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# In Confidence

# 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, [content redacted].

**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.

## Executive Summary

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

**3.** 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.

**4.** 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).

**5.** 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].

**6.** 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.

**7.** 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.

**8.** 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.

**9.** 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.

**10.** 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.

**11.** The Ministry’s ongoing work will include looking at what other government-funded services could be in scope for future transformation, [content redacted]. Any new statutory functions resulting from Cabinet decisions on Accelerating Accessibility could potentially also sit within the Ministry.

**12.** 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.

**13.** 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.

**14.** 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, [content redacted]. Cabinet agreement is also sought to a number of technical elements including the scope of national implementation and the proposed funding in scope.

**15.** New funding is required to establish the Ministry and implement the EGL approach nationally [content 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. [content redacted].

**16.** 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).

**17.** 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.

## 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.** [content redacted].

**13.1** [content redacted].

**13.2** [content redacted].

**14. note** funding for the 2021/2022 financial year for the Transition Team and initial establishment costs is sought now, [content redacted].

**15. agree** to establish the following new appropriation within Vote Social Development:

**Appropriation Minister:** Minister for Disability Issues;

**Appropriation Type:** Departmental Output Expense;

**Title:** Establishing a Minister for Disabled People;

**Scope:** 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**: Vote Social Development;

**Minister**: Minister for Disability Issues;

**Appropriation**: Establishing a Ministry for Disabled People (Departmental Output Expense funded by revenue Crown);

**Funding**: $5.000 million increase in the 2021/2022 financial year. No funding in 2022/23, 2023/24, 2024/25, 2025/26 and outyears;

**Grand total**: $5.000 million increase.

**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, subject to Budget 2022 decisions

**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.** [content 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.

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