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Hon Louise Upston
Minister for Disability Issues
Parliament Buildings
Via email: Claudia.holgate@parliament.govt.nz

Tēnā koe Minister,

Thank you for your letter of 9 July 2024 providing the opportunity to respond to the Independent Review into the Sustainability of Disability Support Services report (the Report).

I acknowledge the work completed by the Panel and have not identified substantial errors in the Report that we consider could reduce your ability to proceed with the recommendations.

I do want to provide some general comments about the findings, which were necessarily shaped by the work having been delivered within a compressed timeframe due to the need for urgency. I provide these comments to offer further context for you.

The Ministry of Disabled People-Whaikaha (the Ministry) provided extensive information to the Panel to support their work. We consider that the Panel's work would have benefited from wider engagement both within the Ministry and across the sector. The limited in-person engagement to explore the issues in two-way dialogue may have meant that anecdotes or impressions formed indirectly were weighted-up and were not able to be thoroughly tested with us. This may be particularly the case for comments made about the organisation's roles and responsibilities, and ways of working, which we did not discuss with the Panel in any detail¹.

The Report draws on findings from reviews undertaken by DPMC and by Link Consulting (commissioned by the Ministry) but does not document work undertaken or planned since those reviews. Highlighting that work would have been able to present a more comprehensive picture of the risk environment, and more insights into prioritising work already underway. This is partly addressed in the Cabinet paper with reference to the appendix setting out the progress made (particularly in respect of the DPMC review).

As the findings build on these previous reviews, the Panel findings focus more on the organisational practice and performance rather than the recommendations which focus primarily on the system. In doing so, the findings tend to combine observations about organisational performance with system performance in ways that understate the significance of the challenge presented by the operation of the underlying policy settings in the system. For example, in Finding 2, the Panel's summary focusses on the importance of financial management and financial controls, both important priorities for the

¹ The Panel met 8 staff from Whaikaha. The Panel did not meet all members of the Executive Leadership Team, or the Ministry's Risk and Audit Committee





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Ministry. In addition, the policy settings driving this risk – in particular, the forecast growth in volume for the year, needs to be considered to ensure sustainability of the system.

Sound commissioning, contract management and financial practices are fundamental expectations for the Ministry and are absolute priorities in our work to complete our establishment. We are conscious of the need to rapidly improve the historical practices that came into the Ministry, and commissioning the Link Review was an important first step in establishing a baseline point in time to build capability and practice and support our new Commissioning Framework.

While recognising the condensed timeframe for the Review, we consider it would have been helpful for discussions with us (and our Director Commissioning) in more depth about this work and how it is integrated across our work program. This work, along with system and policy changes, are priority work for the Ministry in confronting the fiscal challenges we face.

Finally, I want to emphasise that my leadership team understand our responsibilities as public servants. We take seriously the importance of our work in giving effect to the Government's priorities for disabled people, and the need for the Ministry to be constantly improving the way the organisation and system are performing. We are absolutely committed to the work we do every day to improve both our organisation and the system that supports disabled people.

For the avoidance of doubt, I want to assure you that my leadership team members are clear about their obligations under the Public Finance Act and the need to be prudent managers of public funds. This is evident from the numerous briefings and meetings that occurred since December on options to enable us to stay within the appropriation during the 2023/24 financial year.

The Report sets out the scale of the challenges ahead for us as a young organisation that inherited a DSS system with long-standing challenges and flaws. While not the purpose of the review, it is important to consider the Report in the wider context of how far we have come, not just the distance yet to travel.

Much has been achieved in our short time (across all business units in the Ministry), including addressing some legacy issues (some examples include investing in better forecasting models, our immediate response to issues in the Link Review, the development of the first DSS Commissioning Framework).





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 **Whaikaha**
Ministry of Disabled People



Thank you again for the opportunity to provide my reflections on the Report. I am happy to discuss any of the issues contained in the letter further.

Nāku noa, nā

Paula Tesoriero MNZM
Te Tumu Whakarae | Chief Executive

