

NZDSN member environment scan

May 2025

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This provides an NZDSN member overview of the New Zealand disability issues landscape, including government strategies, service delivery challenges and the experiences of disabled people.

Key issues facing Disability Service Providers

- **Funding freeze and service disruptions** - recent disability funding freezes have led to significant distress among disabled individuals and their families. Some individuals with intellectual disabilities cannot access planned residential care, forcing them to remain in unsuitable or unsafe environments. This has also led to increased pressure on mental health services, with patients occupying psychiatric wards due to the lack of appropriate community placements. NZDSN is keeping a close eye on the budget being announced on 22 May, where updates on the Residential Pricing Model and other DSS initiatives are expected.
- **Lack of clarity around individualised funding** - families and service providers have expressed confusion over how to effectively utilise Individualised Funding (IF). A lack of clear eligible expense guidelines means recipients can't make informed decisions, leading to underutilisation of available support and increased stress among caregivers. Work happening under the DSS Taskforce is considering this issue and we are waiting to see what may be announced as part of the 2025/2026 budget in support of this issue.
- **Systemic restructuring and oversight concerns** – concerns around the transfer of Disability Support Services (DSS) from Whaikaha to MSD, whose broader mandate may dilute the specialised attention required for disability services, potentially impacting the quality and responsiveness of support were communicated when the transfer happened last year. From a provider perspective, these concerns are lessening as DSS actively works with the sector to review and reform DSS, and Whaikaha is establishing its own dedicated work programme.
- **Communication and consultation** - the 2024 abrupt announcement of funding cuts without prior consultation was criticised for causing widespread confusion and distress. The lack of transparent communication undermined trust between the government and the disability community, highlighting the need for more inclusive and proactive engagement strategies. Progress has since been made

with DSS consulting widely with disabled people and the disability sector on the Taskforce work and Waikaha working in partnership with disabled people and the sector on the refresh of the New Zealand Disability Strategy.

- **Quality of care and regulatory oversight** – Reports have surfaced regarding quality of services by some disability service providers, including breaches of consumer rights and unethical practices, underscoring the need for stronger regulatory oversight and accountability to ensure the safety and well-being of disabled individuals receiving support services. Key concerns include inadequate funding and workforce shortages, sudden policy shifts without consultation, complex and inconsistent access to services, the digital divide, institutional harm, and discrimination. In July 2024, the Deputy Health and Disability Commissioner Disability, reinforced these issues, calling for a consistent quality framework to be developed and implemented across the disability support sector, including proactive monitoring and reporting of the experiences of disabled people.. DSS has set up a Quality Group to address these issues; members of NZDSN are involved.

These points collectively continue to point to the critical need for systemic reforms that prioritise a steadfast commitment to the rights and needs of disabled individuals in Aotearoa New Zealand and are underpinned by meaningful sector partnerships, transparent communication and adequate and sustainable funding so quality services can be provided. NZDSN continues to work to support the positive resolution of these issues alongside other Peak Bodies, sector stakeholders and Government.

Stakeholders and current key issues

Whaikaha

Whaikaha is currently leading a refresh of the New Zealand Disability Strategy to ensure its continued relevance. Through community consultation, the updated strategy aims to better reflect societal changes, technology advancements and the lived experiences of disabled people.

Whaikaha has appointed 26 members across five working groups to support the refresh of the New Zealand Disability Strategy, focused on Education, Employment, Health, Housing, and Justice, including individuals with lived experience of disability, sector experts, and government representatives.

Later in the year, Whaikaha intends to consult more broadly with the disability sector. NZDSN will be working alongside Whaikaha to ensure the key elements of disability support remains an important focus in the new strategy.

Ministry of Social Development

MSD established a dedicated taskforce led by Chris Bunny in response to the 2024 Independent Review of Disability Support Services, focused on reviewing needs assessment and service allocation processes, clarifying eligibility and flexible funding guidelines, enhancing community engagement through consultation and improving operational efficiency and accountability.

The Taskforce has engaged stakeholders through national consultations and aims to implement policy reforms by mid to late 2025.

Ministry of Health / Health New Zealand (Te Whatu Ora)

The Ministry of Health has largely relinquished direct responsibility for disability support but retains oversight of disability-adjacent health services like mental health and age-related care. It also contributes to public health initiatives inclusive of disabled populations.

Health New Zealand (Te Whatu Ora) is actively working to improve health outcomes for disabled people through several key initiatives:

- **Health of Disabled People Strategy (2023–2033)** – New Zealand’s first dedicated, system-wide health strategy for disabled people which outlines five long-term priorities:
 - Embedding self-determination
 - Designing accessible health systems
 - Cross-government collaboration
 - Building workforce capability
 - Enhancing data visibility
 - The strategy was developed in consultation with disabled individuals, their whānau, and disability organizations, ensuring it reflects the community’s needs and aspirations
- **Health of Disabled People Work Programme (2024–2027)** – three-year programme to strengthen the health system’s responsiveness to disabled people

Summary of Employment Support

The employment area for disabled people is supported by Whaikaha and MSD.

Whaikaha’s Role in Vocational and Employment Services

- Strategic Leadership and Policy Development – aims to improve employment outcomes for disabled people by developing policies and strategies that promote inclusive employment practices across the public sector
- Employment Pathways Programme- intended to design and implement employment initiatives that increase the representation of disabled people within the public service
- Collaboration with other agencies - working closely with MSD and other government agencies to ensure that employment services are accessible and tailored to the needs of disabled people

MSD's Employment Services for Disabled People

- MSD offers a range of vocational and employment support services tailored to disabled people and those with health conditions that aim to empower individuals to pursue meaningful employment, enhance workplace inclusivity and facilitate smooth transitions into the workforce
- MSD is still to provide details of the proposed review of Employment Support so NZDSN can have input into this and reports it is waiting for the review of DSS to be completed. Of concern is the freeze on funding for this service since 2019 and the competition that exists between Work and Income (Employment Co-ordinators and Work Brokers) and Employment Support Co-ordinators.
- MSD has issued multiple regional Requests for Proposals through GETS, aligned with the Disability Employment Action Plan focusing on employment placement, work preparation, and inclusive practices to improve outcomes for disabled jobseekers

Pay Equity

In May 2025, the government passed the Pay Equity Amendment Bill under urgency, which cancelled 33 pay equity claims, including those for care and support workers. This move has been met with significant opposition from unions and workers, who view it as a setback in the fight for fair compensation and gender equity in the workplace.

The cancellation of the pay equity claims has left many care and support workers in a state of uncertainty. The new legislation contains a “10-year rule” that imposes a significant restriction on the ability to file new pay equity claims. Specifically, it stipulates that no pay equity claim can be raised within 10 years following the settlement date of a previous claim concerning the same or substantially similar work. This restriction applies even if there are changes in circumstances or new evidence suggesting ongoing undervaluation during that period.

Care and support workers, whose roles are predominantly performed by women, are directly affected by this rule. The 2017 Care and Support Workers (Pay Equity) Settlement Agreement, which expired in June 2022, had previously addressed pay disparities in this sector. Following its expiration, unions filed new claims to continue addressing pay equity concerns. However, the 10-year rule now prevents the lodging of new claims related to the same work until 2027 (10 years since the initial 2017 claim was settled), effectively pausing further legal avenues to address potential ongoing undervaluation until then.

Unions continue to advocate for fair compensation and are exploring legal and industrial avenues to address the issue. The situation underscores the ongoing challenges in achieving and maintaining pay equity for workers in female-dominated sectors.

[NZDSN is currently working through these changes and what they mean alongside other Peak Bodies involved in Pay Equity](#), and will update members in due course.

Agency specific updates

Oranga Tamariki - developed a disability strategy focused on dignity, accessibility, and rights, including support during transitions, workforce development, and caregiver training

Ministry of Housing and Urban Development - Government Policy Statement outlines goals for inclusive, accessible communities, working with Kāinga Ora and Whaikaha to align housing development with disability needs

Kāinga Ora - increasing stock of universally designed homes and supports over 240 specialist housing providers through its Supported Housing program. Changes are propose to the current residential tenancy agreements to commercial leases for homes used to provide community residential support. Legal advice suggests it appears heavily one-sided in favour of Kainga Ora, and securing long-term housing remains one of the biggest challenges in delivering community residential support.

The Royal Commission of Inquiry into Abuse in Care - this comprehensive investigation uncovered systemic abuse and neglect of approximately 200,000 children, young people, and vulnerable adults in state and faith-based care between 1950 and 1999.

Key findings include widespread abuse, disproportionate impact on Māori and disabled individuals and institutional failures.

The Government response started with a formal apology on 12 November 2024 with Prime Minister Christopher Luxon issued an unreserved apology to survivors, acknowledging the state's failure to protect those in its care.

The government committed to implementing the inquiry's 138 recommendations, which include establishing a new redress system, creating a Care Safe Agency, and introducing legislative changes to enhance protections for those in care. Whaikaha is leading the disability components of the recommendations.