

# Action to improve the sustainability of Disability Support Services

Full paper available: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2024/improve-sustainability-of-disability-support-services.html> and <https://tinyurl.com/26nzhjfp>

## Proposal

**1**. This paper seeks decisions for next steps in responding to recommendations from the Independent Review of Disability Support Services (DSS) on:

**1.1** next steps on the rapid review of residential care contract and pricing models (recommendation two)

**1.2** consulting with the disability community and sector on the impacts of options: to update assessment and allocation settings (recommendation five); and that establish criteria for access to flexible funding and review the flexible funding guidelines to improve clarity and consistency (recommendation six)

**1.3** consulting on the scope of longer-term policy work to deliver fair, consistent, transparent, and sustainable support services for disabled people and families.

## Relation to government priorities

**2.** Relevant priorities are better public services and fiscal responsibility, as well as fairer access to DSS ensuring those with the greatest needs receive quality support services.

## Executive Summary

**3**  We took action to gain control of the cost pressures in DSS following the Independent Review’s recommendations.

**4** I now seek Cabinet agreement to the preferred approach to develop the residential care contract and pricing model. [Redacted content].

**5** After consultation with disabled people, families and the wider disability sector in early 2025, I will return to Cabinet in May 2025 for decisions to: update the assessment and allocation settings for individuals; establish criteria for access to, and review guidelines for, flexible funding.

6 I propose a longer-term work programme to address key system issues by setting clear and consistent direction, regulation, policy and rules that will set up DSS to deliver more efficiently and effectively into the future.

## Recommendations

The Minister for Disability Issues recommends that the Committee:

**Rapid review of pricing for residential care**

**1.** note that a freeze, at current levels, on funding for residential facility-based care for 2024/25 is in place pending a detailed and urgent review of contract and pricing models

2. **direct** the Ministry of Social Development to progress, including testing with providers and sector groups, a pricing model for funding DSS-funded residential care services:

**either**

**a.** Option 1 – banded rates (recommended)

**or**

**b.** Option 2 – purchasing capacity (not recommended in the short term)

 **or**

**c.** Option 3 – individualised rates (not recommended)

**3.** [Redacted content]

**4.** [Redacted content]

**Consultation on the implementation of the Independent Review’s recommendations 5 and 6 and the scope of longer-term policy work on the sustainability of disability support services**

**5.** approve the public release of the attached discussion documents in late-February 2025 allowing time for translation into accessible formats

**6.** authorise the Minister for Disability Issues to make amendments to the discussion documents

**7.** invite the Minister for Disability Issues to report back to Cabinet in May 2025 on final decisions for the Independent Review’s recommendations 5 and 6 and the scope of longer-term policy work on the future sustainability of disability support services (DSS)

**8.** agree that the Minister for Disability Issues may publicly communicate the next steps of this work programme, including the expected timeframes.

Authorised for lodgement

Hon Louise Upston
Minister for Disability Issues

**End of information: Action to improve the sustainability of Disability Support Services**

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