



# Cabinet

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Independent Review into the Sustainability of Disability Support Services Administered by the Ministry of Disabled People – Whaikaha: Phase One Report Back

Portfolio                      Disability Issues / Social Development and Employment

On 12 August 2024, Cabinet:

- 1        **noted** that the independent review panel providing advice on Disability Support Services (DSS) administered by the Ministry of Disabled People – Whaikaha (MoDP) has submitted its phase one report (the Report), attached to the paper under CAB-24-SUB-0301, articulating six key findings and seven recommendations;
- 2        **agreed** not to progress with phase two of the independent review;
- 3        **agreed** to replace phase two of the independent review with a three-stage approach beginning immediately:
  - 3.1      Stage One will focus on recommendations 1, 2, 3 and 7 of the Report, with some aspects coming into effect immediately and the remainder expected to be actioned by 30 September 2024;
  - 3.2      Stage Two will focus on recommendations 5-6 of the Report, with decisions expected to be taken by the end of 2024;
  - 3.3      Stage Three will focus on recommendation 4 of the Report, with decisions expected to be taken by the end of 2024;
- 4        **noted** that the Minister for Disability Issues intends to establish a taskforce within the Ministry of Social Development (MSD), consisting of senior officials from select agencies, to ensure the implementation of the above recommendations;
- 5        **agreed** to transfer Disability Support Services (DSS) and related functions from MoDP to MSD as a branded business unit, including:
  - 5.1      core DSS functions currently delivered by the Commissioning, Design and Delivery group within MoDP;
  - 5.2      policy and quality assurance functions relating to DSS services and other supporting functions;
- 6        **noted** that transferring DSS to MSD will severely limit MSD's ability to take on new responsibilities for the foreseeable future;

- 7 s9(2)(f)(iv)
- 8 **noted** that the Chief Executive of MSD will be accountable to the Minister for Disability Issues for the policy and delivery of DSS, the management of the associated appropriation, and implementation of the review's findings and recommendations;
- 9 **agreed** to establish the MoDP as a standalone public service department (the new department) before the end of the year, replacing the current departmental agency, with responsibility for leading and influencing policy as it pertains to disabled people, monitoring the effectiveness of government services for the disability community, and assisting the government to engage and manage its relationships with the community;
- 10 **agreed** that the functions of the new department will include:
- 10.1 system leadership and facilitating societal change – provide coherent system-level leadership and stewardship that aligns priorities and focus across government. This includes accessibility, the New Zealand Sign Language Board, the New Zealand Disability Strategy, and compliance with the UN Convention on the Rights of Persons with Disabilities;
  - 10.2 strategic policy – provide strategic policy advice on matters affecting disabled people such as education, health, employment, transport and housing;
  - 10.3 system level monitoring – evaluate and monitor progress and outcomes for disabled people against key government goals;
  - 10.4 disability information and advice – provide an integrated source of government information for disabled people, including the coordination of alternate formats;
  - 10.5 manage government relationships with disabled people – support other government organisations to connect with the diverse needs of disabled people;
- 11 **noted** that, subject to undertaking consultation with impacted staff, the Chief Executive of MoDP intends to transfer existing MoDP staff to MSD or the new department, as appropriate, under the Public Service Act 2020;
- 12 **invited** the Minister for the Public Service to issue drafting instructions to the Parliamentary Counsel Office for Orders in Council to:
- 12.1 establish MoDP as a standalone public service department by adding it to Part 1 of Schedule 2 of the Public Service Act 2020 and Part 1 of Schedule 1 of the Ombudsmen Act 1975;
  - 12.2 disestablish MoDP as a departmental agency by removing it from Part 2 of Schedule 2 of the Public Service Act 2020 and Part 1A of Schedule 1 of the Ombudsmen Act 1975;
  - 12.3 provide for any transitional matters connected with the transfer of functions as necessary;
- 13 **agreed** that formal communication of the decision to create MoDP as a standalone public service department, its expected establishment date and its role and functions, and the decision to transfer DSS to MSD can commence prior to the making of the Orders in Council;

- 14 **noted** that the Chief Executives of MSD and MoDP (departmental agency), and the Chief Executive of the new department (once appointed), will work to implement the transition to the new arrangements for DSS and MoDP, including transfers of staff and other contracts currently held by MoDP and the continuation of shared services arrangements;
- 15 **noted** that the decision to establish MoDP as a public service department will create an impending vacancy in the Chief Executive role for the new department, and that the Minister for the Public Service will return to the Cabinet Appointments and Honours Committee to seek agreement to a position description for the substantive Chief Executive role, following consultation on priorities with the Minister for Disability Issues;
- 16 **noted** that the Public Service Commissioner will undertake an appropriate process for chief executive arrangements for the new department, including any necessary acting arrangements through the transition and the option to fill the substantive chief executive role using chief executive transfer provisions under the Public Service Act 2020, in consultation with the Minister for Disability Issues;
- 17 **authorised** the Minister for Disability Issues and the Minister of Finance (joint Ministers) to approve any changes to operating and baselines necessary to enable the establishment of MoDP as a standalone public service department and to transfer DSS and related functions to MSD, including establishing a new Vote and new appropriations (and categories) as necessary;
- 18 **agreed** that the transfers of funding and baseline changes authorised by joint Ministers be fiscally neutral;
- 19 **noted** that the multi-category appropriation ‘Supporting tāngata whaikaha Māori and disabled people’ will remain in place within Vote Social Development to fund the delivery of DSS, with some funding transferred to the new Vote Disability for the new department, with the breakdown to be determined;
- 20 **noted** that the Ministry of Disabled People (departmental agency) had funding approved through Budget 2022 to support the national roll-out of the Enabling Good Lives (EGL) approach, with \$15.6 million in 2024/25, increasing to \$40.5 million from 2027/28 onwards;
- 21 **agreed** to pause work on the national roll-out of the EGL approach until work has been completed on the three stages referred to in paragraph 3 above;
- 22 **agreed** to move the funding originally allocated for the national roll-out of the EGL approach in 2024/25 into a new category in the multi-category appropriation (MCA) to support the sustainability of DSS;
- 23 **agreed** to add the following category to the MCA ‘Supporting tāngata whaikaha Māori and disabled people’:

Title	Type	Scope
Sustainability of Disability Support Services	Departmental Output Expense	This category is limited to activities supporting the sustainability of Disability Support Services

- 24 **agreed** that expenses associated with the new category will be met in a fiscally neutral manner from within the existing amount of the MCA;

- 25 **approved** the following indicative spending profiles for the new category and changes to indicative spending profiles for existing categories, with no corresponding impacts on the operating balance and net debt:

Vote Social Development Minister for Disability Issues	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
<b>Multi-category Expenses and Capital Expenditure</b>					
Supporting tāngata whaikaha Māori and disabled people MCA					
<b>Departmental Output Expense:</b>					
Stewardship of the Disability System (funded by revenue Crown)	(6.800)	-	-	-	-
Connecting people with supports and communities (funded by revenue Crown)	(2.770)	-	-	-	-
Sustainability of Disability Support Services (funded by revenue Crown)	15.600	-	-	-	-
<b>Non-Departmental Other Expense:</b>					
Community Capacity and Support	(2.000)	-	-	-	-
<b>Non-Departmental Output Expense:</b>					
Community-based support services	(1.830)	-	-	-	-
Connecting and strengthening disability communities	(2.200)	-	-	-	-
<b>Total Operating</b>	-	-	-	-	-

- 26 **agreed** that the new category be included in the 2024/25 Supplementary Estimates and that, in the interim, expenses may be incurred against it under Imprest Supply;
- 27 **noted** that joint Ministers' approval will be required for any transfers between the new category and other categories until future transfer restrictions are agreed;
- 28 **noted** that the Minister for Disability Issues intends to update Cabinet on progress and seek required Cabinet decisions on any outstanding issues by the end of 2024.

Rachel Hayward  
Secretary of the Cabinet