Budget-Sensitive

Office of the Minister for Disability Issues

Office of the Minister of Health

Cabinet Social Wellbeing Committee

Disability System Transformation Update

Proposal

- 1 This paper provides an update on progress toward the establishment of a Ministry for Disabled People ('the new Ministry') and the national implementation of the Enabling Good Lives approach to disability support services and identifies future opportunities for further disability system transformation once the new Ministry is established and fully operational.
- 2 This paper seeks agreement that the new Ministry will:
 - 2.1 integrate the Office for Disability Issues (ODI) and its functions and responsibilities
 - 2.2 be responsible for cross-government accessibility leadership once accessibility legislation is passed.

Relation to government priorities

3 This aligns with the Government's priority to support healthier, safer, and more connected communities and is consistent with the Labour Party's 2020 election manifesto commitment of strengthening the mandate and resourcing of public leadership for the disability community. Government has recognised the need and broad direction for change in the disability support system through the New Zealand Disability Strategy (2016-2026), Disability Action Plan (2019-2023), Whāia Te Ao Mārama, Faiva Ora, and the UN Convention on the Rights of Persons with Disabilities, as well as supporting the Enabling Good Lives Approach since 2011.

Executive Summary

- 4 Cabinet agreed in October 2021 to establish a new (provisionally named) Ministry for Disabled People, as a departmental agency hosted by the Ministry of Social Development (MSD) [SWC-21-MIN-0146 refers]. An Establishment Unit in MSD is currently working on standing up the new Ministry and is working with a Community Steering Group and Governance Group as well as engaging more widely with disability community groups on the establishment.
- 5 The new Ministry will be responsible for most Disability Support Services (DSS) currently funded through the Ministry of Health, and for the transformation of those services using the Enabling Good Lives (EGL) approach, but it has a broader purpose and mandate. Ultimately the new Ministry is intended to drive improved outcomes for disabled people, and this cannot be achieved solely through changes to specialised

supports. To have the desired impact, the new Ministry will focus on strategic policy, stewardship, and capability building for the wider government system as it relates to disabled people.

- 6 Through the national scaling of the Enabling Good Lives approach, there will also be a focus on development of disabled people, tāngata whaikaha Māori, tagata sa'ilimalo and their family, whānau, aiga and carers (disabled people and their whānau)¹ leadership by investing in capacity and capability development in the regions to enable self-determination, voice and enhancement of mana.
- 7 Future opportunities for further disability system transformation once the new Ministry is established and fully operational are discussed throughout this paper, and collectively are:
 - 7.1 ongoing transformation of disability services and supports, including continuing the movement from a service delivery and medical model to a social model of disability that supports self-determination and choice and embraces Te Aō Māori models
 - 7.2 bringing accessibility and disability together in the new Ministry
 - 7.3 the broader mandate, including leadership and stewardship functions, that the Ministry will have to drive transformational change across government.
- 8 In order to put the Ministry in the best position to achieve that greater impact, we recommend that ODI and its functions become part of the new Ministry, and that the new Ministry also becomes responsible for supporting the new accessibility framework once accessibility legislation is passed.
- 9 To prepare the new Ministry to lead the next phase of national implementation of the EGL approach, the Ministry of Health is continuing work:
 - 9.1 to establish a partnership approach for the implementation with the community
 - 9.2 on an investment strategy
 - 9.3 to develop person-directed funding approaches
 - 9.4 on a proposed transition pathway to new regional EGL entities for local service commissioning
 - 9.5 to develop workforce and monitoring/evaluation strategies
 - 9.6 to put a disabled people and their whānau capacity and capability strategy in place.

¹ This abbreviation is used throughout the paper for the purpose of brevity, not exclusivity. It is used when referring to a general group including disabled people, tāngata whaikaha Māori, tagata sa'ilomalo and their family, whānau whaikaha, aiga and carers. The appropriate cultural term has been used when specifically addressing topics relating to tāngata whaikaha and whānau whaikaha, and tagata sa'ilimalo and aiga.

Background

- 10 In October 2021, Cabinet agreed 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. Cabinet agreed:
 - 10.1 that relevant Disability Support Services functions, including responsibility for the national implementation of the Enabling Good Lives (EGL) approach, will transition from the Ministry of Health to the new Ministry
 - 10.2 that the new Ministry will be responsible for driving improved outcomes for disabled people across government
 - 10.3 to set up a dedicated transition team (which has subsequently been stood up as an 'Establishment Unit') within MSD to support the establishment of the new Ministry.
- 11 Cabinet also agreed to implement the Enabling Good Lives approach to Disability Support Services nationally, subject to Budget 2022 decisions, and endorsed an implementation plan for that approach.
- 12 Finally, Cabinet invited 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:
 - 12.1 establishing the new Ministry, including relevant transitional arrangements
 - 12.2 implementing the Enabling Good Lives approach on a national scale
 - 12.3 future opportunities for further disability system transformation once the new Ministry is established and fully operational
 - 12.4 the future of the Office for Disability Issues, including recommendations on its future location within government [SWC-21-MIN-0146 refers].

Establishing a new Ministry and nationally implementing the Enabling Good Lives approach is a significant milestone for the disability community

- 13 Disabled people are part of the vast and diverse human experience. Just as we accept and respect differences like gender, ethnicity, language or belief, the difference and diversity of disabled people needs to be understood, acknowledged and celebrated.² Establishing a new Ministry and nationally implementing the Enabling Good Lives approach, which was designed by and for disabled people, represents a significant opportunity to fully recognise the diverse experiences of disabled people in Aotearoa New Zealand and begin transforming the government system to better support disabled people to have equal opportunity to achieve their goals and aspirations.
- 14 The diverse and overlapping identities of the disability community means it will be vital for the new Ministry to understand and respond to the different ways people and

² See New Zealand Disability Strategy 2016-2026

cultures conceptualise and frame disability. An example of this is the whakapapa connection between the Enabling Good Lives approach and Whānau Ora, with the philosophies mutually emphasising building whānau capacity, collective leadership, whānau planning and kaitūhono (connectors).

- 15 The voice of disabled people has been a key driver of change in the development of Enabling Good Lives and the establishment of the new Ministry and the Framework for Accessibility Legislation. Demands for disabled people to drive and lead change are a response to the disappointment that historically non-disabled policy makers and service leaders have spoken for disabled people. Responding appropriately to these demands is consistent with the intent of the United Nations Convention on the Rights of Disabled Peoples (UNCRPD).
- 16 Family, whānau whaikaha and aiga have a critical role. At every level the new Ministry will be expected to give full regard to the voices of family, whānau whaikaha and aiga, alongside the disabled person, tāngata whaikaha Māori and tagata sa'ilimalo. That voice should not replace the voice of the disabled person.³
- 17 Carers of disabled people also play a key role in the system, as supporting disabled people and supporting carers goes hand in hand. Many disabled people have one or more personal carers to support them with everyday living. Carers may or may not be family members. Some of these carers must balance caring for their loved one with employment, study personal lives, income opportunities and broader life opportunities. Not all disabled people have a carer and not all carers care for disabled people. Equally, some disabled people are also carers themselves.
- 18 No system can replace the important role of supportive family, whānau, aiga and communities in a disabled person's life, however the system cannot take this for granted. Disability policy, services and supports need to acknowledge and celebrate this, and at the same time, acknowledge the real concerns of disabled people that, in the past, the family, whānau, aiga and community voice has sometimes created situations and interacted with policy makers and service providers in a way that has hindered disabled people's access to their rights and decision-making.

The new Ministry should consolidate leadership on policy and provide system stewardship alongside its responsibility for disability supports

- 19 The provision of Disability Support Services is only one facet of how government is working to enable disabled people to live good lives. To achieve broader change, transformation will be needed across the full scope of government – and indeed wider society – by:
 - 19.1 working in partnership with disabled people and their whānau, and in particular:
 - 19.1.1 with tāngata whaikaha Māori and Te Tiriti o Waitangi partners to uphold the principles of Te Tiriti o Waitangi in the new Ministry

³ General comment no. 7 (2018), developed as guidance by the United Nations on the implementation of UNCRPD, recognises the role of parents, relatives and caregivers and notes they should be able to assist and empower disabled people to have a voice and take full control of their own lives.

- 19.1.2 with disabled people's organisations (DPOs)
- 19.1.3 with organisations led by disabled people and their families.
- 19.2 promoting Te Ao Māori, Pacific, social, cultural and rights-based concepts and models of disability
- 19.3 ensuring, as far as possible, that the needs, circumstances and participation of disabled people and their whānau is appropriately incorporated into:
 - 19.3.1 the design of 'universal' or 'mainstream' supports and services are designed appropriately for the needs and circumstances of disabled people and their whānau that are not deliberately or inadvertently exclusionary
 - 19.3.2 the design and any enforcement of relevant policies and regulations
 - 19.3.3 ensuring disabled people and their whānau have a consistent and seamless experience in all interactions with government, regardless of whether a specialised disability support is required or not.
- 19.4 supporting the disability community to increase the capability and capacity of disabled people and their whānau including improving understanding and attitudes concerning disabled people in the public sector and among New Zealanders as a whole
- 19.5 improving the quality and consistency of information government holds about disabled people and about the effects of policy disabled people.
- 20 The new Ministry could be viewed somewhat as a 'hybrid' agency in government, combining a significant service delivery responsibility with the stewardship role of a population Ministry. Similar to other population Ministries, such as Te Puni Kōkiri, Ministry for Pacific Peoples and Ministry for Women, the new Minsitry will be responsible for work across-government to improve outcomes for a specific population, in this case disabled people and their whānau.
- 21 The new Ministry will lead work (in partnership with disabled people and their whānau) on cross-government strategic policy, stewardship, and (public sector) capacity and capability building. This role will sit alongside the new Ministry's significant responsibility in relation to disability supports, currently the responsibility of the Ministry of Health.
- 22 The new Ministry cannot and should not become a 'super-Ministry' that attempts to carry out all work related to disability supports and services or policy across the public sector, however it will provide leadership and stewardship in this space. All parts of the public sector must continue to take responsibility, in their respective domains, for improving the rights and wellbeing of disabled people just as they currently do for different population groups. The new Ministry will have a role in supporting other government agencies to incorporate disability needs and perspectives into their work and meet their own responsibilities to disabled people and their whānau.

- 23 As can be expected from the establishment any new population agency, there is a substantial amount of work involved in partnering with and incorporating the voice of disabled people and their whānau into the new Ministry. While these decisions, including governance arrangements, ultimately lie with the new Chief Executive, officials will continue to work with the community to progress this work in the lead up to 1 July 2022.
- 24 The new Ministry will need to be resourced sufficiently to ensure it can give its strategic role sufficient focus. This is expected to require investment into policy, partnership, and data and research capability over and above the resources required to operate and transform supports.
- 25 Unless resources are allocated specifically for this cross-government strategic role, the operation and transformation of disability supports will absorb much of the new Ministry's attention given:
 - 25.1 the scale and complexity of work involved
 - 25.2 the highly visible, immediate risk of non-delivery or low-quality delivery of supports and the long-term risk of failing to transform how the wider system of government works for disabled people.
- 26 \$ 9(2)(j)
- 27 Once the new Ministry is in place, a Chief Executive (CE) appointed and funding confirmed, the Ministers and CEs responsible for the new Ministry and MSD will further refine how the two agencies will work together, building on the shared services arrangements that will be in place for 1 July to provide core services and supports to the new Ministry.
- 28 New Zealand has an Independent Monitoring Mechanism (IMM) as constituted under Article 33(2) of the UNCRPD. The IMM will continue to have a key role in promoting, protecting and monitoring disability rights in New Zealand. The IMM may choose to report on the significant policy development of establishing a new Ministry and nationally implementing the Enabling Good Lives approach against the UNCRPD. Officials are in discussion with the IMM about these policy developments and understand they are broadly supportive of the new Ministry's establishment.
- In October 2021, Cabinet invited the Minister for the Public Service to issue drafting instructions to the Parliamentary Counsel office for an Order in Council to establish the new Ministry under the Public Service Act 2020 [SWC-21-MIN-0146 refers]. The new Ministry will also need to be listed under Schedule 1 of the Ombudsmen Act 1975 to reflect that it will be within the scope of the Ombudsmen's investigative role. We therefore seek your agreement to invite the Minister for the Public Service to issue drafting instructions to the Parliamentary Counsel office for an Order in Council to add the new Ministry to Schedule 1, Part A of the Ombudsmen Act 1975, as per section 32 of the Ombudsmen Act.

The Establishment Unit for the new Ministry is in place and a work programme is underway

30 The Establishment Unit is now in place and work is well underway to set up the foundational elements of the new Ministry and manage the transition of the relevant DSS functions from the Ministry of Health and current EGL demonstrations that sit with the Ministries of Health and Social Development. Work is on track for the commencement of the new Ministry on 1 July 2022. A key focus of the Establishment Unit is to have a stable transition so there is no disruption for clients receiving Disability Support Services.

Governance arrangements that provide strong input and oversight from the disabled community have been established

- 31 Three governance groups have been established to support the Establishment Unit's work. These are:
 - 31.1 Establishment Governance Group
 - 31.2 Establishment Community Steering Group
 - 31.3 Establishment Officials' Steering Group.
- 32 The Establishment Governance Group is responsible for the transition and establishment activities and oversees joint planning and management of dependencies involved in the establishment process. It comprises three tāngata whaikaha Māori, three members of the disability community and three officials. This Group will also provide direction to other programmes where they directly impact the establishment of the new Ministry, such as the future state policy programme.
- 33 The Community Steering Group comprises 12 disabled people who are responsible for ensuring the voice of disabled people, whānau and tāngata whaikaha Māori is embedded in the development of key policies, operational models and the tikanga of the new Ministry.
- 34 The Officials' Steering Group supports the achievement of the establishment work programme by providing advice, guidance and support to the Establishment Director and the wider Establishment Unit team.

The Establishment Unit is building a picture of the suite of functions of the new Ministry, being realistic about what can be achieved by Day One and beyond

35 The Establishment Unit is engaging closely with MoH and MSD on the transfer of existing functions into the new Ministry, along with support arrangements for systems and processes. This includes the development of shared service agreements and Service Level agreements with MSD and relevant Health Entities as required to ensure core services and supports are in place. The Establishment Unit will focus on the core elements that need to be in place for 1 July 2022 in order for the new Ministry to come into operation, but there will be a programme of ongoing work to fully establish the Ministry beyond that time.

- 36 Issues around system integration are being addressed as they are identified, but it is likely that several mitigations and work arounds will continue to be needed after the commencement of the new Ministry on 1 July 2022. For example, while service provider contracts will be transferred to be managed by portfolio managers at the new Ministry, the processes and systems that support the approval, reconciliation and payments for those contracted services will continue to be delivered by Health NZ supported by a Service Level Agreement. Systems in the new Ministry will be established to approve the payments in line with delivery against the contracts and to make the final payments in close collaboration with the Health NZ process.
- 37 An interim organisation design will be developed for the new Ministry to support its operations. Where functions of the new Ministry are currently performed by MoH and MSD, the people performing these functions will be transferred to the new Ministry under section 86 of the Public Sector Act 2020. The Establishment Unit are working closely with MoH and MSD to support the transfer and engagement with impacted staff throughout the process. These staff will be transferred into the new Ministry on Day One with appropriate access to relevant systems and information they require in MSD and Health NZ in place in order to maintain service continuity and delivery.
- 38 The Establishment Unit is also working through the detail of what new functions and approaches may be needed in the new Ministry. Planning is underway to ensure the voice of the disability community is built into all aspects of the operation of the new Ministry. It is also planning to ensure the new Ministry has the frameworks and capabilities to fulfil its Te Tiriti o Waitangi responsibilities and meet the needs of tāngata whaikaha Māori and whānau whaikaha Māori. The Establishment Unit is undertaking analysis and preparing advice relating to the potential functions and operating model, partnership approach and ways of operating for the new Ministry. Ultimately, these decisions will be the responsibility of the new Chief Executive working with the Chief Executive of MSD, the host agency.
- 39 A communications and engagement plan is being developed to support the work and to ensure that the community are kept informed of progress.

The full functions and operating model will continue to be developed post-launch

- 40 It will take until after 1 July 2022 for the new Ministry to be fully operational with all its relevant functions, including new functions such as strategic policy and monitoring and evaluation and taking responsibility for the Accelerating Accessibility work programme. There is also the significant programme of work underway in MoH to support the future roll out of EGL that will impact the future functions and operations of the new Ministry.
- 41 There will be a division of functions and responsibilities between the new Ministry and MSD as the host agency, which is the benefit of the departmental agency model. This division will be agreed between the two Chief Executives once the Chief Executive for the new Ministry is appointed. The first priority for the Establishment Unit is to ensure that the new Ministry can commence operations and that there is a smooth transition of DSS for 1 July 2022. This will involve the new Ministry performing some functions itself from Day one, for example those required for DSS and transferring from MoH, but with significant corporate support provided by MSD.

42 Officials will continue to work with the community so that advice can be provided to support the incoming Chief Executive to make timely decisions on the transformation programme once the Ministry is established and to take the work forward.

Work is underway to determine the name of the new Ministry

43 Officials have commenced engagement on the new Ministry's name. The aim is for the Ministry to have names in English, te reo Māori and New Zealand Sign Language. This will be the first time that the name of a government department has incorporated all the official languages of Aotearoa New Zealand. Engagement around the reo Māori name will involve iwi leaders as well as the Māori disability community. The development of the New Zealand Sign Language name will be led by the New Zealand Sign Language Board with input from the Deaf community. Wide input will be sought on the English language name.

Te Kawa Mataaho is now commencing the process to recruit the Chief Executive of the new Ministry and a recruitment process for staff has been developed

- 44 The process to appoint the new Chief Executive is being led by Te Kawa Mataaho. APH have been informed of the vacancy and confirmed the position description [APH-22-MIN-0015]. The Establishment Community Steering Group have provided advice on the role and emphasises a preference that the appointed Chief Executive be a disabled person. The advertisement for the Chief Executive role states to be successful in the role, the Chief Executive will be a disabled person, or have credibility and trust with the disability community, as well as empathy and a deep understanding of the unique and diverse experiences of disabled people.⁴
- 45 The new Chief Executive will be expected to lead and develop the new Ministry's vision, values and key policies alongside the disability community.
- 46 It is desirable that the Chief Executive lead the process of appointing new leadership positions in the Ministry. Recruitment for some key supporting positions for the Ministry to operate from 1 July 2022 will be led by the Establishment Unit ahead of the Chief Executive's appointment if required. All recruitment processes for new positions will be accessible, and new role descriptions will include a statement that disabled people will be preferred. Where functions of the new Ministry are currently performed by the Ministry of Health and Ministry of Social Development, the people performing these functions will be transferred to the new Ministry under section 86 of the Public Sector Act 2020.

We recommend that the assets and liabilities of the new Ministry are managed by MSD, and that the new Ministry initially work within MSD's strategic framework

47 The Public Service Act 2020 provides for two technical variations to the departmental agency model to provide additional flexibility. Ministers may choose for a departmental agency to operate within its own strategic framework (instead of within its host department's framework), and/or manage its own assets and liabilities and administer its own appropriations (instead of relying on its host department to do so on its behalf). These choices relate to how the departmental agency reports and is held accountable under the Public Finance Act 1989.

⁴ https://www.publicservice.govt nz/resources/vacancy-te-tumu-whakahaere-chief-executive/

- 48 We have considered these variations and propose that:
 - 48.1 MSD manage the new Ministry's assets and liabilities and administer its appropriations. This will mean that MSD will largely manage accounting and reporting under the Public Finance Act on behalf of the new Ministry. We consider this best enables the new Ministry to focus on its own establishment while making use of MSD's existing finance capability. The new Ministry will have autonomy over the use of its funding and will be responsible for how that funding is used.
 - 48.2 the new Ministry initially operate within MSD's strategic framework while it prepares its own systems, processes and capabilities. The new Ministry will continue to work in line with this Government's ambitious strategic direction for the disability portfolio, and we expect it to work in partnership with disabled people to develop objectives, outcomes and performance measures in line with this. Within the first 18 months of establishment I intend to assess the new Ministry's capability and capacity to operate within its own strategic framework. This is consistent with the approach that has been taken in the establishment of the Ministry for Ethnic Communities, a departmental agency hosted by the Department of Internal Affairs.
- 49 MSD's current statement of intent provides a broad base for the new Ministry to begin to deliver on our vision for disabled people's full participation and inclusion in Aotearoa. There is a future opportunity for the new Ministry to work outside MSD's strategic framework, as provided for under Section 24(2) of the Public Service Act 2020. This would allow the Ministry to develop objectives and performance measures across broad areas of wellbeing and government performance which are valued by disabled people, and not only in relation to 'social development' issues.
- 50 A lead in time of 18 months for this arrangement would enable the new Ministry to:
 - 50.1 successfully transition DSS into the new Ministry and address associated risks
 - 50.2 confirm organisational design and undertake recruitment, as well as building capability
 - 50.3 engage and co-design the strategic path and measures of progress with relevant agencies and the disability community
 - 50.4 enable existing work programmes and areas of focus (including Accessibility legislation and Office for Disability Issues) to come across to the new Ministry and be factored into the strategic intent.
- 51 Choices regarding the strategic and financial frameworks under which the new Ministry will operate will be reflected in the Order in Council to establish the new Ministry. Note that any future decision to shift the new Ministry from operating within a different strategic or financial framework will need to be given effect via a subsequent Order in Council.

Integrating the Office for Disability Issues into the new Ministry will support the new Ministry's cross-government leadership role

- 52 We recommend that the Office for Disability Issues (ODI) and its responsibilities be integrated into the new Ministry. To date, the only decision that has been considered is whether ODI should be integrated into the new Ministry or if it should remain with the Ministry of Social Development. Consideration will need to be given to how the functions and roles of ODI align with the future operating model and functions of the new Ministry.
- 53 ODI was established in 2002 to provide departmental functions and services directly to the Minister for Disability Issues from a dedicated unit within MSD. Its intended functions included acting as the lead agency for the Disability Strategy, providing policy advice on disability issues including being the lead agency for strategic and cross-sectoral disability policy, and ministerial servicing.
- 54 The intention for ODI to provide advice on cross-sectoral disability policy issues has never been fully realised, though the Office has led significant work in redeveloping the Disability Strategy and provides second opinion advice on a range of government work from a disability perspective. However, ODI has picked up a number of other functions over time. It has become the government's focal point for the UNCRPD, including providing support for DPOs and coordinating government's input into the Treaty examination process. ODI also administers the New Zealand Sign Language Act 2006, provides secretariat support for the New Zealand Sign Language Board, maintains a disabled persons nomination database, and has recently published a Disability Toolkit for Policy.
- 55 ODI's functions, especially those relating to the Disability Strategy, advice on disability issues, the UNCRPD, partnership with DPOs and capacity and capability are a good fit for the intended role of the new Ministry. Bringing ODI into the new Ministry would:
 - 55.1 ensure that there is a single point in government responsible for advising on cross-government disability strategy
 - 55.2 provide a greater profile and, ideally, resourcing for the current ODI functions
 - 55.3 minimise confusion in government and with the public over the respective roles of the Office and new Ministry
 - 55.4 ensure the new Ministry starts out with a cohort of staff (many of whom are disabled people) with experience working within government from a disability rights-based perspective and strong relationships with the disability community.
- 56 Officials have received resounding support from both community groups and government agencies during consultation on the recommendation to bring ODI into the new Ministry.
- 57 A risk in bringing ODI into the new Ministry is that being a more closely integrated part of a Ministry with responsibility for disability supports may constrain its advice about these supports. However, it is considered that this risk is balanced by the

potential for rights-based voices within the Ministry to be more influential on how supports are delivered, and further mitigated by the continued role of external parties such as the Disability Rights Commissioner, and by a greater emphasis for the Ministry as a whole on promoting and listening to the voices of disabled people. Government has also committed to roll-out the EGL approach nationally, further strengthening the influence of disabled people and their whānau.

58 We note that the Minister responsible for the new Ministry, working with the new Ministry's Chief Executive, may make any further changes to ODI without seeking further approval from Cabinet.

Accessibility and disability are best considered together

- 59 Considering accessibility and disability together reinforces a rights-based approach to disability issues in government. Accessibility is a guiding principle of the UNCRPD, (as specified in Article 9) and is often a key pre-condition for realising rights and outcomes for disabled people. Approaches to improving accessibility may have implications for approaches to disability and vice versa. However, these programmes are strongly inter-related and locating both programmes of work in the same Ministry will allow for greater alignment and coordination, as well as wider reach and influence across government.
- 60 We recommend that, following the passage of accessibility legislation (expected to take place in 2023):
 - 60.1 the new Ministry be responsible for administering that legislation
 - 60.2 its Chief Executive have a role in overseeing accessibility measures and mobilising resources across the public service to accelerate accessibility.
- 61 In the interim MSD Policy will continue to lead the development of accessibility legislation and support the Bill's passage through Parliament, allowing the new Ministry to focus on other initial priorities. MSD will work with officials from the Establishment Unit and the new Ministry to ensure a smooth transition.
- 62 As discussed in the companion paper on Accelerating Accessibility, the accessibility framework will take a broad view of accessibility encompassing all barriers to participation. A key part of enabling the strong, clear leadership to drive the necessary change is establishing a Ministerial Advisory Committee to provide direct, independent advice on which accessibility barriers to identify, prevent and remove and how, to both the Minister for Disability Issues and to the Chief Executive. The new Ministry will therefore need to consider how these arrangements will align with its own governance arrangements. Officials from MSD will work with officials from the new Ministry as the legislation progresses through the House and transitions over to the new Ministry.

Preparations for the implementation of the EGL approach for Disability Support Services are progressing, but will be dependent on Budget decisions and direction from the new Ministry

- 63 As agreed by Cabinet in October 2021, the EGL approach to Ministry of Healthfunded Disability Support Services (DSS) will be implemented nationally through three main phases, with the timing of those phases subject to Budget 2022 decisions [SWC-21-SUB-0146]. At the time, five key deliverables were identified for Phase 1 which runs from July 2021 – June 2022. This paper provides a progress update on these key deliverables:
 - 63.1 partnership approach established with the community
 - 63.2 investment strategy, development of person-directed funding approaches
 - 63.3 proposed transition pathway to new regional EGL entities for local service commissioning
 - 63.4 workforce and monitoring/evaluation strategies developed
 - 63.5 disabled people and whānau capability strategy in place.
- 64 The establishment of the new Ministry is likely to have implications for operational decisions, including the national implementation of the EGL approach to DSS. For example, appropriate partnership approaches, structural arrangements, approaches to data collection and research, and monitoring and evaluation are all matters that will be addressed by the new Ministry. This means current proposals concerning national implementation of the EGL approach may need to be reaffirmed after the new Ministry is established.
- 65 The Ministry of Health is working with the EGL Governance Group and the Establishment Unit to ensure that work is aligned and to agree an approach which allows momentum on national implementation of EGL to be maintained, while ensuring that the incoming CE and the new Ministry's voice and partnership mechanisms will have the opportunity to lead and influence the final design.

The Ministry of Health is developing a partnership approach for national implementation

66 The Ministry of Health is developing a partnership approach to ensure disability community voice is embedded in the design and planning for national implementation. It will include a focus on the need for accessibility in the practices, policies, systems and environments that support partnership and participation. As signalled above, this approach will need to be finalised once the new Ministry is established, to ensure it reflects the new Ministry's overarching partnership framework.

- 67 Since October 2021:
 - 67.1 the EGL Governance Group continues to oversee the transformation programme⁵
 - 67.2 substantial work has been completed and signed off by the EGL Governance Group on the Kaitūhono/Connector Practice Guide
 - 67.3 representation from the disability community has been secured for workstreams on essential aspects of the EGL ecosystem including on personal budgets, and pathways for developing the Kaitūhono/Connector workforce
 - 67.4 engagement with unions and service providers is underway.
- 68 The Ministry of Health acknowledges that some areas of the Disability System Transformation Programme have not been progressed in full partnership with disability community partners since October 2021, given the focus on ensuring a smooth transition as part of wider health and disability reforms, alongside responding to COVID-19. This includes the development of an investment strategy and approach which is subject to the Budget 2022 process, and the early work to develop a Disability Workforce Strategy.
- 69 Officials are working with community representatives to strengthen partnership arrangements across the work over the next four months. This work will include the proposed approach to scaling and developing an EGL operating model and the approach commissioning of EGL regional entities. Particular attention will be paid to avoiding a 'one-size-fits-all' approach and being responsive to the differing aspirations and requirements within the disability community, particularly those of tāngata whaikaha Māori and tagata sa'ilimalo. All partners agree that priority work on community capacity and capability development and establishment of regional leadership groups is required as precursors to nationwide scaling of EGL.

The Ministry of Health is developing an investment strategy for EGL implementation as part of Budget 2022

- 70 In December 2021, the Minister of Health submitted a Budget 2022 bid for the national implementation of the EGL approach. Ministry of Health officials are currently working with the Treasury, Ministry of Social Development and the Establishment Unit to consider options for Budget 2022 investment, which will influence the scale and pace of change during Phases 2 and 3 of national implementation of the EGL approach.
- 71 The approach agreed through Budget 2022 will form the basis of a draft investment strategy. Depending on the funding available, there are likely to be some key choices for the Government regarding access to, and timing of, the transformed system based on the EGL approach to DSS. Following Budget 2022 decisions, the advice about these choices will be developed in partnership with disability community groups and other government agencies. There will also be investment decisions for the new

⁵ The EGL Governance Group includes community representatives from the National EGL Leadership Group (some of whom are also members of the Disabled People's Organisations Coalition), the Whānau Ora Interface Group and Te Ao Mārama as well as officials from the Ministry of Health, Ministry of Social Development, Ministry of Education and Oranga Tamariki.

Ministry to consider after 1 July 2022, when confirming and designing the detailed national implementation pathway.

72 Work is also underway to develop the systems needed to allocate and manage personal budgets. A personal budget is an amount of disability support that the disabled person and their family can determine how to use. It complements other resources that might be available and may be managed directly by the disabled person and their whānau, or through range of other options to support the person to manage their support flexibly to achieve their vision of a good life. Implementing these systems at scale in a way that delivers best value will be contingent on the availability of other features of the transformed system, such as Kaitūhono/Connectors.

Proposed transition pathway to new regional EGL entities

- 73 Advice to Cabinet in October 2021 as part of the phased roadmap for the national implementation of the EGL approach from 2021 to 2024 signalled that, subject to Budget 2022 decisions, the transition to regional EGL entities could commence between July 2023 and June 2024 [SWC-21-MIN-0146 refers].
- 74 In the lead up to the establishment of the new Ministry, the Ministry of Health is working with the EGL Governance Group, the Establishment Unit and Ministry of Social Development to identify and assess options for a phased approach to regional implementation. This includes a proposed approach to scaling EGL nationally, an EGL operating model, and to eventual establishment of EGL regional entities. The proposed approach will be designed and confirmed in partnership with disability community leadership groups, and other national and regional disability sector stakeholders.
- 75 There will be regional variations in the speed of implementation reflecting differences in regional approaches and priorities, as well as different contexts relating to labour market conditions and the COVID-19 pandemic. Particular attention will be paid to being responsive to the differing aspirations and requirements within the disability community, particularly those of tāngata whaikaha Māori and tagata sa'ilimalo.
- 76 All partners agree that priority work on community capacity and capability development and the establishment of Regional Leadership Groups is required as precursors to nationwide scaling of EGL. There is a shared understanding of the important role of Regional Leadership Groups to support community understanding of the EGL approach to Disability Support Services and enable grass-roots development of regional approaches.⁶ The future role of Regional Leadership Groups will also need to align with the overarching partnership, governance, voice mechanisms and frameworks of the new Ministry.

Development of a Disability Workforce Strategy is beginning

⁶ Regional Leadership Groups (RLGs) have been in place in each of the demonstration sites, including for Mana Whaikaha in the MidCentral DHB. The MidCentral RLG is made up of disabled people, their whānau, mana whenua and providers. The MidCentral RLG's purpose is to build local leadership, contribute to ongoing codesign and local implementation, promote the EGL principles and values, give direction to the Ministry of Health's system transformation team, provide feedback to Ministers and connect with the National EGL Leadership Group.

- 77 The development of a Disability Workforce Strategy to support national implementation of the EGL approach is beginning. It will require further work in partnership with disability community groups, service providers and relevant unions, and is likely to focus on:
 - 77.1 the critical shifts in workforce required to support consistency with the EGL approach and principles
 - 77.2 developing relevant qualification pathways to support the disability workforce
 - 77.3 developing capability and capacity for disabled people and whānau to lead and be part of this workforce.
- 78 Significant progress has been made to develop practice guides which support the Kaitūhono/Connector roles and the ecosystem of support that underpins the EGL approach. The overarching Kaitūhono/Connector Practice Guide was approved by disability community leadership groups in December 2021, and further detailed guidance and pathways to support the workforce, disabled people and whānau are under development.

Monitoring, Evaluation, Analysis and Learning

- 79 A monitoring and evaluation plan aligned with the EGL approach and principles is being developed in partnership with disabled people. A disability-led Technical Advisory Group has been established to oversee the finalisation of the plan. The working title for the new approach to monitoring and evaluation is Monitoring, Evaluation, Analysis and Learning.
- 80 The Monitoring, Evaluation, Analysis and Learning approach is intended to provide greater system accountability and critical information to disabled people and their whānau, enabling them to guide development of future improvements to disability services and supports.
- 81 Consistent with the priorities for the new Ministry, the approach is intended to enable disabled people and whānau to have independent voice mechanisms and enhance mana and self-determination, while also ensuring progress towards system-level goals such as equity, system stewardship and value-for-money.
- 82 Officials are also continuing work with the Whānau Ora Interface Group, the Te Ao Mārama Aotearoa Trust, Faiva Ora and Mana Pasefika to develop dedicated Te Ao Māori and Pasifika monitoring and evaluation approaches.

A strategy and approach to increase disabled people's and whānau capacity and capability is being developed

- 83 A strategy and approach for disabled people and whānau capacity and capability development is being developed in collaboration with members from the National EGL Leadership Group, Te Ao Mārama Aotearoa Trust and the Whānau Ora Interface Group.
- 84 Community leadership groups have been clear that disabled people must lead this work for disabled people, families for families and whānau for whānau, progressively shifting authority and decision making to disabled people and their whānau.

- 85 Capacity and capability building would therefore likely be facilitated and led by disabled people and their whānau to ensure that they are respected as leaders and partners in implementing the EGL approach at a national and community level. Priorities over the next four years are likely to include:
 - 85.1 building knowledge and skills of disabled people to take up opportunities for choice and control, so people can participate meaningfully and lead in EGL, including Regional Leadership Groups
 - 85.2 strengthening networks of disabled people, tāngata whaikaha, their families, whānau and aiga, including supporting people to develop a vision for a good life
 - 85.3 building capability for tāngata whaikaha Māori, tagata sa'ilimalo and their family, whānau and aiga to exercise and realise tino rangatiratanga (self-determination) as Māori and as Pacific people
 - 85.4 a long-term focus on ensuring community spaces (such as businesses, schools and recreation) are accessible and welcoming, and recognise the contribution that disabled people can make to enhance cohesion and wellbeing.
- 86 Capacity and capability building in relation to the broader government system, including policy domains and operational settings, will be a key focus for the new Ministry. The work concerning capacity and capability development for national implementation of EGL and relating to disability supports and services will be a key input into this work.

There will still be important links between the new Ministry and the reformed health system

- 87 In October 2021, Cabinet agreed that relevant DSS functions would transition from the Ministry of Health to the new Ministry for Disabled People on 1 July 2022 [SWC-21-MIN-0146].
- 88 Following advice to Cabinet, the Ministry of Health provided advice to joint Ministers on current Ministry of Health-funded DSS proposed to shift to the new Ministry for Disabled People. We agreed that a small number of services, which are predominantly health services, would remain in the health system. A list of services, contracts and Memoranda of Understanding currently administered by the Disability Directorate in the Ministry of Health is attached as Appendix One. The small number of services which will transition to Health New Zealand are identified.
- 89 We also agreed that the Ministry of Health and the Establishment Unit would explore a co-commissioning framework with the DPMC Health Transition Unit for some services which have both health and disability components, to ensure integration with the health system. Services likely to be considered for co-commissioning include DSS-funded Child Development Services.
- 90 The Ministry of Health is working with the Ministry for Social Development, the Establishment Unit, and the DPMC Health Transition Unit to ensure that health and disability reforms are aligned at all levels.



Financial Implications

- 93 Funding is currently being sought through the Budget 2022 process for:
 - 93.1 resourcing for the new Ministry
 - 93.2 the implementation of an EGL approach
 - 93.3 DSS cost pressures
 - 93.4 s 9(2)(j)
- 94 There are potential financial risks, depending on the structure of the appropriation. The structure will need to ensure that even if demand-driven costs for services increase, core strategic functions are maintained. Historically, there have also been some overspends of the Disability Support Services appropriation, which have been managed using underspends within Vote Health or through seeking cost pressure bids through successive budgets. Moving the appropriation into Vote Social Development may pose risks if there are overspends, as there is unlikely to be the same flexibility to use underspends because most of the money in Vote Social Development is in the form of 'benefits or related expenses' appropriations where Cabinet's financial rules generally do not allow for transfers to other appropriations up or down to reflect demand. Many of the levers for controlling DSS expenditure are outside the direct control of MSD as the host agency, although there are mitigations that could be taken to help manage this risk.



97 A decision to integrate the Office for Disability Issues into the new Ministry will also require funding to be transferred between appropriations.

Legislative Implications

- 98 An Order in Council is needed to establish the new Ministry as a Departmental Agency hosted by MSD. Otherwise, we do not anticipate legislation is required to implement the proposals.
- 99 **s** 9(2)(j)
- 100 Work is currently underway to repeal the New Zealand Public Health and Disability Act 2000 ("NZPHDA") with the Pae Ora (Health Futures) Bill ("The Bill"). This Act authorises the creation of Crown funding agreements with providers of Disability Support Services. The Bill is expected to pass before 1 July 2022. It has been drafted to ensure the new Ministry has legal authority to carry out its functions when established.
- 101 Neither the NZPHDA nor the Bill clearly separates disability support functions transferring to the new Ministry from mainstream health functions that are remaining with the Ministry of Health. \$9(2)(1)

Impact Analysis

Regulatory Impact Statement

102 No regulatory options are proposed.

Climate Implications of Policy Assessment

103 A Climate Implications of Policy Assessment (CIPA) is not required.

Population Implications

Population group	How this proposal may affect this group
Disabled people	The establishment of the new Ministry and implementation of the EGL approach seek to improve the lives of all disabled people, families and whānau. At least 43,000 disabled people at any time will potentially benefit from the choice and control afforded by the national implementation of the EGL approach for DSS.
	We expect the new Ministry's role in cross government strategic policy, accessibility, stewardship and capacity and capability building, in partnership with disabled people, to lead to improved outcomes for disabled people over time as policy better reflects their needs and participation barriers are reduced. The establishment of the new Ministry also furthers the implementation of the New Zealand Disability Strategy and UNCRPD.
Māori	26% of the Māori population identify as disabled. Tāngata whaikaha Māori tend to have poorer material wellbeing and quality of life outcomes than non-disabled Māori and the disability population as a whole. Māori are also less likely to know about and access DSS (around 21 percent of DSS clients are Māori). Partnership with tāngata whaikaha Māori and their special relationship status as endorsed by the Māori Iwi Chairs Forum, is intended to be integral to the work of the new Ministry.
Pacific peoples	26% of the Pacific population identify as disabled. ⁷ Tagata sa'ilimalo are also less likely to know about and access DSS (around 7 percent of DSS clients are Pacific). The new Ministry will need to put measures in place to ensure that Pacific people are engaged in its work on an equitable basis.
Gender	Men and women are equally likely to be disabled on a population level; however, there are gendered differences in the types of impairments experienced and the sources of support that people access. Women are more likely to access disability support, however, more men access DSS specifically. Most family carers and disability support workers are women. Having strong cross-government leadership related to disability and accessibility is critical to ensuring that outcomes improve for all disabled people and whānau, not only those who qualify for particular services.
SOGIESC diverse people ⁸	Youth19 survey data suggests major challenges in wellbeing and mental health for SOGIESC young people with a disability or chronic condition. ⁹ Members of this group faced a greater number and higher inequities than either SOGIESC young people with no disability or chronic condition or non-SOGIESC young people with a disability or chronic condition. Rangatahi Māori and Pacific SOGIESC youth who also have a disability or chronic condition face compounding effects of intersecting domains of inequality. SOGIESC people, including SOGIESC rangatahi and youth, will benefit from the work to partner with tāngata whaikaha Māori, Pacific populations and disabled people. In general, the national implementation of the EGL approach will, once in place, directly benefit many members of SOGIESC communities accessing DSS – in particular, through personalised budgets.
Children and	Disabled children, and children with a parent who has a disability, are more likely

104 Population implications are set out in the following table:

⁷ Age-adjusted disability rate for Pacific People from Disability Survey (Statistics NZ, 2013). The age-adjusted rate is the disability rate the ethnic group would have if their population age profile was the same as that of the total population.

⁸ People with a diverse sexual orientation, gender identity and expression, and sex characteristics

⁹ For example, only 27% reported good wellbeing and 71% reported clinically significant depressive symptoms.

young people	to experience poverty and poorer outcomes. ¹⁰ National implementation of the EGL approach will, once in place, directly benefit the many children and young people accessing DSS – in particular through early investment.
Older people	Older people experience high rates of disability (59% of New Zealanders aged 65 and over have a disability). As New Zealand's population is ageing, we expect older people to make up an increasing proportion of the disabled population. While a relatively small proportion of DSS clients are aged 65 and over ('age- related' disability supports are currently funded through DHBs and will be funded through Health NZ), older disabled people will benefit from the new Ministry's leadership of cross government disability and accessibility policy and the potential for stronger cross-government workforce planning amongst other work.

Human Rights

- 105 No inconsistency has been identified with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.
- 106 The new Ministry is intended to provide stronger leadership across government in fully realising the rights of disabled people under the UNCRPD through the provision of strategic policy, and data and research capability, as well as partnering with disabled people and their whānau.

Consultation

- 107 EU Community Steering Group, DPO Coalition, National EGL, EGL Governance Group, EGL Waikato, New Zealand Sign Language Board, Whānau Ora Interface Group, Te Ao Mārama Trust, Kāpō Māori, Mana Pasefika, Tofa Mamao Collective, I.Lead, Independent Monitoring Mechanism, Pou Tangata Iwi Chairs and NZ Disability Support Network were consulted on this paper.
- 108 Accident Compensation Corporation, Ara Poutama Department of Corrections, DPMC Health Transition Unit, Human Rights Commission, Ministry of Business, Innovation and Employment, Ministry of Education, Ministry for Ethnic Communities, Ministry of Health, Ministry for Housing and Urban Development, Ministry for Pacific Peoples, Ministry of Social Development, Ministry of Transport, Ministry for Women, Office of the Ombudsman, Oranga Tamariki, Te Arawhiti, Te Kawa Mataaho Public Service Commission, Te Puni Kōkiri, the Treasury and Veteran's Affairs New Zealand were consulted on this paper.

Communications

- 109 We intend to announce these decisions on Disability System Transformation alongside the proposals outlined in Accelerating Accessibility.
- 110 This release should also consider Budget 2022 decision making to ensure expectations amongst stakeholders are managed and consistent messages are communicated.

¹⁰ Sixty-three percent of New Zealand households with disabled children earn just enough or not enough money to meet basic needs. Of the 95,000 disabled children aged 0-14 years, 15 percent live in households with incomes under \$30,000 (compared to 10 percent of all 0-14-year olds).

Proactive Release

- 111 We intend to proactively release this paper within 30 business days, including in a range of accessible and alternate formats.
- 112 This proactive release should also consider Budget 2022 decision making.

Recommendations

The Minister for Disability Issues and Minister of Health recommend that the Committee:

- 1. **note** that in October 2021, Cabinet:
 - 1.1. agreed 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
 - 1.2. noted 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
 - 1.3. agreed that 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
 - 1.4. agreed that 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
 - 1.5. 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
 - 1.6. invited the Minister for Disability Issues and the Minister of Health to report back to SWC in early 2022 with further detail on:
 - 1.6.1. establishing the new Ministry, including relevant transitional arrangements
 - 1.6.2. implementing the Enabling Good Lives approach on a national scale
 - 1.6.3. future opportunities for further disability system transformation once the new Ministry is established and fully operational
 - 1.6.4. the future of the Office for Disability Issues, including recommendations on its future location within government.
- 2. **note** the Establishment Unit for the new Ministry is in place and work is underway to set up the foundational elements of the new Ministry and manage the transition of the relevant Disability Support Services functions from the Ministry of Health and Ministry of Social Development.

- 3. **note** that future opportunities for further disability system transformation once the new Ministry is established and fully operational collectively are:
 - 3.1. ongoing transformation of disability services and supports, \$ 9(2)(j)
 - 3.2. bringing accessibility and disability together in the new Ministry
 - 3.3. the broader mandate, including leadership and stewardship functions, that the Ministry will have to drive transformational change across government.
- 4. **agree** that the Ministry of Social Development will manage the new Ministry's assets and liabilities and administer its appropriations
- 5. agree that the new Ministry may incur expenses and capital expenditure against Disability Issues non-departmental appropriations and non-departmental categories of multi-category appropriations administered by the Ministry of Social Development in accordance with a delegation given by the Minister for Disability Issues.
- 6. note that Ministry of Social Development and Treasury officials consider that the quantum of Disability Support Services expenditure and the historical challenges there have been within Vote Health of managing this expenditure within appropriation pose a substantial risk to the Ministry of Social Development as appropriation administrator and officials will undertake further work on how to mitigate this risk.
- 7. **agree** that the new Ministry will initially work within the Ministry of Social Development's strategic framework while it builds its systems and processes
- 8. **agree** that within the first 18 months of its establishment and subject to the Minister for Disability Issues' assessment of its capability and capacity, the new Ministry will shift to operate within its own strategic framework
- invite the Minister for the Public Service to issue drafting instructions to the Parliamentary Counsel Office for an Order in Council to add the new Ministry to Schedule 1, Part 1A of the Ombudsmen Act 1975, as per section 32 of the Ombudsmen Act.
- note that the Office for Disability Issues was established by agreement of Cabinet in 2002 to provide departmental functions for the Minister for Disability Issues [SEQ Min (02) 3/7 refers].
- 11. note that the Office for Disability Issues has functions and responsibilities related to cross government disability issues, the New Zealand Disability Strategy and Disability Action Plan, New Zealand Sign Language Act 2006, and United Nations Convention on the Rights of Persons with Disabilities.
- 12. **agree** that the Office for Disability Issues and its existing functions and responsibilities become part of the Ministry for Disabled People

- 13. **note** the Minister responsible for the Ministry for Disabled People, working with the new Ministry's Chief Executive, may agree to further changes to the Office for Disability Issues, without further agreement from Cabinet.
- 14. note that:
 - 14.1. the Minister for Disability Issues is reporting separately on the detailed design of the legislation and system for accelerating accessibility
 - 14.2. part of the proposed detailed design of the legislation and system for accelerating accessibility includes the designation of a Chief Executive who would have a key role in overseeing accessibility measures and mobilising resources across government for accessibility and who would provide a programme office to support a Ministerial Advisory Committee.
- 15. **agree** that:
 - 15.1. following the passage of accessibility legislation the Ministry for Disabled People will be responsible for administering that legislation
 - 15.2. in the interim the Ministry for Social Development will continue to lead work on accessibility legislation.
- 16. **note** that the Ministry of Health has continued work on Phase One of the Enabling Good Lives implementation plan:
 - 16.1. partnership approach established with the community
 - 16.2. investment strategy, development of person-directed funding approaches
 - 16.3. proposed transition pathway to new regional EGL entities for local service commissioning (to replace the current Needs Assessment and Service Coordination role)
 - 16.4. workforce and monitoring/evaluation strategies developed
 - 16.5. disabled people and whānau capacity and capability strategy in place.

Authorised for lodgement

Hon Minister Sepuloni

Minister for Disability Issues

Hon Andrew Little

Minister of Health

Appendices:

Appendix One: current services contracted by Disability Support Services

Appendix Two: statements from the Establishment Unit Community Steering Group and National Enabling Good Lives Leadership Group