

Introduction to Residential Pricing changes Session 1 – Setting the Scene

Facilitator Guide - November 2025

This session is Part 1 of a 4-part series:

- Session 1 – Setting the Scene
- Session 2 – Introducing BAT
- Session 3 – BAT in action
- Session 4 – Additional Information

Facilitator Notes

The four sessions can be delivered as one or in separate sessions to allow for discussion and reflection on the material.

Delivered as separate sessions			
Session 1 Setting the Scene	Session 2 Introducing BAT	Session 3 BAT in action	Session 4 Additional Information
Delivered as two sessions			
Session 1 - Setting the Scene Session 2 - Introducing BAT		Session 3 - BAT in action Session 4 - Additional Information	
Delivered as one session			
Session 1 - Setting the Scene Session 2 - Introducing BAT		Session 3 - BAT in action Session 4 - Additional Information	

A summary of each of the sessions is as follows:

- Session 1 - Setting the Scene**
 - Introductory session, designed to give background related to changes that have occurred and are occurring in relation to DSS, including the findings and recommendations of the Independent Review.
- Session 2 - Introducing BAT**
 - Background related to the Band Allocation Tool, including why and how it was developed and tested. Guidelines are provided on how to access, as well as explaining where the BAT fits in with other tools and processes.
- Session 3 - BAT in action**
 - A hands-on demonstration of the BAT tool using an exemplar scenario for demonstrating best practice, exploring the layout (Purpose, Plan View and List View) and functionality (Help, text boxes etc). The session includes explaining how to access the tool, using information from the BAT in Socrates, and how to ultimately determine the appropriate band.
- Session 4 - Additional Information**
 - The final session discusses the process related to dealing with exceptional rates. It provides information on how to access training and support material, as well as describing what resources are available to support the use of the BAT and GPT tools. It concludes with information on what is on the radar in terms of future work and developments.

Introduction

Introduction to Residential Pricing changes - Session 1 – Setting the Scene is an introductory session, designed to give background related to changes that have occurred and are occurring in relation to Disability Support Services. It discusses the historical context of DSS, the findings of an Independent Review into DSS and the approach being taken to support NASCs and EGLs. This will provide context as to why the Community Group Home pricing model was created and why BAT tool is being introduced.

Audience

All end users of the BAT. This will be predominantly NASC Service Assessors and Service Coordinators across the NASC network as well as Budget Advisors within Mana Whaikaha (Midlands).

Duration

45 minutes.

Learning Outcomes

By the end of the session, learners will be able to understand:

- The reasons for the Independent Review into disability support services
- The significance of the recommendations from the Independent Review
- The decisions that the Government made in relation to the recommendations
- What has been achieved so far
- How and why the Community Group Home pricing model was developed

Agenda

DURATION	TOPIC
8 mins	Welcome and Objectives
5 mins	Background to Change/The Independent Review
6 mins	The Government response
5 mins	What has been achieved
11 mins	The Community Group Home (CGH) Pricing Model
4 mins	The Pricing Model - The Big Picture
6 mins	Wrap-up / Q&A
45 mins	Total

Training collateral for this session

- Facilitator Guide (PDF)
- PowerPoint Presentation (PPTX)

Facilitator prompts

- **DO:** An instruction to the Facilitator about something they need to do (e.g., **DO:** Display slide 1).
- **SAY:** The script for the Facilitator.
- **ASK:** A prompt to the Facilitator to ask a question and get responses from participants.
- **CLICK+SAY:** An indication that the Facilitator needs to click the slide to have something appear/occur before reading the next part of the script. For example, you may be prompted to **CLICK+SAY** as parts of an animation are revealed on a slide.
- **Facilitator Note:** A note specifically for the Facilitator that may be a suggestion, guidance, warning etc.
(e.g., **Facilitator Note:** Welcome people as they come online to the session and ask them to put their mic on mute.)

Note - Text contained in the Notes section of PowerPoint slides, such as “[IMAGE CREDIT Photo by Marissa Grootes on Unsplash]” is there to simply credit the image used and does not need to be mentioned in the presentation.

Welcome and Objectives

Purpose – This first section introduces the topic and the learning objectives. It also gives an overview of what learners will be doing in the session.

IF THIS SESSION IS BEING DELIVERED ONLINE AND YOU INTEND TO RECORD IT, YOU SHOULD START RECORDING NOW. MAKE SURE TO INFORM PEOPLE AND GIVE THEM THE OPTION TO DECIDE IF THEY WANT TO TURN THEIR CAMERAS ON.

(8 minutes)

Welcome and Objectives



2. **DO:** Display slide 1
3. **DO:** Welcome everyone as they join the session. Instruct them to put themselves on mute if they are joining a virtual training session.

Facilitator Note: You could insert a waiting activity of your choice as you wait for people to come online.

If the session is not being delivered online, adjust some of the instructions you use here.



4. **DO:** Display slide 2
5. **DO:** Start the session and introduce yourself. You may wish to start with a karakia. Introduce anyone that will be supporting you or helping with the session.

Facilitator Note: If you are happy doing so, encourage learners to ask questions throughout the session (such as by '**Raising their hand**'). If you are not able to answer their question immediately, then take a note of their question and either respond to it at the end of the session or at a time where

If the session is not being delivered online, adjust some of the instructions you use here.

you can provide a suitable answer. Otherwise, indicate that there is an opportunity for Questions and Answers at the end of the session.

6. **ASK:** If they are all ready to begin by using the 'Thumbs-up.'



What we will cover

7. **DO:** Display slide 3

8. **SAY:** This first session is designed to give you background related to changes that have occurred and are occurring in relation to Disability Support Services. It discusses the historical context and the approach being taken to support NASCs and EGLs. This will provide context as to why the Community Group Home pricing model was created and why the BAT tool is being introduced.

9. **CLICK+SAY:** Here's what this session is going to cover:

- The reasons for and scope of change occurring – The Independent Review findings, recommendations and the Government response
- What has been achieved so far
- The Community Group Home (CGH) Pricing Model, including the bigger picture, what's changing in the system and changes affecting NASCs and EGL sites



Learning Goals

10. **DO:** Display slide 4

11. **CLICK+SAY:** At the end of this first session, you will be able to understand:

- The reasons for the Independent Review into disability support services
- The significance of the recommendations from the Independent Review
- The decisions that the Government made in relation to the recommendations
- What has been achieved
- How and why the Community Group Home pricing model was developed



The 70/20/10 model

12. **DO**: Display slide 5

13. **SAY**: Before we get stuck in, I want to talk for a moment about something called the 70/20/10 model for learning.

Your greatest learning will happen in the real world.

14. **CLICK+SAY**: The 70/20/10 model acknowledges that realistically, 10% of learning happens in training, 20% through interaction with others, and 70% of your learning occurs on the job.

15. **CLICK+SAY**: Embedding what you learn here in these sessions will come from when you're working with colleagues and with the disabled person and their whanau. And it will come from practice. So don't be concerned if you find some of the material a little daunting. This is just the start of your learning journey.

Background to Change/The Independent Review

Purpose – This section introduces the reasons for and scope of the changes occurring; the findings of the Independent Review and the recommendations it made to Government.

(5 minutes)

Background to Change/The Independent Review



1. **DO:** Display slide 6
2. **SAY:** I'm going to take some time to give you the context in which the need for change occurred, as well as discussing the Independent Review that the Government commissioned and the recommendations from that review.



3. **DO:** Display slide 7
4. **SAY:** Around 54,000 people receive Disability Support Services.
5. **SAY:** More people are using DSS, their needs are more complex, and the costs of services are rising.
6. **SAY:** From the 2015/16 financial year onwards, nine out the following ten years saw DSS require more funding than it was allocated.
7. **SAY:** In response to concerns about the financial sustainability of DSS, the Government announced an Independent Review into the disability support system in 2024, to look at what could be done to strengthen the long-term sustainability of DSS.



8. **DO:** Display slide 8
9. **SAY:** This Independent Review found that:

- Delivery was inconsistent.
- There was inadequate budgetary control and commercial rigour.
- The two largest areas of cost growth were residential care and flexible funding.
- And that policy settings and service design did not allow the effective administration and delivery of DSS.

The Government response

Purpose – This section introduces the decisions that the Government made in relation to the findings of the Independent Review as well as discussing the Independent Review recommendations that the Government accepted.

(6 minutes) The Government response



1. **DO:** Display slide 9
2. **SAY:** The Government accepted the seven recommendations of the Independent Review, which we will look at in a moment.



3. **DO:** Display slide 10
4. **SAY:** The Government also decided that:
 - The Ministry of Social Development would become responsible for delivering disability support services
 - The Ministry of Disabled People – Whaikaha would be upgraded to a stand-alone government department and lead work to improve the lives of disabled people.
 - And that a Taskforce would lead implementation of the recommendations and help facilitate the transfer of disability support services to MSD.



5. **DO:** Display slide 11
6. **SAY:** The Independent Review included seven recommendations, which were accepted by the Government.
7. **CLICK+SAY:** Recommendation 1 reinstated indicative budgets for Needs Assessment and Service Coordination organisations, introduced fixed budgets for Enabling Good Lives sites and reinstated monitoring and reporting requirements for NASCs, Equipment and Modification Service providers and EGL sites.
8. **CLICK+SAY:** We'll look at Recommendation 2 more later in this presentation, but the recommendation was to freeze funding for residential care and conduct a review of contract and pricing models.
9. **CLICK+SAY:** Recommendation 3 meant there was no price increase for providers in the 2024/25 financial year (to 30 June 2025).
10. **CLICK+SAY:** Recommendation 4 established an effective function within the Ministry to monitor the assessment and allocation performance of Needs Assessment and Service Coordinators and Enabling Good Lives sites.
11. **CLICK+SAY:** Recommendation 5 is to update the assessment and allocation settings for individuals based on level of need.
12. **CLICK+SAY:** Recommendation 6 is to establish criteria for access to Flexible Funding and review the Flexible Funding guidelines to improve clarity and consistency.
13. **CLICK+SAY:** Recommendation 7 was superseded by the decision to transfer DSS into the Ministry of Social Development.

What has been achieved

Purpose – This section introduces the progress that has been achieved

<p>(5 minutes)</p> 	<ol style="list-style-type: none"> DO: Display slide 12 SAY: The Ministry of Social Development had made significant progress on implementing the recommendations to strengthen Disability Support Services. 	
	<ol style="list-style-type: none"> DO: Display slide 13 SAY: DSS has... <ul style="list-style-type: none"> Invested in staff capability and developed systems and processes to increase efficiency. Worked closely with the sector and key stakeholders across the system to understand what is working well and where improvements can be made. Cleared ¾ of the waitlist for specialist equipment. Commenced an internal change process to boost capability as commissioner, funder and steward. Worked with other agencies to improve interagency processes and joint funding. Consulted with the community on changes to assessments, allocations and flexible funding. 	
	<ol style="list-style-type: none"> DO: Display slide 14 SAY: It has also... 	

- Established prioritisation of entry into residential care.
- Provided certainty of funding for NASCs, Enabling Good Lives sites and providers
- Improved and strengthened practices in terms of forecasting, reporting, and ensuring that prioritisation supports those in need of those supports.
- Improved the monitoring of services and funding to enable better understanding of the drivers of change/ increase in the number and the cost of people supported.
- Improved practices for commercial procurement, and
- Introduced a Review Panel to provide assurance that people are receiving appropriate support packages and residential care entitlements for high-cost packages.

Community Group Home (CGH) Pricing Model

Purpose – This section introduces Recommendation 2 and the CGH model. It explains how and why the pricing model was created.

(11 minutes)



1. **DO:** Display slide 15
2. **SAY:** Recommendation 2 of the Independent Review saw a freeze of funding for residential care and a review of contract and pricing models carried out. This saw the introduction of the Community Group Home (or CGH) pricing model.



3. **DO:** Display slide 16
4. **SAY:** Since then, the following has occurred...
5. **CLICK+SAY:**

- DSS has introduced a new residential pricing model for Community Group Homes.
- The CGH pricing model came into effect from 1 July 2025, but the system and contract changes needed to administer the model, come into effect from 1 December 2025 (after the expiry of current contracts on 30 November).
- The pricing model sets a nationally consistent approach to pricing. It is structured to make it easier for DSS to respond to changes in the costs of services over time.
- Most people (around 90%) supported in Community Group Homes are expected to be funded on banded rates.
- A small number of people (about 10%) who have either very low or very high needs, or are dual funded, and have rates that are either below the bottom or above the top of the bands will be funded by an exceptional rate.
- The new pricing is considered all-inclusive and will incorporate the existing daily rates for individuals, as well as sleepovers, advanced interim payments and day activity contributions.
- NASCs will continue to determine which banded or exceptional rates are paid to providers for individuals, using nationally consistent tools.



6. **DO:** Display slide 17

7. **SAY:** A tool was developed that helped understand the true costs of delivering community residential services today, as well as a matrix of possible support scenarios.

The support scenarios and costs were matched to the existing population to develop a full list of refreshed day rates.

The new rates were divided into break points, reflecting an average price for services. These became the banded rates for the system.

Service and cost assumptions were tested with a subset of existing providers and NASC representatives in March.



8. **DO:** Display slide 18

9. **SAY:** The first version of the model was based on a 2024 residential data set.

In July 2025 up-to-date facility and support information was collected from providers. This generated an updated list of rates based on a more accurate understanding of current service arrangements.

These rates are reflected in the new Community Group Home Service Agreement.

The rates will fund most (about 90 percent) of those accessing Community Group Home services.

The model recognises that some people, given the level of support required, will need funding at levels that fall outside of the banded rates range.

Category	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6
Residential	1000	1500	2000	2500	3000	3500
Community Group Home	1200	1800	2400	3000	3600	4200
Specialist	1500	2200	3000	3800	4600	5400
Residential (incl. support)	1100	1600	2100	2600	3100	3600
Community Group Home (incl. support)	1300	1900	2500	3100	3700	4300
Specialist (incl. support)	1600	2300	3100	3900	4700	5500

10. **DO:** Display slide 19

11. **SAY:** These are the rates as of December 2025.

As mentioned previously, the list of refreshed rates has been divided into 6 bands, reflecting an average price for services. These become the Banded Rates for the Community Group Home system.

Facilitator Note: Pause to allow participants to review the rates being displayed on screen.



12. **DO:** Display slide 20

13. **SAY:** There are several cost components that are now funded within the rates. These are...

- Advanced Interim Payments (pay equity top-ups)
- Sleepover payments
- Day Activity Contributions
- Client Contributions



14. **DO:** Display slide 21

15. **SAY:** The Global Pricing Tool (GPT) is the aspect of the model that uses estimated costs of service to determine fair and reasonable prices for community residential supports.

In working out what a fair and reasonable price should be paid, it considers a range of house sizes and capacities, in different regions, with different levels of support delivered.



16. **DO:** Display slide 22

17. **SAY:** Let's look at some of the underpinning cost assumptions related to the Global Pricing Tool.

18. **SAY+CLICK:**

- This diagram shows the major cost components that inform the pricing model.
- Support worker remuneration is based on the Pay Equity levels including oncosts. Care coordinator remuneration was benchmarked using carers site data.
- Sleepovers are included for all houses at the support worker labour rates (i.e., “wakeover” rates).
- Food, laundry, household supplies, market rentals, telecommunications, transport, and stationary costs are benchmarked against Household Economic Survey (HES) data from Statistics NZ.
- Utility costs are benchmarked against rates from major electricity retailers; insurance against major insurance companies; and water costs against utility provider rates.
- Furniture and fitout have been determined based on costs sourced from major furniture retailers.
- Specialist services, office equipment, and lawn mowing / maintenance are based on rates from current pricing tools, adjusted to reflect current costs.
- Overheads such as facilities management, administration and accounting were benchmarked based on aggregated carers site data.
- Management fees are calculated at 15%, based on the overheads as well as provider feedback.



19. **DO:** Display slide 23

20. **SAY:** The Band Allocation Tool (BAT) is a tool that will be used by the NASCs and EGL sites (alongside a disabled person) to generate the outputs that will determine the funding levels needed.

The outputs from the Band Allocation Tool are inputted into the Global Pricing Tool to generate the rate that should be offered to the provider.

Dual funded arrangements, funding levels outside of the band structure, are called "Exceptional Rates" and will be subject to a DSS-led quality assurance process.

Variable	Value
Region	Northland
House Size	100sqm
Capacity	10
Level of Support	High
Day Rate	\$100
...	...

21. **DO:** Display slide 24

22. **SAY:** Here's an example of some of the service variables generated by the BAT.

The Global Pricing Tool estimates fair and reasonable prices for community residential supports using estimated costs.

It considers a range of house sizes and capacities, in different regions, with different levels of support delivered.

There are more than 1000 combinations of variables that are considered in the Global Pricing Tool.

The Pricing Model - The Big Picture

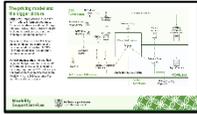
Purpose – This section looks at how the pricing model fits into the bigger picture of disability support services, and how changes will impact NASCs and ELG-sites.

(4 minutes)



1. **DO:** Display Slide 25

2. **SAY:** Let's look at how the pricing model fits into the bigger picture of disability support services, and how changes will impact NASCs and ELG-sites.



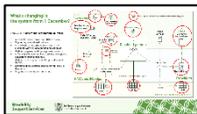
3. **DO:** Display slide 26

4. **SAY:** Let's start in the top-right of the diagram and work our way around clockwise.

DSS is the Commissioner. It uses the Global Pricing Tool to inform Banded Rates for the sector. Agreed rates are included in provider contracts, along with any auditing requirements.

5. **CLICK+SAY:** Providers deliver care to DSS clients based on the agreed contracts and service co-ordinations from NASCs. They are responsible for supporting audits when required.

6. **CLICK+SAY:** NASCs and EGL-sites manage their assigned budgets and report required information to DSS. When allocating services, they use the BAT Tool or apply for endorsement of an exceptional rate decision via the DSS Assurance Team and Review Panel process.



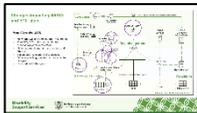
7. **DO:** Display slide 27

8. **SAY:** The CGH Pricing Model programme delivers:

- A credible pricing model for Community Group Home services
- Supporting operational policies
- A new contracting arrangement with CGH providers with an updated funding schedule
- Update Socrates
- Updated payment schedule
- A funding allocation tool and process to support consistent pricing nationally
- Updated data requirements for providers and NASCs
- Scripting of all existing rates to new rates by 1 December
- Ongoing monitoring and reporting

Facilitator Note: Useful context:

- DSS funding has grown from \$1.2 billion in 2015/16 to \$2.8 billion in 2025/26
- Residential care funding has grown about 10 percent in each of the five years (2019-2024)
- Multiple Transparent Pricing Models (TPMs)



9. **DO:** Display slide 28

10. **SAY:** From 1 December 2025:

- New prices will be administrable in Socrates
- The GPT, BAT and Exceptional Rates process will come into effect
- New data requirements for providers and NASCs
- There is a new Exceptional Rate endorsement process that we will discuss
- Other supporting operational policy will be in place
- There are updated NASC budgets

Facilitator Note: Useful context:

- DSS funding has grown from \$1.2 billion in 2015/16 to \$2.8 billion in 2025/26
- Residential care funding has grown about 10 percent in each of the five years (2019-2024)
- Multiple Transparent Pricing Models (TPMs)

Wrap Up / Q+A

Purpose – This section provides time for learners to ask final questions and to discuss the learning outcomes. It also encourages them to reflect on the most valuable take-outs from the session and identify what actions they can take.

(6 minutes) Wrap up



1. **DO:** Display slide 29
2. **SAY:** We've reached the final part of this first session. It was designed to give you background related to changes that have occurred and are occurring in relation to Disability Support Services. This is to provide you with the context as to why the Community Group Home pricing model was created and why the BAT tool is being introduced.



Learning goals

3. **DO:** Display slide 30
4. **SAY:** You should now be able to understand:

- The reasons for the Independent Review into disability support services
- The significance of the recommendations from the Independent Review
- The decisions that the Government made in relation to the recommendations.
- What has been achieved
- How and why the Community Group Home pricing model was developed.



Questions

5. **DO:** Display slide 31
6. **ASK:** Does anyone have any questions, concerns or comments they wish to make currently?

Facilitator Note: Take any questions from the participants and respond if you can. If you are unsure of the answers to any questions, indicate that you will note the question down and feed answers back later.

Use your discretion as to how long to spend on this activity before moving to the final slide.



Thank you

7. **DO:** Display slide 32
8. **SAY:** In the next session, I'll give you more background related to the Band Allocation Tool, or BAT tool. We'll look at why it was created, including how it was developed and tested. I'll give you guidelines on how to access it, as well as explaining where the BAT fits in, in relation to other tools and processes.

In later sessions I'll give you a guided tour of the BAT tool and look at additional information related to exceptional rates and resources that are available to you.

Facilitator Note: It is now up to you, based upon how you have decided to run the training sessions, whether to take a break or move on to the next session.

9. **SAY:** Thank you.
