

Aide-mémoire

Cabinet Oral Item

Date: 20 May 2021 **Security Level:** Cabinet Sensitive

For: Hon Carmel Sepuloni, Minister for Disability Issues
Hon Andrew Little, Minister of Health

File Reference: REP/21/5/479 (MSD) and HR20211162 (MOH)

Oral Item: Update on Disability System Transformation

Cabinet Committee Social Wellbeing

Date of meeting 2 June 2021

Minister Hon Carmel Sepuloni, Minister for Disability Issues
Hon Andrew Little, Minister of Health

Proposal You are taking an Oral Item, accompanied by an A3, to Cabinet Social Wellbeing Committee to update your colleagues on Disability System Transformation ahead of seeking key decisions on this work in September 2021.

Key issues This aide memoire provides joint talking points below to speak to this Oral Item. It also provides specific talking points relevant to your respective portfolios.

Disability system transformation is a programme of work, led by the Ministry of Health, on the national rollout of an Enabling Good Lives approach to the allocation and delivery of Disability Support Services (DSS). System transformation supports the implementation of the New Zealand Disability Strategy 2016-2026 and the Disability Action Plan 2019-2023. Appendix 1 outlines the Enabling Good Lives vision and principles.

The Ministry of Social Development is leading work to identify what machinery of government arrangements are required to support the transformed system. Work is being progressed in partnership with a Working Group comprised of disability sector representatives and government officials. Decisions are needed in

September 2021 on machinery of government arrangements for DSS, to align with the health and disability system reforms.

You, as Minister for Disability Issues and Minister of Health, are the responsible Ministers for system transformation.

You have signalled that you would like to release key public messages on system transformation and talking points on this are also provided below.

Key system transformation decisions to date

In 2017, Cabinet agreed the scope of system transformation should initially focus on disabled people eligible for DSS provided by the Ministry of Health [SOC-17-MIN-0007 refers].

In 2018, Cabinet agreed to commence the prototype of the transformed disability support system (known as Mana Whaikaha) in the MidCentral DHB region. Cabinet also agreed to initiate a Machinery of Government Review to advise on potential structural options for the transformed disability support system [SWC-18-MIN-0029 refers].

In 2019, responsible Ministers agreed the Terms of Reference for the Machinery of Government Review. The Terms of Reference outlined that the initial scope for structural change would be DSS, but that there was the opportunity to consider an expansion of scope to other disability functions [REP/18/11/1502 and HR 20182166 refers].

In early 2021, officials asked joint ministers to confirm the scope of change you wanted to consider as part of system transformation. You agreed you wanted to seek Cabinet decisions in September 2021 on transforming DSS, including decisions on governance and structural arrangements. You also directed officials to consider a broader scope and look at other disability-related functions across government. You agreed you wanted to take initial advice on a broader scope to Cabinet in September 2021, alongside decisions on DSS.

In March 2021, Cabinet noted joint ministers would provide advice to Cabinet in September 2021 on the future model and governance for DSS [CAB-21-MIN-0092].

Talking points to speak to the A3

This A3 provides you with an update on work that is being undertaken to transform the disability support system, which will be supported by possible future machinery of government changes

We know that the current DSS model doesn't work for all disabled people.

Cabinet has endorsed the Enabling Good Lives approach, which was developed by disabled people for disabled people.

The Enabling Good Lives approach gives disabled people, tāngata whaikaha Māori, their families and whānau greater choice and control over their lives and supports. It seeks to change the purpose of the system from a deficits and needs-based approach, towards a system which builds on the strengths of disabled people, tāngata whaikaha Māori, their families and whānau to achieve their goals and aspirations for a good life.

Enabling Good Lives aligns with Te Tiriti o Waitangi, the United Nations Convention on the Rights of Persons with Disabilities, and the New Zealand Disability Strategy 2016-2026.

There is now the opportunity to transform DSS on a national scale in line with Enabling Good Lives

Work has been underway for more than a decade to transform DSS.

Successive governments have made decisions to progress system transformation including testing the Enabling Good Lives approach in three demonstration sites in Christchurch, Waikato and MidCentral.

Evidence from these initiatives shows there are positive impacts for disabled people, tāngata whaikaha Māori, their families and whānau.

We now have the opportunity to progress a national transformation of DSS alongside the health and disability system reforms.

Government has committed \$72.7 million over four years in Budget 2021 towards system transformation

This will baseline the funding for the three Enabling Good Lives demonstration sites and will ensure continuity of support for disabled people, as well as certainty for the essential workforce in those regions.

Budget 2021 also provides additional funding to undertake detailed design, service development and workforce capability-building ahead of a national transformation of DSS.

The implementation of a national transformation of DSS would require additional investment through future Budgets.

Decisions are needed in September 2021 on the machinery of government arrangements required to support system transformation, to align with the health and disability system reforms

In March 2021, Cabinet considered advice on the health and disability system reforms. At that time, Cabinet noted we would bring advice to Cabinet in September 2021 on the future model and governance of DSS and that this would be aligned with the wider health reforms.

The decision to consider DSS separately from the health reforms is reflective of the disability community's concerns regarding the disability-related recommendations in the Health and Disability System Review.

In September we will ask you to make a decision on what machinery of government arrangements will best support a transformed DSS. This decision will cover where in government DSS should be located, what structural arrangements are required, and also what governance arrangements will best support a power shift for disabled people to drive the national transformation of DSS.

And this is just the starting point - across government, multiple agencies provide disability-related functions. These functions include services, complaints, advocacy, and monitoring.

Now is also the time to take the opportunity to look at how we can achieve positive change for a larger cohort of disabled people than the 43,000 who currently receive DSS. Our September Cabinet paper will also provide initial advice on wider government functions that support disabled people and what a broader scope for change could look like.

We intend to release key public messages on the progress of system transformation

We intend to release a set of key public messages on progress of the work to transform the disability system.

The disability community has not received a public update on this work since 2018 and it is important the community is kept aware of decisions that will impact them.

The Ministries of Social Development and Health will draft key public messages. These will align with the recent announcements made by the Minister of Health on the health system reforms.

**Back pocket
talking points
for Minister
Sepuloni**

How does disability system transformation align with government priorities?

- System transformation is a programme of work under the Disability Action Plan 2019-2023 to support the implementation of the Choice and Control outcome of the New Zealand Disability Strategy 2016-2026.
- System transformation aligns with the Government's priority to support healthier, safer, and more connected communities.
- It is also consistent with the Labour Party's 2020 election manifesto commitment of strengthening the mandate and resourcing of public leadership for the disability community, in consultation with the disability community.

What machinery of government options have been considered for DSS?

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- The Ministries of Social Development and Health are partnering with a Working Group of disability representatives and officials, and have identified a number of possible machinery of government options.
 - Options identified include moving DSS into an existing agency (such as the Ministry of Social Development), establishing DSS within its own new department or departmental agency, or DSS remaining within the health system.
 - Currently, all options remain under consideration and we will seek Cabinet agreement to a preferred option in September.
 - Policy criteria for assessing these options will include looking at how each option could accommodate potential future decisions on changes to the broader disability system.

What is the difference between DSS and the wider disability system?

- DSS is part of the disability system and refers specifically to Disability Support Services funded by the Ministry of Health and provided to approximately 43,000 disabled people.
- The disability system is wider than DSS and encompasses all disability-related functions provided by Government. This includes other supports and services, such as those provided by DHBs, ACC, the Ministry of Social Development, and the Ministry of Education, as well as other functions such as complaints, advocacy, and monitoring.

What would a broader scope for system transformation involve?

- A broader scope will look at all disability-related functions provided by different agencies across government and will consider how government can better organise itself to deliver improved life outcomes for disabled people.
- In the future, a broader scope could involve applying the EGL vision and principles to other government funded disability supports and services besides DSS ^{9(2)(f)(iv)} [REDACTED]
[REDACTED]
[REDACTED]
- Applying the EGL vision and principles across the broader government system could drive change to the way in which disability supports are delivered to enable greater choice and control for disabled people and consequent improved all-of-life outcomes.
- A broader scope could also involve establishment of some form of assurance or monitoring function to strengthen leadership and co-ordination across the disability related functions and broader government responsibilities to disabled

people and to ensure the voices of disabled people, families and whānau are reflected and help drive change.

- The work I'm doing on making Aotearoa Accessible is a good example of something that will be considered as part of the work on a broader scope.

How will a broader scope for system transformation impact other government agencies and other ministerial portfolios?

- A large number of agencies have some form of disability function and all government agencies also have a responsibility to be responsive to the needs of disabled people.
- A number of agencies and different ministerial portfolios could potentially be impacted by broader change across the disability system.
- The Ministry of Social Development is working with agencies who may be impacted to ensure they have the opportunity to input into this work. This has included setting up an Officials Working Group convened by the Ministries of Social Development and Health. Agencies represented on the Officials Working Group are the Ministry of Education, the Ministry of Business, Innovation and Employment, the Ministry for Pacific Peoples, ACC, Oranga Tamariki, Te Puni Kōkiri, and the Treasury.
- The initial focus is on those agencies with disability related functions, however, as the work progresses, it may be necessary for other agencies to also be involved in the working group.

How will system transformation improve outcomes for disabled Māori, tāngata whaikaha?

- Māori experience a higher rate of disability than the rest of the population. They are also currently less likely to know about and access disability supports and services.
- System transformation will contribute towards improving key life outcomes for disabled Māori and may result in more disabled Māori accessing DSS and other supports and services for which they are eligible.
- For example, evidence from the three EGL demonstration sites shows higher engagement by disabled Māori and Pacific peoples.
- A Whānau Ora Interface Group of tāngata whaikaha Māori and Pacific disabled people and whānau has set out how Te Tiriti o Waitangi provides the korowai for system transformation.

How does system transformation fit with work on Accelerating Accessibility?

- Accelerating Accessibility is a programme of work under my portfolio. It aims to create a system that will progressively remove barriers preventing New Zealanders from fully participating in their communities and society.
- System transformation and Accelerating Accessibility are distinct and involve different aspects of the disability system. However, there is some overlap and officials are working to ensure the two work programmes are aligned.
- Accelerating Accessibility will likely also have machinery of government implications for the disability system including the potential establishment of new institutional arrangements.
- Any new Accessibility arrangements will be considered as part of the wider disability system including how they could best fit within the future transformed disability system.

How does system transformation fit with work on social insurance?

- Officials are considering what a social insurance model could look like in New Zealand, including where it would be hosted if it goes ahead.
- Any proposals on social insurance will need to be aware of work on system transformation and officials will ensure any proposals are joined up and aligned or phased as appropriate.

Back pocket talking points for Minister Little

How does system transformation align with the health and disability system reforms?


- The outcomes sought through system transformation align with the goals of the Health and Disability System Review to build a stronger health and disability system for all New Zealanders, including disabled people. Ensuring better health outcomes for disabled people and tāngata whaikaha Māori will remain a critical responsibility of the Ministry of Health, Health New Zealand the Māori Health Authority.
- I have heard the concerns from disabled people and their representative organisations regarding the recommendation in the Health and Disability System Review to ultimately devolve disability funding to District Health Boards. The decision to consider DSS separately from health services in the Government's response to the Review is reflective of these concerns.
- The Ministries of Health and Social Development are working closely with the Health and Disability System Transition Unit to

ensure system transformation aligns with the ongoing changes to the health system including the establishment of Health NZ.

What investment will be required for a national scaling of EGL?

- Evidence from the three EGL demonstration sites shows that individual support costs are frequently no higher and are sometimes lower than under the existing system.

9(2)(f)(iv)

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- Funding for a national scaling of EGL is in addition to the \$72.7 million that Government committed through Budget 2021 to permanently fund the three demonstration sites.
 - New machinery of government arrangements to support the transformed DSS may also require additional investment.

Where will DSS be located once it is transformed on a national scale?

- DSS is currently located in the Disability Directorate within the Ministry of Health. However there needs to be an active decision about the future structure and governance of DSS as all the Ministry's operational functions will be moved to Health NZ from mid-2022.
- Our advice to Cabinet in September 2021 will seek a decision on where DSS should be permanently located, and what governance arrangements will best embed the voice of disabled people in decision-making.
- DSS will remain in the Ministry of Health until decisions are made on where it should sit permanently.
- The Disability Directorate in the Ministry of Health currently manages other services as well as DSS, including Equipment and Modification Services and Environmental Support Services. Decisions will need to be made about where these services should sit in the future, in the context of both the health and disability system reforms and any DSS machinery of government changes.

How have the views of the disability sector been incorporated in system transformation?

- System transformation is being progressed in partnership with disabled people, tāngata whaikaha Māori, families and whānau to ensure the transformed system aligns with their aspirations for more choice and control in their lives.
- An Enabling Good Lives Governance Group, which is comprised of disabled people, tāngata whaikaha Māori, families and whānau, have worked alongside the Ministry of Health to ensure that disabled people's voices and aspirations are reflected in the design of the transformed system.

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Appendix 1 – Enabling Good Lives Vision and Principles

VISION

1. 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.
2. Disabled people and their families and whānau, as appropriate, will be able to say:
 - a. I have access to a range of support that helps me live the life I want and to be a contributing member of my community
 - b. I have real choices about the kind of support I receive, and where and how I receive it
 - c. I can make a plan based on my strengths and interests
 - d. I am in control of planning my support, and I have help to make informed choices if I need and want it
 - e. I know the amount of money available to me for my support needs, and I can decide how it is used – whether I manage it, or an agency manages it under my instructions, or a provider is paid to deliver a service to me
 - f. the level of support available to me is portable, following me wherever I move in the country
 - g. my support is co-ordinated and works well together. I do not have to undergo multiple assessments and funding applications to patch support together
 - h. my family, whānau and friends are recognised and valued for their support
 - i. I have a network of people who support me – family, whānau, friends, community and, if needed, paid support staff
 - j. I feel welcomed and included in my local community most of the time, and I can get help to develop good relationships in the community if needed.
3. The Government will get better value for the funding it provides because:
 - a. the new approach will generally provide better quality of life outcomes for disabled people and their families and whānau (based on international evidence)
 - b. less money will be spent on providers premises and more on support
 - c. government agencies will work more closely together, for example using shared ways to determine support needs, integrated funding and contracts.

PRINCIPLES

Self-determination

Disabled people are in control of their lives.

Beginning early

Invest early in families and whānau to support them; to be aspirational for their disabled child; to build community and natural supports; and to support disabled children to become independent, rather than waiting for a crisis before support is available.

Person-centred

Disabled people have supports that are tailored to their individual needs and goals, and that take a whole life approach rather than being split across programmes.

Ordinary life outcomes

Disabled people are supported to live an everyday life in everyday places; and are regarded as citizens with opportunities for learning, employment, having a home and family, and social participation – like others at similar stage of life.

Mainstream first

Disabled people are supported to access mainstream services before specialist disability services.

Mana enhancing

The abilities and contributions of disabled people and their families and whānau are recognised and respected.

Easy to use

Disabled people have supports that are simple to use and flexible.

Relationship building

Supports build and strengthen relationships between disabled people, their whānau and community.