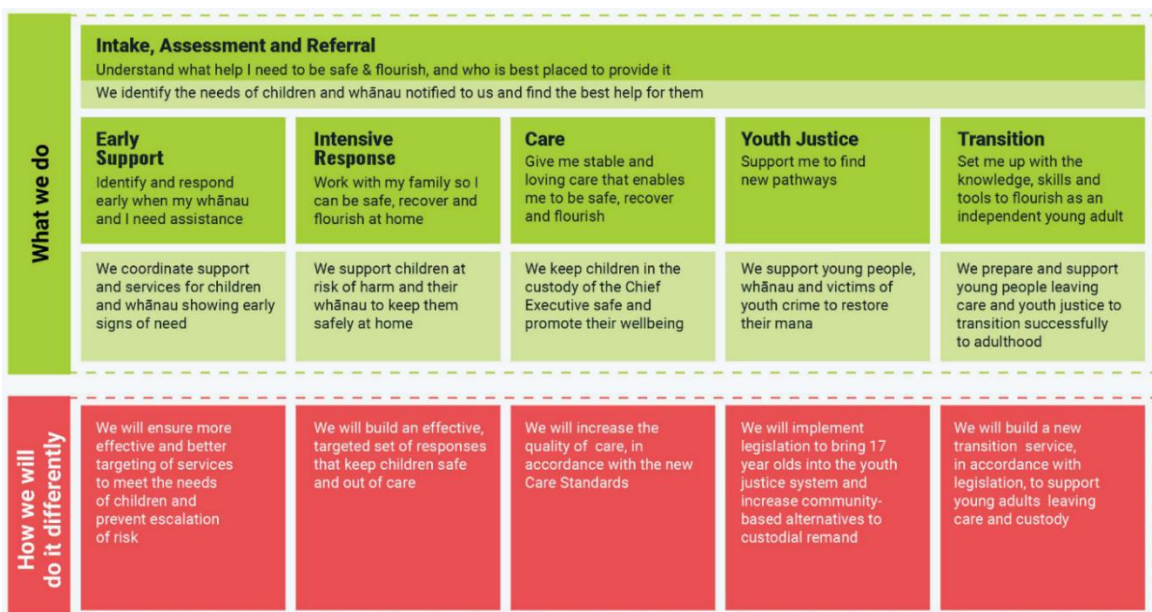
rangatahi Māori’. There have been some delays across the intensive response, transitions, and parts of the youth justice initiatives. Further detail is in **Appendix Two**.

- 6 Although substantial improvements have been achieved, work is still required to transform the system, address the significant issues raised in reports and by stakeholders, and improve outcomes for children and families in greatest need. A new strategy for Oranga Tamariki is being developed to guide how it delivers the further work required. I intend to report to Cabinet on the development of this strategy at least once by the end of 2021.

Background

- 7 Oranga Tamariki was established as a new organisation on 1 April 2017 with the purpose of transforming the care, protection, and youth justice systems to improve outcomes for children and young people. This transformation was largely in response to the Expert Advisory Panel report on Modernising Child Youth and Family released in April 2015. Key changes were agreed through a suite of Cabinet papers in 2018. These papers also noted that substantial investment would be needed for implementation [SWC-18-MIN-0148].
- 8 Budget 2019 provided \$1.1 billion over four years, primarily to enable Oranga Tamariki to transform its operating model (see figure 1) to improve outcomes for children, young people, and their families and whānau. As part of this transformation Oranga Tamariki needed to meet expanded legislative obligations under the Oranga Tamariki Act 1989, the majority of which came into force on 1 July 2019. Budget 2019 investment also formed part of a wider investment to improve outcomes for children and young people as part of the Child and Youth Wellbeing Strategy.

Figure 1. Oranga Tamariki operating model



- 9 Budget 2019 focused on five key initiatives to support the transformation of the new operating model. These were:
- 9.1 **transforming the care system**, including partnered work with iwi and Māori. \$524.7 million of operating funding and \$102.3 million of capital funding was provided over four years
 - 9.2 **increasing youth justice capacity** so that 17-year-olds can be supported outside of the adult justice system, and to reduce young people's reoffending. Oranga Tamariki was provided further operating investment of \$140.0 million and \$72.0 million of capital over four years
 - 9.3 **establishing a new transition support service** to enable young people leaving statutory care or youth justice who are transitioning to adulthood to have ongoing support as they become independent. For this, \$153.7 million over four years was provided
 - 9.4 **developing an intensive response function**. \$31.6 million over four years was approved to introduce an intensive response service with partners in a small number of places
 - 9.5 **improving outcomes for tamariki and rangatahi Māori**. Oranga Tamariki was also provided \$25.0 million over four years to specifically support the implementation of the chief executive's new duties to provide a practical commitment to the principles of Te Tiriti o Waitangi.
- 10 As part of Budget 2019, the previous Minister for Children was invited to report to Cabinet six-monthly on progress of the five key initiatives and implementation of the Oranga Tamariki operating model as a whole, within the agreed oversight framework (**Appendix One**).
- 11 The first Cabinet report back covering July to December 2019, was due in March 2020. This report back was prepared and consulted with Ministers in March 2020, to be considered by SWC on 1 April. However, due to competing Cabinet Committee priorities during the COVID-19 response and recovery period, and the fact that no decisions were being sought, this paper was not lodged or considered during the following months.
- 12 A Cabinet report back at one year was also not prepared as it did not meet Cabinet priority criteria to be considered before the House was preparing to adjourn for the general election planned for 6 August 2020. However, an updated summary was prepared which showed progress at one year and was publicly released.
- 13 In addition, as part of the 2019 Cabinet paper on 'Enhancing the wellbeing of tamariki and rangatahi Māori', the previous Minister for Children was invited to provide an overview of the first iteration of the section 7AA annual report to the Social Wellbeing Committee [SWC-19-MIN-0161 refers].

Progress has been made to implement the five key Budget 2019 initiatives

- 14 The initiatives ‘transforming the care system’ and ‘improving outcomes for tamariki and rangatahi Māori’ are largely on track. There have been some delays across the intensive response, transitions, and parts of the youth justice initiatives (although 17-year-olds have been brought into the youth justice system as part of Budget 2018 investment). A progress update is provided as well as detail on how funding has been reprioritised.
- 15 Budget 2019 investment has enabled Oranga Tamariki to improve the quality and range of care, protection, and youth justice services, recruit front-line staff, and develop partnerships with iwi and Māori organisations.
- 16 These changes have contributed to early signs of positive impacts for children and young people, their family and whānau, including:
 - 16.1 **fewer children entering into state care** – there has been a 44% reduction from 2,395 children entering care in 2017 to 1,334 children entering care in 2020
 - 16.2 **a reduction in the proportion of tamariki Māori entering state care** – the proportion of tamariki Māori entering care has dropped from 68% in 2017 to 58% in 2020 of all entries to care
 - 16.3 **fewer young people in youth justice custody** – with the addition of 17-year-olds in the youth justice system, from July 2019 the number people in youth justice custody has dropped by 44%, from 197 in 2017 to 110 in 2020.
- 17 It is too early to draw substantive conclusions, but if sustained, these initial reductions in entries to the care and youth justice systems have the potential to improve long-term outcomes for children and young people. Longer-term outcomes data will become increasingly available over time. A progress update for each initiative is set out below. **Appendix Two** contains more detail on inputs, outputs, and lessons learnt.

Transforming the care system

- 18 Oranga Tamariki has worked to increase the quality of care services and expand kaupapa Māori options, including through:
 - 18.1 **implementing the National Care Standards** including developing new guidance for all staff
 - 18.2 **expanding support plans and training for caregivers** under the National Care Standards, including providing specialist training and developing support plans for caregivers
 - 18.3 **recruiting 400 additional front-line social workers** since 2017

18.4 **developing 11 whānau care partnerships** with iwi and kaupapa Māori organisations¹ so tamariki needing out of home care, can be cared for by their whānau, hapū and iwi, and remain connected to their whakapapa.

19 Overall, Oranga Tamariki is on track to transform the care system as per Budget 2019 forecasts. There have been some delays, for example, the Caregiver Information System was expected to be live by 2020 but delays due to integration of the system pushed this back to 2021.

Increasing youth justice capacity

20 Budget 2019 funding for youth justice built on Budget 2018 funding. Budget 2018 funding enabled 17-year-olds to be brought into the youth justice system. With Budget 2019 funding Oranga Tamariki has:

20.1 provided an additional **51 new community-based placements** (as at 1 March 2021) to support young people to remain in their communities and a further 15 will be in place from April 2021

20.2 commenced **engagement with mana whenua, iwi, and Māori** to develop **16 five-bed community-based youth justice homes**.

21 While progress has been made, there has been lower spend than forecast on new community placements in order to meet the target of 100 additional community-based placements by June 2023. This is due to the longer time taken to build partnerships with mana whenua and then acquire land.

Establishing a new transition support service

22 Oranga Tamariki has **established a new transition support service** which is delivered predominantly through 54 community, iwi, and Māori partners to provide national coverage. This has involved:

22.1 establishing **supported accommodation services** delivered by partners. These offer 70 placements to young people requiring more support to develop life skills and transition to independent living

22.2 establishing a **dedicated phone line** to offer advice and assistance to young people up to age 25

22.3 funding **99 FTE Transition Support Specialists** in partner organisations and a small central team of 9 FTE.

23 While there has been progress under this initiative, to date there has been lower uptake of the new service and fewer placements available than anticipated. Specifically:

¹ Whānau care partnerships are with: Ngāti Ruanui, Te Rūnanga-Ā-Iwi O Ngāpuhi, Te Iwi o Ngati Kahu Trust, Waitomo Papakāinga, Ngāti Kahu, Ngāti Kuri, Ngai Takoto, Te Aupōuri, Te Rarawa, Te Roopu Awhina, and Ngāi Tahu.

- 23.1 1,000 young people are being supported through the service (as at December 2020), though it was anticipated that 3,000 young people over four years would be supported. Lower uptake has meant that 99 Transition Support Specialists have been employed compared to an anticipated 136
- 23.2 there are currently 70 supported accommodation placements in place out of an anticipated 125 by June 2021. Oranga Tamariki aims to reach the goal of 200 by 2025.

Developing an intensive response function (formerly intensive intervention)

- 24 Through the first half of 2019/20, Oranga Tamariki undertook **community engagement**, and **designed and developed tools and processes** to support the setup of intensive intervention services in four areas (Christchurch, Tokoroa, Horowhenua, and Ōtāhuhu). The intensive response function aims to ensure that children at risk of harm can remain safely at home wherever possible, within their culture and community, and that those in care have the support they need to return home.
- 25 Five intensive response sites were expected to be operational, covering 150 whānau, by June 2020. The co-design process has taken longer than forecast, due to the time invested in building strong relationships, meaning one site (in Tokoroa) is currently operational. Three sites (in Christchurch, Horowhenua, and Ōtāhuhu) are expected to be operational in 2021, and Mokopuna Ora are working with Waikato Tainui on the fifth site.

Improving outcomes for tamariki and rangatahi Māori

- 26 Oranga Tamariki has filled **42 permanent Kairaranga ā-whānau positions**. These roles aim to enhance whānau participation in decision-making, build local cultural competency, and connect Oranga Tamariki with iwi and Māori NGOs.
- 27 Oranga Tamariki has also signed **eight strategic partnership agreements**² with iwi and Māori organisations, and is actively working with several more potential strategic partners. Each strategic partnership is unique and reflects differing iwi priorities to meet the needs of their tamariki, whānau, marae and hapū.
- 28 Having filled 42 Kairaranga ā-whānau positions to date, Oranga Tamariki is ahead of schedule for this initiative. It was forecast that 39 Kairaranga ā-whānau positions would be filled by June 2021, and 47 in total by 2022/23.

² As at December 2020, Oranga Tamariki has eight strategic partnership agreements with Ngāi Tahu, Ngāpuhi, Waikato-Tainui, Tūhoe, Te Kahu Oranga Whānau, Ngāti Toa Rangatira and Te Rūnanganui o Te Āti Awa, the Eastern Bay of Plenty Alliance, and the Māori Women's Welfare League.

There have been some delays particularly within the youth justice and transitions initiatives

29 Delays in these initiatives have been a result of slower uptake of services, unforeseen impacts of COVID-19, and additional time taken to build strong partnerships. Specifically:

29.1 there has been **lower spend than forecast in youth justice** on new community placements. The time required to build partnerships with mana whenua and acquire land has taken longer than anticipated

29.2 there has been **slower than forecast take-up of the new transitions service** largely due to providers prioritising other needs in response to COVID-19. Efforts to raise awareness of the service have not had the anticipated reach. A post-implementation support programme has commenced with the expectation of an increase in uptake from quarter two of 2020/21

29.3 the overall **impacts of COVID-19** have meant lower expenditure on areas such as whānau and staff travel, recruitment, and purchase of services to meet the needs of children, which has resulted in one-off underspends in 2019/20.

30 s 9(2)(f)(iv) [Redacted text block]

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s 9(2)(f)(iv)

The first section 7AA report outlines the measures Oranga Tamariki is taking to deliver improved outcomes for tamariki Māori

- 31 The first section 7AA annual report was published by Oranga Tamariki in July 2020. It highlighted the measures taken by Oranga Tamariki to meet its commitments under section 7AA of the Oranga Tamariki Act, which came into effect on 1 July 2019. This included the work of Oranga Tamariki with iwi and Māori partners to improve outcomes for tamariki and rangatahi Māori. It also included a new framework to measure and report on disparities and the impact of planned actions.
- 32 The report showed early signs of improvement for tamariki Māori. For example, there has been a marked reduction in the number of tamariki Māori entering care (438 in 2018/19, compared to 1,539 in 2015/16), and a reduction in the number of reports of concern for tamariki Māori (30,596 in 2018/19 compared to 30,997 in 2016/17).
- 33 The report acknowledges that it is too early to draw substantive conclusions, and that the full extent of the impact on outcomes for tamariki and rangatahi Māori will take time to manifest. However, these improvements indicate the potential longer-term benefits resulting from changes that Oranga Tamariki has made in how it works with iwi and Māori. The baseline measures in the report will continue to be monitored as part of ongoing annual reporting.

Future work needs to focus on enabling partnership to find appropriate solutions for children and whānau in greatest need

- 34 Despite the progress made to date to establish Oranga Tamariki and change how it operates, there are still significant and serious concerns that need to be addressed in order to improve outcomes for children and whānau.
- 35 Looking ahead, one of my priorities is to develop a strategy which provides clear direction on how Oranga Tamariki will respond to the calls for change and deliver the substantial amount of work still required to transform the Oranga Tamariki system.
- 36 I intend for the strategy to enable a future state where Oranga Tamariki has a reduced role in the lives of children and whānau. This will include a more deliberative and expanded focus on partnering with Māori and enabling Māori-led change.

- 37 The strategy and future work will be informed by engagement with Māori, iwi and other key stakeholders, recommendations of reviews and reports into the care and protection system and Oranga Tamariki³ including, the recently published Waitangi Tribunal Urgent Inquiry into Oranga Tamariki report (Wai 2915), and the Ministerial Advisory Board report expected in late June 2021.
- 38 Strategy development is at an early stage. I intend to report to Cabinet at least once by the end of 2021 on the strategy development. The next report back to Cabinet on implementation of the Budget 2019 initiatives will be provided within six months, as per the agreed oversight framework or otherwise as agreed as part of reporting to Cabinet on the strategy.

Consultation

- 39 The following agencies have been consulted on this paper: the Department of Prime Minister and Cabinet (including the Child Wellbeing Unit), The Treasury, Te Puni Kōkiri, the Ministry of Health, the Ministry of Social Development, the Ministry of Education, the New Zealand Police, the Ministry of Justice, and the Office for Disability Issues.

Treaty of Waitangi Implications

- 40 This report has no Treaty of Waitangi implications. However, the five Budget 2019 initiatives and the implementation of the Oranga Tamariki operating model enable Oranga Tamariki to meet its obligations under the three articles of the Treaty.

Financial Implications

- 41 This paper does not have any direct financial implications.

Legislative Implications

- 42 This paper has no legislative implications.

Regulatory Impact Analysis

- 43 A Regulatory Impact Analysis is not required for this paper.

Human Rights

- 44 The Oranga Tamariki operating model is consistent with the *New Zealand Bill of Rights Act 1990* and the *Human Rights Act 1993*. Implementing the operating model will increase New Zealand's alignment with the *United Nations Convention on the Rights of the Child*. The Oranga Tamariki

³ These include: Puao-Te-Ata-Tu, the Expert Advisory Panel on Modernising Child Youth and Family report, the Hawke's Bay Practice review, the Whānau Ora Commissioning Agency's inquiry report, the Office of the Children's Commissioner's interim report, the Ombudsman's inquiry report, and the ongoing Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions.

operating model also aligns with New Zealand’s statement of support for the United Nations Declaration on the Rights of Indigenous Peoples.

Population implications

45 Oranga Tamariki works with a diverse population of children, young people, and their family and whānau. This paper sets out how Budget 2019 investment has been prioritised to support those most at risk of harm. The impacts are not fully realised and will become more evident in future reporting.

Population group	How the proposal may affect this group
Māori	<ul style="list-style-type: none"> - At December 2020, 68% of children who required care and protection, and 86% of the young people in youth justice custody, identified as Māori. The new operating model has a focus on the outcomes for tamariki and rangatahi Māori from the Budget 2019 investment and the establishment of new Oranga Tamariki operating model.
Gender	<ul style="list-style-type: none"> - Women are more likely than men to be the primary caregivers for children and young people. Therefore, providing families, whānau, and foster caregivers with greater support and assistance, for example through the additional investment in intensive response and the care system, will benefit those women and their whānau. - Boys and young men are significantly more likely to be in the youth justice system and will therefore benefit from improvements to custodial environments and the introduction of new therapeutic services.
People with disabilities	<ul style="list-style-type: none"> - Children with disabilities are over-represented in the care system. The Ministry of Health estimates approximately 50% of children and young people in care will have a disability, especially mental or neuro-developmental impairments as the result of earlier trauma. - Consequently, the implementation of the Oranga Tamariki operating model and practice frameworks have a focus on ensuring children and young people with high and complex needs have access to the services and supports they require to ensure that these needs are accommodated, including access to disability support services that can be assessed through a Needs Assessment and Service Coordination agency.
Pacific	<ul style="list-style-type: none"> - Children identifying as Pacific make up around 8% of those reported to Oranga Tamariki and 6% of children in care. Children identifying as both Pacific and Māori make up 10% of those in care. This is an emerging area of focus for Oranga Tamariki.

Publicity and Proactive Release

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

Recommendations

I recommend that the Committee:

1 **note** that in Budget 2019, \$1.1 billion was invested over four years to make significant changes to Oranga Tamariki through funding five key initiatives to: transform the care system; increase the capacity of the youth justice system; establish a new transition support service; develop a new intensive response function; and improve outcomes for tamariki and rangatahi Māori [CAB-19-MIN-0174 refers]

- 2 **note** that Oranga Tamariki is on track to deliver the initiatives ‘transforming the care system’ and ‘improving outcomes for tamariki and rangatahi Māori’ and that there have been some delays across the intensive response, transitions, and parts of the youth justice initiatives
- 3 **note** that the first annual section 7AA report was published by Oranga Tamariki in July 2020, and that it indicated that changes made had potential to improve outcomes for tamariki and rangatahi Māori
- 4 **note** that significant work is still needed to address concerns outlined in the various reports and reviews into the care and protection system and Oranga Tamariki
- 5 **note** that the next report on the implementation of the five key Budget 2019 initiatives is due to Cabinet in six months.

Authorised for lodgement

Hon Kelvin Davis

Appendix One: Reporting requirements and the Cabinet oversight framework

- 1 As part of Budget 2019, the Minister for Children was invited to report to the Cabinet Social Wellbeing Committee (SWC) six-monthly (or less frequently subject to Cabinet agreement), on progress in relation to:
 - expenditure
 - workforce recruitment
 - strategic partnership development
 - alignment with strategic intent
 - evidence of impact
 - any other factors.
- 2 Reporting on these factors was to enable Cabinet to retain oversight of how the five key Budget 2019 initiatives and the Oranga Tamariki operating model, are progressing [SWC-19-MIN-0159 refers].
- 3 In November 2019 Cabinet agreed an oversight framework for this reporting, which outlined that report backs will be focused on the five key initiatives funded through Budget 2019. They also acknowledged that reporting will initially focus on how the funding secured in Budget 2019 is being spent (inputs), followed by the immediate impacts of this spending (outputs), and that over time, information on the longer-term effects of this spending (outcomes) will be included, as these become observable [SWC-19-MIN-0159 refers].
- 4 Cabinet also noted that the oversight framework will complement other Ministry-led and external accountability mechanisms by providing additional accountability for the key Budget 2019 initiatives.
- 5 The first Cabinet report back was intended to establish a baseline from which to track progress over time. This report back covering July to December 2019, was due in March 2020. This report back was prepared and ready to be considered by SWC on 1 April. However, due to competing Cabinet Committee priorities during the COVID-19 response and recovery period, and the fact that no decisions were being sought, this paper was not lodged or considered during the following months.
- 6 A Cabinet report back at one year (covering the period up to July 2020) was not prepared as it did not meet Cabinet priority criteria to be considered before the House was preparing to adjourn for the general election planned for 6 August 2020. Instead, an updated summary was prepared which showed progress at one year, and the former Minister for Children approved the public release of this in August 2020.