



Cabinet Social Wellbeing Committee

Minute of Decision

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Financial Assistance for Caregivers: Review of the Foster Care Allowance, the Orphan's Benefit, the Unsupported Child's Benefit and Related Payments

Portfolio Children

On 1 May 2019, the Cabinet Social Wellbeing Committee (SWC):

- 1 **noted** that there are a significant number of caregivers caring for some of New Zealand's most at-risk children and young people – those who cannot be cared for by their natural or adoptive parents;
- 2 **noted** that the State has, since the late nineteenth century, had a role in providing financial assistance to caregivers;
- 3 **noted** that financial assistance is a critical component of the overall support (financial and non-financial) caregivers need to provide stable alternative homes and to help meet the needs of children and young people who are unable to be cared for by their parents;
- 4 [REDACTED]
- 5 **noted** that the financial assistance settings for caregivers have evolved in a piecemeal fashion and there are deep-seated issues with the settings such as the level and transparency of payments and the appropriateness of the eligibility criteria;
- 6 **noted** that the settings as a whole have not been reviewed to determine if they are still fit for purpose;
- 7 **noted** that, as the settings for financial assistance for caregivers intersect with the care and protection, welfare and tax systems, effective and appropriate financial assistance is needed to ensure alignment with major reform currently underway to these systems;
- 8 **agreed** that officials undertake a review of financial assistance for caregivers, which will include:
 - 8.1 the Foster Care Allowance (FCA), including the Higher Foster Care Allowance;
 - 8.2 the Orphan's Benefit (OB);

- 8.3 the Unsupported Child's Benefit (UCB);
- 8.4 related supplementary payments for those eligible for the FCA, OB and UCB and in recognition of their role;
- 9 **agreed** that the review take a 'first principles' approach that comprehensively considers the payments set out in paragraph 8 above, including, but not limited to, the following matters:
- 9.1 fundamental purposes and principles underpinning these payments;
- 9.2 types and levels of payment;
- 9.3 eligibility criteria for receiving these payments;
- 10 **agreed** that the review consider the interaction with the broader system of social support and assistance for which such caregivers may also be eligible (for example Working for Families Tax Credits, child support payments and benefit payments);
- 11 **noted** that, as part of the review, the following engagement with stakeholders will be undertaken:
- 11.1 targeted consultation with stakeholders to test exploratory work on the general policy settings of financial assistance for caregivers;
- 11.2 targeted engagement with technical subject matter experts to refine the detailed and operational settings needed to give effect to the policy settings;
- 12 **invited** the Minister for Children to report to SWC by October 2019 with key policy proposals arising out of the review.

Gerrard Carter
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Hon Kelvin Davis
Hon Grant Robertson
Hon Phil Twyford
Hon Chris Hipkins
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Dr David Clark
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Jenny Salesa
Hon Tracey Martin
Hon Aupito William Sio
Hon Julie Anne Genter

Hard-copy distribution:

Minister for Children

Officials present from:

Office of the Prime Minister
Office of the Chair
Officials Committee for SWC