

Report

Date: 17 April 2026
To: Hon Louise Upston, Minister for Disability Issues
File Reference: REP/26/4/271
Security Level: In Confidence/Legally Privileged

Draft Cabinet paper for Ministerial consultation – Introduction of the Disability Support Services Bill

Purpose

1. This report seeks your agreement to circulate the attached draft Cabinet paper that seeks approval for introduction of the Disability Support Services Bill (the Bill) for Ministerial consultation between 20 April and 24 April 2026.

Recommendations

It is recommended that you:

- | | |
|--|-------------------------|
| (1) agree to circulate the attached draft Cabinet paper, subject to any revisions, for Ministerial consultation in the period of 20 April to 24 April 2026. | agree disagree |
| (2) note Cabinet has authorised you to make decisions on minor policy and technical issues and resolve any minor and non-controversial changes that may arise during the drafting of instructions for the Bill. | noted |
| (3) agree that you will use your authorisation to include in the Bill: | |
| (a) provisions for the Minister for Disability Issues to amend saved Disability Support Services policies. | agree disagree |

- (b) that the savings provisions for Disability Support Services are in place for three years from the commencement of the Disability Support Services Act. **agree | disagree**
- (4) **Agree** that that you will seek agreement through the Legislation Cabinet paper that the Bill include provisions for a new carer payment¹ for family carers of disabled people. **agree | disagree**
- (5) **note** that when passed, the Bill mitigates most significant legal and fiscal risks arising from the paid family carer litigation, however some residual risk will remain during the three year transitional period. **noted**
- (6) **note** that the confirmed Cabinet paper will need to be submitted to Cabinet Office by 10am, 30 April 2026 to be considered by the Cabinet Business Committee so that timelines for the Cabinet meeting on 11 May 2026, and target introduction date of 12 May 2026 are met. **noted**
- (7) **note** that officials will outline how any overlap in the planned public consultation with the Select Committee process will be managed in the initial briefing to the Select Committee. **noted**
- (8) **note** that officials will work alongside your office to confirm key stakeholders, high-level messaging, and timelines for any pre-engagement before the Bill is introduced. **noted**

Hon Louise Upston
Minister for Disability Issues

Date

J Cornwall

16/04/2026

Justine Cornwall
General Manager Policy
Disability Support Services

Date

¹ Previously referred to as a stipend.

Further policy work has identified changes needed to the Bill

2. In April 2026, Cabinet agreed to accelerate the strengthening of DSS through a package of policy and operational changes, which will be enhanced by a new Act that establishes a foundational legislative framework and clarifies the policy intent in relation to DSS and carers [CAB 26-MIN-0115 refers]. Cabinet also noted that the Bill is proposed to hold a category 2 priority on the 2026 Legislation Programme (must be passed before the 2026 General Election to meet a specific deadline).
3. Further work on drafting the Bill has identified areas where further clarification was required. This includes safeguards for approving any amendments to saved DSS policies, and that the savings provisions are in place for three years from commencement of the Disability Support Services Act (outlined further below).
4. These changes are within your delegation as the Minister for Disability Issues to amend minor policy points agreed by Cabinet [CAB 26-MIN-0115 refers] and are included in the draft Cabinet paper. If you do not agree to the changes proposed, we will remove them from the draft Cabinet paper.
5. We are also recommending that you seek agreement to enabling provisions for a new carer payment through the Cabinet paper. This has also been included the draft cabinet paper.
6. Further work on the Bill has also confirmed that the Bill, when enacted, mitigates the most significant legal and fiscal risks. This work has also clarified the residual risks which are outlined below.

Safeguards are recommended for amending Disability Support Services policies saved under the Bill

7. Cabinet approved that the Bill save existing policies and that they could be amended or revoked [recommendation 17.1 CAB 26-MIN-0115 refers]. The issue of who should approve amendments or revocations was not addressed in the Cabinet recommendation. The Parliamentary Counsel Office (PCO) has asked for clarification on this as PCO progresses with drafting of the Bill.
8. We recommend that approval to amend saved DSS policies rests with you in your capacity as the Minister for Disability Issues. This aligns with current practice for ministerial approval of policy changes and with the decision-making framework (e.g. ministerial programmes) under the Bill. This is included in the draft Cabinet paper.
9. The Bill currently includes no expiry date for the saved DSS policies, which creates uncertainty on when they will be transferred into ministerial programmes. We recommend that the savings provision is in place for three years from commencement of the Disability Support Services Act. This would provide certainty on implementation, align with broader transition timelines in the Bill, and allow sufficient time to move DSS policies into ministerial programmes. We will note that change in the Cabinet paper.
10. There is one exception to this time limit. We recommend that DSS savings provisions relating to individual allocations should not be time limited. These will apply to individual

situations as users are reassessed, or new policies come into place. This provision would not be time bound because it would result in the need to review all existing individual allocations within three years and this is neither needed nor feasible operationally.

11. The draft Cabinet paper set outs that you have used your authorisation for the suggested changes to the existing funding policies into the Bill.

Enabling provisions for a new carer payment

12. Cabinet approved that you report back to the Cabinet Social Outcomes Committee by the end of 2026 for policy decisions on a new support model for carers of disabled people. This includes on a timeframe for design and implementation [recommendation 24 CAB 26-MIN-0115 refers].
13. Further work has identified that the Bill should include provisions for a new carer payment as part of the new support model for carers of disabled people. These provisions are intended to enable a future transition away from the use of the employment model (through Flexible Funding arrangements) as a mechanism for paying family carers of disabled people.
14. These provisions should include:
- 14.1 The establishment of a Ministerial programme that allows the Ministry of Social Development (MSD) to make payments to family carers of disabled people.
 - 14.2 That in making these payments, MSD is not entering into an employment relationship.
 - 14.3 Corresponding provisions in the employment legislation that the family carers receiving payments under a Ministerial programme are not employees of the Crown.
- 15 These provisions were not included in your original advice to Cabinet on the Bill. Therefore, this Cabinet paper seeks agreement on the proposed additions.

Residual legal risk

- 16 We have continued to engage with officials from the Ministry for Business, Innovation, and Employment (MBIE) and Crown Law through the process of drafting the Bill.
- 17 The Bill will mitigate the most significant legal and fiscal risks arising from the current uncertainty surrounding paid family care, but some residual risk will remain throughout the three-year transition period. During this time, will transition family carers to the new carer payment, out of the employment model under Flexible Funding, and transition disabled people who do not have decision-making capacity to more appropriate arrangements.
- 18 Until this is complete, it is possible that new or novel legal claims or judicial reviews might be made. § 9(2)(h) No new measures have been identified that would fully address these risks without creating wider impacts, such as impacting on supply of carers. This is an existing risk and is mitigated by Hosts who support disabled people (or their agents) to meet employment requirements, and current funding already providing for holiday pay, system improvements

Select Committee timings

- 19 We previously provided advice on the advantages and disadvantages of a four-week and eight-week Select Committee process [REP-26-4-252 refers].
- 20 The Office of the Leader of the House has advised that the latest date for the Select Committee report back would be on 19 August 2026 to allow sufficient time for the Bill to pass through the remaining stages ahead of the House rising for the General Election. However, this limits the time available to make changes to the Bill.
- 21 The urgency of the Bill necessarily constrains the length of the process. We advise that an up to an eight-week Select Committee process provides a good balance of allowing the opportunity for consultation and scrutiny, with ensuring sufficient House time for the Bill to pass all stages ahead of the General Election, and contingency for any delays.
- 22 Indicative timings for the process would be:
 - 22.1 Bill Introduced **12 May 2026**
 - 22.2 Select Committee **18 May – 11 July 2026**
 - 22.3 Report back and second reading no earlier than **14 July 2026**
 - 22.4 Royal Assent no earlier than **21 July 2026**.

Draft DSS Bill

- 23 **Appendix One** sets out the draft DSS Bill. We expect that there will be further iterations of the Bill from PCO.

Your approval is sought for Ministerial consultation

- 24 Following your agreement to the draft Cabinet paper, we recommend that you circulate it for Ministerial consultation. A suggested list of Ministers is:
 - 24.1 Minister for Workplace Relations and Safety - Hon Brooke van Velden
 - 24.2 Minister for Children - Hon Karen Chhour
 - 24.3 Minister of Finance - Hon Nicola Willis
 - 24.4 Minister for Health - Hon Simeon Brown
 - 24.5 Coalitional Partners - Hon David Seymour and Hon Winston Peters.
- 25 During departmental consultation on the policy decisions for the Bill, officials from Oranga Tamariki raised concerns about implications on funding for their carers. The Minister for Children is not a member of the Cabinet Business Committee (CBC), which will consider the Legislation paper ahead of Cabinet. You may wish to engage with the Minister directly.
- 26 You may also wish to discuss the Bill in more detail with the new Attorney General, noting that the Ministry of Justice will most likely provide their advice on the Bill of Rights Assessment (BORA) around 30 April 2026 when this Cabinet paper is lodged.
- 27 DSS will concurrently undertake departmental consultation on the draft Cabinet paper.

Public consultation

- 28 The public consultation '*Have your say on further improvements to Disability Support Services*' will run in parallel with the passage of the Bill [REP 26/3/211 refers]. Officials have been developing plans to ensure these processes are distinct and materials to support us to address any public confusion about the scope of each process.
- 29 Consultation has not yet been approved by the Ministerial Disability Leadership Group (MDLG). Papers are with the MDLG Ministers, and you have asked for their feedback or approval to consult, by Monday, 20 April 2026.
- 30 The suggested timeline for public consultation is:
- 30.1 **Friday, 22 May 2026** – suggested date for the press release from your office announcing the consultation and launching the consultation document.
 - 30.2 **Tuesday, 2 June 2026 until 5pm, Monday, 27 July 2026 (eight weeks)** – submissions are open, online survey is live, and online and in-person workshops are held.
- 31 The Select Committee (Committee) process is likely to overlap with the timing of the public consultation process. We will reference this in the initial briefing to the Committee, including steps we will take to ensure the appropriate distinction between the two processes to provide assurance to the Committee.

Pre-engagement with key carer groups

- 32 Cabinet has authorised you to engage, in advance of the Bill's introduction, with a small number of representative organisations of carers and disabled people most affected by the Bill and provide them with a confidential briefing on the development of the new support for carers, the proposed Bill, and other operational matters [recommendation 25 - CAB 26-MIN-0115 refers].
- 33 Officials are working with your office to confirm key stakeholders, high-level messaging, and timelines for any pre-engagement activity you wish to undertake. A communications plan will be provided by 30 April 2026 for your consideration.

Next steps

- 34 **Appendix Two** sets out the approximate timelines for the passage of the Bill and when your office will receive relevant products from officials.
- 35 We will seek your feedback on the additional provisions to be included in the Bill outlined in this paper by the morning of Monday 20 April 2026 so that we can provide an updated draft Cabinet paper to your office later that day, to be circulated for Ministerial consultation in the period of 20 April to 24 April 2026.
- 36 We will provide an aide memoire on 30 April 2026 to support you for the CBC meeting.

Author: Shareen Ali, Senior Policy Analyst, Policy and Data team, DSS Taskforce

Responsible manager: Stu Murphy, Lead, Policy and Data team, DSS Taskforce

Appendix One: Draft DSS Bill

Appendix Two: Timelines for the passage of the DSS Bill

Date	Milestone
16 April 2025	Draft Cabinet paper and draft Bill provided to your office.
20- 24 April 2026	Ministerial and departmental consultation (one week).
24 April 2026	Draft First Reading Speech provided for feedback.
29 April 2026	Revised Cabinet paper (post ministerial and departmental feedback) and draft Bill provided for approval to lodge for CBC.
30 April 2026	Communication Plan for agreement provided.
30 April 2026	Lodge with CabNet by 10am for CBC.
30 April 2026	Aide memoire to support you with CBC provided to your office.
1 May 2026	Final version of the First Reading Speech and a draft Legislative Statement provided to your office.
4 May 2026	CBC meets.
5 May 2026	Bill Introduction material provided to your office.
11 May 2026	Cabinet meets.
11 May 2026	Parliamentary Counsel Office will prepare the final Bill for printing for Introduction, making any changes as agreed by Cabinet.
12 May 2026	Morning: Calls to key impacted carer groups.
12 May 2026	By 11.00am, 40 copies of the Regulatory Impact Statement and Disclosure Statement to be provided to the Bill's office ² .
12 May 2026	Your office provides the Legislative Statement for the Bill to the House of Representatives prior to first reading of the Bill.
12 May 2026	Disability Support Services Bill introduced.
12 May 2026	Media releases and interviews.
14 May 2026	First Reading of Disability Support Services Bill and referred to Select Committee.

² The requirement is within half a working day after PCO orders the printing of the introduction copies.