

Financial assistance for caregivers

The Government is investing \$57 million to better align support received by caregivers inside and outside the State care system, and better enable them to meet the costs of caring for children.

Wellbeing Budget 2021

This initiative will help to standardise the payments made to caregivers receiving the Orphan's Benefit or the Unsupported Child's Benefit and those receiving the Foster Care Allowance. It builds on the 2020 Budget announcement of \$210m extra support over four years for caregivers to better support children.

- The Government is investing a further \$57m over four years in financial assistance for caregivers.
- The base rate of the Orphan's Benefit and Unsupported Child's Benefit will increase by \$34.84 for children aged 0-4 years, and by \$10 for children aged 5 years and over.
- These increases in caregiver support will come into effect on 1 April 2022.
- Around 15,000 caregivers play a vital role in providing day-to-day care for around 24,000 children in New Zealand whose parents are unable to care for them. Most caregivers inside and outside of the State care system are members of a child's whānau, hapū or iwi, and many children and their caregivers are Māori.
- However, the financial assistance caregivers receive is often not adequate to cover the costs of caring for children, with 84% of caregivers reporting that they use their own money to meet the needs of children.
- This spending will help to lift individuals out of poverty, by improving support for caregivers. In particular it will help tamariki Māori to thrive under the protection of their whānau.
- It will also ensure that caregivers supporting children inside and outside the State care system receive the same level of standard payments. Previously standard payments were higher for caregivers receiving Foster Care Allowance than for those receiving Orphan's Benefit or Unsupported Child's Benefit.
- The need to standardise these payments was a fundamental finding of a 2019 review of financial assistance for caregivers.
- The spending also recognises that COVID-19 continues to have an impact on the incomes of many New Zealanders, including caregivers who have opened their homes to children and young people who need their help.

Costs (operating) \$m	2020/21	2021/22	2022/23	2023/24	TOTAL
	4.302	16.765	17.619	18.467	57.153

This funding comes from Vote Social Development and Vote Oranga Tamariki.