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RELEASE

PRESS

Disabled New Zealanders at risk due to underfunding, new report shows

A new Deloitte report released today by the New Zealand Disability Support Network (NZDSN) shows support services for disabled New Zealanders are significantly underfunded by the Government – and the situation is getting worse.

Deloitte's analysis shows the costs of providing support for disabled New Zealanders – including housing, electricity and the wages of the disability workforce – have far outstripped the meagre funding increases of the last decade.

The report states, "If the gap between the cost of providing services and contracted funding grows sustaining quality, safety and innovation will be an increasing challenge."

"It's clear from this new report that if the underfunding is not addressed soon, disability support providers will be unable to continue to provide quality services for disabled New Zealanders and their families. No New Zealander wants to see this occur – it is a tragedy waiting to happen," says Dr Garth Bennie, CEO of NZDSN.

"In some areas, there's been no funding increase for the last ten years. This report confirms what disability support providers, disabled New Zealanders and their families have suspected for a while. This is a sector at breaking point.

"The report shows there are already a significant number of providers in deficit or running at dangerously low margins. This poses a risk to the rollout of System Transformation, which will require significant investment by providers.

"NZDSN's own calculations conservatively estimate that the sector is \$150 million behind, with a 12% gap between funding provided by the Government and the real costs for support.

"Deloitte has analysed the new Residential Pricing Model (RPM) and found a number of flaws and inconsistencies in its calculations. While the RPM does nothing to address the state of underfunding, residential services will at least be more equally underfunded. Despite this,

providers believe this is still a major step forward and should be funded in Budget 2019, as we work towards making the model fit for purpose.

“We recognise the current Government is not to blame for this situation and that it will take some time to fix. However, we are asking them to live up to their values of compassion and kindness by ensuring disabled New Zealanders have the funding they need to live fulfilling lives with dignity.

“NZDSN is determined to advocate for everyone involved in the disability support system – disabled New Zealanders, their families and disability support workers, not just providers. We want to ensure that disabled people and their families have access to sufficient purchasing power as more people shift to Personal Budgets as part of System Transformation. Right now, that is at real risk due to underfunding and could mean many disabled people will be worse off.

“With the release of this new report, NZDSN is calling on the Government to partner with us and create an action plan to improve support for disabled New Zealanders. This includes addressing historic underfunding, dealing with inconsistencies in the RPM and investing in the disability support workforce.

“Together, we want to ensure the best possible life for every disabled New Zealander. But we have to act urgently – before it’s too late,” Dr Bennie says.

Attached: Deloitte report

ENDS

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