

Office of the Minister for Disability Issues
Office of the Minister of Health

Chair
Cabinet Social Wellbeing Committee

Disability System Transformation: establishing a Ministry for Disabled People and national implementation of the Enabling Good Lives approach

Proposal

- 1 This paper seeks:
 - 1.1 Cabinet agreement to establish a Ministry for Disabled People, as a departmental agency hosted by the Ministry of Social Development, responsible for driving better outcomes for all disabled people, leading cross-government strategic disability policy, delivering and transforming Disability Support Services, and progressing Disability System Transformation
 - 1.2 Cabinet agreement to implement the Enabling Good Lives approach to Disability Support Services on a national scale, s9(2)(f)(iv)
 - 1.3 approval for additional funding to cover costs associated with establishing the new Ministry to be charged against the Between-Budget Contingency established as part of Budget 2021.

Relation to government priorities

- 2 Disability System Transformation is a programme of work under the Disability Action Plan 2019-2023. It aligns with the Government's priority to support healthier, safer, and more connected communities and is consistent with the Labour Party's 2020 election manifesto commitment of strengthening the mandate and resourcing of public leadership for the disability community.
- 3 This work also supports the health and disability system reforms, including the goal to build a stronger health and disability system that delivers for all New Zealanders, including disabled people.

Executive Summary

- 4 Achieving better outcomes for disabled people (including disabled tamariki and rangatahi), tāngata whaikaha Māori and whānau (including parents, caregivers, and guardians) depends on transforming how government works with them. The call for "nothing about us without us" is central both to Te Tiriti o Waitangi and to New Zealand's commitments under the United Nations Convention on the Rights of

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Persons with Disabilities (UNCRPD) and Declaration on the Rights of Indigenous Peoples (UNDRIP).

- 5 The current cross-government disability system presents barriers for many disabled people and whānau in achieving ordinary life outcomes. Supports and services are fragmented across multiple agencies with no single agency responsible for system leadership or for driving improved overall outcomes for disabled people. Barriers to accessibility also make it harder for disabled people to navigate the system and to participate in everyday life.
- 6 Work on Disability System Transformation has been ongoing for more than a decade and is underpinned by the Enabling Good Lives (EGL) vision that all disabled people and their families have greater choice and control over their supports and lives. To date, the main focus of Disability System Transformation has been on transforming Disability Support Services (DSS) funded by the Ministry of Health (MOH).
- 7 The Government's current health and disability system reforms provide a strong impetus for transformation of the disability system. New structural arrangements for the health system will come into effect from July 2022. Disability and DSS were specifically excluded from the scope of the health and disability system reform decisions. However, Cabinet noted in March 2021 that we would bring advice on the future model and governance of Disability Support Services to Cabinet in September 2021 [CAB-21-MIN-0092 refers].
- 8 In June 2021, we provided an Oral Item to the Cabinet Social Wellbeing Committee, updating you on Disability System Transformation and outlining the key decisions we intended to seek in September 2021 [SWC-21-MIN-0076 refers]. This paper seeks those decisions.
- 9 The disability community has challenged government to be aspirational in transforming the disability system. We now have the opportunity to take a bold and truly transformative approach to how government supports disabled people and whānau. Ensuring that the right organisational arrangements are in place to support transformational change across the disability system is critical.
- 10 A Machinery of Government working group, comprised of officials and disability community representatives, has developed advice in partnership on proposed new organisational arrangements. Their advice is that a new Ministry, in the form of a departmental agency hosted by the Ministry of Social Development (MSD), is the best organisational structure to lead the realisation of a true partnership between the disability community and government to achieve ongoing transformation of the disability system.
- 11 Therefore, we seek your agreement to establish a new Ministry for Disabled People as a departmental agency hosted by MSD. A dedicated disability Ministry will enable a holistic whole-of-life, whole-of-whānau approach to addressing inequities and realising aspirations and opportunities for disabled people and whānau. MSD as the host department provides a strong base to support an EGL approach to disability and creates opportunities for closer alignment with MSD's leadership role in social sector commissioning.

- [REDACTED] [REDACTED]
- 12 The Ministry for Disabled People (the Ministry) will provide strong and focused leadership of the disability system across government. It will be responsible for leading strategic disability policy development, delivering and transforming DSS and progressing ongoing work on Disability System Transformation. The Ministry will ensure continuity of existing services as well as lead ongoing improvements and better co-ordination of disability supports and services across government. In addition, a new disability Ministry will raise the profile of disability in government and demonstrate the Government's commitment to working in partnership with the disability community to drive better outcomes for all disabled people.
- 13 The Ministry's ongoing work will include looking at what other government-funded services could be in scope for future transformation, s9(2)(f)(iv) [REDACTED]
[REDACTED]
Any new statutory functions resulting from Cabinet decisions on Accelerating Accessibility could potentially also sit within the Ministry.
- 14 We propose the new Ministry come into existence from 1 July 2022. This will align with the establishment of Health New Zealand and the Māori Health Authority. The new Ministry will work closely with the reformed health system agencies to ensure that disabled people continue to access the health services they are entitled to and to ensure that a disability perspective continues to inform the ongoing changes to the health system. However, it will take longer for the Ministry to be fully operational with existing DSS-related functions from MOH transferred and new functions, including strengthened strategic policy capacity, established.
- 15 We seek agreement to set up a dedicated Transition Team, located within MSD, to support the establishment of the new Ministry and the transition of DSS-related functions to it. A key focus will be ensuring no disabled people are worse off during the transition and that there is appropriate engagement with disabled people, whānau and Māori (including iwi leaders) during the establishment and ongoing operation of the Ministry. Appropriate due diligence to establish a departmental agency hosted by MSD will also need to be carried out.
- 16 A responsibility of the new Ministry will be delivering DSS, including transforming DSS in line with the EGL approach. We seek Cabinet agreement to implement the EGL approach nationally, s9(2)(f)(iv) [REDACTED] Cabinet agreement is also sought to a number of technical elements including the scope of national implementation and the proposed funding in scope.
- 17 New funding is required to establish the Ministry and implement the EGL approach nationally, s 9(2)(f)(iv) [REDACTED] However, establishing the Ministry by 1 July 2022 will require out of cycle funding. Therefore, we seek funding for the Transition Team and initial establishment costs of \$5.0 million in 2021/22 to be charged against the Between-Budget Contingency established as part of Budget 2021. s 9(2)(f)(iv) [REDACTED]
[REDACTED]
- 18 Subject to Cabinet agreement to the recommendations in this paper, the Transition Team will be set up, and processes will begin to appoint a chief executive and legally establish the new Ministry from 1 July 2022 (through an Order in Council).

- 19 We intend to report back to the Social Wellbeing Committee in early 2022 with further detail on establishing the new Ministry and next steps for Disability System Transformation.
- 20 This paper is divided into three parts:
- 20.1 **Part One** – Machinery of Government
 - 20.2 **Part Two** – National implementation of the Enabling Good Lives approach
 - 20.3 **Part Three** – Opportunities for further disability system transformation.

Context: A new approach to disability is needed for disabled people and whānau to experience ordinary life outcomes

- 21 One in four New Zealanders self-identify as having a disability based on data from the 2013 Disability Survey. Disabled people face significant barriers to experiencing positive wellbeing – including disproportionate representation in poverty statistics and experiences of inaccessibility and discrimination. Māori and Pacific people are more likely to be disabled than other population groups.
- 22 Historically, disability has been considered through a ‘medicalised model’, which focuses on disability as a health problem and something to be ‘fixed’. However, disability is now increasingly seen as a social construct that emphasises the right of individuals to choose how they live. This ‘social model’ of disability is reflected in the New Zealand Disability Strategy which has a vision that New Zealand is a “non-disabling society...where disabled people have an equal opportunity to achieve their goals and aspirations, and all of New Zealand works together to make this happen”.
- 23 The current cross-government disability system presents barriers for many disabled people and whānau in achieving ordinary life outcomes, as functions and responsibilities are spread across multiple agencies. This includes disability supports and services provided by a number of agencies such as MOH (e.g. Disability Support Services), MSD (e.g. income and employment supports, and Community Participation), the Ministry of Education (e.g. learning support for disabled learners), and the Ministry of Transport (e.g. Total Mobility Scheme) among others. Other disability-related functions include disability policy provided by MSD, and disability advocacy and advice provided by the Office for Disability Issues (ODI).
- 24 An overall lack of coordination and system stewardship limits government’s ability to achieve more equitable outcomes for disabled people. The different processes and requirements for different services, including inconsistent eligibility criteria, make it difficult for disabled people to know what services are available to them and how to access these services. Supports have tended to focus on impairments or diagnoses rather than taking a strengths-based approach to support disabled people to achieve their aspirations and live their best lives. Barriers to accessibility also make it harder for disabled people to navigate the system and to participate in everyday life.
- 25 In 2011, an independent working group of disabled people, their families and whānau, advocates and allies developed the EGL vision and principles (collectively the EGL approach) to be the foundation for transformative change to the disability system. The

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EGL vision and principles are outlined in Appendix One. In a system based on the EGL approach, disabled people:

- 25.1 determine what type of assistance they require from whom and when to achieve the outcomes that they have chosen for their own lives
 - 25.2 are provided with support based on a ‘whole-of-life’ approach that focuses on strengths and interests rather than being based on their impairment
 - 25.3 are assessed through one centralised process (rather than multiple assessments and applications, each with different criteria)
 - 25.4 are welcomed into the system in multiple ways and have access to a Connector/Tūhono who assists them in navigating the system
 - 25.5 have access to a personal budget that can be used flexibly with the aim of seamless access to government funded disability services.
- 26 Over the last decade, successive governments have made a series of key decisions to progress Disability System Transformation. Appendix Two provides an overview of work and key decisions so far. To date, the main focus has been on transforming the operating model for DSS, currently provided by MOH, to align better with the EGL approach. Appendix Three provides further information on DSS.
- 27 The Government’s current health and disability system reforms are creating new structural arrangements from July 2022. As MOH will no longer deliver operational functions, DSS cannot stay in its current location in MOH, so a location for DSS within government is now needed. DSS was specifically excluded from the scope of the health and disability system reform programme and deferred to decisions on Disability System Transformation. To support the shift towards a social model of disability, we consider DSS should sit outside the health system and be delivered by an agency whose primary focus is driving improved outcomes for disabled people through a cohesive and whole-of-life disability framework.
- 28 Achieving true transformation will require strong and focused system leadership across government. Currently multiple government agencies have disability-related functions and responsibilities. While all agencies would retain their responsibilities to disabled people, a new dedicated disability agency would be able to provide a strong disability leadership role across government and be responsible for driving the above transformation.

Part One – Machinery of Government

We propose establishing a dedicated disability Ministry responsible for driving improved outcomes for disabled people, leading cross-government strategic policy advice, and delivering and transforming Disability Support Services

- 29 In 2018, as part of decisions on Disability System Transformation, Cabinet initiated a Machinery of Government review to identify different options, including potential structural changes, for involving disabled people and whānau in the governance of the disability support system [SWC-18-MIN-0029 refers]. The Machinery of Government

review is led by MSD, in partnership with a Working Group comprised of disabled people and officials from MOH and the Public Service Commission (PSC).

- 30 Establishing a dedicated disability Ministry would demonstrate this Government's commitment to long-term transformative change to achieve equitable outcomes for disabled people across all domains of their lives, including education, employment, transportation, and community participation. It would also lift the profile of disability across government and enable the co-creation of new structures and ways of working to meet the Government's longstanding commitment to partnership with disabled people, families, and whānau.
- 31 A disability-focused Ministry would enable a shift away from a medicalised and deficit-based model of disability towards a framework that encompasses and enables a whole-of-life and strengths-based approach. This would strongly support an EGL approach across a range of supports and services for all disabled people and embed the principles of self-determination and choice and control.
- 32 A new Ministry would be directly accountable to a Minister or Ministers for driving a whole-of-government effort on Disability System Transformation. In addition, it would take a leadership role as the primary provider of disability-related policy advice to government as well as a role in delivering and transforming DSS. Its chief executive would have the leverage to engage with other agencies at a high level to ensure the interests of disabled people are well represented in all government policy.
- 33 A disability Ministry would also provide disabled people with the same cross-government visibility as other population groups with dedicated Ministries (for example, Māori, Pacific peoples, women and ethnic communities). However, the Ministry will also deliver a transformed DSS and so will have a broader mandate than other population Ministries across government.
- 34 The name of any new Ministry needs careful consideration. We tentatively refer to a 'Ministry for Disabled People', but collaboration with the disability community will be required to identify an appropriate name.

The new Ministry will have a range of functions that will expand in the future as Disability System Transformation progresses

- 35 The new Ministry will take on most functions currently delivered by the Disability Directorate in the MOH, as well as new responsibilities.
- 36 In line with a strengthened specific focus for MOH on policy, strategy, and regulation for the health system, responsibility for DSS will move from MOH to the new Ministry. The immediate priority for the new Ministry will be to lead a coherent and consistent national roll out of the EGL approach to disability services. Over time, consideration will be given to extending disabled people's personal budgets to include other government funding, such as s9(2)(f)(iv)
- 37 However, the ambition for the new Ministry is much more aspirational. To truly transform the way government serves disabled people, tāngata whaikaha Māori,

families and whānau, we need to look beyond disability supports to examine and strengthen the cross-government disability system. We consider the new organisation should be given a mandate to lead a future-focused and whole-of-government approach to disability. This would mean:

- 37.1 promoting the EGL vision and principles as the basis on which government supports disabled people across their lives
 - 37.2 working in partnership with disabled people and ensuring a high level of trust and transparency
 - 37.3 lifting the profile and visibility of disability across government
 - 37.4 ensuring the system:
 - 37.4.1 gives full effect to the voice of disabled people, families, and whānau, and to Te Tiriti o Waitangi
 - 37.4.2 is consistent with the UNCRPD and the UNDRIP
 - 37.4.3 aligns with the principles and approaches of Whānau Ora
 - 37.5 strengthening disability rights approaches across government strategies, including the Child and Youth Wellbeing Strategy, Better Later Life – He Oranga Kaumātua, the New Zealand Disability Strategy, and Mahi Aroha – the New Zealand Carers’ Strategy
 - 37.6 improving cross-government disability data and information
 - 37.7 developing a disability-focused research and evaluation strategy.
- 38 The new agency could also be mandated to monitor, support, and hold other government agencies to account for the outcomes they deliver for disabled people, including how well they are contributing to achieving equitable outcomes.
- 39 In order to fulfil this mandate, we propose the functions of the new Ministry would include:
- 39.1 **Policy** – leading and providing strategic policy advice on the wider disability system and across government as well as policy on DSS.
 - 39.2 **Leadership/stewardship** – providing leadership and stewardship of the cross-government disability system.
 - 39.3 **Legislation** – developing and providing stewardship of any relevant legislation.
 - 39.4 **Commissioning** – commissioning and procuring disability supports in line with the EGL approach and advising on how supports are delivered.
 - 39.5 **Assurance, monitoring, evaluation and reporting** – overseeing performance and operation of the Ministry.
 - 39.6 **Market stewardship** – identifying and prioritising market need, as required.

- 39.7 **Workforce planning** – ensuring an adequate, skilled, and culturally-competent workforce is in place to deliver disability supports in line with the EGL approach.
- 39.8 **Capacity and capability building** – recognising, enabling, and developing the capacity and capability of disabled people, families and whānau to make decisions for themselves, make use of available resources, partner with government, and advocate for themselves and their communities.
- 40 The new Ministry will work closely with MOH, Health New Zealand, and the Māori Health Authority to ensure the health system is responsive to disabled people and whānau. Key relationships, such as the interface between the disability system and the Māori Health Authority, will need careful consideration in partnership with tāngata whaikaha Māori.
- 41 We will provide you with more information on how the new disability Ministry and broader disability system will align with the new health agencies and reformed health system in our intended Cabinet report-back in early 2022.

We have considered a number of organisational forms for the new Ministry

- 42 The Public Service Act 2020 enables a Ministry to take a number of different organisational forms. We have considered detailed advice on four organisational options for the new Ministry:
- 42.1 **Ministry as a branded business unit in MSD.** Most DSS functions would be integrated into a business unit with corporate and back-office services provided by MSD. The business unit could be led by a functional chief executive, who would be accountable for the particular functions of the business unit and would report directly to the responsible Minister. The location within MSD would enable the Ministry to leverage off MSD resources and support, but its position as a business unit would mean limited ability to incorporate broader disability functions in the future.
- 42.2 **Ministry as a departmental agency hosted by MOH.** Functions, including most DSS functions, are established within a functionally autonomous agency with its own chief executive reporting directly to the responsible Minister. Relevant corporate and back-office services would be shared with MOH and Health NZ. This option would strengthen the profile and status of disability through the appointment of a dedicated public service chief executive for the portfolio and would provide visible functional autonomy. However, it would be unlikely to meet the expectations of the disability community who have indicated they want disability to be separate from the health system.
- 42.3 **Ministry as a departmental agency hosted by MSD.** This is structurally similar to the departmental agency hosted by MOH but with MSD as the host. Corporate and back-office services would be accessed from MSD. Links with the Social Development portfolio provide a strong base to support the whole-of-life EGL approach and opportunities for closer alignment with MSD's leadership role in social sector commissioning. This is the preferred option of the disability community.

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42.4 **Ministry as a new standalone department.** This would involve establishing a disability Ministry as a new and wholly independent organisation within the public service. As well as its own chief executive, the Ministry would need its own corporate and back-office services, property and other assets. This option would send a strong message of our commitment to transformative change but would also be the most costly option and take the longest to establish.

43 We also considered advice on disability supports being delivered through an existing or new Crown entity. While a Crown entity may have a role in delivering disability supports in future, we consider this structure is not appropriate at this time as Disability System Transformation is ongoing, and a new disability agency will likely evolve to take on new functions, roles and responsibilities over time. The arms-length governance by a Crown entity board is less suited to changing roles and responsibilities.

Our preferred option is to establish the new Ministry as a departmental agency hosted by MSD

44 Our preferred option is to establish the new Ministry as a departmental agency hosted by MSD because:

44.1 It is the preferred option of the disability community because it brings together key functions (including strategic policy), it provides disabled people with a dedicated and functionally autonomous agency, and the location within MSD provides a strong base to support a whole-of-life approach to disability.

44.2 It provides the scope and flexibility to bring together cross-government disability functions to drive better outcomes for disabled people, while also being well placed to meet the immediate requirements of Disability System Transformation.

44.3 Functional and operational autonomy will support our ambition for a more dedicated focus on disability to help drive improved and equitable outcomes.

44.4 The chief executive of the departmental agency would have direct accountability to the responsible Minister and the status to engage with other agencies at the chief executive level.

44.5 It can provide strong operational autonomy and strengthen the focus on outcomes for disabled people, families, and whānau without having to create a standalone department or Crown entity.

45 We propose MSD as the host department because we consider it would provide a greater opportunity for broader system transformation and recognise disability as a social and whole-of-life issue. The link with the Social Development portfolio provides a strong base to support the whole-of-life EGL approach and creates opportunities for closer alignment not only with MSD disability supports, but also with MSD's leadership role in social sector commissioning.

46 MSD is well placed to act as a host department for a departmental agency and is experienced in hosting a range of independent or semi-independent entities, such as the interim Independent Children's Monitor. While transferring responsibilities from

MOH to the new Ministry will add cost and complexity in the near term, MSD has the operational and implementation experience to manage this effectively. MSD also has a widespread regional presence that can provide premises for the new Ministry outside Wellington as required.

- 47 While the departmental agency will ultimately be functionally and operationally autonomous from MSD, it will need to work closely with MSD to ensure it has the necessary support to carry out its functions and mandate. The specifics of the relationship between the departmental agency and MSD will need to be worked through by the chief executives of the two agencies.

The future of the Office for Disability Issues will need further consideration

- 48 As the new Ministry will have a disability system leadership role, the future role and position of the existing Office for Disability Issues (ODI) will need to be considered. Part of ODI's existing role is to provide advice to Ministers and government agencies on disability issues, as well as coordinating implementation of the UNCRPD and the New Zealand Disability Strategy.

- 49 We do not seek Cabinet decisions on the future of ODI at this stage. The question of whether ODI should be brought into the new Ministry is not straightforward. Historically, government Ministries have not always adequately incorporated the perspectives and needs of disabled people into their work. ODI currently holds an important independent advisory and advocacy role in government. The question about whether it is appropriate for ODI to be moved into the new Ministry requires careful consideration and full consultation with the disability community stakeholders familiar with ODI's work.

- 50 Subject to Cabinet decisions on the establishment of the new Ministry, targeted consultation will be carried out on where ODI should sit within government to enable it to best perform and further enhance its role. We will provide advice to Cabinet in early 2022 on the outcomes of this consultation and recommendations on the future location of ODI.

Implementation: establishing the new Ministry and the transfer of functions from the Ministry of Health will require transitional arrangements

We propose to set up a dedicated 'Transition Team' to support the establishment of the new agency and the transition of DSS functions to it

- 51 We propose the new Ministry be established from 1 July 2022 to align with the start of the new financial year. Timeframes for establishment and the transition of functions are short. Subject to Cabinet agreement, the first step in establishing the new Ministry will be to set up a dedicated Transition Team to support the establishment and the transition of MOH functions. MSD and MOH will work with the PSC, the Treasury and the Health Transition Unit, as appropriate, to establish a team with the necessary expertise and set up the relevant governance arrangements. MSD, as the host department for the new Ministry, will have overall responsibility for the team.

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- 52 The Transition Team will be led by a dedicated programme director and will include resources from relevant areas, such as policy, operations, legal, finance, information technology (IT), human resources (HR), communications and engagement, and procurement and commissioning. The Team will build on insights from the establishment of new Ministries, such as Oranga Tamariki and the Ministry of Housing and Urban Development. A key focus will be ensuring disabled people continue to receive support over the transition.
- 53 The Transition Team will work with established community groups, including the Machinery of Government Working Group, the Whānau Ora Interface Group and the National Enabling Good Lives Leadership Group (the National EGL Leadership Group) to ensure that the voices of disabled people and whānau shape this work. The expertise and lived experience of disabled people will be particularly important in shaping the work of the Transition Team.
- 54 As Budget 2022 decisions will not be made until shortly before the proposed establishment date for the new Ministry, we seek additional funding for the establishment phase in the 2021/22 financial year from the Between-Budget Contingency established through Budget 2021.

It will take time for the new Ministry to be fully established with all relevant functions and this will not be achievable by 1 July 2022

- 55 While we intend the new Ministry be legally established by 1 July 2022, it will take longer for the Ministry to be fully operational with all its relevant functions. This is because some new functions, such as strategic policy and monitoring and evaluation, will take time to establish.
- 56 The transition of DSS functions will also take time, as they will need to be separated from MOH and established within the new Ministry. This will be a complex process. It is important to note the new Ministry will continue to be reliant on some Health NZ and MOH infrastructure for a period of time, as DSS is dependent on health system IT and business processes to contract and pay disability supports. The Transition Team will work with MOH and MSD on the transition of DSS functions to the Ministry.
- 57 Our proposed Cabinet report back in early 2022 will provide more detail on establishment and the transition of functions, including proposed timeframes for full establishment.

A new chief executive will be appointed for the Ministry and relevant arrangements with the host department (MSD) will need to be worked through

- 58 Several implementation components need to be worked through for the new departmental agency including engaging with current staff, appointing a chief executive, preparation of an agreement between the chief executives of the departmental agency and host department (required by legislation), confirmation of physical workspace arrangements, and preparation of shared service agreements.
- 59 Subject to Cabinet agreement, the Public Service Commissioner will appoint the chief executive of the new Ministry. An acting chief executive could be appointed for an interim period if required. The chief executive/acting chief executive of the Ministry will be responsible for working with the chief executive of MSD to arrange financial

delegations to the new Ministry and establishing a working relationship with MSD, MOH and Health NZ (including shared services arrangements and a departmental agency agreement).

As part of the establishment, the Transition Team will work with disability community representatives to establish new partnership processes and to ensure the voice of disabled people is reflected in the work of the Ministry

- 60 We have heard from disabled people and tāngata whaikaha Māori that it is key that they and their families and whānau are involved in the governance of the new system and that their voices are embedded at all levels of decision-making.
- 61 Establishing a new Ministry will not in itself give disabled people, tāngata whaikaha Māori, and whānau a role in governance. However, it will provide an opportunity for shifting the relationship between them and government:
- 61.1 Partnership with disabled people and whānau would be a ‘top table’ issue for the new Ministry, a key priority for its leadership team, and a key criterion for assessing its success. The new Ministry will look to establish a disabled person and whānau-led governance structure.
- 61.2 As a functionally autonomous organisation, there is an opportunity for the new Ministry to foster a distinct workplace culture and policies that support partnership with and employment of disabled people, families and whānau using a strengths-based approach.
- 62 Making the most of this opportunity will require appropriate mechanisms and processes on the part of both the Ministry and the community. The mechanisms that have developed around EGL (such as national and regional leadership and governance groups and the Whānau Ora Interface Group) offer a solid basis for future partnership. However, we need to ensure that they continue to succeed and that the Ministry engages with them on its broader strategic work. This will need to include the development of regional leadership around the country and ensuring that there are the appropriate mechanisms to enable a broad range of voices to be heard.
- 63 There are a number of key matters that government will work on with the community in the lead up to establishing the new Ministry and beyond:
- 63.1 **Formalising the status of partnership mechanisms:** The roles, functions, authority and relationships of existing voice and partnership mechanisms will be more clearly defined. This could include mechanisms to establish a Ministerial advisory group or formal agreements between the Crown or the Ministry and particular groups, such as the National EGL Leadership Group.
- 63.2 **The accountabilities of the Ministry:** There are several other possible mechanisms for setting expectations for how the Ministry will work with disabled people, whānau, and tāngata whaikaha Māori. These include setting standards around partnership in future legislation, performance standards for appropriations, and performance expectations for the chief executive.
- 63.3 **Resourcing:** Voice and partnership mechanisms will need to be better resourced to account for a national scale and broader scope. Understanding

and coordinating insights and voices from local voice and partnership mechanisms will be challenging and will require appropriate support once these are established across the country.

- 63.4 **Independence:** To be trusted by disabled people and whānau, it will be key that voice and partnership mechanisms are independent. This may be more challenging with more formalised mechanisms and greater government funding.

Engagement with Māori during the establishment and ongoing direction of the new Ministry will be key

- 64 To date, officials have engaged with the Te Ao Mārama and the Whānau Ora Interface Group on Disability System Transformation proposals, including the proposal to establish a new Ministry. These groups are broadly supportive of the proposal. The Whānau Ora Interface Group has set out how they consider Te Tiriti provides the korowai for system transformation through the principles of kāwanatanga (partnership and shared decision-making), rangatiratanga (protection, revitalisation and development of taonga), and rite tahi (equity, participation, and equality and non-discrimination).
- 65 However, we recognise that more extensive engagement with Māori will be required in the establishment of the Ministry, its governance arrangements, and ongoing work. Future work on Disability System Transformation will encompass broader elements of the disability system such as the development of policy and legislation, data and information gathering, and monitoring and evaluation. It will be key that Māori are part of this broader work and appropriate engagement is undertaken. As Treaty partners, engagement with tāngata whaikaha and with Māori, iwi and hapū will also occur. It is our expectation that officials will also work closely with iwi leaders as well as the Māori Health Authority Steering Group.

There are risks associated with establishing the new Ministry

- 66 We recognise that a risk of establishing a specific disability-focused Ministry is that other agencies could interpret this as releasing them from their responsibilities to disabled people. While we envisage the new Ministry will take on a leadership, coordination and stewardship role for disability across government, all government agencies must deliver on their obligations to the disabled communities they serve.
- 67 MSD as the host for the departmental agency is also not without risk. MSD has many competing claims for its resources and a number of ambitious work programmes to deliver on, such as welfare overhaul. Supporting the new Ministry to deliver Disability System Transformation will need to be considered against other Ministerial and organisational priorities, which may affect the speed and scope of transformation. MSD's own IT systems are ageing and previous shared services arrangements, such as with Oranga Tamariki, have not been without challenges.
- 68 This Ministry will be the fifth new entity emerging from reform to the health and disability system. Managing the complexities and inter-dependencies of the other new entities with the establishment of the Ministry creates the risk of blurred accountability lines and potential for service disruption. Transition planning will include coordination and risk mitigation with a focus on ensuring service continuity.

- 69 The above risks will need to be carefully managed as the new Ministry is established. MSD will carry out extensive due diligence required to establish a departmental agency, including the support the agency will require from MSD and the expertise necessary for establishment, and the transition of functions.

Part Two – National implementation of the Enabling Good Lives approach

We seek Cabinet agreement to implement the EGL approach nationally,

s9(2)(f)(v)

- 70 For many years, the disability community has expressed concerns about disability supports not working well for disabled people and whānau. These concerns centre on the lack of choice and control disabled people have over the support they receive.
- 71 The Enabling Good Lives vision and principles were developed in 2011 by the disability community to underpin a new approach to disability support. The EGL vision is that in the future, disabled children and adults and their families will have greater choice and control over their supports and lives and make more use of natural and universally available supports.
- 72 The EGL approach to DSS has been tested and evaluated through three demonstration projects since 2013 - in Christchurch, Waikato and the MidCentral DHB (Mana Whaikaha). Evidence from these projects confirms improved outcomes when disabled people, families and whānau have choice and control over the supports and services they access. The EGL approach has been well received by both users and providers, and the community has consistently pushed for a national rollout. End users report more satisfaction with their lives and a broader range of disability support services accessed.
- 73 Positive outcomes for disabled people, families and whānau from the EGL approach include increased autonomy and social connectedness, improved quality of life, and better access to education and employment opportunities.
- 74 The demonstration projects also achieved higher engagement and take-up of disability services from marginalised groups, including tāngata whaikaha Māori and Pacific peoples, in comparison with the current disability support system. Engagement with the system by tāngata whaikaha Māori and Pacific disabled people increased by 60 percent in Mana Whaikaha and 33 percent overall.
- 75 National implementation of an EGL approach to DSS will fundamentally change disability support services for disabled people, their families, whānau and communities, driving better life outcomes for disabled people at both the local and national level. More flexible funding options have led to the development of a greater range of services that better meet people's needs, and early engagement may divert some people from accessing funded support that would otherwise have been provided.

What does an EGL approach look like in practice?

- 76 The key features of a transformed disability system based on the EGL approach are:

- ██████████ ██████████
- 76.1 **people are welcomed into the system** in multiple ways, and can then be provided with information, linked with a Connector, peer network, government agency or disability organisation
 - 76.2 **access to Connectors** who can walk alongside disabled people and whānau if they choose, to help them identify what they want in their life, how to build their life, and the range of supports available to live their life
 - 76.3 **easy to use information and processes** that meet the diverse needs of disabled people and their whānau
 - 76.4 **seamless support across government**, with Government Liaisons supporting people in the background to access other government services (for example, benefit applications), and to build positive relationships with other parts of government (for example, learning support in school)
 - 76.5 **a straightforward process for accessing funding**, with flexibility about what can be purchased and how it can be administered, and easy reporting
 - 76.6 **capability funding** for disabled people and whānau
 - 76.7 **outcomes-based commissioning and contracting models**
 - 76.8 **greater system accountability to disabled people and their whānau** so that disabled people and whānau are involved in monitoring and evaluating the system and making recommendations to Ministers about changes to the system.

The EGL approach will be implemented nationally through an implementation plan proposed to take place through three phases over a four-year period

- 77 MOH has developed a plan for the national implementation of an EGL approach, in partnership with disabled people, families and whānau. Implementation is proposed to take place over three phases with an emphasis on design and development in Phase One, staged transition in Phase Two and stabilisation in Phase Three. Evaluations of the EGL demonstrations and key insights (outlined in Appendix Four) have informed the development of the implementation plan. Once the new disability Ministry is established and operational, it will take on responsibility for progressing the national EGL implementation.
- 78 The national implementation of the EGL approach will occur over three levels:
 - 78.1 **Governance:** System roles, responsibilities, and governance ensuring that system settings are consistent with and support the transformed system.
 - 78.2 **Operating model:** A new operating model, with person-directed models of support, easy access to information and guidance, access to Connectors/ Tūhono, authority over personal budgets and commissioning and contracting models based around achieving outcomes.
 - 78.3 **Disabled people and whānau capability:** Building the capacity and capability of disabled people and whānau, so that their voices are central to decision-making, they are able to engage in and lead the system, be valued as leaders and have authority over their own lives.

What is required to implement the EGL approach nationally?

79 The roadmap for the national implementation of an EGL approach from 2021 to 2024 is summarised below and is outlined in further detail in Appendix Five. We seek Cabinet endorsement of the implementation plan **s9(2)(f)(iv)** [REDACTED]

80 **Phase 1 – July 2021 – June 2022:**

- 80.1 partnership approach established with community
- 80.2 investment strategy, development of person-directed funding approaches
- 80.3 proposed transition pathway to new regional EGL entities for local service commissioning (to replace the current Needs Assessment and Service Coordination (NASC) role)
- 80.4 workforce and monitoring/evaluation strategies developed
- 80.5 disabled people and whānau capability strategy in places.

81 **Phase 2 – July 2022 – June 2023:**

- 81.1 new Ministry established
- 81.2 change process and procurement approach to regional governance initiated.

82 **Phase 3 -- July 2023 – June 2024:**

- 82.1 whānau networks in place at the national and local levels, disabled people and whānau-led leadership and governance are central to decision-making
- 82.2 full transition underway, including new regional EGL entities.

How much will a national implementation of the EGL approach cost?

83 Funding was received through Budget 2021 to undertake Phase One, which is currently underway. **s9(2)(f)(iv)** [REDACTED]
[REDACTED] The plan assumes implementation over a period of four years, **s9(2)(f)(iv)** [REDACTED]

84 **s 9(2)(f)(iv)** [REDACTED]
[REDACTED]
[REDACTED]

84.1 **s 9(2)(f)(iv)** [REDACTED]
[REDACTED]
[REDACTED]

84.2 **s 9(2)(f)(iv)** [REDACTED]
[REDACTED]
[REDACTED]

84.3 s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

85 s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]

How does the national implementation align with the health system reforms?

86 The direction of travel proposed for national implementation aligns with the wider health system reforms, including:

- 86.1 locality-based commissioning functions which are closer to home
- 86.2 person and whānau-centred support with control over supports
- 86.3 a partnership-based approach to designing and delivering services
- 86.4 recognition that disability support is not solely a health issue.

87 The transformed disability support system will work closely with the health system at the national, regional, and local levels. For example, the shift to person-directed disability support provision will require new ways of thinking about workforce development. Where there is cross-over with the health workforce, this would require coordination at the local level, such as the care and support workforce which supports disabled people as well as those with aged care and other needs.

88 The reformed health system, including MOH, Health New Zealand and the Māori Health Authority, will continue to have responsibility for improving health outcomes for disabled people, supported by the appropriate capability and resourcing.

National implementation will be supported by a focus on developing the capacity and capability of disabled people

89 The EGL pilots and prototype have demonstrated that developing the capacity and capability of disabled people is critical to maximising the benefits of the EGL approach. This is reflected in the new Ministry’s mandate to work in partnership with disabled people and its function building the capacity and capability of disabled people.

90 The National EGL Leadership Group has articulated three key elements of this:

- 90.1 building leadership of disabled people at local and national levels
- 90.2 increasing awareness of the EGL approach
- 90.3 equipping disabled people, families, and whānau to understand and exercise their natural authority in their own lives and communities.

- 91 The National EGL Leadership Group has been clear that disabled people must lead this work for disabled people, families for families and whānau for whānau. MOH is supporting the progression of this work in partnership with community groups.

A new monitoring and evaluation approach will be co-designed with disabled people

- 92 Officials are working in partnership with disabled people to co-develop a new approach to monitoring and evaluation which will be one of the proposed functions of the new Ministry. Current monitoring and evaluation practices and approaches across the disability support system are inadequate to provide system level insight, to capture learnings as the system transforms, or to involve people most impacted by the system.
- 93 The new approach aims to address these gaps, and to ensure that future monitoring and evaluation is person-centred and directed, embedded at every level of the system, and fully aligned with the EGL vision and principles. Monitoring and evaluation will recognise and build on the capacity of disabled people as commissioners and designers of monitoring and evaluation, rather than just participants.

Cabinet agreement is sought to a number of technical elements of national implementation

The scope of national implementation of an EGL approach should initially be broadly the same as was agreed for the MidCentral prototype, Mana Whaikaha, in 2018

- 94 The current eligibility criteria for DSS apply to people who present before the age of 65, who have a physical, sensory, or intellectual disability, or a combination of these, which is likely to remain after the provision of equipment or treatment, continue for at least six months and result in a need for ongoing support. This includes people with autism spectrum disorder.
- 95 To be consistent with 2018 decisions on Mana Whaikaha [SWC-18-MIN-0108 refers], we seek agreement that in the initial phase of national implementation of an EGL approach:
- 95.1 the eligibility criteria should be the same as the current eligible population for DSS with the clarification that all children with significant developmental delay but no confirmed diagnosis, regardless of age, are eligible for early intervention support¹
 - 95.2 means testing for household management should not apply to people who have a flexible personal budget
 - 95.3 means testing for household management should continue to apply while people continue to receive a NASC allocated package during the transition period.
- 96 Early access to support can have a significant positive impact on future outcomes for disabled children, including a reduced need for disabled tamariki needing out-of-home care. The current system recognises that those positive impacts can occur if support for children with significant developmental delay but no confirmed diagnosis,

¹ Outside Mana Whaikaha eligibility is contingent on when children with significant developmental delay, but no confirmed diagnosis, are identified.

can begin even before a diagnosis is made. There is, however, a cut-off for this support when children turn eight, meaning some children do not receive support, or stop receiving support, at a younger age than is desirable. To address this, the eligibility criteria for DSS will be clarified so that all children with significant developmental delay but no confirmed diagnosis, regardless of age, are eligible for intensive early intervention support.

- 97 Rationing through means testing is inconsistent with an EGL approach and not practical to apply to people who have a flexible personal budget. However, removing all means testing can increase costs and so should continue to apply for people continuing to receive their NASC allocated package (rather than a personal budget).
- 98 Disabled people and whānau will be able to find government-funded support they may be eligible for when they engage with a Tūhono/Connector. A Tūhono may assist disabled people and whānau to access other government support or support them to build relationships with key contacts in other agencies (for example, learning support). Government agencies will work in the background to better coordinate support (for example, equipment or assistive technology) and joint funding arrangements.

Funding in scope for the national implementation of an EGL approach should be similar to that in scope for Mana Whaikaha, with some minor differences

- 99 We seek your agreement that the following existing funding streams be available as part of personal budgets in the initial phase of implementation:
- 99.1 all Vote Health disability support funding for people who are eligible for support funded through the Vote Health: National Disability Support Services appropriation
- 99.2 the 'Very High Needs', 'Community Participation', and 'Transition from School' funding streams from the Vote Social Development: Community Participation appropriation.
- 100 Mana Whaikaha has shown some adjustments will be needed to the way some funding is integrated. In particular, it has been challenging to include community participation funding fairly in a flexible personal budget given not all people who use this funding are currently eligible for DSS.
- 101 Additionally, we seek agreement that the Business Enterprise and Support Funds paid on behalf of disabled people, which were in scope for Mana Whaikaha, are not included in the national implementation. This is because:
- 101.1 Business Enterprise funding² was not included in Mana Whaikaha as there are no Business Enterprises in the MidCentral region. This funding is not recommended for inclusion in the national implementation because the Government has already committed to a fundamental change to the Business

² Business Enterprises are organisations that receive a funding contribution from MSD and whose primary purpose is to provide employment opportunities to disabled people. A number of people employed by Business Enterprises hold a Minimum Wage Exemption permit which means they are paid less than minimum wage.

[REDACTED] [REDACTED]

Enterprise model. Disabled people with a Minimum Wage Exemption permit will be paid at least minimum wage and supported by a wage supplement.

- 101.2 Support Funds paid on behalf of disabled people were included in Mana Whaikaha; however, management of the Support Funds funding was returned to MSD by mutual agreement. This was because many people who access Support Funds do not access any other government support and most are not eligible for DSS.

Part Three – Opportunities for further disability system transformation

The new Ministry will lead ongoing work on Disability System Transformation including identifying and progressing further transformation opportunities

102 While the focus of Disability System Transformation to date has largely been on testing the EGL approach, the opportunities, and our aspirations, are much broader. True change requires transforming the disability system from one that focuses on service provision and needs-based assessment, to a model that takes a whole-of-life approach, emphasises strengths, and enables disabled people and tāngata whaikaha Māori to make decisions to live their best lives. In particular, a transformed system will:

- 102.1 build the knowledge and skills of disabled people and their families and whānau, so they have the opportunities to increase their choice and control
- 102.2 change how services are provided including aligning organisational roles and functions, delivery models, accountability measures, monitoring and evaluation with the EGL approach
- 102.3 create an enabling environment where communities are accessible, and they welcome and recognise the contribution that disabled people make to enhance community cohesion and wellbeing.

Other government funding may be included in flexible, personal budgets

103 Transforming DSS in line with the EGL approach is just the first stage towards realising the EGL vision. Over time, the transformation of disability supports and services could extend to include other government funding in personal budgets. This could potentially include funding provided by s9(2)(f)(iv) [REDACTED]

104 s9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED].

105 s9(2)(f)(iv) [REDACTED]
[REDACTED]

s9(2)(f)(iv) [REDACTED]
[REDACTED]

106 s9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

107 s9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

108 The new Ministry will work with the Ministry of Education to identify any opportunities to include Vote Education funding in personal budgets.

There are also other opportunities for wider change

109 Future transformation opportunities are not limited to extending government disability supports and services. For example, the implementation of the broader Learning Support Action Plan 2019-2025 is a key opportunity to apply EGL principles to improve the experiences of disabled children and young people, regardless of any transfers in functions and funding.

110 As part of ongoing work on Disability System Transformation, we envision the Ministry will be responsible for leading a future-focused strategic policy work programme that examines core issues related to Disability System Transformation, such as removing barriers to accessibility, and considering how to drive a holistic and whole-of-life approach to disability.

111 The Disability Strategy 2016-2026 and implementation of the UNCRPD will be key in guiding the new Ministry’s work programme. The Ministry will have the mandate, visibility, and ability to accelerate the realisation of the Strategy and implementation of the UNCRPD in partnership with disabled people, tāngata whaikaha Māori and whānau.

112 We note Cabinet decisions are also being sought on Accelerating Accessibility including the proposal for a new regulatory system to remove barriers that prevent disabled people from fully participating in society. Future work on Disability System Transformation will align with ongoing work on Accelerating Accessibility. Any new statutory functions or institutional arrangements resulting from Cabinet decisions on Accelerating Accessibility could also potentially be housed within the new Ministry.

113 There will also be the opportunity to progress a strategic and cross-government policy work programme to tackle key disability issues affecting whānau wellbeing. For example, the disability community has called for eligibility to be based on the

functional impact of disability rather than on impairment. Once structures are in place, the new Ministry will be well placed to consider these eligibility issues, including what is needed to better support groups of people, s9(2)(f)(iv)

114 s 9(2)(f)(iv)

115 It will be key that change to the wider disability system is progressed alongside, and in collaboration with, disabled people and whānau. Work on Disability System Transformation to date has progressed in collaboration with established disability community groups, and it is fully our intention that this approach will continue as transformation work progresses.

116 We intend to provide you with further detail on broader system transformation opportunities, and how this will inform the transition and establishment process for the new Ministry, in our proposed Cabinet report back in early 2022.

We intend to report back to Cabinet in early 2022

117 We intend to report back to Cabinet in early 2022 with:

117.1 further detail on establishing the new Ministry including:

117.1.1 detail on the role, responsibilities, functions, mandate, and initial priorities of the new Ministry

117.1.2 the transition of functions, staff, and funding to the new Ministry

117.1.3 the establishment of a new appropriation for the Ministry

117.2 further detail on implementing the EGL approach on a national scale

117.3 future opportunities for further transformation once the new Ministry is established and fully operational

117.4 advice and recommendations on the future location of the Office for Disability Issues.

Financial Implications

Funding for the new Ministry

118 s 9(2)(f)(iv)

These are made up of:

118.1 s 9(2)(f)(iv) \$5.0 million in the 2021/2022 financial year, s 9(2)(f)(iv)

118.2 s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

119 s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]

120 However, funding for the Transition Team and for the establishment of the new Ministry must be secured now so the establishment of the Ministry can proceed, and it is sufficiently resourced to achieve the desired outcomes. Deferring all funding decisions until Budget 2022 would effectively defer the establishment decision and its announcement until that time.

121 We, therefore, seek agreement to establish a new appropriation in Vote Social Development and increase funding in that appropriation by \$5.0 million in 2021/22 to fund the Transition Team and initial establishment costs for this financial year. We seek this funding from the Between-Budget Contingency established as part of Budget 2021.

Funding for the national implementation of the EGL approach

122 The costs of the national implementation of the EGL approach will also require new investment in addition to the costs of the new Ministry. s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]

122.1 s 9(2)(f)(iv) [REDACTED]
[REDACTED]

122.2 s 9(2)(f)(iv) [REDACTED]

122.3 s 9(2)(f)(iv) [REDACTED]

122.4 s 9(2)(f)(iv) [REDACTED]

123 s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

124 s9(2)(f)(iv) [REDACTED]
[REDACTED]

Legislative Implications

125 The establishment of a departmental agency does not require new legislation but requires an Order in Council which will:

125.1 bring the new departmental agency into legal existence on a specified date by naming it in Part 2 of Schedule 2 of the Public Service Act 2020 (the departmental agency will come into legal existence when it appears on the Schedule)

125.2 provide for a transitional period relating to any transfer of functions from other agencies (if applicable) as well as any change in responsibility for functions from the chief executives of the Ministries of Health and Social Development to the chief executive of the departmental agency.

126 Subject to Cabinet agreement, the Minister for the Public Service will be responsible for issuing drafting instructions to establish a new departmental agency with a final name to be determined, and with a commencement date of 1 July 2022. MSD will be named as the host department.

Impact Analysis

Regulatory Impact Statement

127 As there are no regulatory proposals in this Cabinet paper, Cabinet's Impact Analysis requirements do not apply.

Climate Implications of Policy Assessment

128 A climate implication assessment is not required.

Population Implications

129 There are a number of population implications associated with this proposal.

| Population group | How this proposal may affect this group |
|------------------|---|
| Disabled people | The proposals in this paper seek to improve the lives of all disabled people, families and whānau through enabling greater choice, control and self-determination and achieving equitable outcomes. These proposals will help reduce barriers that impede a large group of New Zealanders from achieving their full potential and fully participating in society on an equal basis to others. Establishment of true partnership between disabled people and government will ensure disabled peoples' voices are embedded at all levels. The disability sector is strongly supportive of this work. At least 43,000 disabled people will benefit from the national implementation of the EGL approach for DSS. |
| Māori | Twenty-six percent of the Māori population identify as disabled. Tāngata whaikaha Māori tend to have poorer material well-being and quality of life outcomes than non-disabled Māori and the disability population as a whole. Māori are also less likely to know about and access DSS (around 21 percent of DSS clients are Māori). The proposals in this paper will contribute towards improving key life outcomes for tāngata whaikaha Māori and whānau. They will likely result in more tāngata whaikaha Māori accessing DSS, including choosing what supports work best for them and their whānau. |
| Pacific peoples | Nineteen percent of the Pacific population identify as disabled. Pacific people are also less likely to know about and access DSS (around 7 percent of DSS clients are Pacific). The proposals in this paper will contribute towards improving key |

| | |
|---------------------------|--|
| | life outcomes for disabled Pacific people. At least 3,000 disabled Pacific people will benefit directly from the national implementation of the EGL approach which will likely also support more Pacific peoples to access DSS and other disability supports. |
| Gender | Men and women are equally likely to be disabled. Women are more likely to access disability support, however, more men access DSS specifically. Women make up the majority of carers for disabled people who depend on family and whānau for support. The disability support workforce is also largely female. The proposals in this paper aim to improve outcomes for disabled women accessing government supports and services, including DSS. They will also benefit women who are carers for a disabled family or whānau member. |
| Children and young people | Disabled children, and children with a parent who has a disability, are more likely to experience poverty and poorer outcomes. ³ Almost 50 percent of those accessing DSS are aged below 25. The proposals in this paper will potentially benefit all disabled children and young people and contribute towards improved outcomes and material wellbeing. National implementation of the EGL approach will directly benefit the many children and young people accessing DSS. |
| Older people | Older people experience high rates of disability (59 percent of New Zealanders aged 65 and over have a disability). New Zealand's population is also ageing. Around 2,300 DSS clients are aged 65 and over and will benefit directly from the national implementation of the EGL approach for DSS. As ongoing work on Disability System Transformation progresses, many more older people will also potentially benefit. |

Human Rights

- 130 This proposal is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993. It is also consistent with the United Nations Convention on the Rights of Persons with Disabilities and the United Nations Declaration on the Rights of Indigenous Peoples.

Consultation

- 131 This paper was jointly drafted by the Ministry of Social Development and the Ministry of Health. The following agencies have been consulted: the Accident Compensation Corporation, the Ministry of Business Innovation and Employment, the Ministry of Education, the Ministry for Pacific Peoples, the Ministry of Transport, Oranga Tamariki, Te Puni Kōkiri, the Office for Disability Issues, the Treasury, the Public Service Commission, the Human Rights Commission, the Health Transition Unit and the Department of the Prime Minister and Cabinet. Their views have been incorporated.
- 132 The Enabling Good Lives Governance Group, the Whānau Ora Interface Group, the National Enabling Good Lives Leadership Group, the Disabled Peoples Organisation Coalition and I.Lead have also been engaged on this paper and their views have been reflected.

³ Sixty-three percent of New Zealand households with disabled children earn just enough or not enough money to meet basic needs. Of the 95,000 disabled children aged 0-14 years, 15 percent live in households with incomes under \$30,000 (compared to 10 percent of all 0-14-year olds).

- 133 The Whānau Ora Interface Group and the National Enabling Good Lives Leadership Group have each drafted a statement and these are attached as Appendix Six.

Communications

- 134 The Minister for Disability Issues and Minister of Health will liaise with the Prime Minister on the responsibility for, and the timing of, public announcements regarding the establishment of the new Ministry.

Proactive Release

- 135 This paper will be proactively released in accordance with Cabinet Office Circular CO (18), subject to any redactions as appropriate under the Official Information Act 1982.

Recommendations

We recommend that the Cabinet Social Wellbeing Committee:

Machinery of government

- 1 **note** that, in March 2021, Cabinet noted that the Minister of Health and Minister for Disability Issues would bring advice on the future model and governance of Disability Support Services to Cabinet in September 2021 [CAB-21-MIN-0092 refers]
- 2 **agree** to establish a new Ministry, provisionally named the Ministry for Disabled People, in the form of a departmental agency hosted by the Ministry of Social Development
- 3 **authorise** the Minister for the Public Service, the Minister for Disability Issues and the Minister of Health to determine the final name of the new Ministry, in consultation with the disability community and key stakeholders
- 4 **note** the intention that the new Ministry will be established by 1 July 2022 but that it will take longer for the new agency to be fully operational
- 5 **agree** relevant Disability Support Services functions, including responsibility for the national implementation of the Enabling Good Lives approach, will transition from the Ministry of Health to the new Ministry
- 6 **agree** the new Ministry will be responsible for driving improved outcomes for disabled people across government, which requires an expanded mandate and new disability-related responsibilities and functions, including a strategic policy function
- 7 **note** that any functions resulting from Cabinet decisions on the Accelerating Accessibility work programme will be considered as part of decisions on the new Ministry's future work programme
- 8 **note** due diligence will need to be undertaken to establish the new Ministry as a departmental agency hosted by the Ministry of Social Development

- 9 **invite** the Minister for the Public Service to issue drafting instructions to the Parliamentary Counsel Office for an Order in Council to establish the departmental agency by adding it to Part 2 of Schedule 2 of the Public Service Act 2020
- 10 **note** the chief executive for the new departmental agency (or acting chief executive if appointed) will work with the Ministries of Health and Social Development to implement the transition to the new Ministry
- 11 **agree** to set up a dedicated Transition Team within the Ministry of Social Development to support the establishment of the new Ministry
- 12 **note** that the Transition Team will work with established disability community groups to ensure that the voices of disabled people and whānau shape the establishment of the new Ministry, including the work of the Transition Team
- 13 **s 9(2)(f)(iv)**
- 13.1 **s 9(2)(f)(iv)**
- 13.2 **s 9(2)(f)(iv)**
- 14 **note** funding for the 2021/2022 financial year for the Transition Team and initial establishment costs is sought now, **s 9(2)(f)(iv)**
- 15 **agree** to establish the following new appropriation within Vote Social Development:

| Appropriation Minister | Appropriation Type | Title | Scope |
|--------------------------------|-----------------------------|---|---|
| Minister for Disability Issues | Departmental Output Expense | Establishing a Ministry for Disabled People | This appropriation is limited to establishing, and managing the transition to, a Ministry for Disabled People |

- 16 **approve** the following changes to appropriations to give effect to the policy decision in recommendation 11 above, with a corresponding impact on operating balance and net core Crown debt:

| Vote Social Development Minister for Disability Issues | \$m – increase/(decrease) | | | | |
|---|---------------------------|---------|---------|---------|--------------------|
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 & Outyears |
| Departmental Output Expense: Establishing a Ministry for Disabled People (funded by revenue Crown) | 5.000 | - | - | - | - |
| Grand Total | 5.000 | - | - | - | - |

- 17 **agree** that the proposed change to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply

- ██████████ ██████████
- 18 **agree** that the expenses incurred under recommendation 16 above be charged against the Between-Budget Contingency established as part of Budget 2021
- 19 **agree** that any underspends in the Departmental Output Expense, Establishing a Ministry for Disabled People, for the year ending 30 June 2022, be transferred to the following financial year to ensure that funding is available for any remaining transitional activities
- 20 **authorise** the Minister of Finance and the Minister for Disability Issues to jointly agree the final amount to be transferred as per recommendation 19, following completion of the 2021/22 audited financial statements of the Ministry of Social Development (or sooner if necessary), with no impact on the operating balance across the forecast period

National implementation of the Enabling Good Lives approach

- 21 **agree** to implement the Enabling Good Lives approach to Disability Support Services nationally, s9(2)(f)(iv) ██████████
- 22 **agree** to endorse the implementation plan (attached as Appendix Five) to implement the Enabling Good Lives approach to Disability Support Services on a national scale
- 23 **agree** that in the initial phase of national implementation of the Enabling Good Lives approach:
- 23.1 the eligibility criteria should be the same as the current eligible population for Disability Support Services (with the clarification that all children with significant developmental delay but no confirmed diagnosis, regardless of age, are eligible for early intervention support)
 - 23.2 means testing should not apply to people who have a flexible personal budget
 - 23.3 means testing on household management should continue to apply while people continue to receive a Needs Assessment and Service Coordination allocated package during the transition period
- 24 **agree** that the following funding streams be included in personal budgets for eligible people in the initial phase of national implementation:
- 24.1 Vote Health: National Disability Support Services appropriation
 - 24.2 the ‘Very High Needs’, ‘Community Participation’, and ‘Transition from School’ funding streams from the Vote Social Development: Community Participation appropriation
- 25 **agree** that the following funding streams from Vote Social Development are not included:
- 25.1 Business Enterprise funding
 - 25.2 Support Funds paid on behalf of disabled people

Next steps

26 s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]

- 27 **invite** the Minister for Disability Issues and Minister of Health to report back to the Cabinet Social Wellbeing Committee in early 2022 with further detail on:
- 27.1 establishing the new Ministry, including relevant transitional arrangements
 - 27.2 implementing the Enabling Good Lives approach on a national scale
 - 27.3 future opportunities for further disability system transformation once the new Ministry is established and fully operational
 - 27.4 the future of the Office for Disability Issues, including recommendations on its future location within government.

Authorised for lodgement

Hon Carmel Sepuloni
Minister for Disability Issues

Hon Andrew Little
Minister of Health



Appendices

Appendix One: Enabling Good Lives (EGL) Vision and Principles

Appendix Two: background on Disability System Transformation and key decisions to date

Appendix Three: Disability Support Services (DSS)

Appendix Four: evaluation of EGL demonstration sites to inform the national implementation of the EGL approach

Appendix Five: phased roadmap for national implementation of the EGL approach 2021 – 2024

Appendix Six: statements from the Whānau Ora Interface Group and the National Enabling Good Lives Leadership Group

