

The Future Disability Employment Service

An overview
of the Redesign

**October
2026**

Agenda

Background

1. Who we are
2. The redesign timeline | what has happened and what happens next

Findings and outcomes of the redesign process

3. The redesign | what we heard
4. The redesign | indicative user journeys
5. The redesign | a summary of the future disability employment service (1&2)

Service specifications

6. Funding model | what has changed
7. Service model
8. Theory of change | what success look like

Next steps | the opportunity

9. Request for Information (RFI) | feedback on the service specifications
10. Future procurement

Note: This session will be recorded and we will provide a copy of the slides



Background | who we are

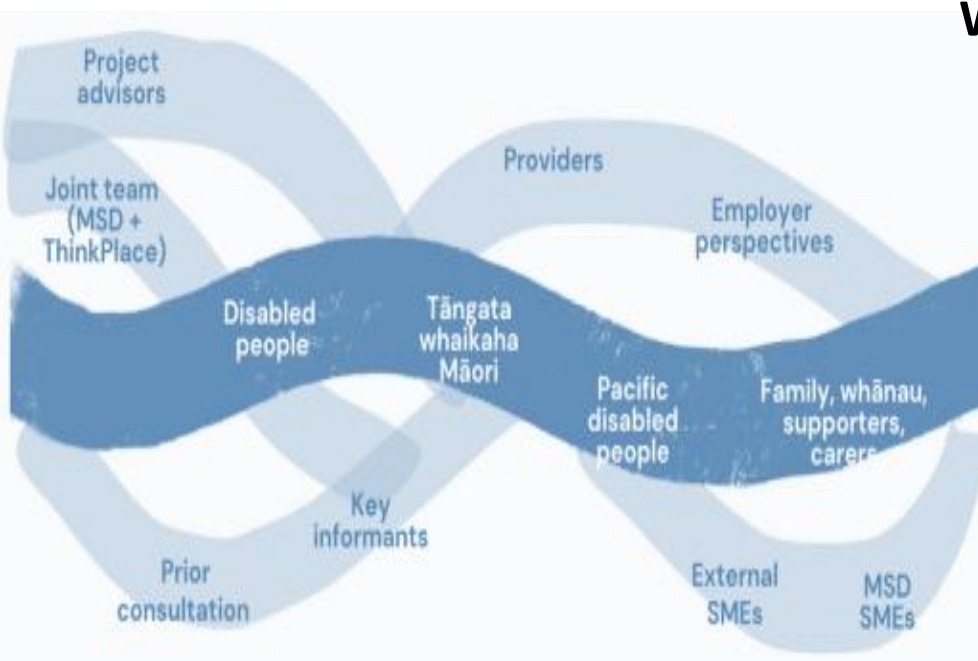
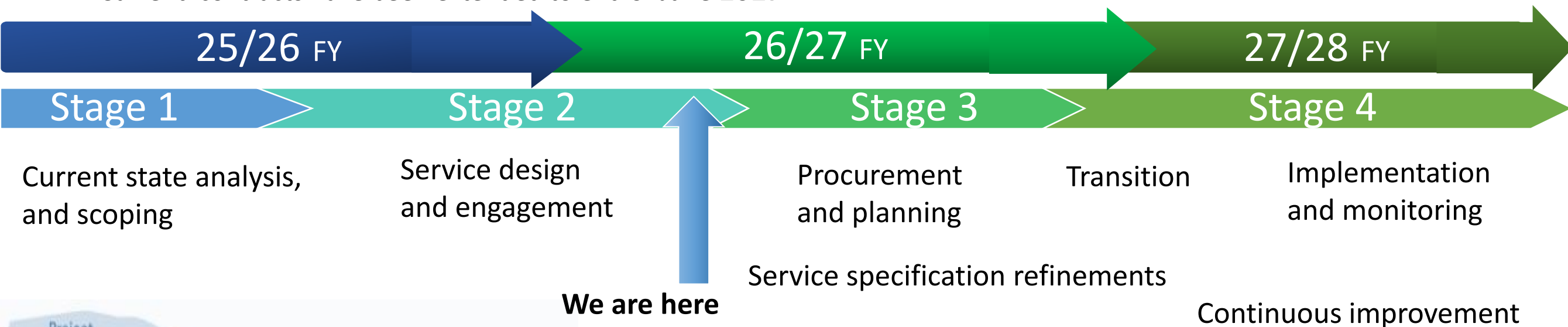
- The Māori, Communities and Partnerships (MCP) Group in MSD administers the following disability employment support products (which were in scope for redesign):
 - Employment Services
 - Mainstream Wage Subsidy
 - The Employment Services in Schools Pilot
 - Job Training and Support Funds
- MCP also administer the following disability participation and inclusion support:
 - Disability Enterprises
 - Community Participation Services
 - Very High Needs Service

The redesign aimed to ensure an effective interface between these participation and inclusion services and our disability employment services where appropriate.
- Disability Support Services (DSS) and Work and Income Services are different Groups within MSD, with different funding and mandates. We have collaborated with them to ensure the redesign is well aligned and complementary.
- There have been some recent changes in the teams within MCP that administer these disability services.
 - So this is a chance to introduce some new people and say goodbye to others.



The redesign timeline

- In **2024**, MSD began an operational review of disability employment services in response to sustainability issues, and opportunities to improve the client experience
- In **2025**, the review was expanded to consider the suite of disability employment support products administered by Māori Communities and Partnerships (MCP) within MSD
- Consultants ThinkPlace were contracted to engage with the disabled people, their whānau, employers, providers and the broader sector and undertake a service design process – they reported at the end of July **2026**
- In **2026**, the review was identified as a priority action in the refreshed NZ Disability Strategy 2026-2030
- Current contracts have been extended to end of June **2027**



A 'braided river' and iterative approach to engagement and design

The service design involves disabled people, families, employers and providers. Distinct yet interconnected streams recognise contributions from lived experience, provider expertise, system knowledge and existing evidence.

The redesign | engagement



What we heard



Access & Inclusion

- Disabled people want to work
- Problems with access, not motivation, drive unemployment
- Fragmentation and complexity exclude people
- Low awareness means people miss out



Relationships & Culture

- Confidence, communication and cultural safety matter –upholding mana is critical
- Personalised support keeps disabled people in control



Early Intervention

- Low expectations start early and compound across a lifetime
- Transition cliff from education to work
- Early support prevents exclusion



Employment System

- Labour market misses disabled talent
- Job sustainability often falls short
- Employer capability and support is essential

Insights → Action

Turning what we learned into better design.

Integrated and holistic

The goals, aspirations and needs of disabled people are diverse and change over time, so the services need to be personalised, flexible, and accessed at different times over a person's life.

Strong relationships • Shared success

Jobseeker

Have choice and control, feel understood, no wrong door, feel supported and empowered, easy to find information, feel included in decisions.



Employer

Feel confident, feel supported, easy to find information, well-equipped to support the disabled person sustainably over time.

Provider



Flexibility and autonomy to tailor supports to the person, funding model supports financial sustainability, the contract management approach supports continuous improvement.



Barrier Removal

- Remove tangible barriers to work
- Account for compounding inequities
- Holistic and intersectional support



Dignity & Whānau

- Uphold dignity and respect
- Recognise and support the whole self
- Work with families, not around them



Pathways

- Start support early, to interrupt cycles of disadvantage
- Bridge education-to-work transitions
- Support aspiration and job quality
- Flexible tailored support



Employer Partnerships

- Employers as partners
- Three-way relationship model
- Diverse forms of work are recognised.

When employment services work for disabled people, everyone benefits.

The redesign | user journeys

Preparing

Understanding the world of work, the role I might play in it, and the opportunities in front of me.

Activating

Identifying my career goals, my strengths, and pathways to employment (including new knowledge).

Attaining

Working toward getting a job and working through the hiring process (application, selection and hiring processes).

Establishing (first year in the job)

Learning about my job and what works / doesn't work for me.

Sustaining

Growing confidence and capability in my role, learning new skills and gaining knowledge.

Progressing

Identifying my aspirations for what's next for my career. Same role, different role, different career?

Connecting disabled people and employment pathways

People enter or exit a service where they need to

Youth Transition Pathways

Early intervention (school)

Support to enter post-school training + Job preparation + brokering

"Are there even jobs for disabled people? I wouldn't know where to start."

"It would be great to have some exposure to work environments."

"It would be great to think through my ideal career with someone who knows about work."

"How do I find employers who are excellent for disabled people?"

Adult Pathways

Employment preparation support

Job brokering -carved

"I know the type of role I want but I need help to do well in the competitive process."

Job brokering -advertised

"I've been employed before but I could do with some support to find my next role."

In-work support First 3 months

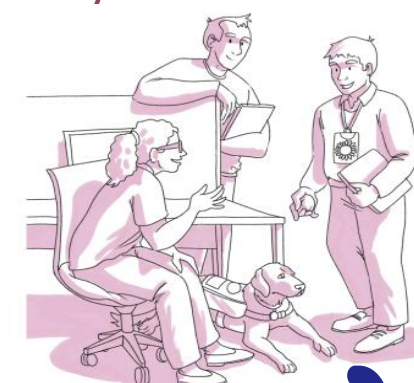
"This is a new experience for me - there is a lot to get my head around."

Extended In-work support

"It would be great to have someone I trust who can check in with me from time to time."

Service re-entry

Clients may pause the service and then recommence later.



Job Support

"I'm employed but I need some in-work support".

"There has been a change in my role. Can I get support to navigate it?"

Work experience

"Work is new to me. It would be great to try and build my confidence first."



Purpose

The disability employment service supports disabled people to achieve sustainable employment.



Who the service is for



The service is for disabled people who experience disadvantage in labour markets due to disability or long-term health issues, and where other MSD employment supports may not be sufficient to overcome barriers.

Access to these services is not linked to benefit eligibility; however, people receiving a benefit have the same access as people who do not receive a benefit.

We expect to support about **4,000** people each year across all regions of New Zealand

How it works



Flexible and responsive triage and discovery processes that are strengths-based and dignity-enhancing, including working with families. Supported by technology.



Tailored support that reflects individual needs and life stages and includes early intervention to support transitions for young disabled people.



The ability to adapt to emerging evidence, labour market conditions, and changing government priorities, ensuring the service remains sustainable and effective over time. Employer and industry partnerships will be critical.



Works seamlessly with other systems including Disability Support Services and other MSD funded services. This includes referral pathways and warm handovers.



A robust monitoring and performance framework that supports continuous improvement and provides evidence of long-term impact.

The values we are leading with

View disabled workers as **valued** and capable contributors

Remove **barriers**, not impairments



Build toward sustainable /rewarding **careers**



Provide a **relational** service to deliver sustainable outcomes

Discover a person's **strengths** and how to accentuate these

Enhance **dignity** and **autonomy** throughout



Help people **navigate** the support system to reduce the burden of everyday inequities

Apply **family-inclusive** approaches



Flexibly tailor roles, approaches and engagement-style to the person



The redesign | a summary of the future disability employment service (2)



What the service is

- A nationwide service integrating a range of employment support products.
- A holistic service with simplified delivery requirements that allow providers to focus on client outcomes.
- Skilled, responsive and culturally competent contracted providers delivering local services in the mode that works best for clients.
- Clients enter and exit the service at key transition points on their employment journey.
- Delivers work preparation, transition support, employer coaching and capability, job brokering and in-work support.

Components

Flexible provider contract with clear expectations.

Discovery throughout, individual employment plans

School-aged supports
Showing young people the world of work

Post-school transition supports for young people into jobs and /or further education

Work experience

Employment preparation
Coaching and training

Employer capability and building relationships with employers

Employment brokering matching to available roles and carved roles

Funding for Barrier removal

In-work support

What it achieves



Early start to build the career aspirations of young disabled people and support pathways into education and employment

Clients build sustainable careers with support when required

Greater wellbeing, independence, access to income and self-determination through meaningful work

Employers recognise the value of employing disabled people and have confidence to recruit and support them

The system delivers equitable access to work opportunities for people facing disability-related employment barriers



An inclusive New Zealand where disabled people have equal opportunities to thrive in meaningful and sustainable employment.



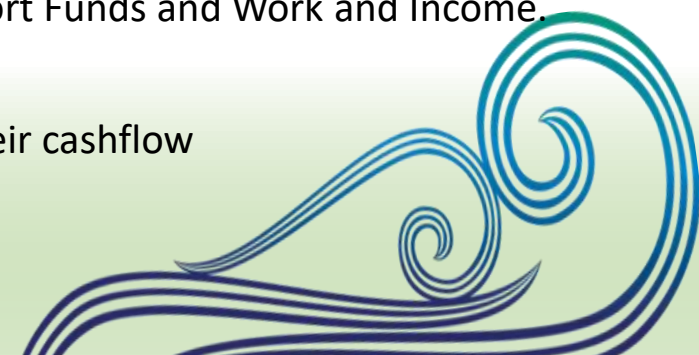
A mixed funding model | what has changed

Details:

- Payments will be based on an average cost of \$7,000 per client per year.
- Providers will receive **50% of their funding upfront**. This is \$3,500 per client per year, paid on a quarterly basis according to client allocation numbers stipulated in the contract.
- The other **50% of funding will be based on achievement of three potential outcome milestones**:
 - \$1,400.00 provided on achievement of three months in a job placement of at least 15 hours per week
 - \$2,100.00 after 12 months where at least 70% of the time was spent in employment of at least 15 hours per week (this may involve more than one job placement)
 - \$2,100.00 on achievement of three months in an education or training programme which is NZQA Level 6 or above, and a minimum of 12 months duration (payment only available for clients that are under 25 years of age).
- Providers have control over how to spend barrier removal funding (included in the overall funding rates). May contribute to costs related to: transport; work-related training or equipment; workplace accommodations; communication support; time limited wage subsidies negotiated with the employer. No funding is provided directly to the client.
- **The first six months of the contract will be 100% capacity-based funding**, through two quarterly payments.

Notes re change from previous contracts:

- ▶ Higher average rate enabling more tailored support and improved access for currently underserved groups.
- ▶ Capacity-based funding will better support provider stability, share risks related to the economy and empower providers to build evidence of what works well. We will more closely monitor client entry to service, and how funding is being used.
- ▶ Three outcome payments simplifies the administration /invoicing which involved numerous variables in the previous contract. Different levels of service intensity is now accounted for through the length of time a client requires support to gain and retain employment.
- ▶ Providers will continue to be incentivised to focus their support decisions on achieving good employment outcomes for clients, because 50% of funding is determined by this.
- ▶ This ensures a stronger outcomes focus for early intervention and transition supports that prevent NEET
- ▶ This empowers providers to make the most effective use of resources and do 'what it takes' to support disabled people to achieve their career goals. It also reduces some current administration. Providers may also support clients to access barrier removal support from other sources, such as Job Support Funds and Work and Income.
- ▶ To ensure providers can build their cashflow and sustainability.



Service model

Tailored & flexible

Strengths focused discovery processes

Individualised planning

More targeted entry / referral

Collaborative

Integrated

Continuum of support from at school to in-work.

End to end contract to maintain effective relationships across life stages and support types. Smooth entry and less admin

Some providers may form a consortium to deliver all components of the contract and to share effective admin systems that benefit from economies of scale

Performance measures

Reporting through SORT will monitor:

- Client volume participation (expect 95-100% of allocation)
- Participant profile data entered
- Job or education placement rate (% of active clients)
- Job retention rate (% of placed clients)
- Average time from referral to Job placement.
- Client stage and movement

Monitoring & improvement

Information to inform longer term monitoring includes:

- Disability barriers
- Trends in client and employer satisfaction collected / designed by the providers
- Types of in work support and workplace accommodations

Services include:

- Employment planning and goal setting.
- Career exploration and guidance.
- Barrier identification and removal.
- Work readiness development (including work experience, internships, short term or low hour jobs and more).
- Job search support.
- Employment brokerage and job matching.
- Employer engagement and education.
- Workplace accessibility and accommodation planning.
- In-work support and retention services.

Collaborative: Providers will have knowledge of other support options and help navigate /coordinate access where appropriate. This includes support for people who are referred but not accepted as clients at this time.

Quality:

- Support must be tailored to the individual and delivered in a manner that is accessible, responsive, and culturally appropriate.
- The service is expected to require Te Kāhui Kāhu social service accreditation level 3 (within six months of starting the contract)

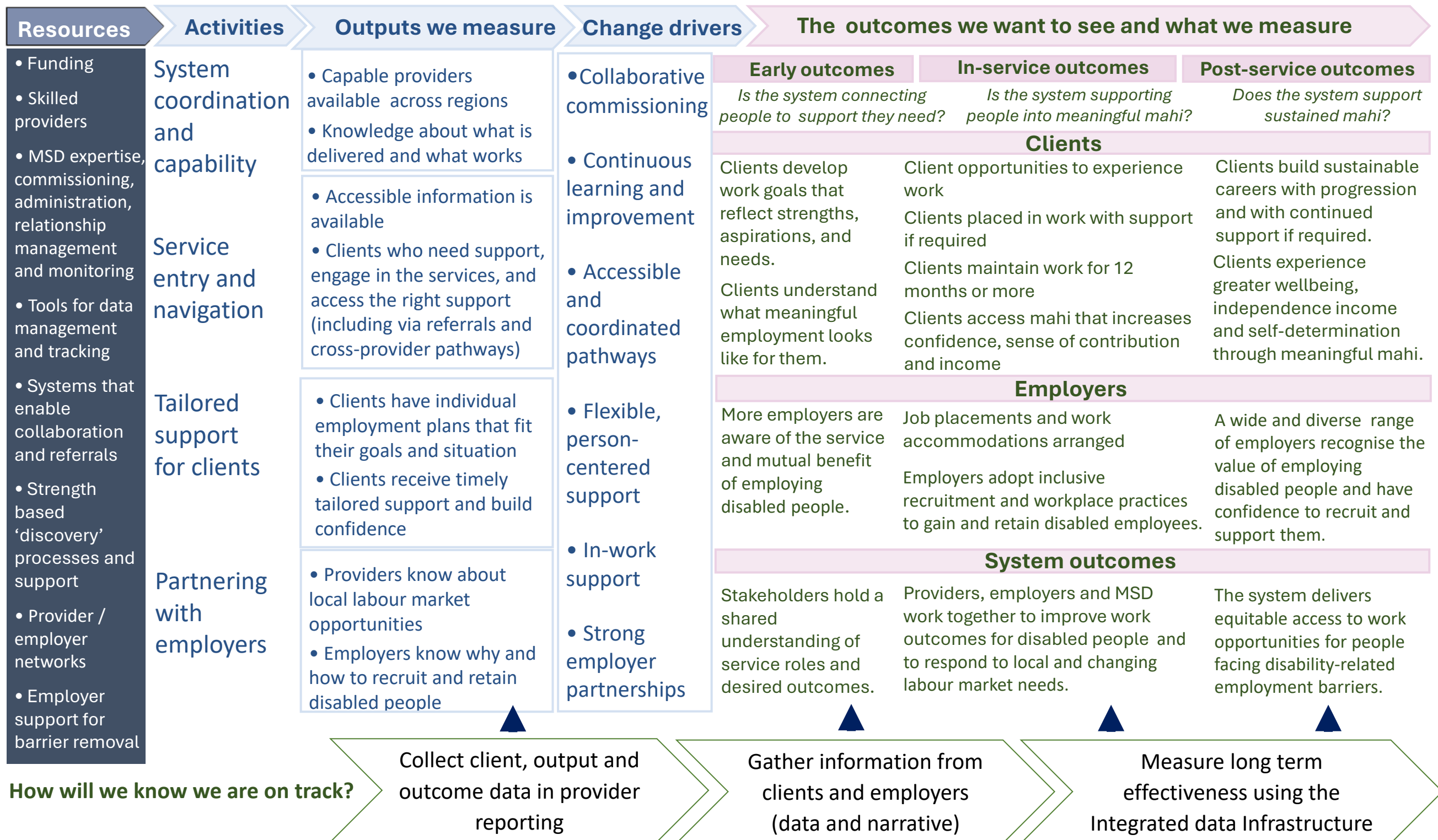
Access:

- Disabled people can continue to access DSS, Work and Income support and Community Participation services while receiving Disability Employment Service support.
- They can also access Disability Business Enterprises for a time-limited period of no more than six months while receiving support from the disability employment service.
- There will continue to be some services that clients cannot receive at the same time (TBC).



Theory of change | what success looks like

The disability employment service supports disabled people to achieve sustainable employment.
Disabled people reach their potential and live in inclusive and supportive communities.



How will we know we are on track?

A robust monitoring and performance framework, will support continuous improvement and provide evidence of long-term impact. This includes outcome-based milestone payments.

Next steps | the opportunity

A Request For Information (RFI) will be on GETS and Weka on 3 November 2026

Before finalising the design and procurement approach we will gather information about:

- **About the provider market**

To support MSD's procurement planning we are keen to know about potential provider coverage by region and support expertise (e.g. for different cohorts of disabled people).

- **Feedback on the redesign and draft service specifications**

While many of the updated service design features are clear there is room for refinement. We are keen to get feedback on our Draft Service Specification.

- **Any ideas for a new name for the service are also welcome...**

Information will be available on our [redesign webpage](#) in coming weeks.

Procurement

A request for proposals will be opened in 2027.

We will accept submissions from individual providers and also from consortia, where we expect a lead provider will work with other providers to collectively deliver all components of the end-to-end service.

The benefit of consortium or joint proposals is that it makes the contract opportunity accessible to small or specialist organisations, who may provide important components of support but may not have the capability and/or resource to deliver all elements of the redesigned service as a sole provider.

Please send further feedback or questions on the service design to:

vocational_services_disability@msd.govt.nz or

socialprocurement@msd.govt.nz which will be shared in the **Request for Information**

