

3 July 2019

To
All DSS Providers

Dear Provider

Disability Support Services price pressures 2019/20

This letter is to inform you of the Disability Support Services (DSS) funding decisions for Budget 2019.

You will be aware that in the last few years DSS has received considerable investment, from \$42 million in 2016/17 to \$58 million in 2018/19. Budget 2019 provides the largest increase for DSS cost pressures ever at \$72 million per annum, to support New Zealanders with disabilities to live the lives they choose.

We are committed to ensuring disabled people and whānau have the opportunity to live independently in New Zealand, with access to the services and support they need. Our priority is ensuring that people continue to access these important supports and services.

A number of pressures continue to impact significantly on disability expenditure and as a result, this additional funding has been allocated to meet the areas of greatest demand. These are a combination of price and volume pressures right across disability services.

What the additional funding will allow us to do is meet our obligations around pay equity and the growing demand for services. However, at this point in time, we are unable to provide any additional price uplift to current contract prices.

As always, where services are funded at the minimum wage (funded family care, sleepover), any annual increase in the minimum wage will result in a recalculation and funding of these payments.

I acknowledge this may be disappointing and appreciate the pressures you are facing and continue to face.

We want to work closely with you on how we can manage these financial pressures and ensure we are heading in the right direction and making informed decisions.

We are currently working on a number of projects to rethink how we work – as a sector – to deliver services for disabled people and their whānau. We want to build solutions with you, so we'll be in touch with dates and times for forums being held in various regions.

We appreciate that you will want clarity about what this means for you and your communities, so in the first instance, we will be hosting a livestream conversation for all providers on Wednesday, 17 July 2019 to explain – in more detail – the financial pressures we are facing. We encourage you to send us questions in advance. You can send these either to your Contract Relationship Manager or to me directly (toni.atkinson@health.govt.nz).

We will be in touch closer to the date with a confirmed time for the livestream and link that you can click to tune in to.

If you have any specific questions about your funding agreements, please contact your Contract Relationship Manager in the first instance. With respect to Pay Equity changes, further information will be coming out this week detailing the funding increases in relevant service contracts.

Yours sincerely



Toni Atkinson
Group Manager
Disability Support Services