



Briefing

Date:	5 December 2023
For:	Hon Penny Simmonds, Minister for Disability Issues
File reference:	REP/WHK/23/11/007
Security level:	Legally Privileged

Whaikaha - Ministry of Disabled People Funded Disability Supports

Purpose

- 1 This briefing provides you with further information about disability supports funded by Whaikaha – Ministry of Disabled People (the Ministry).

Executive summary

- 2 Whaikaha funds disability support for a relatively small part of the New Zealand population, but it is a diverse population with a wide range of needs. That diversity continues to grow, as our population mix changes, for example, there is a growing proportion of young people with autism.
- 3 Disability Support Services has developed a range of service options (about 36 different service lines) across the 30 years of its' existence and has around 800 contracts with 476 disability support providers. Whaikaha has inherited this service complexity from the Ministry of Health.
- 4 Updates and developments to these services have lagged behind the changing nature of the community we serve, and there is a view amongst parts of the community that effort put into improving existing services diverts effort away from introducing a transformed disability support system.
- 5 Several service lines are showing cost growth and are likely to cost more as the system struggles to meet the needs of the population we serve in the post-COVID environment. These are:
 - Residential Care, and particularly residential care individual rate services; and
 - Individualised Funding.
- 6 Both services are seeing growth in demand, and growth in the cost of meeting that demand, when other parts of the disability support system struggle to respond to the needs of disabled people and family/whānau more directly.


- 7 Individual rates in Residential Care occur when a disabled person requires 24/7 supports of a nature and intensity not well reflected by the contracted rate. Individual rates are growing faster than the general growth in Disability Support Service costs. Whaikaha is developing further advice on how this growth can be stabilised in the near term to manage fiscal risk within this financial year.
- 8 Flexible Purchase Guidelines were introduced to Individualised Funding and Carer Support in 2020 and became permanent in 2021. The Flexible Purchase Rules were introduced quickly during COVID, without all the features needed to manage this funding in the Enabling Good Lives sites. Service development has not been able to keep pace with uptake or the changes in use.
- 9 The Ministry is preparing further advice on how a reset can provide greater certainty for disabled people and whānau in the use of flexible funding, as well as addressing the financial pressure that growth in Individualised Funding is putting on our financial position.
- 10 Growth in these service lines is likely to reflect challenges in other parts of disability support services. For example, a lack of access to respite for some families leads to use of a greater quantity of Individualised Funding. Limited availability of behaviour support will see families seeking flexibility in their Individualised Funding to live with difficult situations, or over time translate to higher costs in sustaining residential care arrangements.
- 11 We expect to update you on progress we are making on service development priorities early in the New Year.
- 12 Other areas requiring particular attention include:
 - Services under the High and Complex Framework¹ (compulsory care) where we have an ongoing work programme to respond to concerns raised in 2021 (prior to the establishment of Whaikaha – Ministry of Disabled People) by the Ombudsman about the planning and resourcing of forensic intellectual disability services under the High and Complex Framework;
 - Living options for disabled people, including residential care pricing issues and responding to concluding observations made by the United Nations, which recommended further deinstitutionalisation and a move away from the use of group homes; and
 - Pay Equity claims and upcoming settlement processes.

¹ The High and Complex Framework (HCF) supports people under the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003 (the IDCCR Act) and other relevant legislation. It provides a diversionary pathway for offenders with intellectual disabilities who have been found unfit to stand trial on or be convicted of an imprisonable offence. This includes providing more appropriate supports with a strong rehabilitative focus. About 200 to 300 people are supported under the HCF at any time

13 Officials are available to meet with you to discuss in more depth any of the service areas set out in this briefing.

Recommendations

It is recommended that you:

- | | |
|---|--------------|
| a) Note Whaikaha – Ministry of Disabled People serves a small but diverse population, with a wide range of support needs | Noted |
| b) Note that whilst supports play an important role in people’s lives now, overall service development has not kept pace with the changing needs of the population, or the ways that people seek to live in contemporary New Zealand | Noted |
| c) Note that challenges meeting needs are appearing in part as increased costs in some key service lines, such as Residential individual rates and Individualised Funding | Noted |
| d) Note that the Ministry is reviewing: <ul style="list-style-type: none">• the residential care model and pricing,• capacity and fitness for purpose challenges in the High and Complex Framework, and• preparing for potential future pay equity settlements | Noted |
| e) Note that a separate briefing is being provided on current financial pressures in the disability support system | Noted |
| s9(2)(f)(iv)
 | Noted |
| | Noted |
| | Noted |

Hon Penny Simmonds
Minister for Disability Issues
Date



Signatory
Amanda Bleckmann, DCE Commissioning, Design, and Delivery

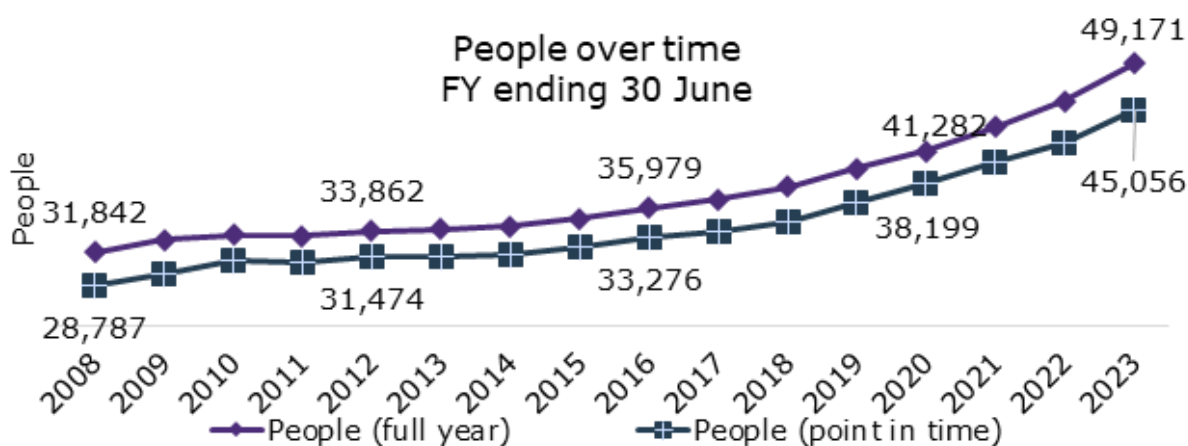
Date 30 November 2023

About the Disability Support System

Eligibility

- 1 Disability Support Services (DSS) was separated from the health system in 2022 as part of the Health Sector Reforms. Whaikaha – the Ministry of Disabled People was established in July 2022 and responsibility for the delivery of DSS transferred from the Disability Directorate within the Ministry of Health - Manatū Hauora - (MoH) to the Ministry.
- 2 The establishment of the Ministry was a significant step towards moving the disability system away from the medical model of disability² to the social model which underpins the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) and Enabling Good Lives vision and principles.
- 3 The Ministry commissions and in some instances delivers (through our Enabling Good Lives sites) disability supports for people with a long-term physical, intellectual, sensory disability or autism that arises before age 65 years. This is funded by a \$2.275 billion annual appropriation.
- 4 On any given day the Ministry commissions DSS for almost 50,000 disabled people, tāngata whaikaha Māori and their whānau. Figure 1 below shows the growth of the people supported through Disability Support Services since 2008. The Ministry annually supports around 100,000 people with equipment or modification services (all ages).

Figure 1



² In 1976 the London Union of the Physically Impaired Against Segregation challenged the 'medical model of disability' that viewed disability as a personal problem. This was part of the beginning of a new 'social model of disability' that recognised people might have impairments, but it was society that disabled them. Much later, in New Zealand, this need for a shift in models would finally be realised by moving disability support services from the Ministry of Health (MoH) to the new Ministry – Whaikaha - Ministry of Disabled People. <https://www.whaikaha.govt.nz/about-us/who-we-are/our-whakapapa/>

- 5 To be eligible to be assessed for Disability Support Services a person must:
 - have an intellectual, sensory disability, or physical disability or autism (or a combination of these); and
 - their impairments must be likely to continue for at least six months; and
 - their impairments must limit their ability to function independently, to the extent that ongoing support is required.
- 6 Of the almost 50,000 New Zealanders receiving disability support through the Ministry:
 - 42 percent have an intellectual disability as a principal disability (many of whom also have a physical disability)
 - 34 percent have autism as a principal disability
 - 20 percent have a physical disability as their main disability.
- 7 The prevalence of disability is proportionally higher among Māori and Pacific peoples than other ethnicities in Aotearoa New Zealand: 26 percent of Māori and 19 percent of Pacific peoples identify as disabled. Tāngata whaikaha Māori (Disabled Māori) are overrepresented compared to the portion of New Zealand's overall population who are Māori. For a range of reasons, including cultural perspectives on disability, under-reporting is likely among Pacific people.
- 8 Supports for disabled people are fragmented and do not form a coherent system. Disabled people and their whānau report that the disability system is difficult to navigate, and that they would like to see a more consistent system that aligns with the Social Model of Disability.
- 9 Specific supports for disabled people are commissioned, funded, or provided through various agencies, including Whaikaha – Ministry of Disabled People, Te Whatu Ora (Health New Zealand), ACC, Ministry of Social Development and the Ministry of Education.
- 10 New Zealand has five main different disability support systems for different populations. These are:
 - *Injury-acquired disabilities*, which are supported by ACC
 - *aged care related impairments*, which are supported by Te Whatu Ora services
 - *long term health conditions*, (eg. diabetes) where this leads to impaired independent functioning, which are supported by Te Whatu Ora services
 - *mental illness*, where this impairs independent functioning, is supported by Te Whatu Ora; and

- *Intellectual, Physical, and Sensory disability support for people who acquire their disability before age 65³, which are supported by disability support services funded by the Ministry.*

- 11 It is not always clear which disability support system an individual may be eligible for. For example, people with some rare disorders, can find it hard to find a system whose eligibility criteria they fit within.
- 12 As well, there are different levels of service provided by each of these systems, which has resulted in some communities of disabled people seeking expansion of eligibility criteria for supports funded by the Ministry.

Access to Disability Support Services

- 13 Most of the services we commission are allocated via a Needs Assessment and Service Co-ordination service (NASC). NASCs work with disabled people and their whānau to identify a disabled person's eligibility, goals, strengths, and support needs. They also assist with accessing other supports that might be needed.
- 14 There are ten NASCs across Aotearoa New Zealand, serving 15 regions.

Needs Assessment

- 15 A facilitated needs assessment is the process of working with the disabled person and their family/aiga/whānau/welfare guardian, to identify the disabled person's strengths and goals, priorities, and disability support needs.
- 16 Once the assessment is completed the disabled person and the facilitator agree on the identified goals and disability support needs and how they are to be prioritised.

Service Coordination

- 17 Service coordination is the process of assisting the disabled person to have their needs met from all appropriate supports that are available in the community. This might include contributions made to the disabled person from friends, family and others in their life, services provided by other government agencies, and allocating supports and services that are funded by providers contracted by the Ministry. This combination of supports and services makes up the person's support package and is what assists them to meet the support needs and goals identified in their needs assessment.
- 18 Once the support package has been agreed the service coordinator then puts the disability support services in place. When the disabled person has chosen a service provider/s, the NASC service coordinator gives that service provider an authority to provide services so that they can deliver the service to the

³ On first presentation to NASC.

individual. Support Allocation information is also passed to the Ministry to activate provider payment.

- 19 NASCs review support packages every 1-2 years and a face-to-face reassessment of their disability support needs is carried out every 3-5 years to ensure the person is receiving the most appropriate services available.
- 20 A person or their whānau can request an earlier review if:
 - their disability support needs change
 - their eligibility has changed or expired (e.g. eligibility for a community services card)
 - they have high or complex needs
 - they are experiencing a crisis.
- 21 Over the past two years, NASC service demand has grown and the majority of NASCs are experiencing wait lists.
- 22 In the 2022/2023 budget NASCs received a significant increase of funding to reduce wait lists. However, NASCs are experiencing a 6 percent growth in referrals across the country.
- 23 Appendix 1 sets out further detail on the NASC process.

Accessing DSS support through Enabling Good Lives sites

- 24 Three [Enabling Good Lives](#) sites have been established to demonstrate the potential of the Enabling Good Lives approach or, in the case of Mana Whaikaha, to prototype a transformed disability support system. People can access disability support through these sites, in line with the eligibility criteria for each.
- 25 The three Enabling Good Lives sites are in the Christchurch (2013), Waikato (2015) and MidCentral (2018)⁴ regions:
 - Enabling Good Lives Christchurch works with school leavers, (defined as Ministry of Education Ongoing Resourcing Scheme-verified students who have left or are leaving a high school in the Christchurch, Selwyn, Rangiora or Kaiapoi areas from 2013 onwards)
 - Enabling Good Lives Waikato works with people who choose to opt into the site (within the limits of EGL Waikato's capacity to serve people), and has some priority criteria for young people, Māori and Pacific People
 - Mana Whaikaha, the MidCentral Enabling Good Lives site, works with any person eligible for disability support, within that region who wishes to access supports funded by the Ministry.

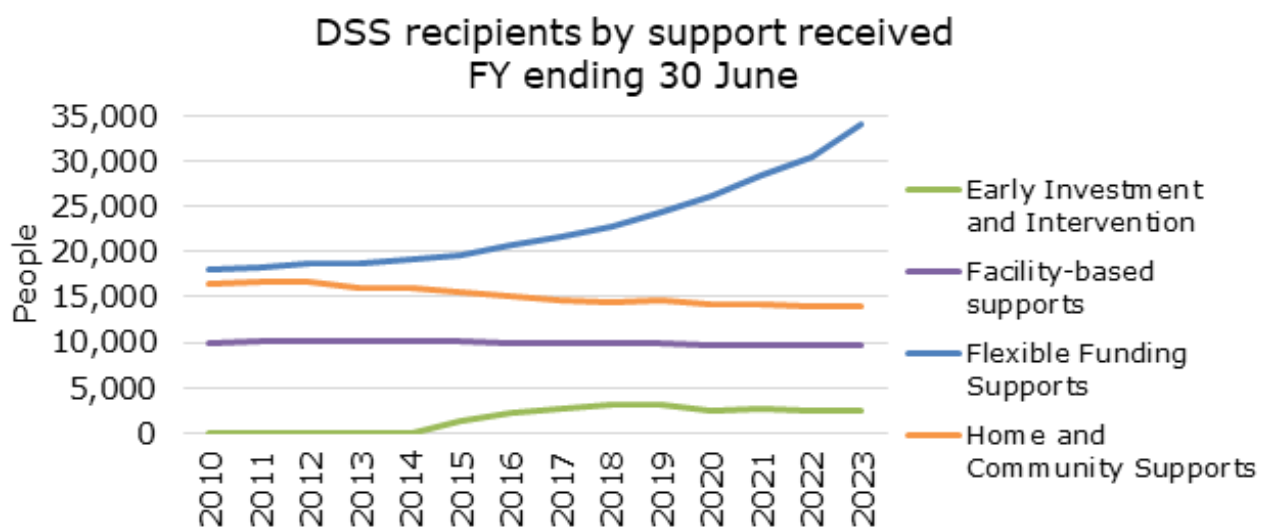
⁴ The MidCentral site was gifted the name Mana Whaikaha, under which it operates.

- 26 Across the three sites, the Enabling Good Lives teams work with over 4,000 disabled people and their families. While the three sites were set up with different mandates, the philosophy that underpins the approach is consistent across all three sites.
- 27 A key element of Enabling Good Lives is the investment in disabled people, tāngata whaikaha Māori and whānau leadership, both in community (through Regional Leadership Groups) and in individual lives and whānau. The Enabling Good Lives approach in the sites includes disabled people having access to a connector/kaitūhono and a flexible personal budget.
- 28 There is an emphasis on enabling the disabled person to build a good life in a community who values who they are and what they have to offer.
- 29 The Enabling Good Lives approach is for everyone. All people can express preference at some level – even if only to let others know that what they are doing right now does not work for the disabled person. The Ministry is increasing its expectations of the people and systems that serve disabled people to take the time to recognise and grow the way that all people form and express their will and preference.
- 30 The Enabling Good Lives approach is closely aligned with the UNCRPD, in particular Article 19 which focuses on Living in the Community.
- 31 Some of the outcomes evident in the current sites include:
- Equity of access in a system that can flex and shift with the community it serves. There has been increased engagement for tāngata whaikaha Māori and whānau, Pacific people, as well as families with young children.
 - There has been decreased use of congregate care. There are alternatives to taking a break and sustaining carer wellbeing, outside of facility-based respite.
 - The development of options for living outside of the family home that does not bundle accommodation with support. These options include flatting, boarding, life share, and home ownership arrangements. The aim is to ensure that the full range of living options available to non-disabled New Zealanders are available to disabled people. The overall number of people in full time residential care across the Mid-Central region has decreased by 15 percent.
 - Traditional day services across the three sites are either under-utilised or have changed to offer what people want as people move to expecting more flexible and meaningful options in their lives.
- 32 The experience for disabled people, tāngata whaikaha Māori and whānau results in more choice and control and higher aspirations.

Provision of Disability Support Services

- 33 Whaikaha – Ministry of Disabled People has around 800 contracts with 476 disability support providers. Some providers are small, and others deliver nationwide services. Services range from equipment to support and/or retain independence, support with daily activities (e.g. personal care and household management), through to residential support, as well as supporting family caregivers (respite and carer support).
- 34 Support takes place in communities, private homes, and residential facilities. Appendix 2 shows a demographic overview of disabled people funded by the Ministry. Appendix 3 shows the cost of the support.
- 35 Figure 2 shows the number of people receiving support by support type.

Figure 2 ⁵



- 36 Disabled people received funded support through:
- Standard contract arrangements
 - Specialist supports and/or
 - Flexible options.
- 37 Support commissioned through standard contract agreements includes:
- Facility-Based Supports such as Residential Care for people to live in a group home, alone where required, or in an aged residential care facility – especially where people have higher medical needs requiring hospital level care. There is also facility-based respite, which is intended to provide short term relief support in a residential setting.

⁵ As people may receive more than one type of support, the sum of figures in this graph will be greater than the number of people receiving DSS.

- There are approximately 7,550 disabled people living in Residential Care with the majority (6,550) in group homes. Around half of disability support appropriation is used for disabled people in Residential Care.
- Community Supports assist people to live in their community. This includes supported living, household management and personal care.
- Community Day Services include the Ministry funding day supports to enable disabled people to participate in their community through things such as social activities and daily living skills. MSD is currently the primary funder of day services.⁶
- Disability Information and Advisory Services provide independent information and advice to people and their whānau and support the activities of a number of disabled person and whānau-led organisations and networks.
- NASC organisations support people through allocating funding and advising on or co-ordinating supports for eligible people.
- The High and Complex Framework provides for the compulsory care and rehabilitation of intellectually disabled people in the criminal justice system. It supports around 200-250 disabled people, many of whom have committed serious offences.

38 The Ministry also contracts for specialist services. These are:

- Child Development Services to provide specialised services to support tamariki to reach their developmental milestones
- Equipment and Modification Services to provide free or subsidised equipment and modifications
- Behaviour Support Services to provide people with access to specialists in addressing behaviour that is harmful to the disabled person or others
- Specialised interventions within the High and Complex Framework.

High and Complex Framework

39 The High and Complex Framework (the Framework) supports people under the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003 and other relevant legislation. It provides a diversionary pathway for offenders with intellectual disabilities who have been found unfit to stand trial on, or be convicted of, an imprisonable offence.

40 The statutory and regulatory responsibilities for the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003 remain with Manatū Hauora, Ministry of Health (MOH). Manatū Hauora has commenced the policy work to

⁶ Whaikaha – Ministry of Disabled People has a residual role in funding some day services for people who were de-institutionalised from large facilities e.g. the Kimberly Centre

determine the long-term location of the statutory functions under the Act. Since 1 July 2022, the Ministry has been responsible for the commissioning, planning, and funding functions of the Framework.

- 41 There are around 250 disabled people supported under the High and Complex Framework. Tāngata whaikaha Māori are overrepresented in the Framework with approximately 40 percent of the people being Māori. The inpatient forensic services commissioned under the Framework are delivered by Te Whatu Ora in Waitemata, Waikato, Capital, Coast and Hutt Valley, Canterbury, and Southern districts. The forensic community services are commissioned through seven non-governmental organisations.
- 42 Manatū Hauora and Whaikaha – Ministry of Disabled People have a Memorandum Of Understanding (MOU) setting out the arrangements for the ongoing operation of the Act and an agreed joint workplan.

Flexible funding supports

- 43 In addition to contracted supports there are also more flexible options for people who are seeking more choice and control over their supports.

Individualised Funding

- 44 Individualised Funding is a mechanism to purchase Household Management, Personal Care and Respite. Individualised Funding is accessed through a NASC and allocated to a disabled person so they can engage their own support.
- 45 Individualised Funding is an option people can choose, where
 - they do not consider contracted Household Management, Personal Care and Respite services will effectively support them, and are seeking to create more tailored support; and/or
 - choice and control over who and how that support is delivered is particularly important to the disabled person and their whānau.
- 46 Enhanced Individualised Funding (EIF)⁷ was introduced in 2011 to provide more flexible support. Flexible Purchasing Guidelines were developed to support disabled people in how they use EIF.
- 47 In 2020, new Flexible Purchase Guidelines were applied to Individualised Funding in 2020 and made permanent in 2021.
- 48 The Flexible Purchase Guidelines were introduced quickly during COVID, without all the features found useful to manage this funding in the Enabling Good Lives sites, such as Connectors and planning. Service development has not been able to keep pace with uptake or the evolution of service use.

⁷ Available in the Bay of Plenty only

- 49 There has been increasingly high uptake of the flexible funding arrangements due to the additional benefits they can provide.
- 50 The Ministry is preparing further advice on how a 'reset' can provide greater certainty for disabled people and whānau in the use of flexible funding, and managing within our financial appropriation.

Carer Support

- 51 Carer Support is a subsidy for the disabled person or their whānau to organise relief support to give the main carer a break.
- 52 Many families and carers find it difficult to find someone else who can, or is willing to, provide support whilst they take a break. The Flexible Purchase Guidelines were also applied to Carer Support from 2020 to assist families to have greater options about how they take breaks and sustain whanau resilience and wellbeing.

Choice in Community Living

- 53 Choice in Community Living (CiCL) is an alternative to residential services and is for people with high disability support needs. It aims to provide disabled people more control over where they live, who they live with and how they are supported.
- 54 CiCL is a type of hosted support based on a person's plan. Funding is managed by the disabled person and their family/whānau and with the person's chosen CiCL provider. The Flexible Purchasing Guidelines apply to CiCL.
- 55 CiCL is currently available in the Auckland, Waikato, Hutt Valley, Otago and Southland regions.

Personal Budgets

- 56 Enabling Good Lives Personal budgets are available in the Enabling Good Lives sites.
- 57 A Personal Budget is allocated to support people to achieve the outcomes outlined in their plan they have developed with their kaitūhono/connector.
- 58 Unlike Individualised Funding, which involves 'cashing up' hours of support that might otherwise be allocated, Personal Budgets are set as amounts for implementing a specific plan. Personal Budgets are 'plan led' rather than 'assessment led'. The final allocation is informed by a benchmarking tool to ensure that fair allocation to people in broadly similar situations,
- 59 Disability funding can be deposited directly into a specific bank account established for this purpose with some oversight by the Enabling Good Lives team. The disabled person may choose to have a Host to help manage their Personal Budget.

Issues

60 Disability supports provide essential services that many disabled people and whānau could not do without. However, many service lines are outdated, service gaps have emerged, and there is significant work required to ensure that the disability support system is fit for the future.

Financial pressures

61 Over multiple financial years Disability Support Services has experienced:

- Growth in the number of people supported.
- Changes to the cost of labour, particularly the remuneration of support workers, and settlements that change support worker remuneration.
- Growing waiting lists for specialist services, Residential Care, Needs Assessment and Service Coordination, and increasing pressure on services supporting autistic people.
- Changes in the role of families in providing care as financial pressures on families and whānau have increased.
- Ongoing increases in the cost of Residential Care, especially an increasing proportion of prices being agreed case-by-case basis (through individual rates), rather than contracted rates.
- Increased flexibility of funding has enabled disabled people to overcome some of the quality and/or supply constraints in the traditional system and to make greater use of service allocations, which has come at an increased cost to the Ministry.

62 Providers continue to express concern that they are not sufficiently funded for the services they deliver, and that pricing is not equitable across contracts and funders, stating that:

- Whaikaha – Ministry of Disabled People, Te Whatu Ora, and ACC pay different rates for similar services, which are often delivered by the same providers, using the same workforce. Our rates have often lagged those of other funders.
- Historical price increases provided by Manatū Hauora from 2016/17 onwards were consistently lower than underlying inflation and wage pressures.
- Recent price increases are not sufficient to cover wage and other cost increases. Wages, the largest part of most providers' costs, are growing at around 4 percent per annum; general inflation is at around 7 percent; price uplifts provided by the Ministry for 2023/24 were between 3 and 4 percent.
- Oncost rates underestimate actual provider costs by around 5 percent.
- Current provider funding levels are not sustainable, as evidenced by providers exiting the market, consolidating, or showing poor financial positions.

- 63 We have prepared a more detailed briefing on our analysis of the cost and volume pressures on Disability Support Services, and our suggested approach to these in the lead up to Budget 2024.

Residential Services

- 64 Whaikaha – Ministry of Disabled People wants all eligible disabled New Zealanders to enjoy the full range of living situations that are available to their non-disabled peers. Currently, the support system is overly reliant on Residential Care to respond to situations where disabled people require an accommodation solution.
- 65 Residential Care provides reassurance to many families that their disabled whānau members are in a structured environment that intended to support and care for them, and provides continuity in the life of the disabled person when whānau becomes less available to them.
- 66 At the same time, the Royal Commission into Abuse in State Care, and the Ministry's own complaint and quality review systems call into question the safety of these settings.
- 67 The United Nations has recommended that New Zealand create and resource a comprehensive deinstitutionalisation strategy. The recommendations explicitly note group homes as a form of institution.
- 68 Where the supports aren't working well for the person, and the same organisation provides accommodation, this can have an impact on the effectiveness of complaints processes, or at the extreme means the disabled person cannot exit services that don't work for them without losing their home.
- 69 Whilst an 'all in one' service can provide reassurance to families that things won't fall through the cracks, it also brings together significant control over the life of the disabled person. As a bundled service model, there are obvious conflicts of interest between, for example, the same people that supports your routines also setting what those routines might be.
- 70 The Ministry is leading residential reform through a multi-year project with disabled people, tāngata whaikaha Māori, whānau and providers called – My Home My Choice; Nōku te kāinga noho, nōku te whakatau.
- 71 My Home My Choice is working to transform the way people in residential services are assisted so they have more choice and control in their lives. This means ensuring a range of options are available for people who want alternatives to residential care, and increasing the control that disabled people who choose to live in residential services have over how they live day to day.
- 72 While the number of people accessing residential services has remained reasonably consistent over time, the cost of providing residential services has increased significantly. For example, in 2016 there were 7,500 people in

Residential Care at a cost of \$650,000mil?. In 2023, the same number of people are supported in Residential Care at a cost over \$1bn.

- 73 There is a longstanding lack of suitable residential services for disabled people under the age of 65 years in the Auckland region. Lacking alternatives, wait lists around the country, particularly in Auckland, are growing.
- 74 Given the ongoing shortages for suitable living arrangements, in some cases, disabled people aged under 65 years may be inappropriately placed in aged residential care facilities.

Residential Pricing

- 75 Residential Care is the costliest category of disability supports services. There are 14 different pricing tools used by NASCs across the country, inherited from historical contracting approaches. This results in different pricing paid for similar services, and sometimes for the same person when they move, which in turn results in inequitable and potentially unsustainable funding received by providers.
- 76 Current prices do not necessarily reflect the costs of providing the service.
- 77 There is a strong case for a new single pricing model. Since 2012, there have been several attempts to introduce a single pricing mechanism to achieve equitable funding. The estimated cost of implementation, however, has been unaffordable.
- 78 Payment for Residential Care is split across multiple funding mechanisms:
- the contract price (usually a day of service)
 - Advance Interim Payments for pay equity costs (reflecting pay equity costs have not yet been included directly in prices across all residential providers)
 - the residential support subsidy to support living costs (paid by MSD as an alternative to benefit and other income support options)
 - client contributions, where applicable
 - sleepover costs (bulk funding for the cost of providing support through the night).

79 s9(2)(f)(iv)

80

High and Complex Framework

- 81 Due to the separation of the statutory functions from the commissioning functions of the Framework, there is a Memorandum of Understanding (MOU)

between Manatū Hauora and Whaikaha – Ministry of Disabled People. The MOU sets out the arrangements for the ongoing operation of the Act and an agreed joint workplan.

- 82 In 2021, the Ombudsman’s Office released an investigation report ‘Oversight: An investigation into the Ministry of Health’s stewardship of hospital-level secure services for people with an intellectual disability’. The Oversight Report identified that the current Framework does not always meet the needs of all the people it supports. A range of issues were identified including:
- living environment and infrastructure deficits
 - workforce shortages
 - Te Tiriti o Waitangi principles are not well embedded into the approach
 - funding and capacity challenges which can result in critical issues.
- 83 The Ministry has developed a work programme to respond to the key issues identified in the Oversight Report and in the wider Framework.
- 84 We released the High and Complex Framework Strategic Intent in June 2023 in response to the Ombudsman’s Oversight Report. Work has commenced on implementing the Strategic Intent, noting that new funding will have to be sought for some of the key initiatives. The Ministry is working closely with Treasury on investment into infrastructure and support to improve the living environment and infrastructure issues identified in the Oversight Report.
- 85 The current situation for the High and Complex Framework is extremely challenging due to a national workforce shortage. The impact of this is that there are bed shortages in both Te Whatu Ora-funded forensic hospitals and community-based accommodation for people who require secure care and rehabilitation. The most acute area is the Te Whatu Ora, Capital, Coast and Hutt Valley District.
- 86 In addition, the performance of the Forensic Coordination Service (FCS): Intellectual Disability⁸ has declined significantly over the last 18 months. This contract is currently held with Te Whatu Ora, Capital, Coast and Hutt Valley District.
- 87 Due to its significant concerns, the Ministry is not renewing the contract for the Forensic Coordination Service, which expires in early March 2024. Due to the specialist nature of the service and much of the expertise sitting within Whaikaha – Ministry of Disabled People, it has been decided to bring the FCS into the Ministry, with an intention of it being recommissioned via the All of Government (AOG) procurement process and returning to the community in 2025.

⁸ national service coordination service for people under the High and Complex Framework

Pay Equity

- 88 The Support Workers (Pay Equity) Settlements Act 2017 formalised the settlement of a legal claim that support workers were paid less than other workforces because the workforce is predominately female. The Act specified minimum hourly wage rates payable by employers to support workers from 1 July 2017. The Support Workers (Pay Equity) Settlements Act was amended in mid-2022 to extend the expiry date to 31 December 2023, and update the minimum wage rate.
- 89 In July 2022 the PSA, E tū and the New Zealand Nurses Organisation (NZNO) raised a pay equity claim representing care and support workers employed in the funded sector. The claim holds significant financial implications. There is an estimated 61,500 care and support workers across the health and disability workforce.
- 90 Concern has been raised about the claim process. This means a settlement is unlikely to occur before December 2023.
- 91 Te Whatu Ora as lead funding agency has commissioned a technical review of the pay equity process that has occurred to date. The review will inform a report to Ministers ahead of endorsement of the next milestone in the process, with an update on the proposed outcome of the claim, funding level and methodology, and any potential flow-on impacts to Te Whatu Ora employed and funded workforces and workforces of other funders.

Next Steps

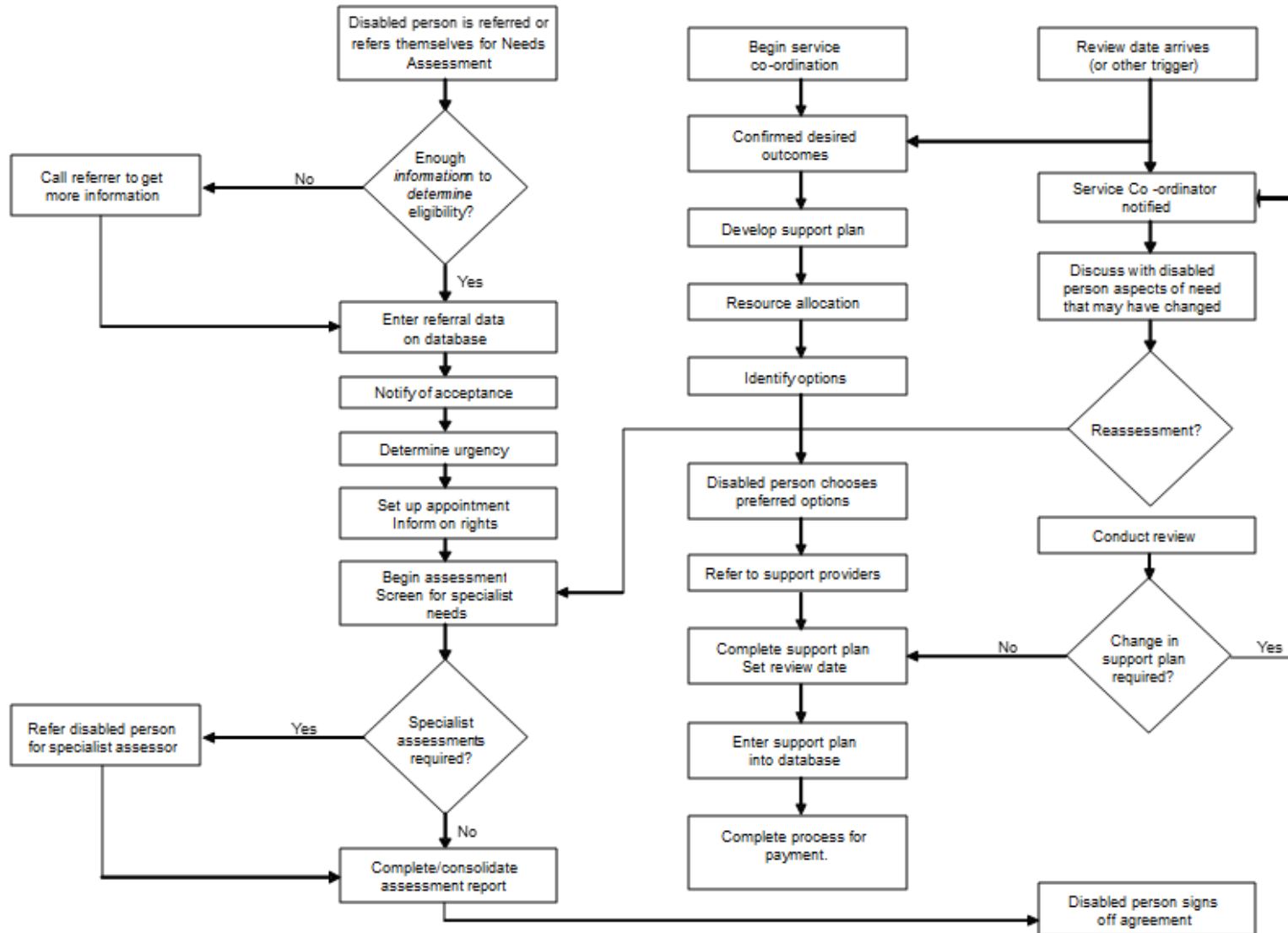
- 92 The Ministry is working with Treasury to ensure the sustainability of Disability expenditure through a joint programme of work (Disability Financial Sustainability Review), with a particular focus on maintaining expenditure within fiscal expectations.
- 93 We will provide you with further briefings on the implications for service change or service delivery in the near term.
- 94 Officials are available to brief you further on any of the matters contained in this report.

Author: Rachel Daysh, Group Manager, System Design. Commissioning, Design and Delivery

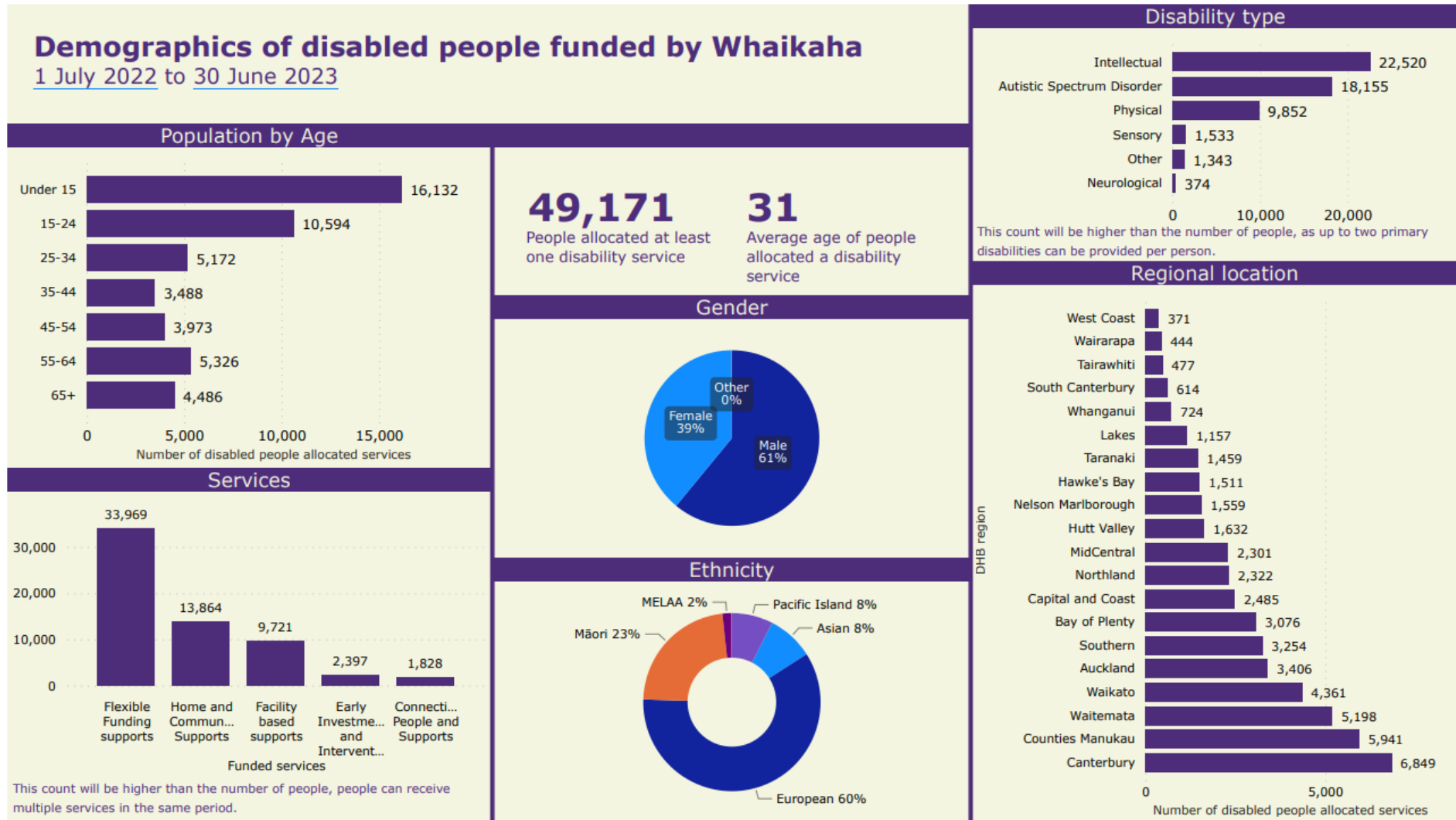
Responsible manager: Amanda Bleckmann, Deputy Chief Executive, Commissioning, Design and Delivery



Appendix - THE NASC PROCESS



Appendix 2– Demographic overview



Appendix 3– Annual Actuals, Budget, and Full Year Forecast

Whaikaha Non-Departmental Expenditure

	2022/23	2023/24	2023/24
	Full Year Actuals	Full Year Budget	Full Year Forecast
Community Based Support			9(2)(f)(iv)
6630- Home Support	62.5	65.9	
6631- Personal Care	300.7	338.7	
6632- Enhanced Individual Funding	66.0	75.8	
6635- Caregiver Support	49.3	52.1	
6637- Caregiver Support - Supported Living	90.1	93.9	
6680- Respite Care	96.6	112.2	
Other Community Based Support	26.5	31.2	
Community-based Support Services	691.6	769.9	
Connect & Strengthen Disability Community			
6620- NASC Management Fee	28.9	34.5	
Other Connecting & Strengthening	29.6	38.7	
Connecting and Strengthening Disability Communities	58.6	73.2	
Early Intervention Support Services			
6685- Child Development	31.7	32.7	
6695- Specialist Support	19.1	16.8	
8330- ASD Initiative.	5.7	5.8	
Early Intervention Support Services	56.5	55.4	
Environmental Support Services			
6660- Environmental Support: Mobility and Sensory Aids	213.4	228.5	
Environmental Support Services	213.4	228.5	
Residential Based Support Services			
6640- Residential Care: Rest Homes	9.4	11.4	
6645- Residential Care: Community	853.8	913.2	
6650- Residential Care Hospitals	52.2	60.2	
6654- High and Complex/Compulsory Care	37.1	39.1	
6661- Day Programmes	26.9	25.8	
Other Residential Support	10.2	9.6	
Residential-based Support Services	989.6	1,059.3	
Total Expenditure	2,009.6	2,186.1	