

Fact sheet

Independent Review recommendations

15 August 2024 – Version 1



Background

The Minister for Disability Issues, Hon Louise Upston, commissioned an Independent Review of the Disability Support System to strengthen its long-term sustainability.

As the Ministry of Disabled People - Whaikaha was facing cost pressures, the Minister wanted a full picture of the situation before considering any changes to the system.

The Independent Review included seven recommendations, which have been accepted by the Government.

The recommendations are unlikely to immediately impact the support disabled people or their carers currently receive. People will be consulted as we move through the process.

Cabinet also agreed to:

- transfer Disability Support Services (DSS) to a new branded business unit within the Ministry of Social Development. This is effective from the middle of September with other supporting functions for DSS moving before the end of the 2024
- create a standalone department for the rest of the Ministry of Disabled People, to provide leadership and stewardship for disabled people across government by the end of 2024
- establish a cross-agency taskforce of senior officials within MSD to deliver the review's recommendations for DSS. The taskforce will include experts in policy, finance, contract management, service delivery, risk management, auditing, and evaluation.

Work to implement the decisions from the Independent Review begins now with initial report backs due by the end of 2024.

- [Recommendation 1: Budgets for NASCs, EGL sites and EMS providers](#)
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Recommendation 1: Budgets for NASCs, EGL sites and EMS providers

Detailed planning has taken place in Whaikaha and implementation will be worked on jointly with the Taskforce within MSD during September 2024.

This recommendation will:

- reinstate indicative budgets for Needs Assessment and Service Coordination organisations (NASCs)
- introduce fixed budgets for Enabling Good Lives (EGL) sites
- reinstate monitoring and reporting requirements for NASCs, Equipment and Modification Service (EMS) providers and EGL sites.

Ensuring NASCs and EGL sites allocate support within a budget will help ensure support to disabled New Zealanders is delivered within the budget set by Parliament.

The Ministry of Disabled People – Whaikaha will confirm NASC and EGL site budgets during September 2024.

NASCs and EGL sites are expected to manage allocations of support and services within the budgets they are given. They will be supported to do this by the Ministries.

NASCs will use their budget to allocate and prioritise support to those who need it most. Their budgets are 'indicative' as some funding is retained centrally by Whaikaha to manage during the year.

NASCs will continue to review support packages. Where people need additional support, or if their needs change, NASCs will manage this within their budget.

What this means for NASCs, EGL sites and EMS providers

NASCs, EGL sites and EMS providers will need to prioritise how they allocate support for disabled people and their carers so the support allocated fits within their overall budget.

NASCs will be provided with monthly reporting on their spend. EMS providers can track their own spending.

NASCs will be provided with supporting tools and guidance, EMS providers and EGL sites on their allocated budgets.

This recommendation will be implemented as soon as possible and applies to this current financial year.



Recommendation 2: Freeze funding for residential care

Implemented from day of announcement and reported on and monitored by the Ministry of Disabled People – Whaikaha until DSS transferred to MSD in mid September 2024.

This recommendation will maintain current levels of funding for residential facility-based care for 2024/25 pending commissioning and completion of a detailed and urgent review of the contract and pricing models.

While the number of people in residential care has been relatively constant for several years, the cost of delivering the service has increased by 29% between 2015/16 and 2022/23.

This financial year, current levels of funding will be frozen.

This means that the rates providers are currently paid for people in their care are the rates they will continue to be paid for the remainder of the 2024/25 financial year (until 30 June 2025). The current bands and rates for residential care pricing remain the same.

Where a person's support needs have changed, the NASC may agree to an increase in the rate paid for that person. They will need to manage this within their residential care budget.

We anticipate this change will mean that the overall number of people in residential care will not increase in the 2024/25 financial year.

What are individualised rates for residential care?

Individualised rates are used where it has been agreed that a person's support needs require more than contract rates and bands allow for.

NASCs and EGL sites will not be able to approve new individualised rates.

Review panel re-established

A review panel will be re-established within the Ministry to consider requests for individualised rates.

This panel's agreement will be required for:

- any individualised rates for residential care
- high-cost community support allocations.

This recommendation is effective immediately.



Recommendation 3: Take no action on a price increase for providers in 2024/25

Implemented by the Ministry of Disabled People – Whaikaha from day of announcement.

This recommendation means there will be no price increase for providers in the 2024/25 financial year (to 30 June 2025).

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Recommendations 4, 5 and 6 are to be implemented by the taskforce in the Ministry of Social Development

Recommendation 4: Monitor NASC and EGL sites

Establish an effective function within the Ministry to monitor the assessment and allocation performance of Needs Assessment and Service Coordinators (NASCs) and Enabling Good Lives (EGL) sites.

Recommendation 5: Update assessment and allocation settings

Update the assessment and allocation settings for individuals based on level of need.

Recommendation 6: Establish Flexible Funding criteria and review guidelines

Establish criteria for access to Flexible Funding and review the Flexible Funding guidelines to improve clarity and consistency.

Recommendation 7: Strengthen how we work with other agencies

Strengthen the departmental agency arrangement with Ministry of Social Development and the shared service agreements with MSD, Ministry of Health, and Health New Zealand | Te Whatu Ora.

To be implemented by Whaikaha and the Ministry of Social Development.



Whaikaha is currently a departmental agency of the Ministry of Social Development (MSD), and receives shared services from MSD, the Ministry of Health (MoH) and Health New Zealand | Te Whatu Ora (Health NZ).

In response to this recommendation, Cabinet has agreed that the Ministry of Disabled People will be established as a standalone policy and monitoring agency, and that its disability support delivery functions will be moved into the Ministry of Social Development.

The DSS operations function will transfer to MSD in mid-September 2024 with the remaining supporting functions of DSS to be transferred by the end of the year.

Part of the transition work will be to consider the ongoing shared services agreements between all agencies.

Strengthened role clarity will improve and strengthen the way the Ministry of Disabled People provides leadership to the disability sector.

More detailed decisions on the scale and scope of the new standalone Ministry of Disabled People are expected by the end of 2024.

More information

For more information about this work, please visit our website: www.whaikaha.govt.nz

Information about the Budget 2024 announcements:
www.whaikaha.govt.nz/news-and-events/budgets/budget-fact-sheets-2024

