

5. CENTRAL GOVERNMENT BUDGET 2000

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Corporate Plan Output: Policy Advice	

The purpose of this report is to update committee members of the relevant central government Budget announcements. Many components of the budget were announced prior to budget night so may have appeared in previous reports on government's policy announcements.

SOCIAL SERVICES

Devolved Funding Pilots – new initiative to use approx. \$1.6M of existing money to fund six pilots giving communities greater responsibility over their local social service provision. It involves devolution of decision-making and resource distribution, from central government to local communities (using Child, Youth and Family funding). The six communities are yet to be decided.

Iwi/Maori provided and workforce development - a \$3.3 m package targeted at developing capacity within Maori communities to provide targeted social services including:

- a provided workforce development fund for existing and new iwi and Maori social service providers to access training, infrastructure an set-up funding
- innovations fund initiatives from iwi and Maori service providers to design and develop new types of services

Pacific peoples provider development fund - \$500,000 initiative to increase ability of Pacific providers to deliver services to Pacific families and communities and develop responsive models to delivery services.

Agreement with the voluntary sector - working group to development framework for agreement between Government and non-Government organisations (\$270,000 in 2000/01). The agreement will establish broad principles about the role and value of the community sector in general, and in particular social services delivery

Budgeting Services – Government replaced the compulsory Special Needs Grant Referral Scheme which was discontinued in May this year with a new voluntary referral scheme for clients of Work and Income. In 2000/01, \$731,00 is available for this scheme. This rises to \$2,470,000 in 2003/04.

Family Group Conferences – approx \$2.7m new funding has been allocated to provide better resourcing for Care and Protection and Youth Justice Family Group Conference plans for 2000/01.

Family Violence Prevention Services – will receive an enhanced funding of \$1.1m. This will assist community providers to meet local needs.

Youth Services Strategy – on-going funding of \$10m to enable the continuation of existing programmes under the Youth Services Strategy. Focus on reducing serious and persistent re-offending and improving the lives of high risk youth.

Maori Youth Contestable Fund - \$1m for initiatives aims at reduction of youth offending focusing on programmes for high risk Maori youth.

Special Projects for Youth at Risk - \$3.5m to continue two special projects for youth at risk

Wraparound programme – a community-based programme based in South Auckland for 100 young people who have multiple problems

Youth Horizon Trust programme – specialist residential and therapeutic programme for 29 young people

EMPLOYMENT

Employment initiatives - \$58.5M over four years for a new Activity in the Community programme for job seekers. Repeal the ineffective Community Work scheme we are over four years, reallocating \$33.6M of existing funding together with investing a further \$24.9M to refocus the scheme and better tailor it to the needs of individual job seekers through a new Activity in the Community programme. The programme aims to work with up to 13,000 participants in its first year. Pilot schemes totalling \$330,000 will be funded in 2000/01 to trial specific programmes aimed at meeting the needs of the recent migrants to New Zealand and the growing number of unemployed mature job seekers.

Community Employment Organisations (CEOs) - \$8.5M over three years to pilot the establishment of Community Employment Organisations (CEOs). The programme is aimed at assisting the development of community based organisations and in doing so creating employment for disadvantaged individuals.

Our Artworks programme - \$585,000 over three years, is a new community employment initiative which provides opportunities to create employment in the creative industries.

'Future work' issues - new funding for specialist research into 'future work' issues and community-based employment creation schemes.

Student Job Search - additional \$3M over four years for Student Job Search to help find summer work for students

EDUCATION

Tertiary education -2.3% funding increase per student in academic year 2001 to those institutions which freeze their fees at 2000 levels.

Industry Training Fund - total investment in the fund to \$281.8M over four years.

Gateway programme - \$4M invested in new Gateway programme to improve the transition from secondary school into the workforce.

CareerPoint 0800 - 6.2M over four years to permanently fund the CareerPoint 0800 careers information line and targeted careers education services to Year 7 and 8 teachers and parents.

Apprenticeships - \$42.2M over four years to fund the new Modern Apprenticeships programme.

Adult and community learning initiatives - \$8 over four years for adult and community learning initiatives.

CLOSING THE GAPS

Maori Education

- Almost \$20M for Maori language education including \$6.5M on new teaching and learning material and \$4.1M specifically to help curriculum development at Wharekura level.
- \$12.9M to improve Maori teacher supply both in mainstream and kura kaupapa schools.
- \$11.2M on ways to help young Maori participate more fully in the school system including a mentoring programme.
- \$10.4M for Maori responsiveness initiatives including expanding the number of iwi education schooling improvement projects and piloting new approaches for professional development for teachers working with Maori students.

Ministry of Pacific Island Affairs

- \$563,000 per annum to contract Pacific community workers throughout the country;
- \$630,000 per annum to boost its own capacity to monitor all government policies that impact on Pacific peoples; and
- \$100,000 per annum in capital funding.

Maori and Pacific Social Services and Employment

- \$16.89M in 2000/01 and in excess of \$72M over four years in new funding for programmes that will have a direct impact for Maori and Pacific people. These programmes are:
 - Maori Economic and Organisational Development: \$5.37M in 2000/01 (\$20.80M over four years) to improve the capacity and capability of Maori organisations, assist with Maori land development and develop local partnerships that will create local employment opportunities.
 - Maori Women's Development: \$3.62M in 2000/01 (\$14.1M over four years) to assist Maori women to enter into, remain in or expand their businesses. The fund will also promote the development of Maori women leaders in their community and provide enterprise and leadership training.
 - Pacific People's Organisational Development: \$1.89M in 2000/01 (\$7.12M over four years) to provide assistance with administrative skills, leadership training, IT and infrastructure development for Pacific community organisations.

- Investing in Maori Communities: \$1M in 2000/01 (\$3M over three years) to assist whanau, hapu, iwi and Maori communities to identify their needs and support their development.
- Pacific People's Provider Development Fund: \$500,000 in 2000/01 (\$3.11M over four years) to develop social services that are more responsive to the needs of Pacific families.
- Iwi/Maori Provider and Workforce Development (including Iwi Social Services): \$3.51M in 2000/01 (\$14.05M over four years) to further develop the capability of Iwi social service providers, so increasing the numbers of Maori children and young people cared for by their iwi, hapu or whanau.
- Maori Youth Contestable Fund: \$1M in 2000/01 (\$10M over four years) to fund initiatives developed by Maori communities which aim to reduce Maori youth offending.

HOUSING

- \$257.6M over 2000/01 to 2002/03 to fund the restoration of income-related rentals. More than 40,000 households will get increased assistance averaging around \$40 a week.
- \$357.7M in capital costs over 2000/01 to 2002/03 to maintain state housing stock and increase it over time in areas of high demand.
- \$28.7M in 2000/01 to Community Housing Limited to buy and modify 120 new properties.
- A cash injection into Housing Corporation New Zealand for additional loan finance will fund the projects in the Special Housing Action Zones with \$2.135M in Year One, \$3.9M in Year Two, \$5.8M in Year Three and \$7M in Year Four. Additionally, there will be funding of \$0.7M annually for operating costs.

REGIONAL DEVELOPMENT

The Budget allocated funding for industry and regional development of \$33.75M in Year One; \$73.125M in Year Two and \$112.5M for each of the following two years.

Up to \$2M will be available for major regional or community initiatives. To qualify, an initiative must involve a number of community groups, emerge from an inclusive regional development process and have local funding of at least 25% of total cost. It will also have to be sustainable and consistent with the Government's policies.

Funding of up to \$100,000 will be available for any single strategic planning or audit initiative in any single region. Regions must provide at least 30% of the total cost in cash or kind.

INDUSTRY DEVELOPMENT STRATEGY

Industry New Zealand will employ industry specialists to identify firms or groups of firms with significant growth potential. Specialist grants will be available to help firms employ the services they need to develop. Funding will be around \$6M in the 2000/01 financial year for this purpose.

Industry New Zealand will work with TradeNZ to encourage investment within New Zealand. Funding will be around \$5M in the 2000/01 year.

A national database will match 'investment angels' with investment opportunities.

Early stage financing: Funding for early stage projects will include market research, protection of intellectual property rights and commercialising ideas to enable budding entrepreneurs with innovative concepts to realise their commercial potential. The level of assistance will be assessed case by case and will not exceed \$50,000 at one time. Funding allocated for 2000/01 will be around \$5M.

HEALTH

- \$412M more to health in the coming year.
- \$257.4M over four years for mental health.
- \$74M increase each year for the next four years for elective surgery.
- \$10M annually over next four years for disability support services.
- \$20M over the next four years for Maori smoking cessation initiatives.

LAW AND ORDER

- \$22.12M in 2000/01, increasing to \$23.56M in 2002/03 and out years to reduce youth offending. Extra nine youth aid supervisors and 18 staff into districts identified as having a high need for youth aid intervention.
- \$3.234M increase in funding each year to Police for youth justice initiatives. Expansion of Police Youth at Risk Programme – expansion to five more sites with places for an additional 130 young offenders over the next three years.
- \$4.955M over the next three years for restorative justice.
- \$14.18M over the next three years to crack down on burglary.
- \$5.701M over three years for the Victims' Rights Package.
- \$27M in 1999-00 and \$52M in each of the following years to maintain a high-quality Police service and to compensate Police for reductions in other revenue.
- \$152M over four years for road safety.
- \$4.245M extra each year for prison education services.
- Additional \$905,000 each year for Tikanga Maori programmes.

Chairman's

Recommendation: That the information be received.