

Briefing to the Associate Minister

Social Development and Employment: Disability and carers responsibilities

23 February 2023



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Executive summary

The Ministry of Social Development (MSD) supports hundreds of thousands of disabled New Zealanders and carers through a wide range of general and specialised supports.

The Minister for Social Development and Employment has delegated you a number of disability and carers related responsibilities within the Social Development and Employment portfolio including:

- Community Participation Services
- proposals for replacing the Minimum Wage Exemption (MWE) permit
- the Carers' Strategy, including Mahi Aroha – Carers' Strategy Action Plan 2019-2023
- Peke Waihanga, the New Zealand Artificial Limb Service (we understand you will also receive a separate briefing from Peke Waihanga).

Community Participation Services

Through the Community Participation Services appropriation, MSD provides s9(2)(f)(iv) (primarily in contributory funding) for programmes providing employment-related activities, community participation, or further education opportunities.

Current operational policy work underway related to Community Participation Services includes the implementation of improvements to the funding model and the transfer of Support Funds to MSD from Workbridge.

s9(2)(f)(iv)

Review of Employment, Participation and Inclusion supports

A review of Employment, Participation and Inclusion (EPI) supports has recently commenced, s9(2)(f)(iv)

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- s9(2)(f)(iv) [Redacted]

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Minimum Wage Exemption

Replacing MWE permits has been under consideration since 2015. The MWE permit system is considered inconsistent with disabled people’s rights under the United Nations Convention on the Rights of Persons with Disabilities, particularly as it exists largely within Business Enterprises where only disabled people are employed. The replacement of permits with a wage supplement is a 2020 Labour manifesto commitment.

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

Carers’ Strategy and Mahi Aroha – Carers’ Strategy Action Plan

You are also delegated responsibility for the Carers’ Strategy and Mahi Aroha – Carers’ Strategy Action Plan 2019-2023, which support individuals and whānau who support someone who need help with everyday living.

s9(2)(g)(i) [Redacted] s9(2)(f)(iv) [Redacted]

Your social development disability responsibilities focus on employment, participation and inclusion funded through the Community Participation Services appropriation

Community Participation Services

You have been delegated responsibility for supports funded through the Community Participation Services appropriation. The Services and Contract Management Group within MSD's Māori, Community and Partnerships Group administers these supports.

This appropriation covers funding for supports that are intended, broadly speaking, to enable disabled people to:

- participate and be included in their community
- participate in or prepare for paid employment.

MSD provides **s9(2)(f)(iv)** (primarily in contributory funding) for programmes providing employment-related activities, community participation, or further education opportunities and are accessed by around 10,000 people a year.

There are a number of different services:

- Community Participation / High Needs funding, for organisations to support people with disabilities to participate more in their communities. Services are bulk-funded. This service was previously known as "day services".
- Very High Needs (VHN) funding, available to people who were assessed as having VHN support needs through the Ongoing Resourcing Scheme (ORS) assessment when they were at school.
- Business Enterprises, for businesses that provide employment opportunities in a segregated setting for disabled people who have difficulty funding open employment. Most – but not all – Business Enterprises utilise the Minimum Wage Exemption (MWE) permit scheme which allows them to pay their employees less than minimum wage.
- Transition Services, which support young disabled people receiving ORS support in their final year of school to plan for life after school.
- Support Funds, which help to meet the additional costs disabled people may face when undertaking the same training or employment (which must be open employment) as a person without a disability.

- Employment Service in Schools, a pilot running to 30 June 2023 to help secondary school students who have a health condition, mental health condition, are disabled, or are neurodiverse, their whānau, and school plan for their future and explore job and career opportunities.

Support Funds are distinct from the other supports that fall under the 'Community Participation Services' appropriation. Support Funds meet additional disability related costs that disabled people experience in employment or training rather than providing contributory funding to an organization.

Current operational policy work

The management of Support Funds will transfer from Workbridge to MSD in March 2023. MSD and Workbridge are working closely together to ensure a smooth transition. Returning the administration of the Support Funds back to MSD will bring extra benefits to applicants, for example making it easier to identify other services that might be needed, enabling access to other appropriate providers, saving time, and reducing the need to repeat information when applying for assistance.

MSD is in the process of implementing:

- s9(2)(f)(iv) [REDACTED]
- additional Community Participation Services places funded by Budget 2022
- a 3 percent increase agreed through the 2022/23 Support Work Pay Equity negotiations.

A key issue to be aware of regarding VHN funding is that the Ombudsman found in 2022 that it is not reasonable for eligibility for this funding to be based on a school-based ORS assessment without any opportunity for a disabled person's needs to be reassessed throughout their lifetime. MSD has been exploring options for proxy assessments s9(2)(f)(iv) [REDACTED]

[REDACTED]

[REDACTED]

MWE permits themselves are the responsibility of the Minister for Workplace Relations and Safety. The Minimum Wage Act is administered by the Ministry of Business, Innovation and Employment.

MSD has worked, with support from the Ministry of Business, Innovation, and Employment, to develop options to replace MWE permits since 2015. Last considered by Cabinet in November 2019, replacing MWE with a wage supplement is a 2020 Labour manifesto commitment and an action on the Disability Action Plan 2020-2023.

s9(2)(f)(iv)



Peke Waihanga – the New Zealand Artificial Limb Service

You have been delegated Ministerial responsibility for Peke Waihanga – the New Zealand Artificial Limb Service.

Peke Waihanga is an autonomous Crown Entity established under the Artificial Limb Service Act 2018. It manufactures prosthetics and orthotics, and provides related rehabilitative services. MSD is the monitoring department for Peke Waihanga.

As responsible Minister you are responsible for:

- setting expectations on delivery priorities and performance
- holding the board to account
- the appointment of board members (as governed by the Artificial Limb Service Act).

We understand you will receive a separate briefing from Peke Waihanga.

Disability-related MSD supports outside your responsibilities

MSD provides a number of other specialized supports that are not within your delegated responsibilities.

Notably, these include:

- Income supports such as Supported Living Payment (Health Condition and Disability), Jobseeker Support (Health Condition and Disability), Disability Allowance.
- Employment supports funded through the Employment Multi Category Appropriation:
 - Employment Service - A specialist Employment Service based on the Employment Support Practice Guidelines (2018) that supports disabled people who are work ready to gain paid employment and provides ongoing support while they are working.
 - Mainstream Programme and Internships - A range of wage subsidies paid directly to employers to help disabled people gain paid work experience.

Many disabled people also benefit from general income support, retirement income, employment support and community services provided or funded by MSD.

You have been delegated responsibility for the New Zealand Carers' Strategy and Mahi Aroha Action Plan

The Carers' Strategy and Mahi Aroha Action Plan recognise individuals and whānau who support others who need help with their everyday living

You have been delegated responsibility for the 2008 New Zealand Carers' Strategy ('the Carers' Strategy') and for Mahi Aroha – the Carers' Strategy Action Plan 2019-2023 ('Mahi Aroha').

The Carers' Strategy is a cross-agency strategy recognising the contribution made by carers – individuals, families, whanau and aiga who support others who need help with their everyday living.⁴

The Carers' Strategy has been supported by a series of action plans. The current iteration, Mahi Aroha, was developed in partnership with the New Zealand Carers Alliance and a cross-government working group.

Mahi Aroha 2019-2023 has a focus on four target population groups: Māori, Pacific, young (under 25) and older carers. It has four broad focus areas:

- Recognising carers and their contributions
- Navigating available supports and systems
- Supporting carers' wellbeing (including through improvements to financial support)
- Balancing paid work and study.

MSD is the lead agency for coordinating the implementation and reporting progress of Mahi Aroha 2019-2023 across the government. There are 17 actions, with each attributed to a lead or co-lead:

- MSD leads or co-leads 11 actions and Manatū Hauora - Ministry of Health leads or co-leads 7 actions.
- ACC, Oranga Tamariki and Te Puni Kōkiri all lead or co-lead actions.
- The Carers Alliance and Carers NZ⁵ also lead actions in the plan.

There are important linkages between the Carers' Strategy; your other delegated responsibilities as Associate Minister for Social Development and Employment; and your roles as Minister for Disability Issues, and Minister for Diversity, Inclusion and Ethnic Communities.

⁴ The Carer's Strategy does not cover paid care.

⁵ Carers NZ, the peak body in New Zealand for carers, provides information, advice, and support for an extensive network of carers and is the secretariat for the Carers Alliance.

However, it is important for carers that their needs are not conflated with those of disabled people. While the interests of carers and the people they care for are closely related, support is usually focused on the person needing care – the point of the Carers’ Strategy and Mahi Aroha is to ensure that carers and their needs are recognised.

s9(2)(f)(iv)

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- s9(2)(f)(iv)

Carers-related MSD supports outside your responsibilities

As with disabled people, MSD supports carers through both general and specialised supports that are not within your delegated responsibilities.

Particularly relevant supports include the Supported Living Payment (Carers), and – for parents of disabled children – the Child Disability Allowance. Carers may in certain circumstances receive an Emergency Benefit, and people caring for a partner may be supported through inclusion in that partner’s Supported Living Payment.

The Minister for Social Development and Employment retains responsibility for these functions and any related policy work.

Appendix: Responsibility for MSD disability and carers supports and policy work

Support / Policy work	Description	FY 2022/23 \$	Legislation	Notes
<i>Delegated to you as Associate Minister for Social Development and Employment</i>				
High Needs / Community Participation services	For organisations to support people with disabilities to participate more in their communities. Services are bulk-funded. This service was previously known as "day services".	s9(2)(f)(iv) (Inclusive of Support Funds and Employment Service in Schools)	N/A	s9(2)(f)(iv)
Very High Needs individualised funding	Available to people who were assessed as having Very High Needs support through the Ongoing Resourcing Scheme (ORS) assessment when they were at school.	s9(2)(f)(iv)	N/A	s9(2)(f)(iv)
Business Enterprises	For businesses that provide employment opportunities in a segregated setting for disabled people who have difficulty finding open employment. Most Business Enterprises utilise the Minimum Wage Exemption Permit scheme which allows them to pay their employees less than minimum wage.	s9(2)(f)(iv)	N/A	s9(2)(f)(iv) You are responsible for proposals for replacing Minimum Wage Exemption Permits, which will impact on business enterprises.
Transition from School Services	Which support young disabled people receiving Ongoing Resourcing Scheme (ORS) support in their final year of school to plan for life after school.	\$1 million	N/A	s9(2)(f)(iv)
Support Funds	Help to meet the additional costs disabled people may face when undertaking the same training or employment as a person without a disability. The management of Support Funds will transfer from Workbridge to MSD in March 2023. Support Funds provides 'cost of disability' assistance to disabled people, including people with health conditions, to gain or retain employment or employment related training. 821 individuals received Support Funds in 2021/22.	\$7.1 million	Employment and Work Readiness Assistance Programme, established under the Social Security Act 2018	s9(2)(f)(iv)
Employment Service in Schools	Helps secondary school students who have a health condition, mental health condition, are disabled, or are neurodiverse, their whānau, and school plan for their future and explore job and career opportunities.	\$2 million this year only	N/A	s9(2)(f)(iv)

Support / Policy work	Description	FY 2022/23 \$	Legislation	Notes
	A pilot, run in conjunction with the Ministry of Education from 1 February 2021 to 30 June 2023 offers up to 500 places.	s9(2)(f)(iv)		
Proposals for replacement of Minimum Wage Exemption permits	The Minimum Wage Act 1983 allows certain disabled people to be paid less than the minimum wage. Around 831 people currently hold a Minimum Wage Exemption (MWE) permit. The 2020 Labour manifesto calls for the replacement of MWE permits with a wage supplement. s9(2)(f)(iv)	N/A s9(2)(f)(iv)	s9(2)(f)(iv) MWE permits under Minimum Wage Act 1983 (Minister for Workplace Relations and Safety)	As Associate Minister for Social Development you are responsible for proposals for an alternative to MWE permits, but not for the repeal of the permits, which is the responsibility of the Minister for Workplace Relations and Safety.
Review of Employment, Participation and Inclusion supports	s9(2)(f)(iv)	N/A	s9(2)(f)(iv)	
Carers' Strategy and Mahi Aroha Action Plan	A cross-government strategy and action plan that recognise the contribution made by carers. The current action plan runs from 2019 to 2023. s9(2)(f)(iv)	\$0.080	N/A	A wide range of Ministers were co-signatories to Mahi Aroha
Peke Waihanga – New Zealand Artificial Limb Service	An Autonomous Crown Entity that manufactures orthotics and prosthetics, and provides rehabilitative services. Ministerial responsibilities include board appointments, setting priorities and expectations, holding the board to account, and being answerable to Parliament for its performance.	Operational revenue is derived from contracts with ACC and health entities		

Minister for Social Development and Employment				
Employment Service	A specialist Employment Service based on the Employment Support Practice Guidelines (2018) that supports disabled people who are work ready to gain paid employment and provides ongoing support while they are working. Around 5,000 people are supported each year.	\$23.3m	Employment and Work Readiness Assistance Programme	
Mainstream Programme and Internships	A range of wage subsidies paid directly to employers to help disabled people gain paid work experience. Accessed by an average of 82 people a year.	\$5m this year and \$3m next	Employment and Work Readiness Assistance Programme	
Care in the Community: Direct support fund (COVID-19 Wellbeing Grants)	Enables disabled people and whānau to access support directly from providers who have received the funding.	\$4.4m this year only		
Care in the Community: Provider-led innovation fund (community support)	Enables providers to deliver a project, product, or initiative to a target community.	\$4.9 million this year only		
Supported Living Payment (Health Condition and Disability)	A main benefit payable to people who have a health condition, injury or disability that permanently and severely restricts their ability to work. Subject to an income test (with accommodations for the particular groups of disabled people).	\$2.044 billion (forecast)	Social Security Act 2018	
Supported Living Payment (Carers)	A main benefit payable to people who give full time care to someone other than their partner who would otherwise need to receive hospital or residential level care. Subject to an income test.	\$233 million (forecast)	Social Security Act 2018	
Jobseeker Support (Health Condition and Disability)	A main benefit payable to people who, due to a health condition, injury or disability, are limited in their capacity to work or seek work. Subject to an income test.	\$1.455 billion (forecast)	Social Security Act 2018	
Disability Allowance	A supplementary benefit that covers additional, ongoing costs of a disability or health condition, up to a limit. Subject to an income test.	\$300 million (forecast)	Social Security Act 2018	
Child Disability Allowance	A supplementary benefit payable to the primary caregiver of a dependent child with a disability who needs constant care and attention as a result, and who is likely to require that care permanently or for more than 12 months. Not subject to an income test.	\$128 million (forecast)	Social Security Act 2018	

<p>General income support and employment support products</p>	<p>Disabled people and carers could be eligible for any other MSD income support and employment support products, depending on their circumstances.</p>			
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