

Follow Up Review: Commercial Management Final Report

Ministry of Social Development | Disability Support Services

15 July 2026



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Follow up Review: Disability Support Services Commercial Management

Final Report

1. Executive Summary

Disability Support Services (DSS) has undertaken an extensive and credible transformation of its commercial management capability in a relatively short period and within a context of ongoing organisational change. The approach to capability uplift has been well structured, appropriately prioritised, and supported by effective governance and leadership commitment.

Disability Support Services (DSS) has achieved a material uplift in commercial management maturity since 2024, moving from systemic weaknesses to full functional coverage, with most areas now assessed as **“Well-placed”** or higher. Significant progress has been made in governance, leadership, systems access, and commissioning discipline. No areas remain assessed as **“Weak”** or **“Failing”**, representing a material improvement from the 2024 baseline.

However, operational consistency and stakeholder experience are not yet aligned with this structural maturity. Some ongoing challenges remain in provider payments, system usability, and contract management practice. These reflect a combination of system and process factors as well as challenges consistent with an organisation embedding new systems, roles, and processes following recent structural change.

Progress towards implementing 2024 Recommendations

Since the 2024 Link Review and subsequent Independent Review, DSS has undertaken a substantial and coordinated programme of work to address all 16 recommendations. Strong momentum and prioritisation are evident across all recommendation categories, with a material uplift in governance, structure, and process. While implementation maturity varies, interviews confirm that some operational challenges remain, particularly in relation to payments, systems, provider burden, and workforce capability.

At the conclusion of the 2026 follow-up review, of the 15 recommendations that remain applicable, two are assessed as **“Strong”**, seven as **“Well-placed”**, and six as **“Functioning”**. No recommendations are assessed as **“Weak”** or **“Failing”**.

Critical recommendations have been prioritised appropriately and show the most progress, including:

- **Resolving provider invoicing challenges**, resulting in reduced invoice exceptions (including non-compliant or incomplete invoices and system-related mismatches), improved cashflow for some providers, and reduced financial risk for DSS. While substantial effort has been made by DSS and providers and improvements have been observed, interviews indicate that invoice rejection, payment lag, contract delays, and system-related errors remain major pain points for some providers. Remaining issues appears to be multifactorial, reflecting both instances of provider non-compliance with invoicing requirements as well as DSS system and process factors that are yet to be resolved. Resolution will require coordinated improvements across DSS systems, processes and provider practices. This remains an area of high risk.
- **Introducing robust financial delegations and controls** through the adoption of MSD frameworks, clearer approval pathways, and strengthened oversight mechanisms.
- **Restoring staff access to systems**, including implementation of Health NZ's Agreement Lifecycle Management platform and improved contract visibility.
- **Establishing clear commercial governance**, including the MSD Procurement Board, the DSS Commissioning Committee, and a Provider Business Monitoring Group.

Progress against the **essential recommendations** is also positive. DSS has developed and adopted updated policies, frameworks, and toolkits, including a commissioning framework and contract management processes. A revised organisational structure, supported by a RASCI matrix, clearer role descriptions, improved induction materials, and targeted training, has helped address longstanding issues related to role clarity and accountability. Process mapping is now comprehensive, although some further rationalisation may be required to clarify currency and reduce duplication across legacy documentation.

In relation to **good practice recommendations**, DSS has made good progress in staff training and capability uplift, more effective engagement with Health New Zealand, strengthening performance measures in contracts, and improving incident prevention and quality assurance processes. While elements of this work remain in the early stages of embedding, the foundational settings are in place and aligned with good practice.

In summary, DSS has responded constructively and comprehensively to our 2024 recommendations. The overall trajectory is positive, with most areas assessed as **“Well-placed”** or **“Functioning”** and on track to achieve stronger maturity as implementation continues and embedded as business-as-usual.

Progress against Maturity Assessment – 2026 Re-review

Having completed both the desktop review and the interview phases, our assessment is that DSS has achieved a marked improvement in commercial maturity.

At the conclusion of the 2026 re-review:

- 2 areas are assessed as **“Strong”**
- 5 areas as **“Well-placed”**
- 4 areas as **“Functioning”**
- No areas remain **“Weak”** or **“Failing”**.

Key areas of positive uplift include:

- Governance and decision-making discipline
- Commercial leadership and accountability
- Alignment with MSD and Government procurement policy
- Strategic commissioning and planning
- Workforce structure, training, and role clarity, and
- Systems access and supporting tools.

This represents a clear shift from foundational immaturity toward a structured and increasingly consistent commercial management system.

DSS is progressing strongly at a structural level towards delivering its intended role as a capable, consistent, and accountable commissioner, funder, and steward of disability support services, focused on achieving sustainable outcomes for disabled people and their whānau.

A consistent theme across staff and provider feedback is a gap between:

- Structural maturity (governance, frameworks, systems), and
- Operational maturity (day-to-day delivery and stakeholder experience).

In particular, interviewees continue to report:

- Ongoing friction in payments and invoicing processes, reflecting both system/process complexity and variable provider compliance with invoicing requirements
- Challenges with system usability, integration, and data quality across both DSS and provider interfaces
- Variability in contract management practice and provider engagement, consistent with a workforce that is still embedding new roles and responsibilities following recent recruitment and structural change, and
- Workforce capability still maturing following recent recruitment and turnover.

The primary challenge has shifted from “establishing frameworks and controls” to “ensuring consistent execution and realisation of outcomes”.

Importantly, many of the remaining challenges are characteristic of an organisation transitioning to a new operating model and workforce structure, rather than indicators of fundamental capability gaps.

Assessment of Current State

Overall, DSS is assessed as being on a strong upward maturity trajectory, with credible foundations now in place across all core commercial activities.

The primary challenge has shifted from “**Establishing frameworks and controls**” to “**Ensuring consistent execution and realisation of intended outcomes**”.

Remaining gaps are primarily related to:

- Scale and volume of legacy contracts and activities that are still being progressed under the Procurement Plan 24-27, and noting that good progress is being made in implementing a stronger Commissioning approach
- Consistency of operational application across teams and providers, and
- Embedment of new ways of working into business-as-usual practice (reference both internal and external stakeholders).

Importantly, these are characteristic of an organisation in transition; they do not indicate fundamental capability deficiencies.

Key Risk to Delivery and Credibility

The principal risk identified is the gap between designed capability (as indicated in the Phase 1 Desktop Review) and consistent operational delivery (as indicated in the Phase 2 Interviews). This was indicated in both internal and external interviews.

While only 3 providers were interviewed, each spoke to instances of inconsistency in payments, system usability, and contract management delivery. Given the sample size, these findings are not necessarily representative of the full provider base but highlight areas requiring continued focus, particularly where system complexity and provider practices intersect.

If not actively managed, this may reduce confidence among providers and stakeholders, and create a perception that progress is overstated.

Conclusion and Outlook

DSS has made substantial and demonstrable progress in strengthening its commercial management capability and is well positioned to realise its intended role as an effective commissioner, funder, and steward of disability support services.

Operational consistency and stakeholder experience is still catching up, but DSS is well placed to realise these improvements as changes continue to embed.

The next phase of maturity will depend on:

- Embedding recent improvements consistently across all teams and providers
- Resolving system and payment-related friction points, such as:
 - Improving clarity of invoice requirements and validation rules
 - Streamlining exception handling and resolution pathways
 - Strengthening communication to providers on system updates and expected timelines
- Translating frameworks into reliable operational outcomes, i.e. RASCI and enterprise risk framework, and
- Sustaining workforce capability and provider confidence.

With continued focus on these areas, DSS is expected to consolidate recent gains and progress toward fully mature, consistently applied good practice.

2. Context

In July 2022 Whaikaha | Ministry of Disabled People (Whaikaha) was established as a departmental agency within the Ministry of Social Development (MSD). Whaikaha was given a dual mandate to deliver and transform Disability Support Services (DSS) while leading cross-government strategic policy advice to improve outcomes for disabled people.

The transition of responsibility for commissioning DSS and the Enabling Good Lives (EGL) portfolio from the Ministry of Health and MSD, as well as from the Office for Disability Issues from MSD involved a rapid “lift and shift” of operational DSS functions into Whaikaha. As well as existing legacy challenges, the pace and scale of transition created significant operational and commercial pressures, particularly in relation to commissioning and contracting with providers.

In early 2024, Link Consulting was engaged to undertake a rapid assurance review of commercial management practices within the Whaikaha Commissioning, Design and Delivery Group. Completed in May 2024, the review identified material weaknesses in commercial and contractual practices, and systemic issues contributing to confusion and dissatisfaction among staff and providers. It made recommendations to strengthen processes and establish more robust, fit-for-purpose commissioning and commercial practices.

Following this review, Government commissioned an Independent Review to address increasing cost and sustainability pressures within DSS. In August 2024, the Independent Review confirmed that existing policies, systems, and operating practices were not enabling DSS to deliver services effectively at scale.

In response, Government enacted structural and operational changes, transferring responsibility for DSS delivery, contracts, and associated support services back to MSD. DSS was established as a business unit within MSD in September 2024, with a more clearly defined role as a commissioner, funder, and steward of high-quality, sustainable disability support services. Since late 2024, DSS has been implementing the recommendations of both reviews.

DSS reengaged Link Consulting in December 2025 to complete a re-review to assess progress against the 16 recommendations made in 2024 and re-evaluate DSS's commercial management maturity approximately 18 months later. The re-review was conducted in two phases:

- **Phase 1: Desktop review (January - April 2026)**
Desktop review of commercial management practices, policies and procedures, including process maps, templates, role descriptions, and internal documents confirming activities related to changes, plans, objectives and progress with providers.
- **Phase 2: Interviews (April – June 2026)**
17 structured interviews (involving over 20 participants) were completed with DSS and MSD leaders, staff, providers, and cross-agency stakeholders to explore and validate how well new policies, processes, templates etc are understood, how embedded these have become and how consistently they are now applied. The findings from the interviews were a material input to final ratings and represented a robust evidence base to validate the assessment from the desktop analysis conducted in Phase 1 of the re-review. The interviewees are listed at Appendix A.

Information from the document review and interviews was assessed against a tailored maturity assessment rubric for good practice commercial management processes and controls, drawn from the Ministry of Business, Innovation and Employment's (MBIE) Procurement Capability Index (PCI) and MBIE's Social Services Competency Framework.

This final report includes our updated maturity assessment and recommendations.

3. Progress towards implementing 2024 Recommendations

Since the 2024 reviews, DSS has undertaken a substantial and coordinated programme of work to address all 16 recommendations. Overall, we observed strong momentum and clear prioritisation across all 16 critical, essential, and good practice recommendations, noting that implementation and tangible improvements are at different stages of maturity depending on complexity and dependencies.

In summary, DSS has responded constructively and comprehensively to our 2024 recommendations. The overall trajectory is positive, with most areas now assessed as **“Well-placed”** or **“Functioning”**. DSS is on track to achieve stronger maturity as implementation continues and is progressively embedded as business-as-usual.

Notably, no focus areas remain assessed as **“Weak”** or **“Failing”**, representing a fundamental shift from the 2024 baseline. In early 2024 when the funding, contracts and staff were in Whaikaha, all areas of work were ‘weak’ or ‘failing’.

Given the scale of change and recency of implementation, there is a need to regularly validate consistency of application and stakeholder experience, in high-volume operational areas. DSS is now in a situation where there is strong and accountable governance in place, with significantly more checks and balances (guard rails), and has implemented system-side change to control supports; such as the CGH Panel Agreement (10 + 10 years right of renewal), a new national and standardised global pricing tool which has seen greater control over approximately \$1b of DSS budget and spend.

Critical Recommendations	2026 Review
C1. Resolve outstanding provider invoices	Summary and Final Assessment: Processes and tracking have improved. Positive progress has been made with some suppliers; but others continue to have issues that represent a high (and increasing risk). Currently assessed as “Functioning”. Failure to resolve in a timely fashion could be expected to result in a “Weak” or “Failing” assessment at the next review. A project was set up to reduce the rate of rejected invoices for DSS’ top 10 providers and improve financial processes to mitigate risks of recurrence. The project plan we sighted was fit for purpose, had a robust approach and clear roles and responsibilities (RASCI) matrix. End to end processes have been mapped including clearly delineated roles, activities and decision points, resulting in an updated RASCI for the new DSS operating model. Financial processes were analysed for barriers and improvements, which facilitated some process streamlining and improved DSS oversight. Invoicing issues have been monitored over time including value, volume and pain point analysis. Improvements have been noted, including fewer rejections and better tracking. Rejected invoices are tracked regularly by Sector Operations and reported to operations DSS and Health NZ and governance groups monthly. Overall, we agree with DSS’ assessment that there has been reduced liability and improved cashflow for some providers, alongside reduced financial risk for DSS.

Critical Recommendations	2026 Review
	However internal and provider interviews highlighted that despite significant effort and good intent by all involved, issues remain arising from a combination of procedural complexity, and challenges in the broader service authorisation ecosystem. Resolution pathways and timelines remain unclear, which is presenting some risk and frustration to providers related to cashflow and commercial sustainability which can be expected to worsen if the time to resolve is protracted. Clearly communicating system enhancements and anticipated timelines to providers may contribute to reducing provider frustration.
C2. Develop and implement financial delegations and controls	Summary and Final Assessment: Very positive progress and processes demonstrated as embedded. assessed as “Strong”. DSS has adopted MSD’s policies and structures and has restructured financial decision-making processes and controls. Procurement and Financial Delegations policies are in place and have been integrated fully into DSS structure, (mapped) processes and templates, providing rigor and clarity around whom can financially approve what, when, and why. Policies and process are consistent with good practice and align to the requirements of the 5th edition Government Procurement Rules (the Rules), the Government Procurement Charter, the Government Procurement Principles, and relevant legislation. DSS approval processes reflect the Delegated Financial Authority (DFA), including generally improved financial controls, oversight, and accountability throughout the process. Financial controls and processes are closely monitored, controlled and communicated across DSS to ensure clear oversight and awareness. An approach to ensuring awareness was provided and is being rolled out. A rubric framework has been implemented to evaluate funding requests, and a Provider Business Monitoring Group has been established to received and respond to provider requests for support.
C3. Restore staff access to HNZ systems	Summary and Final Assessment: Good progress made on restoring access; currently “Well-placed”. Working with Health NZ’s Health Sector Agreement and Payments (HSAAP) programme to implement Agreement Lifecycle Management (ALM) system. 116 contracts (12%) moved to ALM by October 2025. Monthly meetings are held. All remaining contracts are expected to transition to the new systems by 2027-28, noting that this is a significant timeframe. ALM documentation and process maps are comprehensive. All Portfolio Managers and Operations Managers have access to all current contracts through either the HNZ Agreement Search or the MSD database. Induction to commissioning includes ensuring staff understand how to access both platforms.

Critical Recommendations	2026 Review
C4. Develop and introduce governance structures for commercial management	Summary and Final Assessment: Very positive progress and excellent collateral; assessed as “Strong”. DSS has strengthened management and governance to ensure more effective and informed decision making. Improved governance has been established related to commercial, commissioning, and procurement activities. Supporting documents / slides related training / upskilling. Governance is now via: • The MSD Procurement Board, chaired by an MSD Deputy Chief Executive, and • An internal DSS Commissioning Committee, chaired originally by MSD DSS Deputy Chief Executive. Governance ensures strong oversight over contracts being commissioned and managed. It augments the oversight provided by the MSD Procurement Board and covers areas of responsibility proposed. Meeting minutes evidence disciplined, robust and embedded structures. A Provider Business Monitoring Group has been established as a channel to identify, raise and address issues, which includes relevant providers. Reporting and monitoring have increased. It is intended that new / next contracts clearly identify outcomes, measures, and Key Performance Indicators (KPIs) that the governance groups expect from all commercial activities, including for Business, System and People outcomes. Reviewed updates to Procurement Board: minutes demonstrate appropriate consideration and consistent level of scrutiny over time. Examples of documents for the Commissioning Board include consistent and comprehensive Commissioning Plans, agendas, regular meetings and detailed minutes and action items, and records of regular meetings.

Essential Recommendations	2026 Review
E1. Establish updated policies and procedures frameworks	Summary and Final Assessment: Very positive progress; some excellent collateral; currently “Well-placed”. On track to achieve “Strong” as capability and processes embed. Active monitoring of progress and consistent use is recommended. DSS has adopted many relevant MSD policies, processes, and frameworks to improve governance, efficiency, and quality of delivery. It has also created and/or updated relevant internal policies, processes, and frameworks where required. This included creating a DSS contract management and procurement process and Commissioning Framework with accompanying toolkit. These resources have appropriate review cycles alongside ongoing monitoring for relevancy and accuracy. Policies and frameworks are generally comprehensive. Some dates for review appear to have passed, so not clear whether some are current, but they are consistent with good practice. Templates now represent a comprehensive set with numerous “standard” templates but also many where high levels of maturity and utility is evident e.g. Outcome Agreement Management Plan, Governance Cheat Sheet, Recommendation Report. We noted the document suite includes some excellent support tools for those performing the services. Interviews highlighted that some confusion remains due to the amount of collateral, some overlap and/or lack of clarity on roles and responsibilities as the new structure embeds, and some instances of continued use of legacy processes and behaviours.
E2. Develop clearly defined roles and responsibilities matrix	Summary and Final Assessment: Very positive progress; currently “Functioning” and on track to achieve “Well-placed” as capability and processes embed. An initial RASCI matrix was developed that, after consultation and feedback, informed the design of the new DSS structure, roles and Job Descriptions that went live in October 2025. The organisational structure now has clearly defined teams and roles, separating out and assigning responsibilities to the appropriate teams for delivery. Supporting memos on capability gaps and resourcing options articulated the approach and rationale well. The Job Descriptions we reviewed appear appropriate and include right level of detail. Consultation document and decision documents were thorough and in line with good practice. A good induction pack has been developed, and it is positive that the background and context that have led to the current environment are included, as well as the current DSS focus areas and objectives. The Contract Management 101 slides and training collateral are good tools for supporting, upskilling and monitoring people in roles. DSS Complaints Process has been separated and is clearly described.

Interviews indicated that high turnover and extensive organisational changes have resulted in some loss of institutional knowledge. With many new staff only joining since late 2025 and early 2026 and processes also being new, capability is understandably still developing.

Interviewees also commented on the amount of collateral, complexity of processes, and some overlap and/or ongoing lack of clarity regarding roles and responsibilities as the new structure embeds. We also noted instances where legacy processes and behaviours are continuing.

Consistent with an organisation transitioning from a high-volume backlog and embedding new systems and roles, contract managers are currently undertaking a broad range of activities, as part of core contract management. These do, consistent with their role descriptions, include responding to provider queries, supporting payment and invoicing processes, building provider capability, and coordinating across teams to stabilise service delivery.

However interviewees indicated that only 40–50% of their time is currently able to be dedicated to contract management, and a high proportion of time remains focused on reactive and transition-related work. However, contract managers also indicated that this workload is expected to reduce over time as historical issues are resolved, system and process clarity improves, and both provider and internal capability strengthens. This is expected to enable a greater proportion of time to be dedicated to proactive, strategic contract management as the operating model matures.

E3. Process mapping completed

Summary and Final Assessment:

Documentation and mapping of processes is positive, but some residual ambiguity between processes, documents and/or responsibilities between teams. Currently **“Functioning”**. On track to achieve **“Well-placed”** as capability and processes embed. Ongoing maintenance of maps and procedures is recommended.

Process maps and documents now describe processes for end-to-end procurement, establishing new contracts, variations, HSAAP changes (new clauses), NASCs, National Referral Centre processes, etc.

Good work has been done in this area. Further work might include strengthening version control and aligning naming / numbering conventions with relevant process documents e.g. Commissioning Framework.

In some cases, e.g. Operational Manual for Needs Assessment and Service Coordination Managers (Volume 1) (2005), and Support Package Allocation Guide (2016), procedures manuals appear comprehensive but note have not been reviewed in some time and remain attributed to DSS in Ministry of Health.

Process workflows / RASCI for Procurement and Commissioning Boards appear clear and appropriate.

Issue / challenge documents e.g. Support Package Allocation positively demonstrates a structured approach to consideration and resolution.

Essential Recommendations	2026 Review
E4. Gain visibility of critical/high profile procurements and contracts	Summary and Final Assessment: Currently “Well-placed”. On track to achieve “Strong” as capability and processes embed. Contracts spend extracts, analysis and planning documents including forward scheduled and work programme tracking have been sighted. Category and provider segmentation has progressed significantly, and next steps for segmentation validation and implementing provider engagement strategies are positive and in line with good practice. The Tracker – Contract Logging Statistics demonstrates good monitoring practice.
E5. Complete high-level reviews of Priority 1 supply arrangements	Summary and Final Assessment: Overall good progress has been made, and reviews are being worked through. While initial programme is being completed, we must rate as “Functioning”; but DSS is on track to achieve “Well-placed” and then move into “Strong” as the cycle becomes embedded. Line by line review reported to the Executive Leadership Team in March 202 demonstrated good approach, established an initial work programme and indicated next steps and ongoing approach. It is important to acknowledge the significant wave of catch-up work and tactical positioning that needs to be further progressed before the work programme can become classed as “smoothed”. The structure and approach that is being taken is in line with good practice and appears pragmatic and well considered. The Procurement Plan 24-27 endorsed by DSS Governance Group in December 2024 is an excellent document that includes well defined differentiation between commissioning and procurement. The category management approach appears to be a well-designed way of breaking down workload and priorities. Good work on spend and Strategic Provider Relationship Management (SSRM) analysis is continuing. A residential provider panel (at an estimated cost of ~\$1bn p.a.) has been reviewed, advertised and implemented. A procurement for Cochlear Implants is in progress. Review of the commissioning plans, draft project plan, and for the Community Group Home (CGH) project, the Request for Proposal (RFP) and contract document, indicate the documents are appropriate and comprehensive. The Briefing Pack on the CGH Pricing Model changes shows good progress on streamlining and simplifying processes, and establishing a nationally standardised, manageable framework with no impact on current clients, and improving processes and interaction with providers. Slides on establishment of open panel for Residential Support Service are well set out and indicate a considered approach.

Essential Recommendations	2026 Review
	Review files on the Top 15 providers show a structured approach reviewing and analysing provider performance. Some more advanced than others, and sections around opportunities, and strategic recommendations are generally immature but will provide a good foundation that can be iterated and built on. We understand that the 2026-27 Business Plan will focus on service areas requiring recommissioning and explore potential for different models of service delivery and support.
E6. Develop clear lines for issues escalation and resolution	Summary and Final Assessment: Assessed as “Functioning”. On track to achieve “Well-placed” as understanding of roles and processes embed. Draft DSS escalation and sign out processes developed, consistent with and aligned to the new structure, and appear appropriate. Internal interviews validated that leadership and governance structures are visible, committed and supportive. Escalation lines and resolution pathways have generally improved. Some interviewees (both internal and external) indicated that separation of teams has created some confusion over who is responsible for what or who needs to be involved, resulting in some disconnect between aspiration and current front line / provider reality. We anticipate that this will alleviate as new processes embed and both internal and provider capability develops.
E7. Regular strategic engagement at ELT level with Health NZ and MSD regarding requirements, risks, and issues	Summary and Final Assessment: Assessed as “Well-placed”. Covered well within governance documents related to Procurement and Commissioning Board, use of MSD risk framework, Taskforce and connections to Organisational Health Committee (OHC).

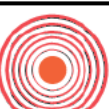
Good Practice Recommendations	2026 Review
G1. Introduce staff training and knowledge management	Summary and Final Assessment: Assessed as “Well-placed”. If training continues as indicated, on track to achieve “Strong” as capability and processes embed. Positive progress with good collateral developed, including: • Capability Uplift: Initial Training Plan, and updated Training Plan from August, planned through to September 2025. • Training Schedule 2024-2025. Suggests some training has occurred on some topics. • Commissioning 101 training slide pack. Good briefing content. • Briefing Pack on Community Group Home Pricing Model changes. • Information pack on Residential Support Services open panel procurement.
G2. Work with Health NZ Sector Ops to streamline processes	Summary and Final Assessment: The Health NZ Sector Ops relationship is assessed as “Well-placed”. Document related to the HNZ and DSS working group and to the HSAAP project evidence working together collaboratively and regularly over time. Well documented governance structure that appears effective. However, while processes are improving, interviews indicated that systems remain fragmented and system challenges and data quality issues are continuing to affect payments and reporting.
G3. Review of performance targets, service levels and quality measures in provider agreements	Summary and Final Assessment: Frameworks for review of targets established and demonstrated as embedded. Rated as “Well-placed”. Developed frameworks give a good foundation. Procurement plans we reviewed confirm targets, SLAs and outcomes are being reviewed and updated for next contracting rounds. RFP documents we reviewed are good quality and consistent with good practice. The DSS Steering Group approved the DSS Commissioning Cycle in December 2024 and a more detailed DSS Commissioning Framework in August 2025. The latter sets out the base processes, principles, focus areas, and governance forums. We saw that the framework is being used. The CGH Industry briefing pack clearly sets out outcomes, services sought, standardised contract structure, and a robust selection process. CGH Panel documents include a fit for purpose Panel Contract that aligns well with Government Procurement Rules and expectations for panels. We noted the Performance Management Framework set that includes measures and a “RAG” grading system but did not see that services levels were well defined. Service specifications were clear on the overall requirements but not clear which involved monitored service levels.

Good Practice Recommendations	2026 Review
	Enhanced Audit Programme documents are supported by a detailed procurement plan and good RFP set. A new contract is now in place that enables an updated approach with appropriate benchmarking. NASC Performance Management Framework evidences a good framework with required targets, measures and baselines. Monthly reports since March 2025 demonstrate ongoing monitoring is occurring and good progress is being made. Documents considering Social Sector Accreditation and updated financial controls include good analysis, well-constructed consideration and recommendations with good rationale and clearly articulated way forward.
G4. Root cause and proactive incident prevention	Summary and Final Assessment: Rated as “Functioning”. Good progress has been made on foundational processes and systems including root cause analysis. Some challenges have been resolved. More work is required to resolve systems, particularly related to provider invoicing and payments, and to embed operational consistency and understanding. Complaints and incident reporting processes / forms are evidenced. RASCI and commissioning framework provide the basis for root cause analysis and proactive incident prevention. DSS quality and safeguarding review memo and supporting papers indicate solid analysis and progress, also reflected in the RASCI, job descriptions and processes. DSS has completed work to differentiate between Commissioning and Quality Assurance and Improvement i.e. different teams undertake each function. Quality Assurance and Improvement are responsible for monitoring incidents and complaints whereas previously everything came to the Portfolio Managers. A strengthened approach to Quality Assurance and Improvements was evidenced, with a prioritised programme of work underway to set or reset foundational practices that can then be built upon.
G5. Consider appetite for accelerated separation from MSD and establish Ministry of Disabled People as standalone organisation	Summary and Final Assessment: Link concurs that this recommendation is no longer applicable, following establishment of DSS as a business unit in MSD. We have no further comment.

4. Updated Commercial Practice Maturity Assessment

This section summarises the findings of the re-review of commercial practice maturity and includes a comparison against the 2024 assessment.

Scoring is based on the five-point scale set out below. A detailed assessment is also being provided to DSS.

Icon	Status	Description
	Strong	Consistently operates proactively at a high level and in line with good practice in the subject area. Regarded as a leader or exemplar.
	Well-placed	Generally operates proactively at a high level in the subject area.
	Functioning	Generally operates at a reasonable level in the subject area. Some areas of weakness that require action in due course to avoid risks or issues becoming evident or escalating.
	Weak	Operates below the required standard in the subject area. Prompt action is needed to address issues to avoid risks or issues becoming evident or escalating.
	Failing	Operates below a minimum standard in the subject area. Critical risks or issues are imminent or evident.

In summary, the 2024 baseline included 8 areas rated “**Failing**” and 3 areas rated “**Weak**”.

At the conclusion of the 2026 re-review, across the 11 commercial maturity focus areas assessed, two focus areas are assessed as “**Strong**”, five as “**Well-placed**”, and four as “**Functioning**”. No areas remain assessed as “**Weak**” or “**Failing**”.

This represents a material shift from the 2024 baseline, with all areas now operating at or above a functional level and the majority demonstrating established or maturing good practice capability. Areas assessed as “**Functioning**” reflect those where credible foundations are in place, but consistent operational delivery and embedment are still developing, particularly in system-dependent and high-volume activities.

Overall, the 2026 maturity profile shows that foundational capability has been established across all areas. It has moved from a position of systemic weakness in 2024 to full functional coverage in 2026, with over half of focus areas now at or approaching good practice.

While interviews broadly support this, they also indicate that many changes are not yet consistently occurring in practice. In effect, operational consistency and stakeholder experience are still catching up. The remaining uplift required is primarily in consistent execution, workforce capability, and system enablement. In particular, providers and front-line staff continue to report operational friction in payments, systems, and contract management, indicating that further embedment is required to fully realise intended outcomes.

Summary of Updated Commercial Maturity Assessment

Review Area	2024 Rating	2024 Comments	2026 Rating	2026 Comments
1. Strategic planning for commercial outcomes	 Failing	A strategic plan is in development. Commercial outcomes do not currently appear to be defined in the organisation. Category management and strategic provider relationship management not visibly occurring in any meaningful way. Whaikaha is not currently operating under a legislative framework, creating a significant enterprise risk exposure (rather than specifically a commercial risk). In its establishment, there has been greater expectation that Whaikaha will partner better with the community and will move to personal budgets.	 Well-placed	DSS has made significant progress since 2024 in clarifying strategic direction and commercial intent. A commissioning framework and strategic procurement plan are now in place and guide activity. A 3-year Commissioning & Funding Roadmap is also being finalised. While DSS's key result areas remain high-level within MSD's Statement of Intent, supporting documents demonstrate clearer outcomes logic, prioritisation, and alignment between strategy and commissioning activity. Performance measures are starting to be monitored, though further refinement and quantitative targets are expected as the organisation matures. Overall, the shift from "Failing" to "Well-placed" reflects strong foundational improvement. We observed that further embedment is underway to ensure that strategic intent is consistently translated into operational delivery and stakeholder outcomes.
2. Commercial strategy alignment with key result areas	 Failing	There is no enterprise-wide commercial strategy and there are no defined targets to effectively drive or monitor service performance or value for money, or to inform how disability support services should be commissioned or managed, inhibiting effective commercial management and planning in the short- or medium-term. We saw little evidence of commercial strategies that would enable Whaikaha to better meet its obligations regarding Te Tiriti o Waitangi, or the needs of disabled persons and their whānau.	 Well-placed	DSS now demonstrates coherent alignment between its commercial activities and organisational objectives. Objectives across business plans, commissioning plans, and procurement plans are increasingly consistent and mutually reinforcing. Current priorities appropriately focus on embedding the operating model and commissioning discipline, capability uplift and sustainable arrangements with providers. Value for money considerations are increasingly embedded in planning and decision-making. This area has improved materially and is assessed as "Well-placed". Opportunities to introduce more explicit and measurable value and efficiency targets are being identified and progressed.

Review Area	2024 Rating	2024 Comments	2026 Rating	2026 Comments
3. Commercial Leadership to drive outcomes	 Weak	There is a good mix of longstanding staff and recent appointments in relevant leadership roles. While positive, it is too early to gauge impact of the new appointments and traction of the new team. Frequency and nature of escalation to, or engagement of, senior leaders is higher than is desirable.	 Strong	Commercial leadership has strengthened considerably following structural change and leadership appointments. Clear accountability now sits with senior leaders, supported by well-defined governance forums. Engagement of leaders in commercial matters is visible, disciplined and evidenced through governance papers, reporting, and decisions. The Capability Uplift Programme has benefited from strong executive sponsorship, and leadership credibility has supported momentum and cultural change. This focus area shows the most pronounced improvement and is assessed as “Strong,” indicating leadership is now an enabling force rather than a constraint. Interviews suggest that leaders do need to ensure that front line staff and providers have access to them, are made to feel comfortable in approaching them, and that actions promised are followed up.
4. Commercial engagement with stakeholders	 Weak	Understanding of commercial drivers is mixed and is not used effectively to drive performance or decision-making. Value is not being added as part of business-as-usual practice. Engagement with stakeholders occurs but is reactive and heavily focused on operational issues.	 Well-placed	Engagement with internal stakeholders and providers has improved, moving from reactive to more structured and planned interaction. Provider interviews indicated some experiences remain mixed with some positive early interactions but inconsistent follow-up or access. Provider segmentation, establishment of Supplier Relationship Manager roles, and use of contract and commissioning plans indicate a more deliberate approach to engagement. While the work programme is still being rolled out across the full provider base, early evidence points to improved quality of interaction and clearer expectations. Phase 2 interviews provided mixed but broadly supportive evidence that commercial engagement has improved, while also indicating that consistency of follow-up and provider access remains an area for continued embedment. This area is assessed as “Well-placed”. Further uplift is expected as coverage expands and new structures embed.

Review Area	2024 Rating	2024 Comments	2026 Rating	2026 Comments
5. Governance / organisation of the commercial management function	 Failing	Commercial governance structures do not appear to be routinely in place. Responsibilities, accountabilities, and pathways are not clear to staff. Approval of renewals does not appear to adequately consider provider performance, contestability or changes to contracts or specifications. Parameters or “guardrails” for allocation of expenditure and contract do not appear to adequately be in place. There is poor awareness or evidence that delegations are understood and complied with, and we saw examples where separation of duties is not consistent with good practice. A Procurement Board and a risk framework are being introduced but are not yet fully in place. Overall consideration of risk appears weak.	 Strong	Governance arrangements have been significantly strengthened and are now clear, disciplined, and aligned to MSD structures. Oversight is provided through the MSD Procurement Board, the DSS Commissioning Committee, and supporting forums, each operating under formal terms of reference. Decision-making pathways, escalation routes, and accountabilities are well documented and evidenced through meeting records. Governance now provides appropriate assurance, oversight, and challenge. Arrangements are operating effectively at a central level, with continued focus on ensuring consistent translation into operational practice. This represents a clear shift from the 2024 position and is assessed as “Strong.”
6. Alignment with policy and processes	 Weak	A commercial management policy does not exist. Procurement policy is ex MSD and considered not fit for purpose for Whaikaha. Some standard operating procedures exist but are either from MSD or legacy from the Ministry of Health. Most have not been updated in many years and are considered out of date. Progress is underway but it is too soon for evidence of improvement. Where standard Government templates are used, some are not used in an optimal manner, either increasing administration or reducing effectiveness. An Operational Policy team is now established. We understand this team will progress a Commercial Management Policy .	 Well-placed	DSS has adopted MSD policies and refreshed or created frameworks where gaps existed, including procurement, contract management, delegations, and risk. Policies and processes are now aligned with the Government Procurement Rules and are integrated into templates, process maps, and guidance. Review cycles are defined and evidence of regular refresh is emerging. Communication and availability of policies have improved through induction and training materials. Interviews indicated that some confusion persists due to overlapping documents, legacy artefacts, and uncertainty over “current” roles. This area is assessed as “Well-placed,” reflecting robust foundations. On track to achieve “Strong” as new structures and processes further embed.

Review Area	2024 Rating	2024 Comments	2026 Rating	2026 Comments
7. Sourcing and collaboration	 Failing	Strategic sourcing and category management are not occurring in any meaningful way. Almost all contracts roll over without contestability with little to no consideration of previous performance, changes needed to ensure contracts reflect the services being provided or service improvement. The process and templates being used for bulk renewals are not fit for purpose and rely heavily on an opt out that we assess is being applied too broadly. While use of Outcome Agreements is positive, the construction and content do not capture meaningful information or drive measurable service performance.	 Functioning	DSS has transitioned from predominantly reactive sourcing to a more strategic and planned approach. Spend analysis, provider segmentation, and category planning now inform procurement activity. While a large volume of legacy contracts and expiry pressures remain, the strategic procurement plan provides a credible pathway forward. Early market engagement is occurring in selected procurements, though not yet consistently applied at scale. Given remaining workload and dependency on workforce capacity, this focus area is assessed as "Functioning". Interview evidence indicates that while direction is credible, the pace and consistency of implementation remain constrained by volume and capacity pressures. These will need to be addressed for DSS to achieve a "Well-placed" or "Strong" assessment in an accelerated timeframe.
8. Provider relationship management	 Failing	Provider relationship management is not routinely or consistently applied due to other duties taking priority, Diverting attention from commercial management, staff are increasingly involved in or being drawn into activities more akin to operational service delivery, case management and / or advocacy. This included increased involvement in dealing with OIAs and complaints etc that were previously centralised at MoH. Activity is reported to be largely reactive and unstructured. Whaikaha needs to make a clear decision and communicate whether this split model is Whaikaha's intention and/or mandated.	 Functioning	Provider relationship management has improved substantially from the 2024 baseline. Clearer role separation between commissioning, relationship management, and contract management is in place, supported by structured plans and escalation pathways. The work programme has been prioritised based on segmentation analysis, contract expiry and criticality. Focus remains on stabilising relationships while addressing performance and sustainability. Not all providers yet have mature management plans due to scale and prioritisation, but progress is evident where effort has been focused. This is appropriate and broadly consistent with good design practice. However, provider feedback indicates that relationship maturity remains uneven, with ongoing concerns regarding compliance burden, pricing pressures, and variability in engagement experience.

Review Area	2024 Rating	2024 Comments	2026 Rating	2026 Comments
		Contract administration is operating at a functional level but poor systems, poor access to information and delays in approvals limit progress and still result in variations being signed later than the expiry of current contracts. Noting their focus on sites and the way they operate, Providers describe Whaikaha as well meaning, but report that interaction and feedback is irregular, ambiguous, inconsistent and at times, non-existent.		This area is assessed as "Functioning," with credible foundations for further improvement.
9. Management of people and skills development	 Failing	Whaikaha has had to grow rapidly since establishment. No workforce strategy was sighted; Position Descriptions reviewed are in line with industry examples. Duties appear to be inconsistently allocated and too broad in places. Appropriate separation of duties appears compromised in places. Processes for allocation of contracts appear informal and inconsistent. Induction is not tailored to Whaikaha and does not include specific focus on commercial management. We saw no evidence of ongoing training or development. Work to address this is underway.	 Functioning	Workforce capability has improved through role redesign, clearer job descriptions, and a structured training and induction programme. The Capability Uplift Programme provides targeted learning aligned to the commissioning and contract management lifecycle. Recruitment is near complete, with a mix of new staff, and longstanding staff, some in new positions. Given the recency of recruitment and high proportion of new staff, capability is still maturing, and variability in delivery is evident across some functions. Interviews indicated that the changes are regarded as positive; however, some confusion persists on roles and responsibilities across the new teams and uncertainty over processes. This is expected to improve as the new structure and processes further embed. Contract managers reported that only 40-50% of their time is spent on contract management; the balance is still being spent on reactive issue resolution Overall, this area is assessed as "Functioning". If there is continued focus on embedding skills development, an assessment of "Well-placed" should be achievable in the near term.

Review Area	2024 Rating	2024 Comments	2026 Rating	2026 Comments
10. Knowledge and performance management	 Failing	Delivering value for money, savings or benefits is not occurring or being tracked in a meaningful way. Evidence of knowledge and performance management is limited. Reporting formats have remained static for 10+ years. Some feedback considered some service specifications are out of date and not fit for purpose. Some reporting is not reviewed by Portfolio Managers, and some providers are being paid while performance issues remain unresolved.	 Well-placed	DSS has materially improved its approach to performance monitoring and knowledge management. Frameworks for commissioning, performance measures, and reporting are now in place, supported by improved data, tools, and templates. Knowledge capture and sharing have improved through toolkits and guidance. Performance monitoring is occurring in priority areas, though full cycles are not yet complete for all categories. Interviews indicate some confusion persists on roles, responsibilities and processes across the new teams. This area is assessed as "Well-placed" reflecting strong progress. It is noted that full performance cycles have not yet been completed across all categories, and realisation of benefits will depend on consistent application over time.
11. Use of technology processes and tools	 Failing	Access to systems used for contract management, payments and reporting are a major frustration and have deteriorated since Whaikaha's establishment. There are numerous critical service and commercial risks; some are now or are emerging as issues. There are significant ongoing challenges related to payment systems are impacting timely completion of variations and monitoring e.g., financial reporting has been unavailable for 18 months. Some good practice is occurring but is heavily constrained by system and process limitations. While prior systems are not perfect, regaining appropriate access may alleviate some issues immediately. We did not see accessible tools or information available for staff (e.g., visually impaired).	 Functioning	Significant progress has been made in addressing technology and system access issues that materially constrained commercial management in 2024. DSS has improved access to contract information and implemented Agreement Lifecycle Management. A project is underway to transition all remaining agreements to new systems over the next two years. Internal and provider interviews highlighted that despite significant effort and good intent by all involved, procedural and system issues remain with invoicing and payments. Critically, resolution pathways and timelines remain unclear, presenting high risk to providers related to cashflow and commercial sustainability which can be expected to worsen if the time to resolve is protracted. Process maps and tools now support end-to-end commercial activity. Further optimisation and automation opportunities remain available. While positive progress has been made, the residual issues mean we can only assess this as "Functioning". If not addressed, this area can be expected to worsen.

5. Conclusion

First, we thank all those that participated in the re-review, including the DSS and MSD leaders, staff, and providers. The quality and depth of information provided, together with the openness shown throughout the process, clearly demonstrate DSS's commitment to transparency, accountability, and continuous improvement. This behaviour itself is indicative of a maturing organisation and increasingly embedded good-practice disciplines.

As noted by DSS in response to the 2024 Link Review the programme transformation has been extensive. The redefined DSS has refocused on its role as a commissioner, funder, and steward of disability support services across New Zealand, working to ensure consistency, clarity, and certainty for disabled people accessing support."

Overall, we are highly impressed with the substantial progress that has been made in a relatively short period of time, particularly in an environment that has continued to involve a significant amount of change.

Our assessment is that the approach to capability uplift has been well-structured, activities have been logically and pragmatically prioritised based on criticality, and clear governance and management practices have been put in place and are now increasingly embedded to being part of business-as-usual. This included weekly and fortnightly internal reporting plus quarterly reporting to Minister.

Since the 2024 baseline review, there has been clear and sustained uplift in commercial management maturity. Many areas are now operating at, or approaching, good practice levels. Importantly, the remaining areas for development relate primarily to scale, consistency, and embedment rather than fundamental capability gaps.

We are comfortable that all 16 recommendations have been appropriately progressed, noting that progress is in varying degrees of becoming embedded. This is expected given the significant volume of legacy issues and catch-up activity still being worked through.

The only area still requiring critical attention relates to continuing issues with provider payments, reflecting both system/process complexity and provider compliance factors, which continue to create operational friction and financial uncertainty for some providers.

We also recognise that the new structure and operating model for DSS within MSD only went live on 1 October 2025. Both the new structure and the approach being taken to capability uplift appear to be in line with good practice and to be pragmatic and well considered.

Work continues to embed the recommendations and associated activities into business-as-usual. There is a clear ongoing focus on continuous quality improvement, whether it is to add value, improve efficiency, decrease risks and/or to improve satisfaction of staff and providers.

Overall DSS is well on track to achieve its refocused role as a commissioner, funder, and steward of disability support services across New Zealand, working to ensure consistency, clarity, and certainty for disabled people accessing support.

Our detailed commercial management maturity re-assessment and its findings have been provided separately to DSS.

6. Recommendations

Approach to recommendations

The recommendations below reflect two complementary perspectives:

- a) progress against 2024 recommendations (Section 3), and
- b) the current maturity assessment (Section 4).

While significant implementation progress has been achieved, the maturity assessment indicates that the primary opportunity is now to ensure consistent operational realisation of these improvements in practice.

The focus of the next phase is therefore not the establishment of frameworks, but the reliable and consistent execution of commercial practices across staff, systems, and provider interfaces, particularly in areas assessed as “Functioning”.

Addressing the below interrelated areas should enable further uplift in maturity over the next 12 months.

Recommendations are categorised by criticality, based on the following definitions:

- **CRITICAL (do now): critical and urgent.** To increase the likelihood of a successful outcome, or avoid a critical failure, it is essential that the action is taken immediately.
- **ESSENTIAL (do by 24 December 2026):** important actions required to support sustained improvement in performance and maturity.
- **GOOD PRACTICE:** actions that will support ongoing optimisation and continuous improvement.

Recommendations

Urgency	Commentary
CRITICAL (do now – critical and urgent)	1) Resolve provider invoicing and payment issues: a) stabilise end-to-end operational delivery b) address underlying system and process fragmentation c) focus should be placed on ensuring a consistent and reliable provider experience, given the ongoing operational friction and associated risks identified through interviews.
ESSENTIAL (do by [December 2026])	1) Review balance of time contract managers are able to spend on contract management and remove obstacles. 2) Empower staff to own and make appropriate decisions within their authority. 3) Embed clarity within teams of the operating model and RASCI. 4) Operational consistency and embedment a) Embed consistent application of commercial frameworks and processes across all teams and providers, with a focus on areas currently assessed as “Functioning”. b) Translate established governance, policies, and processes into consistent day-to-day practice, particularly in high-volume and system-dependent activities.

Urgency	Commentary
	5) Operating model clarity and workforce capability a) Embed the operating model and RASCI in practice, ensuring roles, responsibilities, and decision rights are clearly understood and consistently applied across teams. b) Rebalance contract manager workload to enable proactive contract management and provider engagement, reducing reliance on reactive issue management. c) Strengthen translation of leadership intent into front-line delivery, ensuring staff have clarity of authority, access to decision-makers, and are empowered and confident to act within their delegation. 6) Systems, data, and delivery enablers a) Improve system integration, data quality, and usability to support consistent execution of commercial processes and reduce reliance on workarounds. b) Stabilise operational delivery across system and process interfaces, particularly where these impact payments, contract management, and reporting. 7) Provider experience and delivery discipline a) Ensure commitments to providers are consistently followed through, improving reliability and trust in DSS as a commissioning and funding partner. b) Strengthen consistency of provider engagement and contract management practice, aligning delivery with intended commercial and commissioning approaches.
GOOD PRACTICE	1) Strengthen tracking of consistency of process application, provider experience, and delivery against intended outcomes. 2) Implement regular validation of operational maturity, including staff and provider feedback, to confirm that improvements are consistently realised in practice. 3) Continue the planned work programme, with periodic review and refinement to ensure alignment between strategic intent, delivery, and outcomes.

Appendix A: Interviews completed

We interviewed over 20 key internal and external stakeholders across 17 interviews (as outlined below) across DSS and MSD leadership, staff, providers, and cross-agency stakeholders to understand the current contract management process within DSS, the roles and responsibilities of key stakeholders, and the environment that they work in currently.

The findings from the interviews provided a robust and representative evidence base to validate the assessment from the desktop analysis conducted in Phase 1 of the re-review.

We wish to thank everyone for their involvement, candour and insights. It was clear that everyone we spoke to is committed to DSS achieving as much as it can for disabled people and their whānau.

Company	Name	Title
s9(2)(b)(ii)		[Provider]
DSS	Trish Davis	Director Contracts and Funding
DSS	Mike Hiscox	Director Procurement and Commercial
MBIE	Craig Butler	Director Advisory and Business Services
		[Provider]
MSD	Karen Dawson	Group General Manager, Commercial Operations
DSS	Rayoni Keith	Director Commissioning
DSS	Carmela Petagna	GM Quality Assurance and Improvement
DSS	Melissa Gill	DCE Organisational Assurance and Communication
DSS	Joe Meech	Director Shared Services
DSS	Al Hill	GM DSS Transformation
DSS	Suzy Verster Ainsley Harrigan Esther Bathula	Contract Managers
		[Provider]
DSS	Rachael Burt	GM Design, Delivery and Data
DSS	Tracey Crowther	Deputy CFO
DSS	Tracy Smith	Team Leader, Contract Processing
DSS	Anne Shaw	DCE DSS



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