

In Confidence

Office of the Minister for Disability Issues

Cabinet

An independent review into the sustainability of Disability Support Services administered by Whaikaha – Ministry of Disabled People

Proposal

- 1 This paper seeks your agreement to establish an independent review into the sustainability of Disability Support Services administered by Whaikaha – Ministry of Disabled People (the independent review). The independent review will provide advice on what actions should be taken:
 - 1.1 immediately, within the 2024/2025 financial year, to better manage the increasing cost pressures
 - 1.2 to ensure the future sustainability of Disability Support Services.

Relation to government priorities

- 2 The independent review is consistent with the Government's priorities for effective, efficient and responsive public services and improving fiscal management, including disciplined government spending and supporting frontline services. It also relates to continuing to support disabled people to lead a good life.

Executive Summary

- 3 Disabled people need consistency and certainty in the supports and services they can access to ensure they have choices in how they lead a good life. Recent events have revealed that urgent attention is required to address longstanding issues with Disability Support Services (DSS) as administered by Whaikaha – Ministry of Disabled People (the Ministry).
- 4 Currently, DSS is allocated on the basis of need. It effectively operates as a demand-driven service, with ongoing increases in people being supported and costs of supports, while operating with a capped budget. These settings mean that DSS is exposed to external drivers of costs. Increasing cost pressures for DSS and limited levers of control available to the Ministry pose significant challenges to the Government's fiscal management.
- 5 I propose an independent review to provide advice to myself, as the Minister for Disability Issues and the Minister for Social Development and Employment, to strengthen the sustainability of DSS into the future. The independent review will focus on what actions should be taken immediately to better manage the cost pressures on DSS for the 2024/25 financial year, and what should be done in the longer term.

- 6 I need urgent advice so that I can determine my approach and seek Cabinet's agreement to next steps. As such, getting the independent review up and running is a top priority. I seek agreement to the review and Power to Act for myself, as the Minister for Disability Issues and the Minister for Social Development and Employment, to appoint an independent panel made up of a lead reviewer and two advisors and make minor amendments to the terms of reference as necessary to achieve the agreed outcomes.
- 7 I will report back to Cabinet on progress of the independent review and advice on next steps.

Background

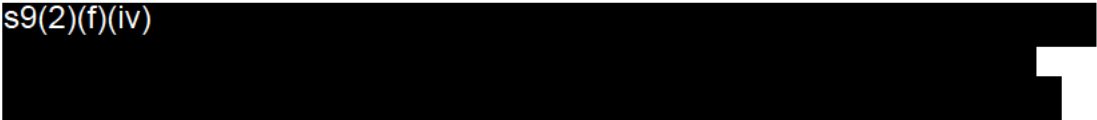
Whaikaha – the Ministry of Disabled People was established in 2022

- 8 The Ministry was established on 1 July 2022 as a departmental agency hosted within the Ministry of Social Development (MSD). It has a dual mandate to:
 - 8.1 **lead strategic disability policy** across government to improve outcomes for disabled people, and
 - 8.2 **deliver and transform** DSS, including the national rollout of the Enabling Good Lives approach (EGL).
- 9 Through the health system reforms enacted by the Pae Ora (Healthy Futures) Act 2022, the Ministry received responsibility for DSS and the Enabling Good Lives (EGL) portfolio from the Ministry of Health (MoH), and the Office for Disability Issues from MSD. The National Disability Support Services Appropriation was transferred from Vote Health to Vote Social Development and a Multi-Category Appropriation was established. MSD is the host agency; it is currently the appropriation administrator and provides shared services.
- 10 The Ministry was established with approximately \$1.8 billion in annual non-departmental expenditure from MoH, and \$53 million (in year one) in departmental expenditure. Since its establishment, the Ministry has drawn down \$73.7 million over four years to support disability system transformation, and it received around \$860m of funding over four years in Budget 2023. Current total disability support system expenditure administered by the Ministry is around \$2.2 billion annually (excluding the \$80 million of additional funding recently agreed by Cabinet).
- 11 DSS includes a range of specialist supports for disabled people to help them live a good life (see **Appendix 1** for a description of the types of supports available). However, other agencies are also responsible for services and support for disabled people.¹ The system's interconnectedness means that the services provided by the Ministry have a direct impact on other agencies and vice versa. Changes in services provided by one agency need to be considered in this wider cross-government context to avoid any unintended cost shifts to another agency or pressures on other services.

¹ For example, but not limited to: Health New Zealand provides some disability services, the Ministry of Education provides learning supports, and MSD provides health and disability income supports; Disabled people are priority cohorts within the populations served by Oranga Tamariki – Ministry for Children and the Department of Corrections.

- 12 The speed of the Ministry's establishment caused longstanding risks to grow, continue to develop or be realised. The previous Minister for Disability Issues recently received a September 2023 stocktake by the DPMC Implementation Unit (the stocktake). The stocktake identified five critical risks² impacting on the Ministry's ability to progress its work programmes under its dual mandate. The five critical risks are: financial risks, operational risks, legal challenges, people leadership and management, and high stakeholder expectations (see stocktake appended in **Appendix 2**).
- 13 The Ministry has taken steps to address these risks within its current resourcing (see **Appendix 3**). Those actions represent progress but are insufficient given the gravity of the situation.

The Ministry does not have adequate levers to respond to increasing cost pressures

- 14 The Public Finance Act 1989 requires the Ministry to operate within its financial limits, but the Ministry is limited in its ability to respond to cost pressures given:
- 14.1 devolved decision making (through the Needs Assessment and Service Coordination process) in allocations of funding on the basis of need
- 14.2 there is no existing legislative framework to guide administration of DSS³ including a lack of levers to control spending, such as by limiting the amount of funding an individual is eligible to or what that funding can be spent on
- 14.3 operational policy is used to interpret Cabinet's 1994 decisions on eligibility.
- 15 s9(2)(f)(iv) 

Costs for DSS are increasing at an unsustainable rate

- 16 Support from DSS is allocated on the basis of need, meaning that the system operates as a demand-driven service. However, the disability support appropriation is a "flat nominal amount", meaning that it does not change automatically to reflect increases in the volumes of people supported or inflationary pressures. The Ministry cannot call upon flexibility from within the Vote, as was the case under Vote Health prior to 2019⁴.
- 17 Crown expenditure on DSS has more than tripled from 2005/06 (\$0.7 billion) to 2023/24 (\$2.2 billion). Adjusted for inflation, costs have roughly doubled over this period. Under current system settings, the number of people being supported by the Ministry is growing by a net number of between 3,000 and 3,500 (6-7 percent) each

² DPMC Implementation Unit (September 2023), *Briefing to the Minister of Finance: Stocktake of Whaikaha – Ministry of Disabled People*.

³ The NZ Public Health and Disability Act 2000 was repealed by the introduction of Pae Ora (Healthy Futures) Act 2022, which removed the ability to rely on that legislative framework for commissioning disability support services and limiting those services based on financial limits.

⁴ In Vote Health, cost pressures were managed within the Vote until 2019, when cost pressures bids were sought each year to manage pressure

year, with growth primarily in flexible supports. **Appendix 4** provides a summary of the main factors driving up costs.

18 Figure 1 below shows the increase in people accessing DSS by the four service types.

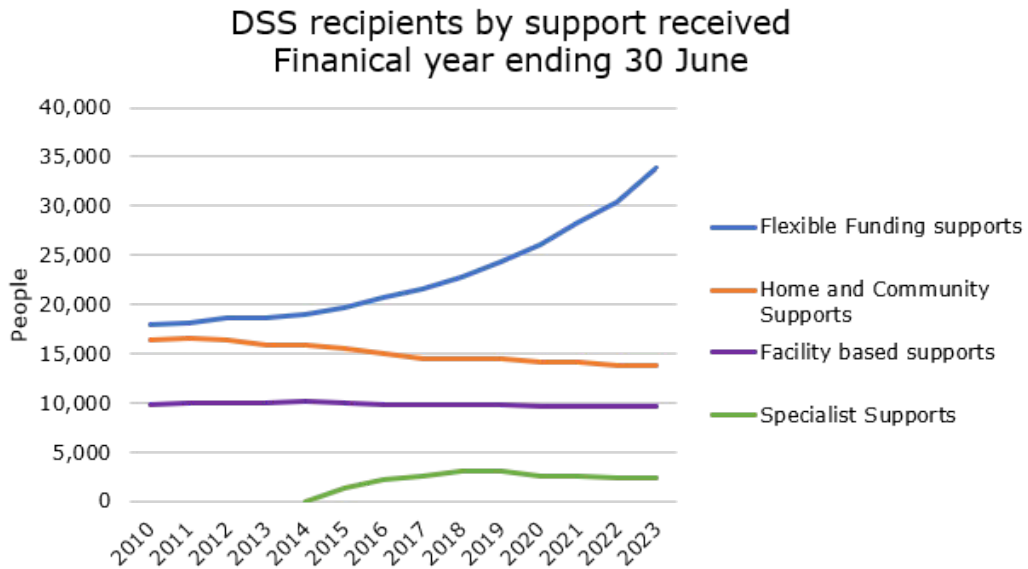


Figure 1: Graph showing the change in number of people accessing DSS broken down by service type, over the period 2010 to 2023

19 Between 2020/21 and 2023/24, the cost of delivering DSS has grown by an average of 12.5 percent per annum. As shown in Figure 2, if this average growth rate continues over the next four years, the cost would reach \$3.8 billion in 2027/28.

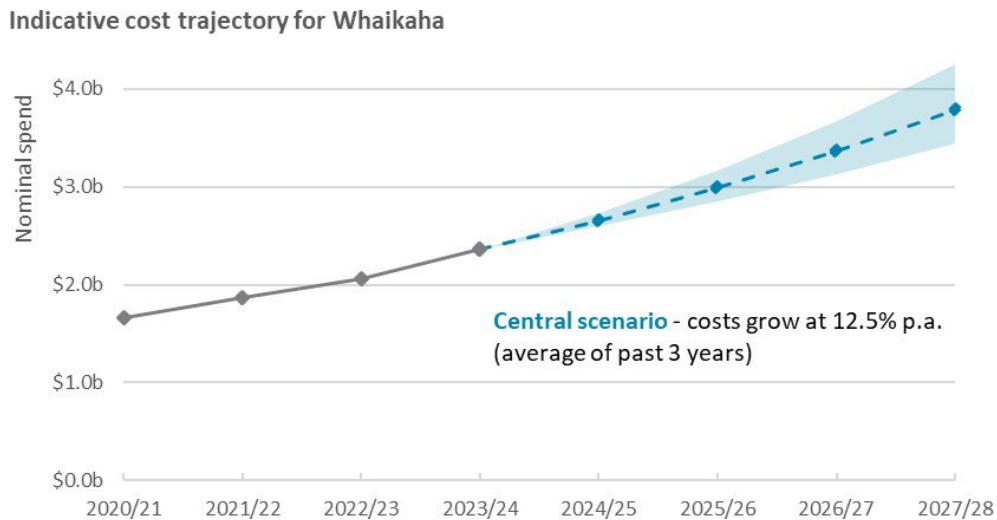


Figure 2: Graph indicating the cost trajectory of DSS out to 2027/28

I propose an independent review to provide advice on the immediate and longer-term sustainability of DSS

20 On 25 March 2024, Cabinet invited the previous Minister for Disability Issues to return with options for a review of the situation the Ministry is facing [CAB-24-MIN-

I N C O N F I D E N C E

0102 refers]. Recent events have shown that action is needed to strengthen the provision and certainty of support for disabled people into the future, and to ensure strong fiscal management is in place.

21 I propose an independent review to provide advice on:

21.1 **what can be done immediately** in FY 2024/2025 to better manage the increasing cost pressures

21.2 what can be done to ensure the **future sustainability** of DSS.

22 Given the immediate priority to provide clarity and certainty to disabled people on DSS, the independent review will provide me with advice on question 21.1 6 weeks after its establishment and its final report on question 21.2 14 weeks after its establishment as follows:

Stage	Output	Deliverable	Due
Immediate priority	Advice on: <ul style="list-style-type: none"> • choices for making immediate changes to DSS in FY 2024/2025 • trade-offs and implications of the choices • mitigations for critical risks. 	Report to Minister with recommendations for responding to cost pressures on DSS in FY 2024/2025.	Week 6
Future sustainability	Advice on future fiscal sustainability and certainty for disabled people: <ul style="list-style-type: none"> • choices for making changes to DSS in FY 2025/2026 and beyond • eligibility for DSS with a focus on entitlement to, and allocation, of funding • purpose of different funding streams within DSS and the appropriate level of flexibility for each • the capability and processes that need to be in place in the Ministry to better manage DSS, including for risk management, commissioning, and organisational form and structure • interactions between DSS and other systems (including health, welfare and education) • the legal framework for DSS • stakeholder relationships. 	Final report to Minister.	Week 14

23 During the review, I expect to be kept updated on the progress of the review and the proposed approach. I will regularly update relevant Ministers as appropriate and in keeping with their indicated interest in the review.

- 24 By “sustainability”, I am referring to being able to live within existing allocations and being prepared for foreseeable changes and trends relating to costs. This includes possible funding models and the associated required capabilities.
- 25 The future sustainability of DSS is a complex issue. Considering eligibility for DSS alone raises questions around interactions with different systems, unintended cost shifts to other Votes, impact on the community, and our commitment to the social model of disability. I do not expect the independent review to be able to “solve” the future sustainability of DSS within 14 weeks. I do, however, expect the independent review to provide recommendations on the direction of travel for immediate and medium-term actions towards finding a long-term solution.
- 26 The independent review will enable the Government to establish a policy position that supports meaningful engagement with the community on implementation. The independent review itself will not include a process for community engagement. This is likely to prompt some community reaction, as will my decision not to limit possible reviewers and/or advisors to those who have lived experience of disability. As mitigation, when announcing the independent review, I will be clear about the purpose of the review and my plan to engage with the community on its findings. That engagement will include seeking opinions on the likely impact of any suggested changes. I also note that the reviewer and advisors will need to talk to people as part of their information gathering exercise and they will have the freedom to decide who to talk to, when, and how.

Multiple Ministers and agencies will be involved in implementing the independent review

- 27 Due to the hosting relationship between the Ministry and MSD, it is appropriate for me to make implementation decisions for the review under the Disability Issues and Social Development and Employment portfolios. I seek agreement for Power to Act to appoint an independent panel, made up of a lead reviewer and two advisors, to carry out the independent review. Remuneration for the reviewer and advisors will be decided in the same way.
- 28 The lead reviewer and the two advisors will bring a wide skill set and experiences covering:
- 28.1 public finance
 - 28.2 contract arrangements with service providers
 - 28.3 delivery of public services, including development of operational policy
 - 28.4 identification, assessment and management of risk, and
 - 28.5 any wider public sector leadership issues.
- 29 All costs arising from the reviewer and advisors will be met by the Ministry.
- 30 Over the course of the independent review, I expect the reviewer to discuss their priorities with me. This may result in changes to the terms of reference to ensure Ministers receive the best advice in the time available. I seek Power to Act for myself,

as Minister for Disability Issues and the Minister for Social Development and Employment, to make minor amendments to the terms of reference as necessary to achieve the agreed outcomes. Initial terms of reference for the independent review are included as **Appendix 5**. I will seek Cabinet's agreement if more than minor amendments are suggested to the terms of reference, including any significant extension of the timeframes.

- 31 The independent review will be supported by a Secretariat hosted in the Public Service Commission (PSC) and made up of officials provided by PSC, the Treasury, and MSD. Any costs of the Secretariat will be absorbed into the baseline of the agencies providing resources.
- 32 Other relevant agencies will support the independent review and provide advice as requested. Given the interactions across various systems, I anticipate that this will include the Ministry of Health, Health New Zealand - Te Whatu Ora, Ministry of Education, Department of Corrections and Oranga Tamariki – Ministry for Children.
- 33 The Ministry will provide a high-level of support to the reviewer and the Secretariat. I will direct the Ministry to:
- 33.1 cooperate with the review, including facilitating meetings between the Ministry's reference groups (such as the Transformation Management Board and the Strategic Advisory Group) and the reviewer
 - 33.2 stop current work regarding eligibility for DSS, including their external advisory group⁵
 - 33.3 provide me with advice regarding how the review may impact their current work programme, including:
 - 33.3.1 trade-offs that may be required to ensure Whaikaha can free up resources to support the review, including any risks and mitigations to delivering work and services to disabled people
 - 33.3.2 current work relating to the 2024/2025 financial year
 - 33.3.3 current work that may be superseded by the review
 - 33.3.4 the status of actions already underway to address cost pressures.

I considered a Public Service-led review, but propose an independent review is appropriate given the urgency and scale of issues

- 34 The ACT Party provided feedback suggesting the review could be conducted within the Public Service. While I appreciate that there are situations where an agency-led review is appropriate, in this case fresh eyes and distance in perspective will be more valuable. I would also be concerned by delays with establishing an agency-led review, the need to secure resourcing and prioritisation amongst other work, and ensuring the right expertise is available. An agency-led review might also need to involve external

⁵ The existing work programme considers expanding DSS eligibility

reviewers to supplement capability and/or capacity to meet the timeframes, which would increase cost.

Cost-of-living Implications

35 The independent review will not directly have cost-of-living implications for New Zealanders. However, failure to identify and respond appropriately to the risks facing the Ministry may compound the inequities experienced by disabled people and carers.

Financial Implications

36 Costs in this paper will be met from the Ministry's baseline. Any recommendations for action following from the independent review that may have financial implications will require expected Cabinet and Budget consideration.

Legislative Implications

37 This paper does not have direct legislative implications.

Impact Analysis

Regulatory Impact Statement

38 Regulatory impact analysis requirements do not apply to the proposal in this paper.

Climate Implications of Policy Assessment

39 A Climate Implications of Policy Assessment is not required for this proposal.

Population Implications

40 While the independent review will not directly impact populations, disabled people are impacted by the issues raised in this paper and may be impacted by any policy decisions resulting from the independent review.

Human Rights

41 The proposal in this paper is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of external resources

42 External resources have not been involved in the preparation of this paper.

Consultation

43 Relevant Cabinet Ministers and Coalition partners have been consulted.

44 The Treasury, the Public Service Commission, the Department of the Prime Minister and Cabinet, the Ministries of Health, Social Development, and Education, the Department of Corrections, Oranga Tamariki – Ministry for Children, and Whaikaha – Ministry of Disabled People were consulted in the development of this paper.

Communications

- 45 I will publicly announce Cabinet's agreement to this independent review.
- 46 During the review, my office will work together with the Ministry to ensure consistent and clear communications.
- 47 Following the review, I will report back to Cabinet on my proposed response to the independent review's findings and recommendations ahead of releasing its report.

Proactive Release

- 48 This paper will be proactively released on the Ministry's website within 30 days, with alternate formats published as and when they are made available.

Recommendations

The Minister for Disability Issues recommends that Cabinet:

- 1 **note** Whaikaha – Ministry of Disabled People (the Ministry) has a dual mandate to improve outcomes for disabled people by leading cross-government strategic policy advice while also delivering and transforming Disability Support Services (DSS)
- 2 **note** the Ministry has limited levers to address the significant risks arising from the increasing cost pressures on DSS that, while longstanding, have become more visible since its establishment
- 3 **agree** to establish an independent review to provide advice on DSS administered by the Ministry focused on two questions:
 - 3.1 what actions should be taken immediately in FY 2024/2025 to better manage the increasing cost pressures
 - 3.2 what should be done to ensure the future sustainability of DSS
- 4 **note** the independent review will report back on question 3.1 6 weeks after its establishment and on question 3.2 14 weeks after its establishment
- 5 **agree** the independent review will be supported by a Secretariat hosted by the Public Service Commission (PSC), with resource also provided by the Treasury and the Ministry of Social Development (MSD)
- 6 **agree** to the initial terms of reference for the independent review in **Appendix 5**
- 7 **agree to Power to Act** for the Minister for Disability Issues and Minister for Social Development and Employment to implement the independent review, including:
 - 7.1 appointing an independent panel made up of a lead reviewer and two advisors, and determining their remuneration
 - 7.2 a Secretariat of officials to support the independent review

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- 7.3 making minor amendments to the terms of reference in Appendix 5, where necessary, to ensure best and timely advice is provided
- 7.4 any other related matters for the well-functioning of the independent review
- 8 **note** the Minister for Disability Issues and the Minister for Social Development and Employment will seek Cabinet agreement to amendments to the Terms of Reference that go beyond those agreed at 7.3 and for any significant extension in timeframe
- 9 **direct** the Ministry to meet the costs for the independent review, including the lead reviewer and their two advisors, from its baseline
- 10 **direct** PSC, the Treasury, and MSD to meet the costs of the Secretariat from their baselines
- 11 **direct** the Ministry and agencies with joint work programmes or whose systems interact with the Ministry, including the Ministries of Social Development, Health, and Education, the Department of Corrections, Health New Zealand – Te Whatu Ora and Oranga Tamariki – Ministry for Children, to support the work of the reviewer and provide assistance as requested
- 12 **invite** the Minister for Disability Issues and the Minister for Social Development and Employment to provide updates to Cabinet, in consultation with relevant Ministers, following progress and reports of the independent review.

Authorised for lodgement.

Hon Louise Upston
Minister for Disability Issues

Appendix 1: Description of DSS administered by Whaikaha – Ministry of Disabled People

Generally, disabled people and their whānau, who are eligible for Whaikaha – Ministry of Disabled People (the Ministry) funded support, access their support through Needs Assessment and Service Coordination (NASC) organisations.

Disabled people receive funded support from the Ministry through:

- Standard contracted arrangements
- Specialist supports
- Individualised Funding
- Choice in Community Living
- Carer Support
- Personal Budgets.

Standard contracted arrangements

These supports are commissioned and funded by the Ministry and include:

- Facility-Based Supports, including residential support 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 short term relief support provided in a residential setting for eligible people
- Home and Community Supports, including a range of supports such as assisting people to live in their community. This includes supported living, household management, and personal care
- Community Day Services, including 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 the primary funder of Day Services
- Disability Information and Advisory Services, providing independent information and advice to people and their whānau
- NASC organisations supporting people through allocating funding and advising on or co-ordinating supports for eligible people.

Specialist supports

- Child Development Services provide specialised services to support tamariki to reach milestones
- Equipment and Modification Services provide free or subsidised equipment and modifications to disabled people
- Behaviour Support Services provide people with access to specialists to set and support goals to assist them.

Individualised Funding

Individualised Funding is a mechanism to purchase Household Management, Personal Care and Respite. It is accessed through a NASC and allocated to a disabled person so they can organise their own support – in some cases including engaging care and support workers.

Individualised Funding was initially developed to increase flexibility and provide disabled people and their whānau with more choice and control over their support.

Enhanced Individualised Funding (EIF) was developed as a broader approach to flexibly support a disabled person's needs. Flexible Purchasing Guidelines were developed to support disabled people in how they use their funding with EIF.

Use of the flexible Purchasing Guidelines was extended to Individualised Funding and carer support during the COVID-19 response and continues to be available.

Choice in Community Living

Choice in Community Living (CiCL) offers disabled people more control over where they live, who they live with and how they are supported. It is an alternative to residential services and is for people with high support needs.

CiCL is currently available in the Auckland, Waikato, Hutt Valley, Otago and Southland regions, testing a more person directed support option in preparation for system transformation.

CiCL is a type of hosted support based on a person's plan. Funding is managed by the disabled person and their family or whānau, in partnership with the person's chosen CiCL provider. The flexible Purchasing Guidelines are used to support a disabled person in how they use their funding.

Carer Support

The disabled person is allocated Carer Support by a NASC. The disabled person or their whānau organises and pays for support needs to be delivered to the disabled person. They then claim the subsidy amount (currently \$80 a day) from the Ministry.

Personal Budgets

Person budgets are available in the Christchurch, Waikato and Mana Whaikaha Enabling Good Lives locations. A personal budget is allocated to support people to achieve the outcomes outlined in the plan they have developed with their Kaitūhono/Connector. Funds can be deposited directly into a specific bank account for this purpose with some oversight by the Enabling Good Lives team. The disabled person may choose to have a host agency to help manage their personal budget.

Appendix 2: The Department of the Prime Minister and Cabinet Implementation Unit's Stocktake of Whaikaha – Ministry of Disabled People

(See separate attachment)

Appendix 3: Steps that Whaikaha – Ministry of Disabled People has taken to address its risks

Whaikaha – Ministry of Disabled People (the Ministry) has taken steps within its available resource to address the risks identified by the Department of the Prime Minister and Cabinet’s stocktake of the Ministry⁶. These include:

- identifying a reset of the transformation of the system with a fiscal lens as a Ministerial priority
- establishing an external Risk and Assurance Committee and appointment of a head of risk focused on strengthening risk frameworks
- creating a financial sustainability work programme that has identified a range of savings options, and the contracting of EY NZ to develop new financial modelling (actuarial and forecasting) capability and capacity
- strengthening financial capability through the establishment of a larger finance team
- developing a commissioning function, and an external review of its commissioning and contract management practice and approach to strengthen the contract management lifecycle
- extending transitional legal support from MSD, until appointment of a Chief Legal Counsel and increased resourcing for the legal function, which will be recruited over coming months
- s9(2)(h) [REDACTED]
- progressively implementing a strengthened organisational design for overseeing \$2.2 billion of Crown expenditure, building leadership capability across the organisation and a programme of work to align terms and conditions across its workforce
- implementing a Transformation Management Board and Strategic Advisory Group as formal structured mechanisms for engaging with the disability community and working through stakeholder expectations. In addition to these two mechanisms, the Ministry has numerous working groups and stakeholder groups across the disability sector and community that it engages with
- developing its Statement of Intent and areas of focus over coming years, which is an opportunity for the Ministry to have clear expectations and objectives, which will support a better understanding of the role and challenges faced by the Ministry.

⁶ DPMC Implementation Unit (September 2023), *Briefing to the Minister of Finance: Stocktake of Whaikaha – Ministry of Disabled People*.

Appendix 4: Factors driving DSS cost growth

The main factors driving DSS cost growth include:

- the **rising cost of labour** (partially due to pay equity settlements for the care and support workforce and related Court decisions⁷)
- increased **costs of specialist equipment and modifications** to support disabled people, particularly as technology has improved the range of equipment options. Costs are growing at around 15 percent per annum
- increases **costs of residential care**, which makes up around half of total spend for the Ministry
- increased **levels of flexibility** in the system, particularly those introduced during COVID-19 (e.g., Individualised Funding, which gives disabled people discretion to purchase supports themselves). Flexible funding components of DSS are growing at over 20 percent per annum
- growth in the **eligible population accessing DSS** (e.g., growing demand from autistic people arising from Government decisions in 2013⁸)
- changes in the **role of families** in providing care (obligations have evolved in response to litigation and now families can be paid for delivering support in certain circumstances), and
- **decisions in the health system and by ACC** continue to drive DSS costs due to a common workforce and group of providers in many cases.

⁷ The cost of care and support workers (the largest workforce involved in delivering disability supports) has risen significantly over time, largely due to external settlements. The Government also settled a pay equity claim with this workforce, setting the remuneration rates in legislation, with the Settlement Act requiring funders to pay for the increase in costs. The resulting costs for the Ministry are likely over \$300 million per annum. Fiscal risks are also associated with a current pay equity claim from this workforce. Cabinet will be updated on funded family care litigation separately.

⁸ In 2013, MoH clarified the eligibility of autistic people for disability supports. While at the time, the cost impact was relatively low, it is now the fastest growing segment of the population supported by the Ministry.

Appendix 5: Terms of Reference: Independent review into the sustainability of Disability Support Services administered by Whaikaha – Ministry of Disabled People

1. Whaikaha – Ministry of Disabled People (the Ministry) was established on 1 July 2022 as part of the health system reforms enacted through the Pae Ora (Healthy Futures) Act 2022. It has a dual mandate to:
 - a. lead strategic disability policy across government to improve outcomes for disabled people
 - b. deliver and transform DSS, including the national rollout of the Enabling Good Lives approach (EGL).
2. The Ministry received the majority of funding, and responsibility for DSS and the Enabling Good Lives (EGL) portfolio from the Ministry of Health (MoH), and the Office for Disability Issues from the Ministry of Social Development.
3. Recent events have revealed that longstanding issues with DSS need urgent attention, in particular issues relating to increasing cost pressures.

Purpose

4. An independent review will provide advice on the immediate and longer-term sustainability of DSS, including what actions should be taken to strengthen the provision and certainty of support for disabled people into the future, and ensure strong fiscal management is in place.

Objective

5. Consistent with the Government’s priorities for effective, efficient and responsive Public Services and improving fiscal management, the independent review will provide advice on what actions should be taken:
 - a. immediately in FY 2024/2025 to better manage the increasing cost pressures of DSS
 - b. to ensure the future sustainability of DSS.

Scope

6. The independent review may provide advice on next steps on any matter it considers relevant to its purpose and objective.
7. To consider the future sustainability of DSS, the independent review will need to consider:
 - a. eligibility for DSS, with a focus on entitlement to, and allocation of funding
 - b. the purpose of different funding streams within DSS and the appropriate level of flexibility for each
 - c. the capability and processes that need to be in place in the Ministry to manage DSS, including for risk management, commissioning, and organisational form and structure
 - d. interactions between DSS and other systems (including health, welfare, and education)
 - e. the legal framework for DSS

f. stakeholder relationships.

Timeframe

8. The independent review will meet the following timeline:

Stage	Output	Deliverable	Deliverable due
Immediate priority	Advice on: <ul style="list-style-type: none"> • choices for making immediate changes to DSS in FY 2024/2025 • trade-offs and implications of the choices • mitigations for critical risks. 	Report to Minister with recommendations for responding to cost pressures on DSS in FY 2024/2025.	Week 6
Future sustainability	Advice on future fiscal sustainability and certainty for disabled people: <ul style="list-style-type: none"> • choices for making changes to DSS in FY 2025/2026 and beyond • eligibility for DSS with a focus on entitlement to, and allocation, of funding • purpose of different funding streams within DSS and the appropriate level of flexibility for each • the capability and processes that need to be in place in the Ministry to better manage DSS, including for risk management, commissioning, and organisational form and structure • interactions between DSS and other systems (including health, welfare and education) • the legal framework for DSS • stakeholder relationships. 	Final report to Minister	Week 14

9. During the review, the lead reviewer will keep the Minister for Disability Issues and Minister for Social Development and Employment updated on the progress of the review and the approach. This will include the scale and shape of anticipated recommendations.

10. If the lead reviewer becomes concerned about the timeline for the review, and considers that the timeline will compromise the quality of the findings and recommendations, they will raise this with the Minister for Disability Issues and the Minister for Social Development and Employment urgently. When doing so, they will provide an explanation and a proposed timeline.

Membership and appointment

11. The independent review will be undertaken by a lead reviewer and two advisors appointed by the Minister for Disability Issues and the Minister for Social Development and Employment as agreed by Cabinet.

Conflicts of interest

12. Members of the independent review should identify, disclose, manage, and review situations that might compromise their integrity or otherwise lead to actual or perceived conflicts of interest. The Secretariat will put in place appropriate procedures, including a register of interests, to ensure that any potential conflicts of interest are identified and managed effectively.

Cost and operational matters

13. The Minister for Disability Issues and the Minister for Social Development and Employment will determine remuneration for the lead reviewer and two advisors. Additional funding may be required to pay relevant disbursements such as flights and accommodation.
14. The independent review will be supported by a Secretariat made up of officials provided by key agencies and agreed with the relevant portfolio Minister. Its primary role is to provide advisory and analytical support to the independent review. The Secretariat will also provide advice to the reviewers on project management and planning, and their public engagement strategy.
15. The Secretariat will be hosted by the Public Service Commission. However, the advice of the secretariat will be independent of the Public Service Commission.
16. All costs arising from the independent review (but not including officials provided by relevant agencies for the Secretariat) will be met by the Ministry.