

In Confidence

Office of the Associate Minister of Health
Office of the Minister for Disability Issues

Chair, Cabinet Social Policy Committee

DISABILITY SUPPORT SYSTEM TRANSFORMATION: PROPOSED HIGH LEVEL DESIGN AND NEXT STEPS

Proposal

1. This paper updates you on progress with the high-level co-design of a transformed disability support system and outlines a work programme for the more detailed co-design of the transformed system in the MidCentral region.

Executive Summary

2. Since April 2017, a group of disabled people, whānau, service organisations and officials, has co-designed proposals for transforming the disability support system. This has led to a design that responds to the wide range of diversity among disabled people and their self-identified family and whānau (disabled people and whānau).
3. The co-design process involved:
 - a. gaining an understanding of the diversity among disabled people and their family and whānau;
 - b. understanding the desired experiences of disabled people, their whānau and other people affected by, or involved in, the system;
 - c. understanding the critical system shifts that are required if disabled people, their whānau and other people who are affected are to have those desired experiences;
 - d. developing a high-level design of a transformed system that is able to deliver the experiences that disabled people and their whānau are seeking.
4. The high level design is based on the following building blocks which are described further in Table Four of Appendix One:
 - a. a responsive and accessible multi-channel disability information system;
 - b. investment in the capability of disabled people and whānau;
 - c. disabled people and whānau determining when and how they engage;
 - d. self-managed information and resources;
 - e. funding model and allocation process;
 - f. an Enabling Good Lives (EGL) team for delivering support;
 - g. investment in provider, workforce, Needs Assessment and Service Coordination (NASC) organisations and system capability and capacity; and
 - h. a responsive system that involves disabled people and whānau which uses data analytics and system insights to monitor outcomes and continually improve the system.
5. A substantial future work programme is required to implement the transformation. That work programme, which will be carried out jointly with the disability community, includes:

- a. the detailed design of the transformed system and the approach to implementation;
 - b. strategic issues, such as what government funding is included within the transformed system and what is required to free that funding up from existing uses;
 - c. working out how to connect in new ways with the other cross-government services and support that disabled people and whānau access; and
 - d. the development of monitoring and evaluation arrangements to provide a deeper understanding of the effectiveness of the transformed system.
6. The Minister for Disability Issues and Associate Minister of Health will report back to Cabinet in February 2018 seeking approval for a prototype transformed system that will be implemented in MidCentral. This will not require any additional funding as we will be seeking approval to draw down tagged contingency funding from the existing agreed funding pool of \$23.842 million between 2017/18 and 2019/20 (CAB-17 – Min-0185.12 refers).
7. It is envisaged that 1 July 2018 will be the go-live date for the MidCentral transformation, with a process of 'try, learn and adjust' being followed as we learn about what works.

Background

8. In February 2017, Cabinet directed the Ministries of Health and Social Development to work alongside the disability community to design a process for a nationwide transformation of the disability support system that would be based on the EGL vision and principles, and underpinned by a social investment approach (SOC-17-MIN-0007 refers). The transformation would seek to:
- a. improve the lives of disabled people, which includes disabled children, disabled young people, and disabled adults;
 - b. improve the lives of family and whānau; and
 - c. create a more cost-effective disability support system.
9. The transformation could ultimately extend to people with all types of disability of all ages, and all disability support funding across government. The most significant disability support funding is within the Ministries of Health, Social Development and Education, ACC and District Health Boards.
10. For the first phase of the transformation Cabinet decided that:
- a. the focus would be on the group of people who are eligible for funding through the Vote Health: National Disability Support Services (DSS) non-departmental Appropriation (who have physical, intellectual and/or sensory disabilities that arise before they turn 65);
 - b. the first region to be transformed would be MidCentral¹, with the intention to then roll out the transformation to other regions, beginning with Waikato and Christchurch; and
 - c. the MidCentral transformation would be co-designed by representatives of the disability community and officials.
11. The Minister for Disability Issues and Associate Minister of Health was invited to report back to the Cabinet Social Policy Committee by June 2017 on the design process and implementation plan. This report responds to that invitation.

¹ Palmerston North city, the Manawatu, Horowhenua and Tararua districts, and the Otaki ward of the Kāpiti Coast district.

12. During the transformation process, the parts of DSS that have not been transformed will continue to operate under its existing frameworks, with development work being carried where necessary to ensure that the system remains viable.

PEOPLE AFFECTED BY THE TRANSFORMATION

13. DSS provides ongoing support to approximately 33,500² disabled people aged from birth through to their 90s through its annual appropriation of \$1.2 billion. The ongoing support averages about \$30,000 a person a year. These people all have long-term physical, intellectual and/or sensory disabilities that arise before they reach the age of 65.
14. People supported by DSS have significantly worse life outcomes than New Zealanders generally, as outlined in Table One below (primarily sourced from the Integrated Data Infrastructure).

TABLE ONE: INDICATORS OF DIFFERENCES IN LIFE OUTCOMES

Indicator	All New Zealanders	All people with disabilities	DSS Clients
Employment of working age people	72%	45%	10%
Proportion with incomes below \$30,000	45%	65%	Not available
Proportion with school or tertiary qualifications	85%	67%	18%
CYF findings of abuse or neglect before age 17	8%	Not available	19%

15. Some 1,575 of the 33,500 disabled people who are supported by DSS live in the MidCentral DHB region. Among the disabled people who live in the MidCentral region:
- a. 690 have intellectual as their primary disability, 385 physical, 220 autism spectrum disorder, 120 sensory and neurological, and 150 other types.
 - b. 396 people are assessed as having very high needs, 552 high, 554 medium, and 72 low needs;
 - c. 463 are aged up to 20, 316 are aged between 21 and 40, 649 are aged between 41 and 65, with 148 are aged over 65;
 - d. 98 people previously lived in Kimberley Hospital in Levin, of who: 97 are assessed as having very high needs and 1 has high needs; and 1 is aged under 40, 85 are aged 41 to 65 and 12 are aged over 65;
 - e. 92 people with high and very high needs live in 59 residential homes managed by 13 providers;
 - f. 671 people receive Home and Community Support services, of whom 517 people receive support delivered by 10 providers, with 154 people managing support themselves using individualised funding arrangements; and
 - g. about half the almost 500 children and young people aged up to 21 are estimated to be accessing learning support and the Ministry of Education’s Ongoing Resources Scheme (ORS).

² In addition, some people receive one-off support, such as equipment and modifications, but do not receive ongoing support.

CO-DESIGN OF THE TRANSFORMED SYSTEM

16. Since April 2017, proposals for transforming the disability support system have been co-designed by a group of nine people from the disability sector and four officials. The process was facilitated by ThinkPlace, which has specialist expertise with co-design processes. This was supported by:
 - a. disability community members on the co-design group engaged with their networks and the disability community in the MidCentral region;
 - b. analytical support from the Ministries of Health and Social Development; and
 - c. testing of the design by officials from across the government agencies who were also consulted on this paper.
17. The co-design process involved the following steps, the outputs of which are included as a package in Appendix One:
 - a. understanding the diversity among disabled people and whānau that the system would need to respond to;
 - b. understanding the desired experiences of the range of disabled people and whānau during the different phases of a transformed disability support system, and the critical shifts needed if the transformed system is to deliver the desired experiences; and
 - c. developing a high-level design of a transformed system that is able to deliver the sorts of experiences that disabled people and their whānau are seeking. The high-level design incorporates:
 - i system building blocks;
 - ii underpinning elements that are needed to operate the system; and
 - iii the roles and behaviours that people in the system will need to have if they are to work in ways that are consistent with the transformed system.

Comment

18. For the first time, we have a high-level view of what a transformed disability support system looks like: the building blocks, the underpinning system requirements, and how those different parts work together. The transformation proposal reflects a system that is significantly more likely to lead to effectively support disabled people and their family to live better lives than the current system.
19. That is because the design has several advantages over previous initiatives, including the following:
 - a. It is based on a greater understanding of the diversity of the population which goes beyond a focus on a person's impairment and takes into account the wide range of personal, family and whānau, and community factors that impact on disabled people and influence the life they are seeking. This contrasts with the current focus on types of disability, assessed needs, carer requirements and the support that existing family and other natural networks can provide (rather than building networks up).
 - b. It builds from the desired experiences that disabled people and whānau are seeking. This substantially increases the likelihood that the system will achieve its purpose of supporting people to build the lives they want. This contrasts with people often feeling like they need to fight or embellish facts to get support from the current system and, even then, it may not be appropriate for them.

- c. It explicitly recognises the critical shifts that are needed throughout the whole of the system if it is to be transformed in the way that is consistent with the EGL vision and principles. This contrasts with the focus to date being on the design of particular elements, but without a clear understanding of the overall scope of change that is required.

BENEFITS OF THE CO-DESIGN APPROACH

20. The greater level of understanding that comes with a co-design approach has led to thinking that goes beyond what has previously been considered. To date, the focus has been on integrating funding from across government, allowing it to be used more flexibly, and introducing independent facilitators to walk alongside disabled people and whānau. The design now includes the following elements:

- a. An active and responsive front end to the system that reaches out to, and welcomes, disabled people and whānau in a range of ways from personal contact through to an information hub that anyone can access. This contrasts with people needing to approach the system at present. Reaching out and welcoming people into the system will encourage people who do not currently receive support to engage with the system. Adopting a more proactive approach in the Bay of Plenty and Waikato substantially increased the proportion of Māori using the system.
- b. A new funding model and allocation process that reduces the use of assessments and provides more opportunities for earlier investment including: capability building; improving outcomes or reducing longer-term costs; short-term crisis support; and very flexible ongoing support. This will be accessed through mechanisms that move away from formal assessments to gathering information through building a relationship with, and an understanding of, disabled people.
- c. Increased contribution of disabled people and whānau to national and local governance groups in order to ensure ongoing improvements in system design. These governance groups would be explicitly involved, with support from officials, in recommending ongoing system improvements to Ministers.
- d. Building safeguarding into the system design and the way that the system operates on a day to day basis, rather than the current reliance on regulatory mechanisms. Safeguarding is described in Appendix Two. It includes support for:
 - i supported decision making, which reflects the preference of disabled people, rather than substituted decision making which undermines their authority; and
 - ii expanding natural networks that are often the most effective way of safeguarding people.
- e. Monitoring and accountability that are focused on the outcomes we are trying to achieve and which are proportionate to the associated risks. They include:
 - i self-managed information tools that are easy to use, controlled by the person, and make it straightforward to track how things are going from the perspective of disabled people, whānau, providers and the system; and
 - ii system level monitoring arrangements focusing on disabled people's lives, rather than inputs and processes.
- f. The integration of a social investment approach into the whole design of the transformed system, rather than it being treated as an add-on. For example, measurement of individual level outcomes, services delivered, and cost of service, are all integral part of the transformed system. Other features include:

- i allocating funding in ways that support people to build the life they are seeking, with funding set aside for early investments such as in building the capability of disabled people, whānau, as well as specific initiatives that are identified either by the disabled person themselves or by the funding manager;
 - ii explicitly considering the cross-government impacts of disability (e.g. better support might lead to a person getting a job and moving off benefit, while a lack of support might contribute to poor life outcomes generally);
 - iii data analysis, with the results feedback to clients and funding managers making commissioning decision; and
 - iv client control of their personal and anonymised data, to achieve social license.
21. In designing the social investment approach to date, my officials have been mindful to stay within the social license granted them through the co-design process. Some elements of the system will require further development through the next round of co-design. These include:
- a. the specifics of the funding allocation system;
 - b. what data will be captured; and
 - c. the precise outcomes to be measured.
22. My officials will continue to work on the outstanding features of the system, and consult with the Social Investment Agency, to ensure that we have a strong understanding of what is required from the co-design process to build a credible, robust, and effective social investment architecture for the transformed disability support system.

FURTHER ISSUES TO ADDRESS

23. While substantial progress has been made to date through the co-design process, further work is required before I will be in a position to recommend that Cabinet agree to a transformation in the MidCentral region. In addition to the detailed design of the system building blocks and underpinning elements, there are some particularly significant issues requiring further consideration that are set out below.

Strategic issues

24. There are some significant strategic issues, including the following:
- a. ***What specialist disability support funding is included within the transformed system and what is required to free it up from existing uses?*** While it is clear that it will include DSS' funding and MSD's community participation funding, should it also include other funding across government such as the Disability Allowance, employment support funds or the total mobility scheme? While some of this funding can be easily freed up (e.g. the amount that DSS spends on community services), some funding is much harder to free up because, for example, it is not individualised (MSD's community participation services) or is set out in legislation (the Disability Allowance).
 - b. ***What support should be purchased centrally and what should be included within people's personal budgets?*** There is a healthy tension between centralised funding for some purposes, for example, learning support funding and residential care, when there are 'thin markets' with a high risk of provider exits, and pressure for most funding to be included within disabled people's personal budgets.
 - c. ***How will money be allocated to people and what implications does this have for the amount of funding required for total disability support funding?*** While there are likely to be some efficiency gains from disabled people ceasing to use services

that make little difference to their lives, demand from disabled people and whānau for funding is likely to be greater than the amount currently available. This means that difficult decisions will need to be made about how much funding is allocated to individual disabled people and their whānau, and who will be making those decisions.

- d. ***How will the transformed system manage within the disability support funding that is available from across government?*** There are currently quite significant rates of cost growth in some disability supports (e.g. DSS' residential care costs) that have continued for many years. Understanding and addressing the causes of these ongoing cost increases is essential to being able to implement the transformed system. Furthermore, there is a possibility that the transformation may result in additional people seeking support because the system is more attractive to them than is the case now.
- e. ***What governance arrangements and organisational form are appropriate for managing the transformed system?*** The transformed system is likely to have significantly broader responsibilities and funding than DSS in the Ministry of Health. It also involves a transfer of authority and responsibility to disabled people and whānau. At a system level, that transfer of authority and responsibility would lead to disabled people being involved in governance and oversight. In this environment, it is unclear whether DSS' current organisational arrangements – an operational group within the Ministry of Health – will continue to be appropriate in the longer term.

System implications

25. There are some significant implications for those operating the system that need to be understood and addressed. For example:
 - a. The role and approach of DSS, NASCs, Equipment and Modification Service organisations, and other organisations which allocate resources within the current system will change substantially. While the changes are still being worked through, it is clear that the approach to allocating resources will be significantly different and that organisations roles and structures, and the required behaviours will be different.
 - b. Providers will need to learn new ways of supporting disabled people, and develop new business models, if they are to succeed within the transformed system. The available evidence suggests that some will make this transition well and thrive, but others will struggle – and some may even go out of business.
 - c. Government agencies will need to go on a journey of change. They will need to move from operating within the current 'needs-based' purchaser-provider' framework under which they have considerable control, to one where authority is shared with disabled people and whānau. Moving away from contracted providers being the primary mechanism for delivering support will be a particularly big change.

Connecting with other government systems

26. Another key issue is how the transformed system will connect with other government support. That is because disabled people and whānau will continue to engage with universal and targeted services that are provided by other government agencies (and non-government agencies on their behalf), but the disability support system will have changed. Those other agencies and services that disabled people and their whānau may interact with include:
 - a. health services, particularly mental health and long-term health conditions;
 - b. early childhood, school and tertiary education, during which time some may access learning support;

- c. services and support from the Ministry for Vulnerable Children Oranga Tamariki as a result of vulnerability;
 - d. social development assistance such as support to get into employment, income support or housing assistance (eg accommodation supplement or a social house);
 - e. older people services and supports in the community (e.g. elder abuse response services, recreation and service groups);
 - f. ACC (when people also have injuries);
 - g. whānau ora; and
 - h. youth and adult justice systems.
27. Furthermore, some of these other systems are undergoing significant changes themselves. This makes it imperative for the agencies to work closely together to ensure that change programmes and communications are well co-ordinated and aligned at a regional and national level to avoid creating new barriers that adversely affect disabled people. Table Two describes the main areas where developments are currently occurring in other agencies.

TABLE TWO: CHANGE PROGRAMMES ACROSS GOVERNMENT

Government system	Change programmes	Comment
Vulnerable Children/ Oranga Tamariki	<p>The vulnerable children's system is undergoing transformational change in the way outcomes are achieved for vulnerable children and their families.</p> <p>Oranga Tamariki is moving from a system focused on crisis response to one focused on prevention and early intervention, with the aim of having fewer children moving through the system and into care.</p>	<p>The Ministries of Health and Vulnerable Children, Oranga Tamariki will work together to develop a co-ordinated response for disabled children and young people in the event they require a service from Oranga Tamariki. This may also require coordination with other government agencies to ensure that children, young people and their families can receive a joined up response.</p> <p>Repeal of sections 141 and 142 of the CYPF Act will remove the separate pathway for disabled children whose parents have voluntarily placed them into care due to the severity of the child's disability needs. It is proposed that repeal of these sections will come into force on 1 July 2019, or earlier by Order in Council.</p>
Health	Action Plan to improve health outcomes for people with intellectual disabilities.	This work will be aligned with system transformation. The Reference Group for the intellectual/learning disabilities action plan have asked for better community health services. The Government Connector role (described in Table Four of Appendix One) will help facilitate this by working with DHBs, PHOs and mental health services to assist disabled people and whānau to access health services.

Government system	Change programmes	Comment
Education	The Ministry of Education is implementing a new service delivery model for learning support in conjunction with the implementation of the Communities of Learning approach.	A progress report on the Learning Support Update is scheduled to go to the Cabinet Social Policy Committee in July. The new Learning Support model has a learning support facilitator function that could link with the EGL and Government Connector roles. The specifics on how these work together will be developed in the detailed design phase.
ACC	Re-design of ACC disability support services.	The Ministry of Health and ACC will work together to ensure there is alignment between the two systems and support is well co-ordinated. The Government Connector role will work with ACC to assist disabled people and whānau to access support from ACC and other agencies as required. There will also be information available through the disability information front end.
Employment, Income Support and Housing	In line with Better Public Services Result One, MSD is looking into whether employment initiatives and measures that are similar to those it successfully adopted for sole parents would help other cohorts, including people with a health condition, injury or disability. The Social Housing Reform Programme will increase the supply of social housing and ensure that it is suitable for the people who require it.	The Ministry of Health and MSD will use the effective working relationship they have developed during the system transformation work to ensure that there is a close engagement between the EGL and Government Connectors, and key people in MSD. This will enable a seamless experience for disabled people and whānau needing employment assistance, income support and social housing.

Monitoring and evaluation

28. Officials from the Ministries of Health, Social Development and Education, the Ministry for Vulnerable Children Oranga Tamariki, and representatives of the disability community, are developing a monitoring and evaluation strategy and intervention logic for the disability system transformation. Disabled people and whānau will continue to be involved in all aspects of the evaluation process, including planning, design, interviewing, analysis and review. It is envisaged there will be ongoing evaluation throughout the transformation process.
29. In 2017/18 baseline data on outcomes being achieved by disabled people and their whānau, their characteristics, disability support system and the associated cross-government costs, and models of service delivery will be gathered for the MidCentral region. This baseline data will provide a benchmark against which to assess the effectiveness of the MidCentral transformation.

Future work

30. The future work is pictorially presented in the High Level Road Map in Appendix Three, and is described further below.
- a. **Getting ready for MidCentral implementation**, which includes:
 - i the detailed design of the system building blocks and underpinning system requirements, and the interface with other government agencies;
 - ii creating the EGL Team;
 - iii establishing and working with the MidCentral leadership group; and
 - iv engaging with the local disability community.
 - b. **Work to support the implementation**, which includes:
 - i testing whether the proposed transformation will be effective for particular groups such as Māori; Pasifika and Asian peoples; migrants and refugees; children and young people;
 - ii addressing the strategic issues, system impacts cross-government issues that are identified in paragraphs 24 to 27 and Table Two above;
 - iii addressing the policy issues associated with the transformation; and
 - iv preparing for the evaluation, including gathering baseline data on outcomes and costs.
 - c. **Reviewing the high-level design**, which involves testing the end to end processes with specific groups from the disability community, including the EGL National Leadership Group and the MidCentral Leadership Group.
 - d. **Change management**, which is about developing the capacity and capability of various groups - disabled people and whānau, contracted providers, system administrators (e.g. NASCs) and government officials - to support and benefit from the transformation.
 - e. **Communications** with the local and national disability community through mainstream and social media.
 - f. **Celebrating success!**

APPROACH TO CARRYING OUT THE FUTURE WORK

31. Our proposed approach is to develop a detailed prototype to rollout in MidCentral from 1 July 2018. We plan to continue to refine the design and make changes during the first year of implementation through trying, learning and adjusting the prototype. After several iterations of improvement, we will be able to show that the design works in practice. This will also provide us with better information about the financial implications of rolling out the final design including size of personal budgets, additional people requiring support, staffing numbers, caseloads etc.
32. Subject to approval from Ministers of the final prototype, we can start building the system elements, including IT systems, and plan for a staged roll out across New Zealand.

ENGAGEMENT WITH THE DISABILITY COMMUNITY

33. With the move to more detailed development, officials will need to take on significantly greater responsibility for the day to day work, with support from specialist consultants as required. The co-design approach will, however, continue. This includes officials' analysis and proposals being brought back to the disability community through the following forums:
- the National Co-design Group, which will review the analysis and proposals to check they are consistent with the high-level design and its underlying intentions;
 - the National EGL Leadership Group, which will review the analysis and proposals against the EGL vision and principles; and
 - a MidCentral Leadership Group, which will be actively engaged in the co-design and implementation of the transformation prototype.
34. In addition, groups of people from the disability community will work with officials on the detailed design of particular elements of the work programme they have an interest in and/or testing whether the system design is suitable for the diversity of disabled people.
35. Each of these groups will be subject to confidentiality arrangements which means that agreed messages are distributed, but the proceedings are otherwise confidential. Feedback on those key messages will continue to be sought through social media.

NEXT STEPS

36. The next steps in the MidCentral Transformation are set out in Table Three on the following page.

TABLE THREE: NEXT STEPS IN THE MIDCENTRAL TRANSFORMATION

<i>Date</i>	<i>Milestone</i>
July to October 2017	Building a prototype and detailed design.
November to December 2017	Testing prototype and detailed design.
February 2018	Cabinet consideration of the proposed disability support transformation and the MidCentral prototype.
February 2018 and ongoing	Development work with disabled people, their families and whānau, providers and the MidCentral NASC.
February to June 2018	Preparing for implementation of the MidCentral transformation prototype.
May/ June 2018	Ministerial approval of detailed financial and operational arrangements for the MidCentral transformation prototype.
1 July 2018	Indicative 'go-live' date for the prototype transformation in the MidCentral region.
July 2018 to June 2019	Try, learn and adjust the MidCentral prototype.

Financial Implications

37. No additional funding is sought through this paper. The continuation of the co-design process will be funded from within the \$3.3 million approved for the transformation in Budget 2017 (CAB-17-Min-0185.12 Initiative 10061 refers).
38. The overall financial implications of the transformation are only likely to become clear during the future work programme outlined in this paper and the implementation of the MidCentral Transformation. The MidCentral transformation itself will be funded through a combination of the following:
- Combining existing disability support funding from across Votes into one appropriation through fiscally neutral transfers. The transfers could, for example, move funds from

Vote Social Development's Community Participation appropriation into the Vote Health's National Disability Support Services appropriation.

- b. Seeking approval to draw down tagged contingency funding for the MidCentral Transformation of \$23.842 million between 2017/18 and 2019/20 (CAB-17-Min-0185.12 refers). Approval for any draw down will be sought once the more detailed design of the MidCentral Transformation has been considered by Cabinet.
39. Changes to appropriation arrangements may also be required to enable particular aspects of the transformed system to be implemented, such as the social investment approach. The approach to making the required transfers will be set out in the report to Cabinet in February 2018.

Consultation

40. This paper was written by the Ministry of Health. The Ministries of Social Development, Education, the Ministries for Vulnerable Children (Oranga Tamariki), Women and Pacific Peoples, Social Investment Unit, Inland Revenue, ACC, Te Puni Kōkiri, the State Services Commission and The Treasury were consulted. Their views have been included in the paper. The Department of Prime Minister and Cabinet was informed about the paper.
41. The transformation proposals that form the core of the paper were developed through a co-design process that involved representatives of disabled people and whānau, disability NGOs and providers, and officials.
42. Draft proposals from the co-design group were refined following testing by officials who were not on the co-design group, and the EGL National Leadership Group. The EGL National Leadership Group, which has members from across the disability community, provides strategic advice on EGL and safeguards the EGL principles.
43. There will be ongoing engagement with the disability community throughout the detailed design of the transformed system, with feedback sought through social media and from oversight groups.

COMMENT FROM DISABILITY SECTOR REPRESENTATIVES OF THE CO-DESIGN GROUP

44. The co-design process worked well for the sector representatives. Early on we requested a co-management process so we could have confidence in the approach taken. From there, we were fully included in the entire design process. The ThinkPlace way of operating was new to all of us and it took some time for us to be comfortable with it. By the end though, we consider we have developed a creative, sustainable and inclusive design for the disability support system. Much of our ongoing confidence will rely on the need to have sector representatives, including those on this design group, continuing with the design development and the implementation process. It is vital to have disabled people and families continuing to input at all phases and to have a continuing role in governance at all levels so this design can continue to develop well in the years to come.

Regulatory impact analysis

45. There are no proposals in this paper that require a Regulatory Impact Analysis.

Human Rights Implications

46. The proposals outlined in this paper are consistent with the Human Rights Act 1993. They incorporate a rights-based approach to supporting disabled people.

Legislative Implications

47. There are no legislative implications arising directly from the proposals outlined in this paper. Further work on the detailed design of the transformed system may, however, lead to legislative and regulatory proposals in several areas, including:
 - a. the involvement of disabled people in governance of the disability support system;

- b. bringing the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2001 into line with the transformed system, to the extent that this is feasible;
 - c. the potential inclusion of some disability support funding (e.g. Disability Allowance, support funds) within the transformed system;
 - d. the tax and benefit treatment of disability support funding; and
 - e. the regulatory framework underpinning the Health and Disability Services (Safety) Act 2001.
48. It is anticipated that the report back to Cabinet in February 2018 will include more specific recommendations on legislation change.

Gender Implications

49. More males than females will be affected by a transformation of the MidCentral region because a higher proportion of people currently supported by DSS in that region are male.

Publicity

50. I intend to announce the results of the co-design process and the process for further engagement with the sector on 20 July 2017, following Cabinet's consideration of this paper. This Cabinet paper will be publicly released at the same time.

Disability Perspective

51. The disability community strongly supports the co-design of the transformed disability support system. This is consistent with the principle of 'nothing about us without us' that is inherent in the *UN Convention on the Rights of Persons with Disabilities* and the *NZ Disability Strategy 2016 to 2026*. The transformation contributes to an action in the *Disability Strategy Plan of Action 2014 to 2018*.

Recommendations

52. The Associate Minister of Health and Minister for Disability Issues recommends that Cabinet Social Policy Committee:

PROCESS

- 1 **note** that Cabinet directed the Ministries of Health and Social Development to work alongside the disability community to design a nationwide transformation of the disability support system (SOC-17-MIN-0007 refers);
- 2 **note** that a co-design group of disabled people, family representatives, service organisations and officials has developed a proposed high-level design for a transformed disability support system;

PROPOSED DESIGN

- 3 **note** that the co-design process to date has involved:
 - 3.1 understanding the wide range of diversity among disabled people and their family and whānau;
 - 3.2 understanding the desired experiences of disabled people, their whānau and other people affected by or involved in the system;
 - 3.3 understanding the critical system shifts that are required if disabled people, their whānau and other people are to have those desired experiences;
 - 3.4 developing a high-level design of a transformed system that is able to deliver the experiences that disabled people and their whānau are seeking. The high-level design incorporates:

- 3.4.1 system building blocks;
- 3.4.2 underpinning elements that are needed to operate the system; and
- 3.4.3 the roles and behaviours that people in the system will need to have if they are work in ways that are consistent with the transformed system.

FUTURE WORK PROGRAMME

- 4 **note** that work is required to further develop the proposed transformation, including:
 - 4.1 building a prototype transformation to be implemented in the MidCentral region;
 - 4.2 detailed design of the building blocks and underpinning elements of the transformed system;
 - 4.3 testing whether the transformed system is suitable for particular groups such as Māori, Pasifika and Asian peoples, migrants and refugees, children and young people, and people with different types of disability;
 - 4.4 the financial and operational implications of the transformation; and
 - 4.5 the operational, policy and legislative implications of the transformation for other government agencies and the support and services they offer.
- 5 **note** the following arrangements will be put in place for engaging with the disability community in carrying out the further work:
 - 5.1 the National Co-design Group will review the analysis and proposals to check that they are consistent with the high-level design and its underlying intentions;
 - 5.2 the National Enabling Good Lives (EGL) Leadership Group will review the analysis and proposals against the EGL vision and principles;
 - 5.3 a MidCentral Leadership Group will be actively engaged in the co-design and implementation of the transformation prototype in that region; and
 - 5.4 groups of people from the disability community will work with officials on the detailed design and testing of the transformed system.

NEXT STEPS

- 6 **invite** the Minister for Disability Issues and Associate Minister of Health to report back to Cabinet Social Policy in February 2018 on:
 - 6.1 the design of the transformed disability support system that will be implemented in the MidCentral region; and
 - 6.2 the high level implementation plan for the MidCentral region.
- 7 **invite** the Minister for Disability Issues and Associate Minister of Health to make an announcement about the progress that has been made to date on the disability support system transformation and the future steps that will be taken.

Authorised for lodgement.

Hon Nicky Wagner

Associate Minister of Health
Minister for Disability Issues