

Children, Young Persons, and Their Families Act age settings: Regulatory Impact Statement

Agency Disclosure Statement

This Regulatory Impact Statement (RIS) has been prepared by the secretariat to the Modernising Child, Youth and Family Expert Panel with the Ministry of Social Development. It provides an analysis of options to change age settings in the Children, Young Persons, and Their Families Act 1989 (CYPF Act) to better support vulnerable children and young people.

In April 2015, the Minister for Social Development established the Modernising Child, Youth and Family Expert Panel to oversee the development of a new child-centric operating model for Child, Youth and Family. In its December 2015 final report the Expert Panel proposed significant changes to the operating model, including broadening the definition of the age of a “young person”.

The legislative and policy proposals in the final report will be submitted to Cabinet in two stages. In the area of age settings:

- the first stage covered by this paper proposes to amend the definition of a young person in the Children, Young Persons, and Their Families Act 1989 to include 17 year-olds. The Cabinet paper seeks agreement to amend the care and protection system

Section 9(2)(f)(iv) Active Consideration

- the second stage is expected to seek agreement to amending the youth justice age settings. It is also expected to consider other proposals by the Expert Panel to extend transition support for young people to older ages, including a second proposed legislative change to create a right to remain in, or return to, care up to age 21, which will require reform of the financial support for these young adults through care and income support systems. This legislative change is part of a second package of reforms to be submitted to Cabinet in June 2016.

This RIS covers the age settings proposals to be included in the first stage to be submitted to Cabinet in March 2016, and includes analysis of regulatory and non-regulatory options within the parameters set by the Expert Panel’s overall direction and vision.

Section 9(2)(f)(iv) Active Consideration

Decisions in the first stage aim to drive transformational change in the system towards a child-centred operating model; age settings are a critical component needed to set up the primary scope of the system and signal the direction of travel.

The key constraints around the analysis presented in this paper are:

- in developing its advice, the independent Expert Panel has engaged with a large range of participants, including vulnerable young people, their families and whānau, caregivers, victims of youth offending, frontline staff, community and iwi organisations, and subject matter experts. However, the process undertaken did not allow for specific proposals to be the subject of detailed consultation with affected agencies
- there is limited New Zealand evidence around the likely impact of the proposals and the available international evidence is not directly comparable. Because of this we cannot fully

quantify the benefits of the preferred options. An indicative cost benefit analysis of the youth justice proposal has been provided but a cost benefit analysis of the care and protection proposal has not been attempted

- the RIS provides only a general indication of the relative scope and magnitude of the options' fiscal and operational implications, as further detailed design work being undertaken for the new operating model needs to be progressed before the precise fiscal and operational impacts can be determined
- identification of the impacts on agencies has been undertaken as part of the process of development of this RIS, but this has been done within limited timeframes. However, there has been considerable prior work on the operational impact of changes to age settings
- the analysis positions the proposals regarding age settings within the wider reforms recommended by the Expert Panel. These proposals do not yet have formal Ministerial or Cabinet endorsement. The key building blocks of these reforms and the overall direction and components of the next stage of policy and legislation work are being considered by Cabinet at the same time as the proposal discussed in this RIS. Further policy and legislative changes will be considered by Cabinet later in the year.

Nic Blakeley

Deputy Chief Executive Social Policy

Ministry of Social Development

[Signature of person]

[Date]

Executive summary

The Modernising Child, Youth and Family Expert Panel has proposed significant changes to how the State seeks to meet the needs of vulnerable children and young people, including broadening the definition of the age of a “young person” in the Children, Young Persons, and Their Families Act 1989 (CYPF Act). This Regulatory Impact Statement (RIS) analyses this proposal for care and protection purposes

Section 9(2)(f)(iv) Active Consideration

Currently, the full protections of the CYPF Act are limited to those aged under 17. The Act’s protections include assisting children and young persons in order to prevent them from suffering abuse and neglect and providing protection from harm. The Act also ensures that where young people commit offences, they are dealt with in a way that acknowledges their needs and gives them the opportunity to develop in responsible and socially acceptable ways.

The current upper age means some vulnerable young people do not have legal access to the support they need, and this can negatively affect their life outcomes.

- In the care and protection context, the upper age limit means that young people cannot remain in State care from age 17 onwards. Young people who have been in care at the ages of 15 and 16 are some of New Zealand’s most vulnerable young people; they are likely to have experienced highly disrupted childhoods, and often have poor long-term outcomes. Vulnerable 17 year-olds also cannot access the protection available under the legislation if suffering maltreatment.

Section 9(2)(f)(iv) Active Consideration

Feasible regulatory and non-regulatory options to address these concerns were assessed against whether they would meet young people’s needs and improve their long-term outcomes. Options were also assessed against their durability, fiscal and operational impact, and alignment with other Government objectives,

Section 9(2)(f)(iv) Active Consideration

Raising the upper age for the application of care and protection provisions in the CYPF Act to include 17 year-olds will primarily result in increased demand for plans and orders, care services, caregiver management and therapeutic interventions. Ahead of detailed design of the new operating model, the early indicative estimate of the investment required to raise the upper age is \$39 million per annum by the 2019/20 financial year driven by 500 additional care and protection orders.

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

In the future, lifetime outcomes for children and return on investment will be demonstrated through an independent actuarial valuation. In the absence of a valuation for vulnerable children, an indicative cost benefit analysis of including 17 year olds in the youth justice system suggests that the benefits are likely to be comparable to the upfront investment.

Section 9(2)(f)(iv) Active Consideration

Raising the age will not happen in isolation from the wider reform programme. Further detailed design will be undertaken as part of the overall transformation programme. The detailed implications of the proposals recommended in this RIS are to be worked through as part of design, development and implementation. This will include identifying the:

- increase in protection, care and youth justice costs
- increase in demand on workforce
- increase in demand on care and associated service providers
- impact on accountabilities, functions and demand for services from other agencies, in particular the impact on adult criminal justice system
- tension with other systems, for example the effect on other entitlements such as youth benefits.

Section 9(2)(f)(iv) Active Consideration

Policy context

There are a significant number of children and young people in New Zealand whose basic safety, emotional, physical, social, cultural or development needs are not met at home or in the wider community. For example:

- it is estimated that around 230,000 children and young people currently under 18 may experience vulnerability at some point during their childhood¹
- data indicates that around 20 per cent of children and young people in any birth cohort are known to Child, Youth and Family by age 17.²

¹ This is based on analysis of the 1993 birth cohort. Centre for Social Research and Evaluation. Ministry of Social Development (2012). *Children's Contact with Ministry of Social Development Services*. Wellington: Ministry of Social Development. Note this is a conservative estimate that assumes the same level of need today as the 1993 birth cohort.

² This is also based on analysis of the 1993 birth cohort, *ibid*.

Children and young people who have contact with Child, Youth and Family's care and protection and youth justice systems are some of the most vulnerable, as reflected in their disproportionately high likelihood of experiencing certain poor long-term outcomes.

While Government has sought to redesign the service landscape for vulnerable children and their families through the White Paper for Vulnerable Children and the Children's Action Plan, there have been ongoing and significant issues identified with how Child, Youth and Family operates.

In April 2015 [SOC Min (15) 2/2 refers] the Minister for Social Development established the Modernising Child, Youth and Family Expert Panel (the Expert Panel) to develop a plan for the modernisation of Child, Youth and Family.

In its final report, the Expert Panel identified a number of issues with the performance of the current systems, and proposed significant changes to how the State seeks to meet the needs of vulnerable children and young people.

The reform programme involves significant cultural shifts to put children at the centre of the system, legislative and policy change, enhancements to service provision, greater engagement of New Zealanders and a wide range of partners, significant new investment, as well as transformative changes to the operating model of the proposed core agency involved in the new vulnerable children's system. The proposals discussed in this RIS form part of this reform programme proposed by the Expert Panel, which is being submitted to Cabinet in two stages, the first of which includes the legislative proposal discussed in this RIS.

Status quo and problem definition

The Government is seeking to improve the lives of vulnerable children and young people in New Zealand

The Government established the Expert Panel to develop a plan for the modernisation of Child, Youth and Family to ensure that the agency delivers the best possible results for vulnerable children and their families in the decades ahead. A significant issue identified in recent reviews of Child, Youth and Family operations is the need for a child-centred approach, and the Expert Panel is seeking to ensure that the future operating model for vulnerable children is underpinned by such a child-centred approach.

One of the Expert Panel's key objectives is to address the full range of needs of each child, and one of its key design principles is to "have the same high level of aspiration for vulnerable children as we do for all other New Zealand children." These goals and aspirations would ideally mean that the protections that the State provides to children and young people are made available to all children and young people who need it.

The full protections of the CYPF Act are currently limited to those aged under 17

A critical source of these State protections is the CYPF Act, the object of which is to promote the wellbeing of children, young persons, and their families and family groups (section 4), including by:

- assisting children and young persons in order to prevent them from suffering harm, ill-treatment, abuse, neglect and deprivation (section 4(d))

- providing for the protection of children and young persons from harm, ill-treatment, abuse, neglect and deprivation (section 4(e))
- ensuring that where children or young people commit offences, they are dealt with in a way that acknowledges their needs and that will give them the opportunity to develop in responsible, beneficial and socially acceptable ways (section (4)(f)(ii)).

Currently, the CYPF Act defines a young person as under the age of 17 years. This means that individuals aged 17 years or over cannot be the subject of a care and protection notification or remain in State care.³ It also means these young people are treated as adult offenders if they commit offences.

The age setting covers two largely distinct systems; the care and protection and youth justice systems. While a number of young people are involved with both systems simultaneously or at different times, the systems have distinct processes, roles and goals.

- The care and protection system investigates concerns around children suffering harm, ill-treatment, abuse, neglect and deprivation; providing protection and care.
- The youth justice system responds to a young person's offending behaviour, ensuring that they are held to account for their behaviour and their needs are considered, while also attending to the rights of victims and the safety of the community.

An operating model with a child-centred approach and high aspirations for young people will necessarily also have to ensure a fair and proportionate justice response.

Some protections, do however, exist for older young people

While full protections of the CYPF Act are limited to those aged over 17, there are, however, some existing legal protections for older young people:

- A recent amendment to the CYPF Act via the Children, Young Persons, and Their Families (Vulnerable Children) Amendment Act 2014 introduced provisions relating to the transition from care to independence.⁴ The changes create new obligations on the Chief Executive to provide additional advice and assistance, including financial support to young people who have been in care for at least three months after the age of 15, up until they are 20 years of age.
- Although the ability to have care or custody of a young person under the CYPF Act ends when the young person turns 17, guardianship under the Act can extend until the young person turns 20.⁵ In practice, guardianship does not provide the mandate to meet young people's needs in a way that is aligned with the Expert Panel's vision.

³ Referring here to the custody of the Chief Executive, a small number of young people continue under the guardianship of the Chief Executive.

⁴ Section 386A, comes into force in July 2016
<http://www.legislation.govt.nz/act/public/2014/0041/latest/DLM6110573.html>

⁵ Custody refers to day-to-day care of the child or young person. Guardianship refers to duties, powers, rights and responsibilities in relation to the upbringing of a child, including important matters affecting the child or young person such as religion, schooling, and medical consents.

- Under the Care of Children Act 2004, a child or young person can be placed in the guardianship of the Court up to the age of 18. This can occur where the Court has concerns for the child’s wellbeing, but Child, Youth and Family is not involved. In this scenario, the Court effectively has custody of the child.
- Under the Personal and Property Rights Act 1988, the Court can appoint a welfare guardian to make decisions about the personal care and welfare of a person who is 18 years or older. However, such an order can only be made where the Court is satisfied that the person lacks the capacity to understand the nature and consequences of these decisions for him or herself, or lacks the capacity to communicate such decisions.

The status quo for children not under the CYPF Act is that day-to-day care orders under the Care of Children Act 2004 lapse at age 16 and guardianship orders end at 18. Custody orders under the CYPF Act are comparable to day-to-day care orders under the Care of Children Act 2004. The rationale for having a different higher age for this type of order in the CYPF Act is the established vulnerability of these young people.

The current upper age means some vulnerable young people cannot access the support they need

Nevertheless, the current upper age definition in the CYPF Act is too low to achieve the Expert Panel’s aspirations for all vulnerable children and young people in New Zealand, as it excludes from its jurisdiction some young people who cannot be considered to have reached full adulthood, both from the perspective of alignment with international human rights, as well as from a developmental perspective.

The exclusion of 17 year-olds from protections afforded by the State to children and young people is not in alignment with the United Nations Convention on the Rights of the Child (UNCROC), ratified by New Zealand in 1993, which defines a child as a person under the age of 18.

Further reinforcement that the upper age is too low is provided by considering the social and developmental features of young adulthood in New Zealand:

- social norms and expectations surrounding young adulthood in New Zealand – while the age at which young people are considered to be adults varies across different contexts, many young people continue to be supported by and/or live with their families in their late teen years, and are not considered capable of some of the responsibilities of adulthood until 18 or older – this is reflected, for example, in the voting age⁶
- cognitive development – findings from neuroscience suggest that the process of brain maturation takes longer than previously thought, and that parts of the brain responsible for impulse control and judgement develop last. While still developing individuals are more likely

⁶ Other examples include eligibility for: income support; buying alcohol and tobacco products; getting married (without parental consent); jury service; cheque accounts, credit cards, loans.

to engage in risk-taking behaviour. Such research provides support for increasing the age at which young people are treated as adults⁷

- the majority of comparable international jurisdictions include 17 year-olds with their care and protection and youth justice systems. The international trend is towards extending the upper age of these protections.

Inclusion within the protections of the CYPF Act, affect young people's life outcomes

Section 9(2)(f)(iv) Active Consideration

could positively

The practical consequences of including older young people within the protections of the CYPF Act are likely to positively affect young people's outcomes.

Care and protection

In the care and protection context, the upper age limit means that young people cannot generally remain in State care from age 17 onwards. Young people who have been in care at the ages of 15 and 16 are some of New Zealand's most vulnerable young people; they are likely to have experienced highly disrupted childhoods, and often have poor long-term outcomes.

For some of these young people, the provisions of the CYPF Act ending at age 17 may have practical implications such as needing to move out of a foster placement or seek alternative sources of support to stay in a foster placement at this age. They or their caregiver will need to apply for a benefit for financial support unless they are fully self-supported through employment, and they may be responsible for managing their own finances.

For other vulnerable young people, the fact that the State does not have any formal obligation to them may exacerbate their vulnerability. It means that Child, Youth and Family is not required to carry out those functions that it pursues to ensure the wellbeing of young people subject to custody orders, such as making routine enquiries about the young person's safety and wellbeing, ensuring the provision of a placement and following up on young people if they are missing from their placement.

These vulnerable young people are at high risk of poor outcomes with high associated costs

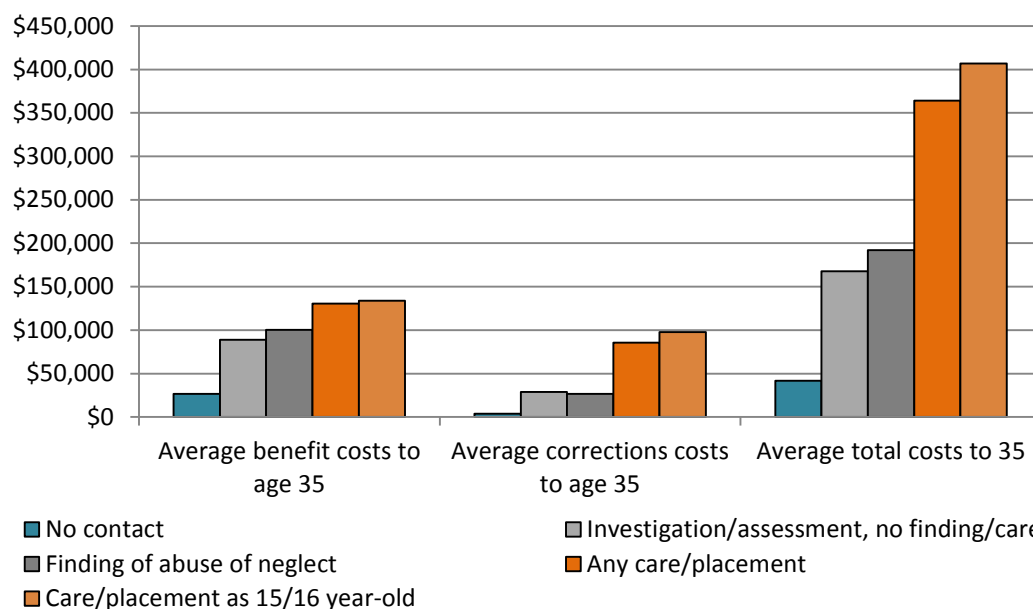
The pronounced vulnerability of young people transitioning out of care is reflected in data on outcomes into early adulthood for care leavers; most leave school without qualifications and go onto experience poor employment; many young women parent early and young men end up in prison at more than ten times the rate of the general population.⁸ Figure One below shows the high costs

⁷ See for example, Office of the Prime Minister's Chief Science Advisor. (2011). *Improving the transition: reducing social and psychological morbidity during adolescence*. Retrieved from: <http://www.pmcsa.org.nz/wp-content/uploads/Improving-the-Transition-report.pdf>

⁸ Of the roughly one per cent of young people who spent more than 3 months in Child, Youth and Family care as a 15 or 16 year-old: seven out of ten leave school without any qualifications; 8 in ten leave without NCEA Level II or an equivalent qualification (2 times higher than the general population); 90 per cent have time on a benefit before age 21 (2.5 times higher than the general population); four in ten of the young women are on a benefit with a child by age 21 (4 times higher than the general female population); six in 10 of the young men have a corrections sentence by age 21 (5.5 times higher

through to age 35 associated with these adverse outcomes. Average individual costs in the care and protection, benefit and Corrections systems for young care leavers are just over \$400,000 through to age 35.⁹

Figure One: Actual and projected costs through to age 35, by level of contact with Child, Youth and Family



Other costs which accrue to individuals over their lifetimes, and society, associated with poor outcomes for these young people, include reduced earnings and taxes, and physical and mental health costs.

Unsupported transitions to adulthood contribute to poor outcomes

Care-experienced young people have spoken of their pronounced sense of vulnerability as they transitioned to adulthood and feeling utterly unprepared for the process. For many young people their entry into care had been a traumatic experience, separating them from the only family they knew. Many have had their education disrupted while in care, and aspirations for success and achievement were low. They often have limited social networks and few trusted adults with an enduring commitment to stick with them. Typically, young people in care can have limited opportunities to take on responsibility and to safely test boundaries; to fail and recover. Then

than the general male population) and 21 per cent have received a custodial sentence (a rate 11.5 times higher than the general male population). These are findings from a new experimental data set and numbers may be revised, refer to: Crichton, S., Templeton, R., Tumen, S., Otta, R., Small, D., Wilson, M., & Rea, D. (2015) *New findings on outcomes for children and young people who have contact with Child, Youth and Family*. Wellington: Ministry of Social Development. Unpublished manuscript.

⁹ Ibid.

when independence does happen, it comes early, abruptly and with very little in the way of a safety net.

The protections under the Act and active support at this age can improve outcomes

Increasing the age of the definition of a young person in the CYPF Act is likely to improve outcomes for these young people. The international evidence from the Midwest Study in the United States compared states with different age settings and showed improved outcomes for young people in states with higher upper age limits.

A newly released randomised controlled trial of a comprehensive support service for care leavers has shown positive effects in several outcome areas in a one year follow-up study.¹⁰ While not directly related to age settings, this study is the most robust evaluation of interventions for care leavers to date, and shows that it is possible to improve outcomes for these sorts of vulnerable young people at this stage of life.

Achieving improved outcomes for these young people is likely to be cost effective

Given the high future costs of poor outcomes for young people in contact with the care and protection system, a number of studies have estimated that achieving even modest improvements in outcomes would be cost effective.¹¹ It is difficult to isolating the impact of changing the age settings and the available international evidence is not directly comparable to New Zealand.¹² However, a number of studies have shown improved outcomes and estimated a net benefit.¹³ The Midwest Study, focusing only on the education impacts, found that every \$1 spent on foster care beyond 18 years of age returned \$2 of benefits to foster youth as a result of increased earnings.¹⁴ A separate Washington State study showed a return on investment from extending support to young people leaving foster care through into tertiary education.¹⁵

¹⁰ Valentine, E. J., Skemer, M. & Courtney, M. (2015). *Becoming adults: One year impact findings from the youth villages transitional living evaluation*. Retrieved from: http://www.mdrc.org/sites/default/files/Becoming_Adults_FR.pdf

¹¹ For example, Raman, S., Inder, B., & Forbes, C., (2005) *Investing for Success: The Economics of Supporting Young People Leaving Care*. Centre for Excellence in Child and Family Welfare.

¹² Other jurisdictions already include 17 year-olds, the difference being studied is between support up to 18 and older.

¹³ For a discussion of the strengths and weaknesses of these analyses see part 4 in: Provincial Advocate for Children & Youth (2012). *25 is the new 21*. Toronto: The Office of the Provincial Advocate for Children & Youth. <http://provincialadvocate.on.ca/documents/en/ylc/25istheNew21.pdf>

¹⁴ Courtney, M. (2015). *Do the Benefits of Extending Foster Care to Age 21 Outweigh the Costs? Evidence from Illinois, Iowa, and Wisconsin*. Wisconsin Family Impact Seminar Number 33. <https://www.purdue.edu/hhs/hdfs/fii/wp-content/uploads/2015/10/CourtneyReportChapter.pdf>

¹⁵ Burley, M., Lee, S. (2010). *Extending foster care to age 21: Measuring costs and benefits in Washington State*. Olympia: Washington State Institute for Public Policy. <http://www.wsipp.wa.gov/pub.asp?docid=10-01-3902>

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

The current age settings do not meet the Expert Panel’s aspiration for the system

These considerations suggest that enabling more young people to access the provisions of the CYPF Act would increase the State’s exercise of its responsibilities towards children and young people, contribute to a child-centred approach, help ensure young people are able to access support, services and protections in keeping with their developmental stage, and help improve long-term outcomes for vulnerable young people.

Since developmental trajectories vary between individuals, setting an age threshold necessarily means that some people who may not have reached all the developmental markers of full adulthood may be excluded from certain provisions. However, for the purposes of achieving the Expert Panel’s objectives, it is important that to the extent possible within these and other constraints, those who cannot yet be considered adults are afforded the full set of protections available to children and young people.

The Panel noted that Māori young people were significantly over-represented in the both the care and protection and youth justice systems. As such the negative effect of exclusion from the protections of the CYPF Act falls disproportionately on the life outcomes of Māori.

Recent amendments to the CYPF Act to better support young people leaving care do not fully meet the Expert Panel’s objectives around the need for greater support for 17 year-olds, as it does not provide any guaranteed support for these young people. While these changes should increase the level of support provided over the transition process, it is unclear at this stage whether the entitlements set out in the new provisions will result in the level and duration of support likely to be required by many of these young people. The application of existing legislative provisions that may support young people is subject to variations of policy and practice.

Options to support care leavers to older ages will be addressed in the second stage of proposals to be submitted to Cabinet, which will include a proposed legislative change to create a right to remain in, or return to, care up to age 21, which will require reform of the financial support for these young adults through care and income support systems.

Key Cabinet decisions

- In April 2015, the Minister for Social Development announced the establishment of the Modernising Child, Youth and Family Expert Panel to develop a plan for the modernisation of Child, Youth and Family. The Expert Panel’s Terms of Reference and initial membership were

noted by Cabinet in February 2015 [SOC Min (15) 2/2 refers]. The Expert Panel’s Terms of Reference included within the Expert Panel’s scope “actions required to ensure effective planning for young people transitioning from care, including consideration of the costs and benefits of increasing the age of leaving care”.

- In September 2015, Cabinet considered the Expert Panel’s interim report, and noted that the report signals the need for a substantial programme of transformational change with significant financial and legislative implications, and endorsed the Expert Panel’s proposed principles and building blocks, including having high aspirations for vulnerable children [CAB-15-MIN-0075 refers].

Objectives

Three objectives have been developed based on the Expert Panel’s high-level objectives:²³

- Promote State responsibility for meeting young people’s needs as part of a child-centred approach.
- Support young people in their transition to adulthood.
- Improve long-term outcomes of young people.

Three further criteria against which options are considered are:

- durability
- fiscal and operational impact
- alignment with other Government objectives.

The following table provides a more detailed breakdown of how proposals will be assessed against the objectives and additional criteria.

Objective	How proposals will be assessed against objective
Promote State responsibility for meeting young people’s needs as part of a child-centred approach	<p>The analysis will consider the extent to which proposals:</p> <ul style="list-style-type: none"> • enhance the State’s responsibility for meeting the needs of individual young people through to adulthood • align with UNCROC • support a child-centred approach that considers all of the needs of the child or young person and gives full effect to their rights.

²³ The Expert Panel agreed on six objectives for a child-centred system: Ensuring that children have the earliest opportunity for a loving and stable family; Addressing the full range of needs for each child; Preventing victimisation of children; Helping children to heal and recover; Supporting children to become flourishing adults; Helping children and young people to take responsibility for their actions and live crime-free lives.

Support young people in their transition to adulthood	<p>The analysis will consider the extent to which proposals:</p> <ul style="list-style-type: none"> • will result in the provision of support to young people that is commensurate to their stage of development • support other reforms of the Expert Panel that seek to build a safe and successful transition to adulthood for young people.
Improve long-term outcomes of young people	<p>The analysis will consider the extent to which there is evidence to show that the proposals will:</p> <ul style="list-style-type: none"> • improve the long-term social, educational, health, criminal justice and employment outcomes of young people • support a social investment approach based on a forward view of lifetime costs. <p>A discussion of the evidence on which the analysis of this objective is based is provided in Appendix A.</p>
Additional criteria	How these additional criteria will be assessed
Durability	<p>The analysis will consider the extent to which proposals are likely to:</p> <ul style="list-style-type: none"> • achieve sustained change in the direction sought • support the long-term transformation required to implement the new operating model for vulnerable children and young people.
Fiscal and operational impact	<p>The analysis will consider the following impacts, and will favour proposals that achieve the objectives above while minimising the fiscal and operational impact:</p> <ul style="list-style-type: none"> • the compliance costs of implementing the proposal across government agencies, and for other organisations • the operational implications of implementing the proposals for government agencies, and any other affected organisations, including the scope and magnitude of organisational change required to implement proposals.

Alignment with other Government objectives

Where relevant, the analysis will consider the extent to which proposals are aligned with other objectives that Government is seeking to achieve. The analysis will favour proposals that support Government objectives beyond those specified above, and those that do not hinder the achievement of such objectives.

Government objectives that will be considered in this context, where appropriate, include:

- existing government policy settings and legislation
- Better Public Services targets
- relevant strategy documents, eg the Children’s Action Plan
- the direction being taken by key work programmes underway.

Section 9(2)(f)(iv) Active Consideration

The objectives and additional criteria have been equally weighted in this analysis.

Options and impact analysis

The following sections analyse the impacts of different options for addressing the problem definition. The options have been analysed separately for care and protection provisions and youth justice provisions, as there are some distinct issues for each of the two sets of provisions. There are no particular legal difficulties with approaching these age settings separately. However, if different options were selected this would obviously result in inconsistent treatment of young people between the two jurisdictions.

All options identified in the tables below for care and protection and youth justice assume that other changes recommended by the Expert Panel will proceed; it is important to note that expanding the age settings in the CYPF Act will help meet the objectives above irrespective of whether other changes are progressed.

Feasible options: Care and protection

The following table identifies and considers the impact of each of the potential non-regulatory and regulatory options for addressing the problem in the care and protection system.

Option	Features and implications	Benefits	Issues/Risks	Social impacts
Option 1 – Make policy and practice changes to increase exercise of State responsibility towards 17 year-olds and potentially older young people (non-regulatory option)	Policy settings around the responsibilities of the care and protection agency for 17 year-olds (or older young people) could be strengthened via a Cabinet decision that the agency is responsible for fulfilling certain functions with regards to 17 year-olds (or older young people) who have left the custody of the chief executive, equivalent to those functions carried out with respect to 16 year-olds in the custody of the chief executive.	<ul style="list-style-type: none"> • <i>Promote State responsibility</i> – this option slightly increases the State’s exercise of its responsibility for meeting young people’s needs. It also goes some way towards increasing alignment of New Zealand’s practices with UNCROC by extending the protections afforded by the State, in practice, to a wider group of children and young people. • <i>Support transitions</i> – this option provides some opportunity to meet young people’s needs in a way that is aligned to their developmental stage and level of vulnerability, to assist in a safer and successful transition to adulthood. • <i>Improve long-term outcomes</i> – this option may improve long-term outcomes for some young people. International evidence indicates that increasing the age at which young people leave care is likely to have a positive impact on long-term outcomes. It is possible that this is linked to the nature and level of support provided to vulnerable young people. 	<ul style="list-style-type: none"> • <i>Promote State responsibility</i> – this does not increase the CYPF Act’s alignment with UNCROC. It also does not extend the scope of the State’s responsibility for young people, despite increasing the exercise of those responsibilities. • <i>Support transitions and Improve long-term outcomes</i>– policy settings that are not reinforced by legislation could be overridden by other policy and operational priorities. This means that some vulnerable young people may not receive the support they need and may be less likely to attain positive long-term outcomes. • <i>Fiscal and operational impact</i> – this option will have some fiscal and operational impact due to the increased support that would be expected to be provided to 17 year-olds by the agency delivering care and protection services. The fiscal and operational impacts are less than for Option 2, as the provisions of the CYPF Act allowing for protection processes (reporting of concerns, investigations and assessments) will not apply under this option. There would be impacts on care and housing providers for vulnerable youth, and potentially flow on impacts for health and other support services where these 17 year-olds access enhanced support as a result of having an effective advocate. • <i>Durability</i> – without a legislative mandate, there is reduced likelihood that any increased support provided to young people aged 17 and over via improved policy and practice is continued into the future. 	<p><i>Young people</i></p> <ul style="list-style-type: none"> • Vulnerable 17 year olds would be entitled to access services they are currently not eligible for. • 16 year-olds in care would have an indication that support for them could continue into their 17th year. <p><i>Stakeholders</i></p> <ul style="list-style-type: none"> • Organisations that work with young people could have an expectation on the agency to provide support to 17 year-olds. <p><i>Communities</i></p> <ul style="list-style-type: none"> • Communities would know that young people in care have an opportunity to be supported for longer.
Option 2 – Raise the upper age for the application of care and protection provisions in the CYPF Act to include 17 year-olds (regulatory option)	The definition of a young person in the CYPF Act would be amended to include 17 year-olds (for care and protection provisions). This would cover approximately 63,000 additional young people. ²⁴	<ul style="list-style-type: none"> • <i>Promote State responsibility</i> – this significantly enhances State responsibility for 17 year-olds in New Zealand by bringing them into the jurisdiction of the CYPF Act. This would also increase New Zealand’s alignment with UNCROC, and allow for a child-centred approach to be taken with respect to vulnerable 17 year-olds as recommended by the Expert Panel. • <i>Support transitions</i> – this option provides greater mandate to meet young people’s needs in a way that is aligned to their developmental stage and level of vulnerability to assist in a safer and successful transition to adulthood. It is likely to provide such support more consistently than under Option 1. 	<ul style="list-style-type: none"> • <i>Fiscal and operational impact</i> – this option will have significant fiscal and operational impacts for the agency delivering the care and protection service. <ul style="list-style-type: none"> – Bringing 17-year-olds into the ambit of the Act’s care and protection provisions will primarily impact on the department through an increase in workloads for care and protection services. Services such as investigation and assessment of abuse and neglect, and provision of care are not replicated by other systems, so there are minimal savings in other agencies. Some savings should be realised in income support to 17 year-olds. – There would be impacts on care and housing providers for vulnerable youth, and potentially flow on impacts for 	<p><i>Young people</i></p> <ul style="list-style-type: none"> • Vulnerable 17 year olds would be entitled to access services they are currently not eligible for, including investigation of reports of abuse and neglect and foster care. • 16 year-olds in care would have greater certainty that support for them could continue into their 17th year. • Vulnerable 17 year-olds could seek support from the agency if they were in need of care or protection.

²⁴ Statistics New Zealand, 2015, Estimated resident population by age and sex, September 2015.

Option	Features and implications	Benefits	Issues/Risks	Social impacts
		<ul style="list-style-type: none"> • <i>Improve long-term outcomes</i> – there is some evidence that remaining in care into older ages increases the likelihood of positive long-term outcomes. However, it is not possible to determine whether there is any greater benefit beyond that provided by Option 1, except that a mandate would exist to ensure 17 year-olds would be supported more consistently under this option. • <i>Durability</i> – this option provides assurance of ongoing State responsibility for the care and protection of vulnerable 17 year-olds. 	<p>health, education and other support services where these 17 year-olds access enhanced support as a result of having an effective advocate.</p> <ul style="list-style-type: none"> – There would be a need to also amend section 15 of the Vulnerable Children Act 2014 to update this definition. This might have implications for the scope of services and agencies required to have child protection policies and undertake child worker safety checking. Tertiary education is not currently included as a regulated service, and most other regulated services would not be affected by the change. 	<p><i>Stakeholders</i></p> <ul style="list-style-type: none"> • Organisations that work with young people would have clearer expectations on the agency to provide support to 17 year-olds. • Concerned professionals could seek support for vulnerable 17 year-olds. <p><i>Communities</i></p> <ul style="list-style-type: none"> • Communities would have greater confidence that young people in care will be supported for longer. • Concerned citizens could seek support for vulnerable 17 year-olds who they believe are being abused or neglected.
<p>Option 2a – Enable certain care and/or protection related sections of the CYPF Act to apply to 17-year-olds without amending the definition (regulatory option)</p>	<p>In order to meet the objectives sought, amendments to increase the age would have to be made to relevant provisions of the CYPF Act relating to care, eg to allow custody orders to continue to apply to young people aged 17. Nevertheless, there are multiple possible scopes for this option, depending on which provisions it applies to.</p> <p>This could be done by:</p> <ul style="list-style-type: none"> • making amendments to the individual sections that are considered to be beneficial to 17 year-olds • making amendments to the individual sections considered beneficial to 17 year-olds to give the chief executive discretion to apply the sections concerned to a 17 year-old • enacting an amendment to authorise the application of specified sections of the CYPF Act to specified 17 year-olds by Order in Council. 	<ul style="list-style-type: none"> • <i>Promote State responsibility</i> – this enhances State responsibility for 17 year-olds in New Zealand by bringing them into the jurisdiction of certain provisions of the CYPF Act. This would also increase New Zealand’s alignment with UNCROC. • <i>Support transitions</i> – this option could provide some opportunity to meet young people’s needs in a way that is aligned to their developmental stage and level of vulnerability to assist in a safer and successful transition to adulthood. The number of young people who would benefit, and how much they would benefit, would depend on which sections of the legislation this option is applied to. • <i>Improve long-term outcomes</i> – international evidence indicates that increasing the age at which young people leave care is likely to have a positive impact on long-term outcomes. • <i>Durability</i> – this option provides assurance of ongoing State responsibility for certain aspects of the care of vulnerable 17 year-olds. 	<ul style="list-style-type: none"> • <i>Promote State responsibility</i> – this does not fully align with UNCROC as only specified care and protection provisions will apply to 17 year-olds. • <i>Fiscal and operational impact</i> – this option will have some fiscal and operational impacts for the agency delivering care and protection service. <ul style="list-style-type: none"> – Bringing 17-year-olds into the ambit of some of the Act’s care provisions will primarily impact on the department through an increase in workloads for care services. Impacts will be less than for Option 2, as the changes will only apply to certain care provisions of the Act. – There would be impacts on care and housing providers for vulnerable youth, and potentially flow on impacts for health and other support services where these 17 year-olds access enhanced support as a result of having an effective advocate. • <i>Alignment with Government objectives</i> – changes to CYPF Act age settings could potentially strengthen arguments for changes to other age settings, for example the age of leaving school or education, currently age 16. 	<p><i>Young people</i></p> <ul style="list-style-type: none"> • Some older young people would have access to services that they do not currently have legislative access to. • If this was used to extend foster care, young people in care have greater certainty that support for them would continue. <p><i>Stakeholders</i></p> <ul style="list-style-type: none"> • Organisations that work with young people would have clearer expectations on the agency to provide support to 17 year-olds. <p><i>Communities</i></p> <ul style="list-style-type: none"> • Communities would have greater confidence that young people in care will be supported for longer.
<p>Option 3 – Raise the upper age for the application of care and protection provisions to older young people (regulatory option)</p>	<p>The definition of a young person in the CYPF Act would be amended to include 17 year-olds and older young people (for care and protection provisions).</p> <p>There are multiple options for where the upper age limit could be drawn (eg 18, 19 or 20).</p>	<ul style="list-style-type: none"> • <i>Promote State responsibility</i> – this enhances State responsibility for a wider group of young people than Option 2. This may include some vulnerable young people who from a developmental and social perspective may be seen to require the protections and support provided by the care and protection provisions in the CYPF Act. 	<ul style="list-style-type: none"> • <i>Fiscal and operational impact</i> – this option will have significant fiscal and operational impacts for the agency delivering care and protection services, over and above those under option 2: <ul style="list-style-type: none"> – Bringing 17-year-olds and older young people into the ambit of the Act’s care and protection provisions will primarily impact on the department through an increase in workloads for care and protection services. Services such 	<p><i>Young people</i></p> <ul style="list-style-type: none"> • Older young people in care would have greater certainty that support for them could continue. • Vulnerable young adults could seek support from the agency if they were in need of care or protection.

Option	Features and implications	Benefits	Issues/Risks	Social impacts
		<ul style="list-style-type: none"> • <i>Support transitions</i> – this option provides greater opportunity to meet young people’s needs in a way that is aligned to their developmental stage and level of vulnerability to assist in a safer and successful transition to adulthood. It is likely to provide such support to a greater number of young people than Option 2. • <i>Improve long-term outcomes</i> – there is some evidence that remaining in care into older ages increases the likelihood of positive long-term outcomes. However, it is not possible to determine whether there is any greater benefit beyond that provided by Option 2, except that it is likely that 17 year-olds and older young people would be supported more consistently under this option. • <i>Durability</i> – this option provides assurance of ongoing State support and protection for the care and protection of vulnerable 17 year-olds and older young people. 	<p>as investigations of abuse, child protection and provision of care are not replicated by other systems, so there are minimal savings in other agencies. Some savings should be realised in income support to 17 year-olds and older young people.</p> <ul style="list-style-type: none"> – There would be impacts on care and housing providers for vulnerable youth, and potentially flow on impacts for health and other support services where these 17 year-olds and older young people access enhanced support as a result of having an effective advocate. – Further consideration is required of whether this would result in savings for any agencies that currently provide services for 17 year-olds and older young people. <ul style="list-style-type: none"> • <i>Alignment with Government objectives</i> – treating those aged 18 and older as children and young people under the CYPF Act may not be in alignment with most other domestic legislation and policy settings in which 18 year-olds are considered to be adults. For example, guardianship orders under the Care of Children Act 2004 end at age 18. 	<ul style="list-style-type: none"> • These are services they cannot currently access. <p><i>Stakeholders</i></p> <ul style="list-style-type: none"> • Organisations that work with older young people would have clearer expectations on the agency to provide support. • Concerned professionals could seek support for vulnerable young adults. <p><i>Communities</i></p> <ul style="list-style-type: none"> • Communities would have greater confidence that young people in care will be supported for longer. • Concerned citizens could seek support for vulnerable young adults.
<p>Option 3a – Enable certain care and/or protection related sections of the CYPF Act to apply to older young people without amending the definition (regulatory option)</p>	<p>In order to meet the objectives sought, amendments to increase the age would have to be made to relevant provisions of the CYPF Act relating to care, eg to allow custody orders to continue to apply to young people aged 17 and over. Nevertheless, there are multiple possible scopes for this option, depending on which provisions it applies to.</p> <p>This option could potentially be combined with Option 2.</p> <p>This could be done by:</p> <ul style="list-style-type: none"> • making amendments to the individual sections that are considered to be beneficial to older young people • making amendments to the individual sections considered beneficial to older young people to give the chief executive discretion to apply the sections concerned to older young people • enacting an amendment to authorise the application of specified sections of the CYPF Act to specified older young people by Order in Council. 	<ul style="list-style-type: none"> • <i>Promote State responsibility</i> – this enhances State responsibility for 17 year-olds and older young people in New Zealand by bringing them into the jurisdiction of certain provisions of the CYPF Act. This would increase New Zealand’s alignment with UNCROC for those young people within scope. • <i>Support transitions</i> – this option could provide some opportunity to meet young people’s needs in a way that is aligned to their developmental stage and level of vulnerability to assist in a safer and successful transition to adulthood. The number of young people who would benefit, and how much they would benefit, would depend on which sections of the legislation this option is applied to. • <i>Improve long-term outcomes</i> – international evidence indicates that increasing the age at which young people leave care is likely to have a positive impact on long-term outcomes. The extent to which young people would benefit would depend on which sections of the legislation this option is applied to. • <i>Durability</i> – this option provides assurance of ongoing State responsibility for certain aspects of the care of vulnerable 17 year-olds and older young people. 	<ul style="list-style-type: none"> • <i>Promote State responsibility</i> – on its own, this option does not fully align with UNCROC as only specified care and protection provisions will apply to 17 year-olds. • <i>Fiscal and operational impact</i> – this option will have some fiscal and operational impacts for the agency delivering care and protection service. <ul style="list-style-type: none"> – Bringing 17-year-olds and older young people into the ambit of some of the Act’s care provisions will primarily impact on the department through an increase in workloads for care services. Impacts will be less than for Option 3, as the changes will only apply to certain care provisions of the Act. – There would be impacts on care and housing providers for vulnerable youth, and potentially flow on impacts for health and other support services where these 17 year-olds access enhanced support as a result of having an effective advocate. • <i>Alignment with Government objectives</i> – treating those aged 18 and older as children and young people under the CYPF Act may not be in alignment with most other domestic legislation and policy settings in which 18 year-olds are considered to be adults. For example, guardianship orders under the Care of Children Act 2004 end at age 18. 	<p><i>Young people</i></p> <ul style="list-style-type: none"> • Older young people in care would have greater certainty that support for them could continue. • These are services they cannot currently access. <p><i>Stakeholders</i></p> <ul style="list-style-type: none"> • Organisations that work with older young people would have clearer expectations on the agency to provide support. <p><i>Communities</i></p> <ul style="list-style-type: none"> • Communities would have greater confidence that young people in care will be supported for longer.

Preferred option

The analysis shows that Option 2 and 3 are most likely to achieve the desired objectives, primarily because these options:

- will fully align with UNCROC and considerably increase the State's responsibility towards a group of vulnerable young people
- mandate consistent support of young people in their transition to adulthood
- will ensure that the additional support afforded by these provisions will endure over time and not be affected by changes to policy, practice or resource constraints.

Of these two options, Option 2 is likely to achieve all three key objectives, while minimising the fiscal and operational impact. There is also a stronger case for the inclusion of 17 year-olds within the remit of the CYPF Act than there is for older age groups, as these older young people are outside of the application of UNCROC, and there are fewer of them who would be considered to be developmentally and socially unprepared for adulthood. This also aligns more strongly with other Government policy settings whereby young people are considered to be adults for most purposes by age 18, such as the voting age, and for being a lawful signatory to a tenancy agreement under the Residential Tenancies Act 1989.

While Option 3a on its own will not achieve all of the objectives above, it could build on the benefits of Option 2 if added to it.

Section 9(2)(f)(iv) Active Consideration

Discussion of preferred option

Investment approach

Raising the upper age for the application of care and protection provisions in the CYPF Act to include 17 year-olds (Option 2) will primarily impact on increased demand for plans and orders, care services, caregiver management and therapeutic interventions. There are unlikely to be immediate direct savings to other agencies through increased demand, although savings over time are expected in other agencies following reduced vulnerability and improved life outcomes for these children.

Ahead of detailed design of the new operating model, the early indicative estimated investment required to raise the upper age is \$39 million per annum by the 2019/20 financial year driven by 500 additional care and protection orders. This estimate has been developed using actual activity costs across the care and protection system, and is based on the expansion of current services ahead of significant changes to the configuration of services through the wider reform programme.²⁵

In a future operating state, if it was assumed that the majority of overheads for activity costs were absorbed and there was a lower average demand for front-end service activities then the investment

²⁵ Cost Activity Model for initial contacts, report of concerns, safety assessment, child and family assessment, Investigation, partnered response, informal resolution, family group conferences, family court order, high/family court wards, custody reports, executing warrants, plans and orders, care services, caregiver management, therapeutic interventions

required would be around \$24 million per annum.²⁶ However, these efficiencies would be almost entirely off-set by additional investment in intensive support required for these 17 year-olds and new investment in evidence-based interventions in line with the approach across the new operating model.

It is important to note that raising the age will not happen in isolation from the wider reform programme. Further detailed costings will be developed as part of an overall additional investment strategy for the new operating model, including any fiscal or other impacts for other agencies.²⁷ Final investment options will be presented to the Ministerial Oversight Group for agreement ahead of funding being drawn from the contingency fund for the reform programme being established through Budget 2016.²⁸

Return on investment

It is expected that including 17 year-olds in the care and protection system would result in:

- an increase in young people receiving the help they need, when they need it
- increased stability of loving care
- improved transitions to adulthood.

This should have a range of associated social and fiscal benefits. The best evidence from the Midwest Study in the United States suggests that these benefits should include:

- increased educational attainment
- reduced expenditure on income support
- delayed childbearing
- reduced homelessness
- reduced offending among women.

It is difficult to complete a robust cost-benefit assessment of the net rate of return, in part because of the challenges involved in isolating the impact of a universal single year increase to age settings. Because we cannot accurately quantify the benefits of the proposal we have not undertaken a cost-benefit analysis. However, it is useful to note that analysis using the Midwest Study, focusing only on the education impacts, found that every \$1 spent on foster care beyond 18 years of age returned \$2 of benefits to foster youth as a result of increased earnings.²⁹

²⁶ Cost Activity Model overheads include legal, security, depreciation, property, capital change, finance, human resources, information technology, and other costs.

²⁷ There would also be some additional costs to other agencies who contribute to the care and protection system, such as increased Court costs for yearly reviews of custody orders.

²⁸ The Ministerial Oversight Group is a group of relevant Ministers that has been set up to oversee the proposed Transformation Programme for Modernising Child, Youth and Family.

²⁹ Courtney, M. (2015). *Do the Benefits of Extending Foster Care to Age 21 Outweigh the Costs? Evidence from Illinois, Iowa, and Wisconsin*. Wisconsin Family Impact Seminar Number 33. <https://www.purdue.edu/hhs/hdfs/fij/wp-content/uploads/2015/10/CourtneyReportChapter.pdf>

In the future the investment approach will provide information on the return on investment (or cost benefit) across the entire new operating model to be clearly demonstrated through an independent actuarial valuation.

In the absence of a valuation, the results from the 2015 valuation of the benefit system provide an illustration of one component of return of investing earlier in these children. Analysis of around 100,000 clients aged 16-25 within the valuation showed that one third had a history of contact with Child, Youth and Family. It also showed that approximately half the total lifetime benefit system costs were associated with this group.

Other impacts

The preferred option would require a consequential amendment to section 15 of the Vulnerable Children Act 2014 to update this definition. This might have implications for the scope of services and agencies required to have child protection policies and undertake children's worker safety checking. This would not apply to tertiary education under current provisions and most other regulated services would not be affected by the change because they are already covered by the Act.

Consequential amendments would also be required to definitions in the Social Security Act 1964, Income Tax Act 2007, Policing Act 2008, Criminal Disclosure Act 2008, and the Families Commission Act 2003. The implications of these changes have not yet been fully analysed, but are expected to be primarily wording changes to reflect the revised definition in the CYPF Act, rather than substantive changes to the intent of the relevant provisions.

As a result of giving greater effect to the rights contained in UNCROC, New Zealand can expect to receive fewer reports from the United Nations about breaches.

The preferred option will impact on disability services. Most children and young people receiving disability services will have received them in childhood and will continue to receive them into adulthood. The Panel has recommended repealing s141 and s142 out-of-home care provisions for disabled children; therefore, the impact of the age increase may not be as complex for the health sector as they otherwise would have been, however detailed design is required to confirm the full impact.

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Consultation

The Panel has now completed the high-level design of a new operating model, which has been informed by a collaborative process with children, young people, families, caregivers, victims, experts from across the system, and an extensive review of local and international research. More detail on the consultation processes undertaken is provided at Appendix B.

Raising the age settings in the CYPF Act is not a novel idea and has been publicly considered in the recent past:

- A petition to raise the age of care was considered by the Social Services Select Committee in 2015 and was supported by the Committee.⁴¹
- The Children, Young Persons, and Their Families Amendment Bill (No 6) was introduced in 2007 and included a provision to raise the age of care and protection and youth justice to include 17 year-olds. This provision was supported in the report back from the Social Services Committee in August 2008; however the Bill was discharged in 2012. Consultation feedback on the Bill was mostly in favour of raising the age. A minority of submitters raised concerns about the increased pressure this would place on existing systems and services, and some opposed the proposal on the grounds that it would impinge on young people's rights and legal autonomy, reflected for example in section 50 of the Care of Children Act 2004 where parenting orders lapse at age 16.

Section 9(2)(f)(iv) Active Consideration

⁴¹ http://www.parliament.nz/resource/en-nz/51DBSCH_SCR66021_1/8ac9d08a45f0c12ccc13abfa7b6d00034373252c

Implementation plan

The proposed changes to the age settings would be implemented as part of the Transformation Programme associated with the reform package. The Transformation Programme will use leading practices for change management, risks and issues management, and a “three lines of defence”⁴² assurance model, to ensure the sophistication of the delivery capabilities are in line with the complexity and importance of this work to the future of New Zealand’s children and young people. Phased implementation of the proposed age settings would be undertaken separately with:

- the care and protection jurisdiction in Jan 2017 – Jun 2017

Section 9(2)(f)(iv) Active Consideration

The proposals and the wider Transformation Programme represent significant changes for young people in contact with these systems and present risks that existing clients experience disruptions or adverse effects. Ensuring a coherent experience for existing service users is a primary consideration of the Transformation Programme; these risks will be actively identified and managed through-out this process.

Further work on implementation impact

The detailed implications of the proposals recommended in this RIS will need to be worked through as part of design, development and implementation. This will include identifying the:

- increase in protection, care Section 9(2)(f)(iv) costs
- increase in demand on workforce
- increase in demand on care and associated service providers
- impact on accountabilities, functions and demand for services from other agencies

Section 9(2)(f)(iv) Active Consideration

- tension with other systems , for example the effect on other entitlements such as youth benefits.

Monitoring, evaluation and review

The legislative changes proposed form part of a large set of reforms to develop a new operating model for responding to vulnerable children, young people and their families.

The extent to which the new operating model is achieving the full range of objectives sought will be measured through improvements in childhood and adulthood wellbeing indicators. It is intended that the system take an investment approach, as part of which information will be gathered on children, young people and families, their risks of poor outcomes over their lifetimes, and the costs of the services provided to them and their effectiveness in improving short-term and long-term wellbeing.

An early part of the implementation work is to develop an actuarial liability model, which would create an investment framework that helps identify the scope for future investment and ongoing

⁴² This is a model that provides a simple and effective way to enhance communication on risk management and control by clarifying essential roles and duties. The First Line of Defence refers to programme management, the Second Line of Defence includes risk management oversight and governance, and the Third Line of Defence provides independent assurance. See the Institute of Internal Auditors (IIA) www.globaliia.org

results of investment decisions in services, programmes and interventions. Once the forward liability model has been built, formal liability targets would be established.

Experience with other liability models suggests an aspirational target to reduce the forward costs of maltreatment and vulnerability by 50 percent over a generation is ambitious but achievable with concerted leadership and investment. This translates to an indicative overall liability reduction of 20 percent over five years, once the new operating model is in place.

The quality of their experience of the system as assessed by vulnerable children and young people, their families, caregivers Section 9(2)(f)(iv) and perception of the system among the wider New Zealand public, would also be taken into account.

Appendix A: Evidence on age settings and long-term outcomes of young people

Care and protection

There is no New Zealand evidence on the likely impact of raising the age of care and protection. We are not aware of any international studies of the benefits of raising the statutory age of care from 17 to 18. However, a number of studies indicate that raising the statutory age for young people in care through to 21 could have a number of benefits in terms of individual efficacy, educational success and participation in training. While not directly comparable to the options at hand, they are suggestive.

The Midwest Evaluation of the Adult Functioning of Former Foster Youth (Midwest Study) followed young people from Iowa, Wisconsin and Illinois as they transitioned out of foster care into adulthood.⁴³ At the time of the studies these states had different ages for exiting care, enabling comparison of the outcomes between young people who could remain in care until 18 and those who could remain in care until 21. Key findings include:

- extending care to age 21 increased the likelihood of foster youth completing one year tertiary education by about four times.⁴⁴ Improved postsecondary educational achievement was estimated to increase the per-person present-discounted value of earnings by approximately \$72,000. This represents almost \$2 increased personal income for every \$1 spent on keeping youth in care⁴⁵
- remaining in care after the age of 18 years was associated with a 47 percent reduction in the probability of becoming pregnant between the baseline interview (at age 17 years) and the next interview at age 19⁴⁶
- there was some evidence that remaining in care beyond 18 years of age is associated with reduced probability of justice system involvement for women but not for men.⁴⁷

A Washington State initiative allowed young people to remain in care to age 21 if they were attending tertiary education. The participants were young people in care with higher educational achievement than other young people in care. A matched comparison group analysis showed significant improvements in tertiary education attendance.⁴⁸ Those who stayed in care also had

⁴³ <http://www.chapinhall.org/research/ongoing/midwest-study-adult-functioning-former-foster-youth>

⁴⁴ Dworsky, A. & Courtney, M. (2010). *Does extending foster care beyond age 18 promote post-secondary educational attainment?* Chicago: Chapin Hall at the University of Chicago. https://www.chapinhall.org/sites/default/files/publications/Midwest_IB1_Educational_Attainment.pdf

⁴⁵ Peters, C. M. Dworsky, A., Courtney, M., & Pollack, H. (2009). *Extending Foster Care to Age 21: Weighing the Costs to Government against the Benefits to Youth*

⁴⁶ Dworsky, A. & Courtney, M. (2010). The risk of teenage pregnancy among transitioning foster youth: Implications for extending state care beyond age 18. *Children and Youth Services Review*, 32(10), 1351–1356. doi: 10.1016/j.chilyouth.2010.06.002

⁴⁷ Lee, J. S., Courtney, M. E., & Hook, J. L. (2012). Formal bonds during the transition to adulthood: Extended foster care support and criminal/legal involvement. *Journal of Public Child Welfare*, 6(3), 255-279. Retrieved from <http://www.tandfonline.com/loi/wpcw20#.VPSy5PldX5E>

⁴⁸ Burley, M., Lee, S. (2010). *Extending foster care to age 21: Measuring costs and benefits in Washington State*. Olympia: Washington State Institute for Public Policy. <http://www.wsipp.wa.gov/pub.asp?docid=10-01-3902>

fewer arrests, and used food stamps for a shorter period of time compared to foster youth who aged out of care earlier. Employment outcomes and the number who had children were not significantly different. The programme was estimated to be cost-beneficial over the long term.

The Staying Put: 18 Plus Family Placement Programme in England offered young people the opportunity to remain in care until age 21, so they could move to independence at their own pace.⁴⁹ This provided young people with the stability and support necessary to achieve in education, employment and training. Findings from the pilot evaluation showed that those who stayed put were more than twice as likely to be in full time education at age 19, compared with those who transitioned out of State care earlier.

An issue with the interpretation of this evidence is that is not possible to disaggregate the effects of age settings within the legislation from the overall nature and level of support provided to young people transitioning from care.

Section 9(2)(f)(iv) Active Consideration

⁴⁹ Munro, E., Lushey, C., Maskell-Graham, D., Ward, H & Holmes, L. (2012). *Evaluation of the staying put: 18 plus family placement programme: final report* . Retrieved from:

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Appendix B: Consultation processes undertaken as part of the Expert Panel’s work

Reference Groups

The collaborative design approach involved engaging a diverse set of participants to ensure all voices are heard and considered; recognising that institutional knowledge is only one source of insight into the changes required. To ensure this occurred, Practice and Māori Reference Groups and a Youth Advisory Panel were established to test, challenge and refine the design work from the perspectives of key client and stakeholder groups.

These groups included young people with experiences exiting State care and highly experienced practitioners including Police and Youth Justice experts, and parole board members.

Research with system participants

The Expert Panel has engaged with many users of the care, protection and youth justice systems through interviews to understand the strengths and opportunities of the current system and its operating model. A comprehensive research protocol was developed for the interview approach.

Research participants included young people with experiences exiting state care and young people with experiences of the youth justice system.

Collaborative design workshops

Users of the care, protection and youth justice systems were also engaged to explore what a future system that places children and young people at its centre would look like.

Collaborative design workshops were used as a forum for generating new ideas and aspirations; a safe and engaging place where facilitators worked together with the users of the system to imagine the future in New Zealand. These workshops came up with unconstrained “what if” ideas that were then further developed, tested and refined.

Stakeholder engagement

The Panel and Secretariat engaged with a number of people with expertise in care, protection and youth justice or analogous sectors both in New Zealand and internationally. As part of the design process views were heard on the appropriate age settings for care and protection and youth justice, but these proposals were not explicitly consulted on. A sample of youth-related stakeholders engaged is included below:

<i>Individual</i>	<i>Position</i>	<i>Organisation</i>
<i>Associate Professor Jackie Sanders</i>	Associate Professor	School of Social Work, Massey University
<i>Associate Professor Nicola Atwool</i>	Associate Professor	Department of Sociology, Gender and Social Work, University of Otago
<i>Blythe Wood</i>	General Manager Youth Policy & Development	Ministry of Social Development

<i>Chris Polaschek</i>	General Manager, Youth Justice Support	Ministry of Social Development
<i>Darius Fagan</i>	Chief Probation Officer	Department of Corrections
<i>Dr Sue Bagshaw</i>	Director	Collaborative for Research and Training in Youth Health and Development Trust, University of Otago
<i>Emily R Munro</i>	Deputy Director	Thomas Coram Research Unit, University College London
<i>His Honour Judge Andrew Becroft</i>	Principal Youth Court Judge	Youth Court
<i>Howard Broad CNZM</i>	Trustee	Turn Your Life Around (TYLA) Youth Development Trust Board
<i>Inspector Kevin Taylor</i>	Area Commander, Eastern Bay of Plenty	Whakatane Police, New Zealand Police
<i>Inspector Ross Lienert</i>	National Manager, Youth	New Zealand Police
<i>Inspector Wati Chaplow</i>	Māori Responsiveness Manager	Counties Manukau Police, New Zealand Police
<i>Judge Carolyn Henwood CNZM</i>	Chair	Henwood Trust
<i>Julia Whaipooti</i>	Chair	JustSpeak
<i>Kelly Manning</i>	Training Manager	Youthlink
<i>Kerry Leggett</i>	General Manager	VIBE
<i>Kevin Tso</i>	Chief Executive	Victim Support
<i>Marion Heeney</i>	Chief Executive	Youth Horizons Trust
<i>Professor Chris Marshall</i>	The Diana Unwin Chair in Restorative Justice	School of Government, Victoria University of Wellington
<i>Professor Mark Courtney</i>	Professor	School of Social Service Administration, The University of Chicago
<i>Professor Robyn Mumford</i>	Professor	School of Social Work, Massey University
<i>Rajesh Chhana</i>	Deputy Secretary Policy	Ministry of Justice
<i>Suzanne Alliston</i>	Acting Team Leader	STOP Children's Programme
<i>Tracie Shipton</i>	Director	Dingwall Trust

For further details on the collaborative design process see the Expert Panel's final report, particularly appendices E, F, G and H.