



Cabinet Social Wellbeing Committee

Minute of Decision

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Establishing the Financial Arrangements of the Independent Children's Monitor within Vote Education Review Office

Portfolio **Social Development and Employment**

On 15 March 2023, the Cabinet Social Wellbeing Committee (SWC):

Background

- 1 **noted** that:
 - 1.1 in May 2021, Cabinet agreed that a Statutory Officer, with responsibility for the functions, powers and duties of the Independent Children's Monitor, would lead a new departmental agency hosted by the Education Review Office;
[CAB-21-MIN-0153.01]
 - 1.2 in December 2022, SWC agreed that the date of commencement for the Oversight of Oranga Tamariki System Act 2022 and related regulations should be 1 May 2023, and that an Order in Council be drafted to give effect to this [SWC-22-MIN-0255];
- 2 **noted** that the above decision is consistent with section 2 of the Oversight of Oranga Tamariki System Act 2022, where the commencement date of 1 July 2023 can be brought forward by an Order in Council;
- 3 **noted** that on 16 March 2023, the Cabinet Legislation Committee will consider papers that seek agreement to submit, to Executive Council, Orders in Council to:
 - 3.1 bring forward the date of commencement of the Oversight of Oranga Tamariki System Act 2022 from 1 July 2023 to 1 May 2023;
 - 3.2 establish the Independent Children's Monitor as a departmental agency within the Education Review Office;

Establishing the Monitor’s appropriation and fiscally neutral transfers of appropriations

4 **agreed** to establish the following new appropriation to provide for the establishment of the Independent Children’s Monitor as a departmental agency hosted by the Education Review Office, with effect from 1 May 2023:

Vote	Appropriation Minister	Appropriation Administrator	Title	Type	Scope
Education Review Office	Minister for Social Development and Employment	Education Review Office	Independent Monitoring and Assurance of the Oranga Tamariki System	Departmental Output Expense	This appropriation is limited to independent monitoring of compliance with, and delivery of, the Oranga Tamariki system and related regulations and standards.

5 s 9(2)(f)(iv) [Redacted]

s 9(2)(f)(iv) [Redacted]

6 s 9(2)(f)(iv) [Redacted]

7 [Redacted]

8 [Redacted]

Capital withdrawals and injections

9 **noted** that Budgets 2019 and 2020 provided \$9.165 million capital funding for the Independent Children’s Monitor, for a new IT system, motor vehicles, and a property fitout;

10 **noted** that in the October 2021 Baseline Update, the Minister for Social Development and Employment and Minister of Finance approved capital to operating swaps of \$2.645 million to provide for the costs of establishing the monitoring function as an independent departmental agency;

11 s 9(2)(f)(iv)

s 9(2)(f)(iv)

12 **noted** that the transfer of employee related provisions including annual leave is required as part of the establishment of Independent Children’s Monitor as a departmental agency hosted by the Education Review Office;

13 **approved** the following capital funding transfer between Vote Social Development and Vote Education Review Office for employee related provisions to give effect to the establishment of the Independent Children’s Monitor as a departmental agency hosted by the Education Review Office, with no impact on net debt:

s 9(2)(f)(iv)

14 **noted** that further withdrawals and injections may be required by the Ministry of Social Development and the Education Review Office in 2023/24 once the assets and liabilities (including employee-related provisions) balance as of 1 May 2023 is confirmed;

- 15 **noted** that of the remaining capital:
 - 15.1 some of the capital may at a later date need to be classified as operating expense to fund information technology or property provision as a service, and if so, will require a fiscally neutral capital to operating swap;
 - 15.2 some of the capital may not be required by the Independent Children’s Monitor and will accordingly be returned to the Crown;
- 16 **authorised** the Minister for Social Development and Employment, Minister of Finance, and Minister of Education to approve capital withdrawals and injections or any necessary capital to operating swap as described in paragraphs 14 and 15 above, with no impact on net debt across the forecast period;
- 17 **agreed** that the change to appropriations and departmental capital injections for 2022/23 in paragraphs 5, 11, and 13 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

Other related matters

18 s 9(2)(f)(iv)



19 s 9(2)(f)(iv)



20 **authorised** the Minister for Social Development and Employment, Minister of Finance, and Minister of Education to jointly agree the final amount of the transfers in paragraph 19 following the completion of the 2022/23 audited financial statements, with no impact on the operating balance and/or net debt across the forecast period.

Rachel Clarke
Committee Secretary

Present:
 Hon Carmel Sepuloni (Chair)
 Hon Kelvin Davis
 Hon Dr Megan Woods
 Hon Kiri Allan
 Hon Priyanca Radakrishnan
 Hon Ginny Andersen
 Hon Barbara Edmonds
 Hon Willow-Jean Prime
 Hon Rino Tirikatene

Officials present from:
 Office of the Prime Minister
 Office of the Chair
 Officials Committee for SWC