

# Disability Transformation Tagged Contingency Drawdown

## The proposal of the paper

This is a summary of a joint ministers decision paper.

At the time of the decision making the Associate Minister of Finance was Hon Barbara Edmonds and the Minister for Disability Issues was Hon Priyanca Radhakrishnan. The joint minister paper paper sought agreement from the Associate Minister of Finance and the Minister for Disability Issues to draw down funding which was made available in Budget 2022. The funding was for the next steps in transforming the disability support system.

After considering many factors the Ministers were given the authority to authorise the draw-down of funding.

You can see the full paper and other alternate formats at www.whaikaha.govt.nz/releases.

## Draw-down requirements have been met

Whaikaha believed the requirements for drawing down the funding had been met. Whaikaha also note that more operational planning will be possible once the funding had been drawn down.

The Minister for Disability Issues and the Associate Minister of Finance both agreed to the draw down of the revised amount of the tagged contingency.

## The amount available has reduced

The amount had been $100 million over the four years from 2022/23 to 2025/26, and $40.5 million annually for later years.

The reduced amount is $73.7 million over the four years from 2023/24 to 2026/27. It remains at $40.5 million annually from 2027/28 onwards. The reduction in the amount was part of a cost-savings exercise across all government expenditure by the Minister of Finance.

## What the funding will be used for

The funding will enable Whaikaha to:

* Deliver improved safeguarding for people at risk of abuse.
* Make Enabling Good Lives sites available to two new regions.
* Begin transforming existing disability support services (such as residential care)
* Build community capability for partnership and stewardship.

The funding will also enable Whaikaha to create a Transformation Management Office and set up the infrastructure required to operate the transformed system.

## The work will take 10 years and be in three phases

The work is expected to take up to 10 years. There are three key phases.

Phase one (2023/24 to 2025/26) involves planning for implementation and creating systems and processes needed to manage the next two phases.

Phase two (2026/27 to 2029/30) involves embedding Enabling Good Lives principles into all aspects of support funded by Whaikaha, and progressively introducing full regional Enabling Good Lives sites across the country.

Phase three (2030/31 onwards) shifts the focus to full implementation and embedding the transformation. In addition to the current changes being made to residential care, phase three involves changing the disability supports and other relevant services that are offered by other government organisations.

## Transformation Board governance within Whaikaha

Within Whaikaha, a Transformation Board, chaired by the Chief Executive, will be responsible for the transformation itself. The Transformation Board will be supported by the Transformation Management Office, led by a Transformation Director.

These governance arrangements will be complemented by partnership arrangements with the disability community.

## Operating framework for the transformed system

The operating framework for the transformed system will have a strong regional focus. Responsibility for day-to-day operations, and expenditure, for most disability supports will be delegated to 10 to 11 regional sites, each with a Regional Director.

Regional sites will invest in disabled people and whānau and employ connectors who can walk alongside disabled people to support them.

Budget advisors who agree with the disabled person about the possible uses of the funding will allocate funds for personal budgets. The funding must also comply with broad purchasing guidelines. Budget advisors may also allocate funding that is managed separately to help a person move on from a crisis.

## Risks we have identified

There are legal, operational, and financial risks arising from the current paid family carer dispute. This includes the possibility that an upcoming Court decision could make it difficult to implement central aspects of the transformed system, such as a defendable funding allocation process. Whaikaha will provide advice on this once the implications of a decisions are known. We will also provide advice on the need to create a statutory framework to underpin the disability system.

There are other risks arising from the draw-down of funds, or the activities that it pays for. These include Whaikaha being unable to implement or recruit workforce in the regions as quickly as planned, or that the community becomes frustrated at the pace of implementation. There is also the risk that personal budgets are misused, or the allocation is not fair, and that the system changes do not deliver to Enabling Good Lives principles.

Whaikaha has identified mitigations and activities to address these risks, which are described in detail in the paper.

The cost of the disability support system has been growing quickly over the last few years. There are concerns that system transformation could impact negatively on the sustainability of disability support funding on the medium to long term.

## Financial sustainability

The Minister of Finance requested that officials develop a work programme around the financial sustainability of the disability support system. The work will be overseen by the Associate Minister of Finance and the Minister for Disability Issues.

## Estimated timeframes for Cabinet reporting

Officials expect to report to Cabinet on issues related to system transformation and the funding made available around early 2024, late 2024, mid 2025, September 2025, and at the time of Budget 2026.

## Te Tiriti o Waitangi Analysis

The system transformation work aligns well with all articles of Te Tiriti principals and tāngata whaikaha individual Te Tiriti principles.

Māori have concerns about the disability support system that are currently being heard by the Waitangi Tribunal. They are concerned that the disability support system does not work well for tāngata whaikaha Māori me o rātou whānau, and consequently there is low take-up of services by that group.

Māori are also concerned that their identities as both disabled people and Māori are not acknowledged by government systems.

## Contact us

If you want to get in touch, please visit our website at [www.whaikaha.govt.nz/contact-us/](https://aus01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.whaikaha.govt.nz%2Fcontact-us%2F&data=05%7C01%7CRebecca.Haig007%40whaikaha.govt.nz%7C97275262342540e7ce9f08dbcf6a24f3%7Ce40c4f5299bd4d4fbf7ed001a2ca6556%7C0%7C0%7C638331827018528481%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=pSqpWoLQyrieXs8GZXfJOC9ZH8%2FREPlLS292JfzcQSI%3D&reserved=0)

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They can contact us on your behalf during these times: Monday to Friday 7am to 6pm.

**End of information: Disability Transformation Tagged Contingency Drawdown**