In Confidence

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

Chair, Cabinet Social Wellbeing Committee

DISABILITY SUPPORT SYSTEM TRANSFORMATION – PAPER 3: CROSS-GOVERNMENT FUNDS WITHIN SCOPE

Proposal

1 This paper seeks decisions from you on what disability support funding from across government should transfer to the transformed disability support system for the MidCentral prototype initiative.

Executive Summary

2 The primary focus of system transformation is to increase the choices and decision making authority of disabled people and whānau within the disability support system. This is complemented by making universal services easier to access by, and more inclusive of, disabled people and whānau.

3 A key feature of the transformed disability system is connected support across government. In the prototype, disabled people and whānau will be able to find out about all government funded support they may be eligible for when they engage with an information specialist, connector, or the prototype website. A connector may assist them to access other government support (e.g. assistance from Work and Income), or support them to build relationships with key contacts in other agencies (e.g. learning support). Within the prototype, government agencies will work in the background to better coordinate support (e.g. equipment or assistive technology) and joint funding arrangements.

4 One way of increasing the choices and decision making authority of disabled people and whānau is through combining some funding currently within different government agencies so that it can be used more flexibly.

5 An assessment of the benefits and risks has led to proposals to combine the MidCentral portion of the following funding streams within the prototype:

a all Vote Health disability support funding for people who are eligible for support funded through the Vote Health National Disability Support Services appropriation;

b the following three funding streams currently within Vote Social Development: community participation, transition support and support funds that are currently paid to disabled people.

6 This funding will need to be freed up from existing uses (e.g. contracts with service providers), and any operational issues resolved, before it can be used flexibly within the transformed system. Final decisions on the amount to transfer will be delegated to the Ministers of Finance, Health, Associate Health and the Ministers for Disability Issues and Social Development.

7 The assessment of benefits and risks has also identified other government funding streams that it is proposed to not transfer. Rather, it is proposed that the focus should be on improving the flexibility and decision making authority over universal services:

a within Vote Education, the focus will be on developing and implementing a Disability and Learning Support Action Plan that will be taken to Cabinet in October 2018;

b within Vote Transport, the focus will be on strategically assessing how the Total Mobility Scheme can more effectively support the mobility of people with disabilities.

8 Advice on a possible nationwide transformation of the disability support system that is due in late 2020 [SWC-18-Min-0029 refers] may lead to future proposals to combine more funding streams within the transformed system.

Background

9 This paper responds to Cabinet's request for officials to report back on funding from across government that is within the scope of the transformed system [SWC-18-Min-0029 refers].

10 It is the third of a suite of papers relating to the implementation of the MidCentral prototype of the transformed disability support system. The other two papers were considered on 15 August 2018:

a Disability Support System Transformation – Paper 1: Overview and Funding Allocation; and

b Disability Support System Transformation – Paper 2: Policy and Regulatory Issues.

APPROACH TO THE ISSUE

11 The primary focus of system transformation is on increasing the choices and decision making authority of disabled people and whānau within the disability support system. One way of increasing this is through combining disability support funding currently within different government agencies into the transformed system.

12 Combining funding enables disabled people and whānau to use that funding in ways that are likely to make the biggest difference to their lives rather than being constrained by differing agency responsibilities. It can also make it easier to access as the funding can be allocated through one process rather than several different processes (which require people to repeat their story).

13 The transfer of funds from across Government will be used in the MidCentral prototype to flexibly respond to what disabled people and their whānau say is important to them. The funding allocation process [SWC-18-Min-0108 refers] will involve:

a Setting clear upfront expectations for disabled people and whānau about the level of funding and options available;

b understanding what is important to the disabled person and their whānau;

c exploring and prioritising a range of support options with the disabled person and their whānau; and

d moderating funding requests to determine a funding package that will allow the disabled person and their whānau to achieve the purposes that are most important to them, within budget constraints.

14 We expect this to create a better funding dynamic which includes:

a early investment to support better transitions. For example, developing opportunities for work experience can require some up-front funding for school leavers, but can lead to a considerably better future for the disabled person that is less reliant on funded support;

b greater transparency for disabled children, young people, adults and their whānau– this approach is clear about what the system can afford to contribute to a disabled person living their good life, and how it will be fair between people in similar situations, rather than addressing budget constraints through contesting what the disabled person 'needs'; and

c strong incentives to orientate funding packages towards early investment.

Disability support funding

15 There are two questions to consider:

a does the funding meet the definition of disability support?

b are there greater benefits for combining disability funding with funds for universal services or other disability supports?

16 For the purposes of the transformed system, disability support funding was defined as funding streams that:

a assist people with impairments to overcome the barriers they face to participating in society that people without an impairment would not face;

b are not a universal service, which are available to people generally; and

c are not income for the disabled person.

17 This approach led to the identification of disability support funding within four votes: Health, Social Development, Education and Transport. The disability support funding streams that were considered for transfer are described in Appendix One.[1]

Funding to be combined within the MidCentral prototype

18 Consideration then turned to which of the disability support funding streams should be combined for the MidCentral prototype, which focuses on people who are eligible for Disability Support Services (DSS) in the Ministry of Health[2].

19 The approach taken was that recommendations on whether funding should be combined within the prototype should reflect the overall balance between the following issues:

a The impact of combining funding on disabled people's choices and decision making authority over supports and their lives (including whether other mechanisms would better increase disabled people's choice and control). This involved considering the transfer against the Enabling Good Lives (EGL) principles which underpin the transformation (see Appendix Two).

b Other issues raised by combining the funding, such as the management of downstream costs and liabilities, the extent of, and difficulties of separating out, funding for people eligible for Disability Support Services (DSS) in the Ministry of Health, the delivery of universal services, impacts on government agency legal duties and responsibilities, and alignment with other government priorities.

20 The following sections of the paper set out the conclusions that have been reached on whether different streams of disability support funding should be combined within the MidCentral prototype. Where recommendations are made that funding should not be combined at this time, the paper describes what steps are being taken to increase disabled people's choices and decision making authority over that funding.

VOTE HEALTH

21 There are clear benefits from including an equitable share of funding for people in the MidCentral region who are eligible for DSS from across Vote Health. Increasing disabled people's choice and control over this funding is central to the prototype. The most significant issue arising from including this funding within the prototype is ensuring that the amount

[1] Disability support funding within ACC was considered to be outside the current scope of the transformed system.

[2] Children, young people and adults with physical, intellectual and sensory disabilities that arise before they turn 65 years and who need ongoing support.

allocated to disabled people remains within the overall amount of funding available to the prototype. Putting in place mechanisms to ensure that this happened were central to Disability Support System Transformation - Paper 1: Overview and Funding Allocation.

Equitable allocation of disability support funding to the MidCentral prototype

22 The equitable proportion of Vote Health disability support is estimated to be 5.66% of the Vote Health National Disability Support Services appropriation ($1.269 billion in 2018/19). This is the proportion which is estimated to be currently spent on people eligible for DSS in the MidCentral region. The equitable proportion is estimated to be $71.79 million for the full 2018/19 year and $71.75 million for the 2019/20 year.

23 Adjustments to these amounts may be made in the future so that it continues to reflect an equitable allocation of total disability support funding. For example, fiscally neutral adjustments could be made as a result of:

a any changes in the National Disability Support Services non-departmental appropriation related to cost and volume pressures; or

b any significant changes to the expected number, or the total cost of supporting DSS clients who transfer into or out of the MidCentral region.

24 These amounts are supplemented by additional funding for costs associated with the prototype that has been made available from a Budget 2017 contingency ($11.29 million in 2018/19 and $9.95 million in 2019/20) [SWC-18-Min-0030 refers]. The costs we anticipate meeting from the contingency will also be offset by $160,000 from the Health Workforce Training and Development non-departmental appropriation. This is 5.66% of the $3.2 million in 2018/19 spent on disability workforce training less national overheads.

25 The total funding available from Vote Health is summarised in Table One.

TABLE ONE: EQUITABLE ALLOCATION OF VOTE HEALTH FUNDING TO THE MIDCENTRAL REGION

All figures are in $ million	2018/19	2019/20
Equitable proportion of existing DSS funding	71.79	71.51
Budget 2017 Contingency funding	11.29	9.95
Total funding available	**83.08**	**81.46**
Less: amount spent pre-prototype (1 July to 30 September 2018)	17.43	
Funding available to be spent during the prototype period	**65.65**	**81.46**

26 This funding is expected to cover the cost of supporting people eligible for DSS support within the MidCentral region. Any increase in costs for the existing population will need to be managed by the prototype governance arrangements within the baseline. Similarly, any expenditure reductions from clients exiting services, reducing the use of services or gaining efficiencies will be able to be used within MidCentral for reinvestment, rather than returned to the overall DSS budget.

Prototype decision making authority

27 The prototype's governance arrangements will not have full decision making authority over all of the funds allocated to the prototype. Initially, the governance arrangements will have full decision making authority over the Budget 2017 contingency funding, and any funding that is not spent under existing contracts (subject to general Ministry of Health and Ministerial oversight).

28 Over time, the prototype's governance arrangements decision making authority will increase as the amount of funding subject to existing contracts reduces. There will, however, be some funding that the prototype governance arrangements will not have direct control over.

29 The items include:

a Services and support governed by legislative requirements, such as the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003 and the Health and Disability Services (Safety) Act 2001.

b National and regional arrangements (which are broader than just the MidCentral region) where it would be very difficult to make changes only in the MidCentral region (such as funding for National Disability Information and Advisory Services, NZ Sign Language interpreters and the Disabled Person's Assembly).

30 Where the governance arrangements do not have full decision making authority, they will have general oversight of the funding. That means that it could influence, for example, the volume of support, the process for accessing that support or be involved in discussions about how to change the way the funding is used.

VOTE SOCIAL DEVELOPMENT

31 The benefits of transferring the MidCentral portion of several funding streams from within Vote Social Development to Vote Health for the prototype are likely to be greater than the issues raised by transferring this funding. Those funding streams are:

a community participation (estimated MidCentral funding:$3,168,926[3] a year, of which $998,400 is to provide support for people with very high needs);

b transition support (estimated MidCentral funding:$42,667 a year); and

c Support Funds that are paid to disabled people (estimated MidCentral funding: approximately $264,341[4] a year).

32 Two types of community participation funding are recommended for transfer:

a Funding for people who have been assessed as having very high needs under the Ministry of Education's Ongoing Resourcing Scheme, who are eligible for an average of $15,600 a year. This support is delivered through agreements that are individually negotiated for each disabled person.

b Funding for other people (who did not meet the very high needs criteria). This support is funding on a contributory basis (at an average cost of about $4,500 a year) through capacity-based contracts with providers for a specific number of people.

33 Including this funding within the prototype will enable it to be used in ways that will significantly increase disabled people's choice and control. That is because the funding will be used in more flexible ways than is currently the case, where use of the funding is limited to specific types of support or to purchase particular services. Business enterprise funding would have been transferred, although this service is not offered in the MidCentral region, so no funding will transfer.

34 The only issues of significance raised by transferring these funding streams relates to community participation funding where providers are partially funded. The first issue is that the transfer will highlight to providers the difference between the partial funding of community participation services, which contrasts with the broadly similar day services that are fully funded by the Ministry of Health. This could lead to increased pressure from providers to move to fully funded community participation services. Addressing this existing

[3] Note, eligibility for MSD-funded community participation services is broader than DSS. As such, there will be some people accessing this funding who are not eligible to access support through the transformed system.

[4] Note, this is the average actual spend of Support Funds paid to all individuals in MidCentral, over the past three years. Support Funds are currently administered by Workbridge.

fiscal risk (e.g. community participation services have not had a funding increase since 2004) could cost in the order of approximately $1.1 million (based on an MSD estimate[5]).

35 Officials are working through the most appropriate way to address this risk, and anticipate learning from the arrangements that are introduced in the MidCentral prototype. One option for this is to only transfer funding for the estimated number of people who will elect to take up personal budgets within the prototype. Even this option, however, has some risks that need to be managed by the agency that will administer the funding that is not pooled for the prototype, and for the providers whose contracts will need to be varied to account for the transfer of funding out for use in the prototype. The decisions to transfer funding would be reviewed in preparing advice on expanding the prototype beyond MidCentral.

36 The other issue is that there may be additional demand from people who wish to access more flexible services but who do not currently access community participation services. Funding for this additional demand was included within the recently approved Budget 2017 contingency funding [CAB-18-Min-0030 refers], with the prototype managing any additional demand from within the overall funding available to it.

Funds the Ministry of Social Development recommends do not transfer

37 The Ministry of Social Development recommends that several disability support funding streams do not transfer at this point. Those funding streams are:

a ***The Disability Allowance and Child Disability Allowance***. The future of these allowances is being considered within the Welfare Expert Review Advisory Group. It would be inappropriate to pre-determine the outcome of that group's work through taking decisions now. Any transfer of this funding would require legislative change.

b ***Supported employment funding*** is essential to the Ministry of Social Development meeting its responsibilities for supporting disabled people to access employment. The Ministry of Social Development has the expertise to manage this support whereas the Ministry of Health does not. Transferring this funding would mean Ministry of Social Development would remain accountable for those employment outcomes but had no levers to assist with meeting them.

c ***Support Funds paid directly to employers***, including the Productivity Allowance, as this funding assists employers to meet the additional costs of employing disabled people and it would not be feasible to expect disabled people to meet these costs if this component of funding was transferred.

38 The Ministry of Social Development is, however, exploring the feasibility and financial implications of paying the Disability Allowance direct to the same bank accounts that disabled people establish to hold the personal budgets they are allocated. This may be a way of increasing disabled people's choice and control over this type of support.

Civilian amputee assistance funding

39 The Ministry of Social Development also identified that there may be benefit to disabled people and whānau from transferring civilian amputee assistance funding to Vote Health. That benefit would arise if amputees were able to seek funding for the additional travel and related costs they face through dealing with one organisation. This contrasts with the current situation in which amputees first approach District Health Boards for funding under the health sector's National Travel Assistance policy, and then approach the Ministry of Social Development for top up funding through civilian amputee assistance.

[5] Based on MSD's estimates, the contributory funding for community participation now only meets 50 percent of a provider's costs, as funding has not been increased for at least 12 years. To fully meet the costs of support for people who are eligible for DSS in MidCentral region would require approximately $1.1 million based on an MSD estimate that 50 percent of people participating in community participation are also eligible for DSS. Information will be gathered on this through the prototype.

40 The Ministries of Health and Social Development will explore the feasibility and desirability of transferring all of this funding from Vote Social Development to Vote Health. It may, however, be inappropriate to transfer the funding to DSS, if civilian amputee assistance is seen as being more closely associated with health services than disability support.

VOTE EDUCATION

41 The potential benefits of transferring any Vote Education funding to the prototype at this time are outweighed by other considerations. Rather than transferring funding, the focus is on developing a Disability and Learning Support Action Plan (Action Plan) that the Minister and Associate Minister of Education (Hon Tracey Martin) propose taking to Cabinet in October 2018, following targeted engagement with the sector. It is envisaged that the Action Plan will strengthen disability and learning support in an education system where every child and young person has their individual needs assessed and receives the support they need to be the best they can be.

42 The Action Plan has the potential to improve opportunities and outcomes for disabled children and young people, their families and whānau. The priorities in the Action Plan will be informed by extensive feedback that has already been obtained from parents and whānau, the education sector, and by elements of best practice in education and social services, international models, and local pilots to improve disability and learning support services. It will include a number of actions to strengthen schools' ability to meet diverse learning needs.

43 As part of the development and implementation of the Action Plan, the Ministry of Education will look for ways to increase choice and control for disabled children and young people, and their parents and whānau in the supports that they receive.

44 Within the prototype, government agencies will be working together to ensure disabled children, young people and whānau receive connected and seamless disability support by:

a providing information and introducing people to appropriate people in each system so that whānau, disabled children and young people know what support is available and are engaged with the education and disability support systems.

b implementing a cross-agency early investment approach to reduce fragmentation and improve alignment between education and health supports for disabled children and their whānau.

c joint planning for, and implementing successful transitions into and out of early childhood, school, training and employment with whānau, disabled children, young people, schools and connectors.

d learning support facilitators, other education key contacts, connectors and government liaisons will work in the background to make sure disability support is provided in a way so that works for disabled learners and whānau (e.g. being able to have equipment that can be used in all environments, joined up behaviour support plans).

45 Alongside the prototype, the Ministry of Education's work will focus on:

a working collaboratively with disabled people, other agencies, schools and early learning centres, students, families and whānau to ensure the effective development and implementation of the Action Plan.

b working together with the Ministry of Health and Oranga Tamariki to ensure that the MidCentral prototype works as seamlessly as possible with the education system. The aim is to ensure that disabled children and young people with complex needs are supported by holistic and integrated supports and services.

c considering further whether any funding should transfer during the development of advice on a possible nationwide transformation of the disability support system.

VOTE TRANSPORT

46 Officials and the disability community agree that the risks and challenges of transferring Total Mobility Scheme funding to the disability support system would significantly outweigh any potential benefits. Furthermore, the Government has recently committed to a review of the Total Mobility Scheme in response to a recommendation from the Transport and Industrial Relations Select Committee[6]. The Select Committee recommended that the review cover its demand and adequacy of supply, in order to promote a national (gold) standard for local authorities to align their transport strategies for disabled and ageing people.

47 The Ministry of Transport plans to begin scoping this review in 2018/2019. The disability community and Disabled People's Organisations have highlighted that the Total Mobility Scheme in its current form is not satisfactory. Therefore, there is a need to assess the strategic and systematic approach to the Total Mobility Scheme and how it can more effectively support the mobility of disabled people.

48 The Ministry of Transport will actively engage with Disabled People's Organisations, the NZ Transport Agency and other key stakeholders when reviewing current policies and practices.

Next steps

49 The Ministries of Social Development and Health are working through the operational details for implementing the funding transfers that are proposed in this paper. Those issues include how funding will be freed up from the existing contractual arrangements, when and how funding will be transferred to the MidCentral prototype, and how much funding to transfer.

50 Until the operational approach is clarified, the required funding decisions cannot be finally determined. We therefore propose that the final decisions on the funding transfers are delegated to the Ministers of Finance, Health and Associate Health, and the Minister for Disability Issues and Social Development. This is consistent with the general delegation that joint Ministers have to make fiscally neutral transfers, but also allows for the possible need to make detailed policy decisions.

51 Consideration will also be given to the following:

a Whether any further funding transfers should be recommended as part of developing advice on expanding the transformation of the disability support system beyond MidCentral that is due to be provided to Cabinet in late 2020.

b Whether to recommend transferring civilian amputee assistance funding from Vote Social Development to Vote Health.

52 Provider representatives have been involved in all aspects of the co-design process for the prototype including the National Enabling Good Lives Leadership Group, co-design group, Regional Leadership Group and funding working group. Once the approach to transferring funding has been agreed, government agencies will be in a position to formally notify providers of what is expected to change. The preference is that this is face-to-face or in a group meeting with several providers, so that any questions or concern can be responded to. Ideally this would be jointly with both MSD and MOH, as the concerns that are most likely to be raised will be around continuity of funding and continuity of services for clients.

[6] Government response to the report of the Transport and Industrial Relations Committee on its Inquiry into the future of New Zealand's mobility. Presented to the House of Representatives - In accordance with Standing Order 252.

Providers will also be advised that if their contract is affected by the changes, they will receive 90-days' notice of this from MSD.

Financial Implications

53 The proposals to transfer funding that are outlined in this paper are intended to be fiscally neutral. As discussed above, however, there are fiscal risks relating to the transfer of community participation funding from Vote Social Development to Vote Health. If funding and responsibilities are transferred without the risks being well managed, that would effectively shift costs from Vote Social Development to Vote Health. This issue will be addressed to a feasible extent through the approach that is adopted to transfer the funding between agencies, and the measures that the prototype is putting in place to manage overall expenditure within the available funding.

Consultation

54 This paper was written by the Ministry of Health. The Ministries of Social Development, Education, Youth Development, Justice and Transport, Oranga Tamariki - Ministry for Children, the Ministries for Business Innovation and Employment, Women and Pacific Peoples, Inland Revenue, ACC, Te Puni Kōkiri, the Departments of Corrections and of the Prime Minister and Cabinet, Housing New Zealand, Statistics New Zealand, New Zealand Police, the State Services Commission and The Treasury were consulted. Their views have been included in the paper.

55 The proposed transfers 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.

COMMENT FROM DISABILITY SECTOR REPRESENTATIVES

MidCentral Regional Leadership Group

56 The MidCentral Regional Leadership Group has expressed disappointment with the education and transport proposals in the paper. The group are concerned about the voices of disabled people and their whānau not being prioritised across all agencies.

57 The MidCentral Regional Leadership Group would like assurances that any initiatives, decisions and actions moving forward align with the EGL principles as agreed by cabinet and that these act as foundations for working together. We would like to continue to work closely and be involved in the action plans moving forward.

National Enabling Good Lives Leadership Group

58 The National Enabling Good Lives Leadership Group (NEGL) is disappointed that Education is recommending not to transfer any disability related funding to the MidCentral prototype. The intent of the Enabling Good Lives (EGL) vision and principles is to reduce the silos that create barriers in disabled people, family and whānau's lives. The NEGL has expressed interest in continuing to work with the Ministry of Education to ensure their work aligns with the EGL principles.

59 We are encouraged by many of the developments associated with the MidCentral prototype and support the co-development approach being used. We expect innovative work will be done in prototype implementation that will empower disabled students and families to have control, choice and flexible learning supports in every school.

60 Although the Total Mobility scheme funding will not transfer to the prototype it must be noted that the transport system as a whole does not enable disabled people's movement to the same extent as other people living in New Zealand.

Legislative Implications

61 There are no proposals in this paper with legislative implications or requiring the preparation of an impact analysis.

Human Rights

62 The proposals outlined in this paper are consistent with the Human Rights Act 1993, the New Zealand Bill of Rights Act 1990 and the UN Convention on the Rights of Persons with Disabilities 2006. They incorporate a rights-based approach to supporting disabled people.

Gender Implications

63 More males than females will be directly affected by the transfers proposed in this paper as a higher proportion of people currently supported by DSS in the MidCentral region are male. More females than males will, however, be indirectly affected by the transformation because females provide a higher proportion of unpaid support than males.

Disability Perspective

64 The disability community strongly supports the transformation of the disability support system. They have been actively involved in its co-design.

Publicity

65 The Minister for Disability Issues, the Minister of Health and Associate Minister of Health will make ongoing announcements about the MidCentral prototype.

Proactive Release

66 The Minister of Health, Minister for Disability Issues and the Associate Minister of Health propose to release the paper proactively subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister for Disability Issues, the Minister of Health and Associate Minister of Health recommend that Cabinet Social Wellbeing Committee:

1 **Note** that in April 2018, Cabinet Social Wellbeing Committee agreed to implement the prototype of the transformed disability support system in MidCentral from 1 October 2018 and requested a report back on funding from across government [SWC-18-Min-0029 refers].

2 **Note** that the following recommendations to combine funding currently within government agencies so that it can be used more flexibility supports the decisions made by Social Wellbeing Cabinet on 15 August 2018 when it considered two papers relating to the implementation of the MidCentral prototype:

2.1 Disability Support System Transformation – Paper 1: Overview and Funding Allocation [SWC-18-Min-0108 refers]

2.2 Disability Support System Transformation – Paper 2: Policy and Regulatory Issues [SWC-18-Min-0107 refers].

VOTE HEALTH

3 **Agree** that the amount of existing Vote Health funding that will be allocated to the MidCentral prototype of the transformed system include:

3.1 an equitable allocation (5.66%) of the Vote Health National Disability Support Services non-departmental appropriation;

3.2 an equitable allocation (5.66%) of disability support workforce training and development funding from the Health Workforce Training and Development non-departmental appropriation; and

3.3 the Budget 2017 contingency for the additional costs associated with the MidCentral prototype [SWC-18-Min-0030 refers].

4 **Note** that the following amounts of existing Vote Health funding will be initially allocated to the MidCentral region:

4.1 $65.65 million for the period 1 October 2018 to 30 June 2019; and

4.2 $81.46 million for 2019/20.

5 **Note** that the amount of funding from the National Disability Support Services non-departmental appropriation allocated to the prototype may be adjusted each year so that it continues to reflect an equitable proportion of Vote Health disability support funding.

6 **Note** that the degree of control that the MidCentral prototype has over Vote Health funding is expected to increase over time as a result of funding being freed up from existing contracts and services.

7 **Note** that the MidCentral prototype will not have any direct control over funding for the following:

7.1 Services and support that are governed by legislative requirements, such as the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2001 and the Health and Disability Services (Safety) Act 2003.

7.2 National arrangements where it would be very difficult to make changes only in the MidCentral region.

VOTE SOCIAL DEVELOPMENT

8 **Agree** that the following items of Vote Social Development disability support funding transfer to the MidCentral prototype of the transformed disability support system:

8.1 Community Participation

8.2 Transition Support

8.3 Support Funds that are paid to disabled people.

9 **Note** that it was envisaged that Business Enterprise Funding would transfer, but that there is no funding for this service within the MidCentral region.

10 **Agree** that the following disability support funding will not transfer from Vote Social Development at this time:

10.1 Disability Allowance

10.2 Child Disability Allowance

10.3 Supported Employment

10.4 Support Funds that are paid directly to employers.

11 **Note** that the Ministry of Social Development is exploring the feasibility and financial implications of paying the Disability Allowance direct to the same bank accounts that disabled people establish to hold the personal budgets they are allocated.

VOTE EDUCATION

12 **Note** that a wide range of disability support funding has been identified within Vote Education, but that funding transfers are not proposed at this time.

13 **Note** that the Minister and Associate Minister of Education intend to submit a Disability and Learning Support Action Plan for consideration by Cabinet Social Wellbeing Committee in October 2018.

VOTE TRANSPORT

14 **Note** that the Ministry of Transport will take a strategic and systematic approach to assessing the Total Mobility Scheme and how it can more effectively support the mobility of disabled people.

15 **Note** that the Ministry of Transport will actively engage with Disabled People's Organisations, the NZ Transport Agency and other key stakeholders when reviewing current policies and practices.

NEXT STEPS

16 **Authorise** joint Ministers (the Ministers of Finance, Health and Associate Health, and the Minister for Disability Issues and Social Development) to implement the funding transfers that are identified in recommendation 3 and 8 above.

17 **Note** that joint Ministers will report back to Cabinet if implementing the transfers raises significant policy issues.

18 **Note** that advice on whether there should be any further funding transfers will be considered as part of the advice on expanding the new system beyond MidCentral that is due to be provided to Cabinet in late 2020.

19 **Note** that the Ministries of Social Development and Health are considering whether to recommend transferring civilian amputee assistance funding from Vote Social Development to Vote Health.

Authorised for lodgement.

Hon Carmel Sepuloni
Minister for Disability Issues

Hon Dr David Clark
Minister of Health

Hon James Shaw
Acting Associate Minister of Health

Appendix One: Disability support funding that was considered for transfer

Funding stream	National Funding $m[7]	Purpose
Vote Health		
Disability Support Services	1.27	The provision, purchase, and support of disability support services that contribute to disabled people and their whānau to live the lives they choose.
Disability Support Workforce	3.00	The provision, purchase, and support of disability support workforce development and of services that support those workforces to be sustainable, flexible, and fit-for-purpose.
Vote Social Development		
Community Participation	60.05	To increase opportunities for disabled people to fully participate in their communities by enhancing the skills, knowledge and services available to them.
Transition Support	0.91	To support young disabled people to transition effectively from school to post-school activities.
Business Enterprises	4.03	To provide vocational opportunities for disabled people (for organisations that were previously sheltered workshops).
Support Funds	5.20	To provide financial assistance to meet additional costs that a disabled person or their employer may have (e.g. equipment, support person, workplace modifications).
Disability Allowance	288.52	To assist with meeting the additional and on-going costs of a client's disability or health condition.
Child Disability Allowance	88.45	A payment to the parents or caregivers of disabled children in recognition of the extra care and attention required.
Supported Employment	25.80	To provide support for disabled people to get and to retain a job in open employment.
Vote Education		
The Education figures come from Vote Education Budget 17/18 estimates. There is significant complexity in how Vote Education departmental and non-departmental appropriations are allocated across a range of interventions, services, related contracts and staffing, and across various Ministry of Education groups. This makes it a challenge to determine actual learning support expenditure at a service or intervention level, and to see the impact of changes in policy or demand. Not all of these supports are delivered directly to individual children and young people. Many focus on building the capability of educators, parents, caregivers, and whānau.		
ASSIST – Deaf Education Centres Regional Service	Not Available	Assists specialist teachers, provided by the Deaf Education Centres, give support and guidance to children in Years 4-13 with moderate learning needs related to hearing loss, their families and schools.
Assistive Technology (AT)	2.63	This is specialised equipment and technology used in class to increase or improve the ability of children and young people with additional learning needs to participate and learn. Assistive technology is available to those who require specific equipment over and above standard classroom equipment.
Behaviour Services	25.39	Specialist service provided to children aged 5 to 16 years with severe behavioural needs.
Cochlear Implant Habilitation	0.82	Children and young people with a new cochlear implant are provided with a systematic programme to maximise their ability to develop receptive and expressive language.
Communication Service	15.80	Specialist service provided to children aged 5 to 8 years who have significant language and learning needs.
Deaf and Hard of Hearing Moderate Learning Needs	5.65	Advisers on Deaf Children work alongside children identified as deaf and hard of hearing and their whānau from birth to Year 3. They provide advice and guidance on communication and language development, and

[7] All funding is estimated and rounded up to two decimal places.

Funding stream	National Funding $m[7]	Purpose
		the resources and programmes required to meet the developmental and educational needs of the child and the whānau.
Deaf Education Centres Provision Services	Not Available	Kelston and Van Asch Deaf Education Centres provide education and support to deaf and hard of hearing students at the base school and in satellite classes in regular schools. Some students attend their residential programmes.
Early Intervention Service • Behaviour • Combined Needs • Communication • Comprehensive • Moderate • Moderate Hearing	31.90	Specialist support provided to help children aged 0 to 5 years who have a developmental or learning delay, a disability, a behaviour difficulty or a communication difficulty participate and learn at home or in an early learning setting. It also helps whānau to gain the confidence, knowledge and skills to support children's learning and development.
Early Intervention: Specialist Services	3.36	Specialist EI providers contracted to provide specialist and paraprofessional support for children aged 0 to 5 years with high needs.
First Signs – Deaf Aotearoa	1.00	First Signs is a service delivered by Deaf Aotearoa to provide whānau children who are deaf or hard of hearing aged 0 to 5 years with opportunities to learn sign language and support their child's development.
In-Class Support (ICS)	8.82	This is a contribution towards teacher aide support for children and young people in Years 1 to 13 with continuing high learning needs who are not funded through the Ongoing Resourcing Scheme.
Incredible Years Autism	0.68	Programmes for parents and teachers to promote the emotional regulation, positive social interactions and language development of children aged 2 to 5 years with autism.
Interpreters for Deaf Staff	0.04	Provision of qualified NZ Sign Language interpreters to enable full access to communication and participation in the workforce for Deaf staff who communicate in NZSL. This contract ends in June 2018.
NZ Sign Language in Schools	3.22	Support for schools and whānau, provided by the Deaf Education Centres, to meet the learning, communication and cultural needs of Deaf children who use NZ Sign Language.
NZ Sign Language Interpreters for Deaf Parents	Not Available	Provision of NZ Sign Language interpreters for parents who are deaf so they can participate in their child's education. This contract ended in March 2018 and no further funding has been confirmed.
Ongoing Resourcing Scheme (ORS)	191.67	Resources for children and young people in Years 1 to 13 who require high or very high specialist assistance to join in and learn alongside their peers at school. Funding stays with a child or young person through their schooling.
Physical Disability Service	0.09	Support for schools and teachers to adapt the learning environment to meet the needs of children and young people with a physical disability who are not receiving ORS.
Resource Teachers: Deaf (RTD)	Not Available	Specialist teaching service, provided by the Deaf Education Centres, focused on children and young people in Years 1 to 13 who are deaf or hard of hearing. Support includes direct teaching, upskilling teachers, and working with teachers and whānau to create learning plans.
Specialised Transport Assistance	43.89	Travel assistance for children and young people with additional learning needs who may have difficulty getting to the school. Assistance is provided through a school bus place, a contracted service, or a conveyance allowance.
Vote Transport		
Total Mobility Scheme	37.00	Enabling the mobility of people with long-term impairments that prevent them from using public transport through a voucher scheme. The scheme is jointly funded by Regional Councils, who contribute an additional $20 million a year.

Appendix Two: Enabling Good Lives Vision and Principles

Vision

1. In the future, disabled children and adults and their families will have greater choice and control over their supports and lives, and make more use of natural and universally available supports.

Principles

2. The Enabling Good Lives principles are the following:

    a. *Self-determination:* Disabled people are in control of their lives.

    b. *Beginning early:* Invest early in families and whānau to support them; to be aspirational for their disabled child; to build community and natural supports; and to support disabled children to become independent, rather than waiting for a crisis before support is available.

    c. *Person-centred:* Disabled people have supports that are tailored to their individual needs and goals, and that take a whole life approach rather than being split across programmes.

    d. *Ordinary life outcomes:* Disabled people are supported to live an everyday life in everyday places; and are regarded as citizens with opportunities for learning, employment, having a home and family, and social participation - like others at similar stages of life.

    e. *Mainstream first:* Everybody experiences full participation and inclusion within their community (people, places, assets, infrastructure and supports) as of right and can choose funded supports to enhance and facilitate this.

    f. *Mana enhancing:* The abilities and contributions of disabled people and their families and whānau are recognised and respected.

    g. *Easy to use:* Disabled people have supports that are simple to use and flexible.

    h. *Relationship building:* Supports build and strengthen relationships between disabled people, their whānau and community.