Ministerial Advisory Committee for Health Reform Implementation

High-level assessment to support future focused health reform implementation

November 2023

Contents

Appendices

Glossary

Abbreviation	Stands for
ASH	Ambulatory sensitive hospital admissions
BAU	Business as usual
DHB	District health board
DPMC	Department of the Prime Minister and Cabinet
ELT	Executive Leadership Team
FPIM	Finance, Procurement and Information Management
FTE	Full-time equivalent
GPEP	General Practice Education Programme
GPS	Government Policy Statement
HMAC	Hauora Māori Advisory Committee
IDFs	Inter-district flows
IMPB	Iwi Māori Partnership Board
KPI	Key Performance Indicators
MECA	Multi-Employer Collective Agreement
NPHS	National Public Health Service
PHA	Public Health Agency
RIT	Regional Integration Team
SECA	Single-Employer Collective Agreement
SRIO	System Reform Integration Office

Acknowledgements

The Committee acknowledges and thanks Te Whatu Ora and Te Aka Whai Ora Boards, Chairs and Chief Executives, the Director-General of Health, their staff, and interviewees outside the organisations who gave their time for this assessment. There was a great deal of support for this assessment across the organisations and interest in how it can help focus and prioritise efforts to further progress achievement of the reform's five system shifts to benefit all New Zealanders.

Executive summary

Since 1 July 2022, the New Zealand health system has been undergoing a major reform, with fundamental changes to its structure and way of operating. This reform is the most significant transformation and change programme to take place in both the public and private sector within New Zealand in recent years, and it occurred amid the challenges of responding to a global pandemic.

The findings of this assessment must be considered within the context in which the organisations were formed and are now operating. The organisations are only 16 months into a reform programme that was always envisaged to take five to 10 years. The three key organisations (Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora) that form the backbone of the reformed sector are still managing the effects of the pandemic response as well as being under public and political scrutiny to provide early evidence of reform benefits within a fiscally constrained environment.

During this establishment period, the organisations have been operating in a challenging context that is not unique to New Zealand. Many of these challenges are longstanding, including global workforce shortages, significant legacy issues such as underinvestment in health infrastructure, and an inflationary environment and cost pressures.

The Ministerial Advisory Committee for Health Reform Implementation (the Committee) was commissioned prior to the 2023 General Election, to undertake a high-level future focused assessment of the areas requiring attention over the next 12 – 18 months to further progress the intentions of the reform across the health sector. It was envisaged that the timing of this assessment would provide helpful input to the incoming Minister of Health post-election as well as guide the sector in terms of its own prioritisation going forward. It is expected that the context and policy environment will evolve following the change in government and Minister of Health, with the incoming parties having signalled their intent to revisit some aspects of the current reform construct. This report has not tried to pre-empt what changes will be made and what must be considered as a result.

This assessment was undertaken during September and October 2023 and considered progress within delivery of the five key system shifts that underpin the reform intent:

1. The health system will reinforce Te Tiriti principles and obligations.
2. Everyone will be able to access a comprehensive range of support in their communities to help them stay well.
3. Everyone will have access to high-quality emergency or specialist care when they need it.
4. Digital services will provide more New Zealanders with the care they need in their homes and local communities.
5. Health and care workers will be valued and well-trained for the future health system.

Interviews were conducted between 4 September and 9 October 2023 and were primarily held with tier one, two and three leadership within the three key organisations. Discussions were also held with the Chairs and Boards of Te Whatu Ora and Te Aka Whai Ora and interviews were held with clinical leaders and some external stakeholders. The interviews were complemented with a review of relevant documentation. Consumers and frontline staff were not interviewed. It is acknowledged that since the time of writing, the organisations will have subsequently made progress in some areas outlined in this assessment.

The assessment builds on recent reviews undertaken within the system and has not re-assessed the same areas covered by those reviews to avoid duplication of work. It is also important to note that this is not a review of individual organisation performance to date, nor a formal evaluation or an audit of health reform implementation progress to date across the system. Nor does it question the overall intent or the policy of the existing reform model.

While broad in scope, this assessment did not cover all aspects of health system reform implementation and notes a number of areas that were specifically excluded.

The findings of this assessment are organised into early successes delivered by the key organisations; key areas where positive progress has been made but ongoing focus, prioritisation and monitoring is required; and key areas that require increased attention to ensure the momentum needed to support positive reform implementation progress. Recognising the value of transformation discipline and capability, and collectively focusing on a few key priority areas will be critical to success.

Early successes of the reform

This assessment found early confidence that, given time, and with further bedding in of enabling foundational blocks, the expected intentions of the five system shifts could be achieved for New Zealanders. A strong partnership across Manatū Hauora, Te Aka Whai Ora and Te Whatu Ora has been established at a system level and has enabled progress to be made towards addressing legacy issues.

While the early successes and benefits of this assessment have been categorised into one of the five system shifts, a number of these could be considered as contributing to one or more of the shifts. In addition to attributing specific successes to the five system shifts, new enabling foundations, structural arrangements and ways of working are also beginning to demonstrate benefits towards the shifts. As outlined in the report a one-system view, the amalgamation of resources from 20 DHBs, and nationally co-ordinated planning approaches have shown early benefits. However, it must be stressed that this was never intended to be (and must not become) a 'centralised' model, but rather a nationally planned, regionally delivered and locally tailored model.

Examples of the early successes and benefits include:

- Delivery of the Health System Preparedness Plan for Winter 2023 demonstrated the benefit of nationally managed and co-ordinated initiatives. The plan provided access to support in communities through new models of care, including increasing the capabilities of pharmacists to prescribe medicines and an increase in the use of clinical telehealth.
- The removal of inter-district flows (IDFs) enabled the efficient transfer of patients and/or staff so access to treatment is not bound by geographical boundaries.
- A national approach to service planning and funding has enabled local issues to be identified and collectively resolved through national clinical networks and solutions that were not able to be easily applied in the past, e.g. a national approach to supporting lists in radiation oncology and cardiac surgery.
- A national rapid database has been stood up, providing aggregated clinical data and trends at service, local, regional and national levels. This information supports identification and monitoring of clinical improvement opportunities.
- The amalgamation of DHBs and the pooling of individual DHB resource enabled early investment in key areas of immediate / urgent workforce need, as well as the resolution of longstanding issues such as pay equity through a national approach.
- During the recovery response to Cyclone Gabrielle, Te Aka Whai Ora was able to respond to vulnerable communities in a timely manner, and commission support and services at pace.

Refer to section three for further examples of early successes. The successes do not stand alone and should be considered alongside areas which still require ongoing focus, prioritisation and/or increased attention, as discussed in sections four and five. It is also acknowledged that while positive progress has been made in some clinical areas, in other areas there are still significant pressures and

performance issues such as access to general practice, emergency department presentations and wait times.

Key areas where positive progress has been made but ongoing focus, prioritisation and monitoring is required

These are areas the Committee noted that positive progress is being made and appear to be on the right track to deliver the desired movement towards the five system shifts. However, continued ongoing focus and prioritisation of these areas alongside disciplined tracking of progress against detailed implementation plans is imperative.

- The foundations for progress are in place for **embedding Te Tiriti at all levels of the system**, however further work is required to implement Pae Tū: the Hauora Māori Strategy and to clarify the roles and responsibilities of Iwi Māori Partnership Boards (IMPBs) going forward. This is important as IMPBs are a key new element of the reform construct, representing Māori perspectives on the needs and aspirations of Māori with respect to planning and decision-making for health services and responding to local level health needs.
- Following the Hauora Māori Advisory Committee (HMAC) review, **the action plan developed by Te Aka Whai Ora should continue to be progressed and monitored.** The progress identified through the HMAC review requires continued support to progress improvement of hauora Māori outcomes.
- The system must **continue to progress workforce development.** Progress has been made to address immediate workforce pressures and workforce sustainability, however implementation plans are required to drive delivery and monitor progress on the Health Workforce Plan 2023/24 and Te Mauri o Rongo | the New Zealand Health Charter.
- Corporate systems are critical to enable staff to do their jobs efficiently and effectively. The organisations must **continue to build on enabling foundations.** In particular, there should be prioritisation and investment in the implementation of the Te Whatu Ora digital workspace and payroll infrastructure.
- Further **work is required to improve the accessibility and quality of data and analytics.** This includes developing a standardised national dataset to inform decision making.
- **The Joint Leadership Group should be strengthened as a system leadership forum.** It should monitor a ruthlessly prioritised programme of work aligned to the agreed Reform Roadmap and key prioritised collective action items.
- The development of the Reform Roadmap was a significant achievement. **The respective roles of the SRIO in monitoring system reform progress and the proposed assurance function need to be clear** and both must take a system-wide view that includes consideration and monitoring of all three organisations. The SRIO must be able to provide independent unfettered system level advice to the Minister of Health.

Key areas that require increased attention to ensure the momentum required to support positive reform implementation progress

These are areas the Committee recommends need increased focus over the next 12 – 18 months to ensure momentum and buy-in, to progress delivery of the five system shifts with sufficient pace.

Health service delivery

- The organisations must **advance work to measure and monitor progress towards equity, to inform priority action**. The goal of achieving equity for priority populations will take time. Work must continue on the Performance Framework for the Measurement of Equity to ensure that

improvements in equity goals can be tracked to inform commissioning and where priority action needs to occur.

- **There is an urgent need to address primary care sustainability issues.** All aspects of community and primary care need urgent action.
- **The scope and role of localities needs to be clarified, and the feasibility of implementing them nationwide should be considered.** A targeted approach for locality coverage should be explored, noting that this may require legislative change.
- Work is required to **clarify the roles and accountabilities within the public health operating model.** Resolution of an agreed operating model in public health is urgent, particularly for communicable disease surveillance and clinical governance.
- The organisations and wider sector should collectively **power up key priorities**, such as key clinical improvement programmes. This could inform the work programmes of the Clinical Networks. National targets could help drive nearer term health benefits and progress towards achievement of the five system shifts.
- There is a need to **coordinate the approach to addressing social determinants across government.** Socio-economic and rural issues contribute and compound existing inequities. This was consistently raised by interviewees and requires working proactively and systematically with wider government partners to achieve agreed national mandate.

Organisational design and development

- Te Whatu Ora and Manatū Hauora have appointed transformation leads which will assist with **enabling and strengthening the transformation focus and discipline within these organisations, and ensuring an overall aligned system.** Leaders of the organisations, including Te Aka Whai Ora, must continue to recognise the value of transformation planning, discipline and capability, and reporting against agreed measurable KPIs in this area. There is a need to jointly agree a limited number of key priority transformation deliverables.
- Attention is required to **ensure the workforce understands what the transformation means for them and their role in it.** It is important for the frontline to understand not just the vision but how the proposed reform impacts them and what opportunities the new arrangements bring for new ways of working and being able to innovate and do things differently. This will require investment in foundational technology and specialised communications tools.
- Manatū Hauora must **progress its work to create a 'smaller, future focused' and proactive Ministry with the right capability**. It must be clear what its role as the system steward means, including having a clear long-term vision and anticipating change; being grounded in evidence and international best practice; and actively supporting the sector to prepare for change. There must be a substantive change in the way policy is delivered, including the appropriate use of regulatory levers to enable innovative delivery. Manatū Hauora must work at pace alongside Te Whatu Ora and Te Aka Whai Ora to enable delivery.
- There is a **risk of transformation focus being subsumed by operational challenges within Te Whatu Ora that must be mitigated**. There must be ongoing pressure and focus to finalise organisational structures and embed the desired change in culture. The Te Whatu Ora Board must monitor progress against a transformation plan with clear goals and milestones.
- Te Whatu Ora must urgently work to align its operating models across the organisation to **achieve an integrated and aligned system.** The operating models require intentional horizontal integration embedded at all levels of the organisation.

- **The Regional Integration Teams must be empowered as a core element of the system infrastructure and as the horizontal integrator.** Their Terms of Reference must be finalised urgently, and a review of their functionality and effectiveness should be undertaken in August 2024.
- Te Whatu Ora should rapidly progress further development of its **internal performance management framework and tools to drive performance improvement**. This must enable the Board to monitor BAU and transformation performance of the organisation, facilitate performance challenge, and drive performance at a Board and ELT level.

Enabling foundations

- There are currently a large and overwhelming number of strategies, plans and priorities, some of which are required by legislation. The organisations should **clarify, align and reduce system setting artefacts, and this may require legislative change**. This will assist with understanding what to prioritise and enable a more streamlined focus of effort and resource.
- Significant work is required to **rationalise and strengthen system level performance monitoring and management**. Work needs to be done to understand the role of Manatū Hauora as monitor of a large Crown Entity (including the role of monitoring the board vs organisation performance) and to rationalise performance metrics for more efficient reporting.

1. Purpose, scope and approach

The Ministerial Advisory Committee for Health Reform Implementation (the Committee) was established under section 87 of the Pae Ora (Healthy Futures) Act 2022 (the Act) to provide advice to Ministers on the continued implementation of the health reform beyond Day One of the new system, advising on the delivery, benefits, and any risk for the first two years of the reform. The Committee's Terms of Reference is attached as **Appendix A**.

This report was commissioned to provide a high-level future focused assessment of the areas requiring attention over the next 12 – 18 months to further progress the intentions of the reform across Manatū Hauora, Te Whatu Ora, and Te Aka Whai Ora. The objective was to help the organisations prioritise their focus going forward to further drive implementation momentum for the new health system model in order to deliver on the reform's five system shifts to benefit all New Zealanders.

It was envisaged the timing of the completion of this assessment would also provide helpful input to the incoming Minister of Health post-election. It is expected that the context and policy environment will continue to evolve following the change in Government and Minister of Health, with the incoming parties having signalled their intent to revisit some aspects of the current reform construct. This report has not tried to pre-empt what changes will be made and what must be considered as a result.

This assessment considered progress within delivery of the five key system shifts that underpin the reform intent:

1. The health system will reinforce Te Tiriti principles and obligations.
2. All people will be able to access a comprehensive range of support in their communities to help them stay well.
3. Everyone will have access to high-quality emergency or specialist care when they need it.
4. Digital services and technology will provide more care in people's homes and local communities.
5. Health and care workers will be valued and well-trained for the future health system.

The Committee has assessed reform implementation progress with delivery of these shifts firmly in mind. In many cases, given the early days of the reform, this includes assessing more broadly where the enabling foundations needed to support delivery of one or more of these shifts.

This assessment also builds on the work of the System Reform Integration Office (SRIO) Level One Reform Roadmap (the Reform Roadmap) and Confidence Assessment completed in August 2023.[1] It also considers recent reports undertaken by the Department of Prime Minister and Cabinet (DPMC) Implementation Unit and commissioned by the new organisations themselves (see **Appendix B** for a list of these reports), including the Hauora Māori Advisory Committee's (HMAC) assessment of Te Aka Whai Ora.

This assessment canvassed a broad range of areas covering the breadth of the reform intent and design. The findings for each of these areas have been organised under the following headings:

- Early successes of the reform – to identify positive early benefits already gained in the 16 months since reform implementation on 1 July 2022.
- Key areas where positive progress is being made but ongoing focus is required.

[1] System Reform Integration Office (2023, September). *Health System Reform Progress Report Q1 FY 2023/24*; see also: https://www.health.govt.nz/new-zealand-health-system/health-system-reforms/health-system-reform-roadmap

- Key areas that require increased attention to ensure the momentum needed to support positive reform implementation progress.

This is not a review of individual organisation performance to date, nor a formal evaluation or an audit of health reform implementation progress to date across the system. Nor does it question the overall intent or the policy of the reform.

While broad in scope, this assessment did not cover all aspects of health system reform implementation. Specifically, the following areas were excluded from this assessment:

- The HMAC commissioned an independent high-level assessment of Te Aka Whai Ora progress against Cabinet expectations in May 2023. An action plan was developed for Te Aka Whai Ora to report against. As HMAC is monitoring this progress, the Committee did not explore this.
- Te Whatu Ora Board capability – given the recent appointment of a new Chair, and an independent review of Board Committees commissioned by Te Whatu Ora, the Committee did not consider Te Whatu Ora Board capability and functioning.
- Leadership capability – this is the role of the Boards to monitor and is therefore not included in this assessment.
- Financial sustainability – this is being monitored by the Boards, Manatū Hauora and the Treasury. While not focussed on in this report, financial sustainability of the health system is a significant issue that the Committee has canvassed in the past. In this assessment interviewees expressed concern on a number of fronts from (among other things), cost pressures (e.g., the SECAs, pay equity and pay parity), the effects of inflation, unfunded but critical infrastructure investments (e.g., payroll) and areas that require ongoing new investment (e.g., primary care). These are significant issues that require ongoing monitoring, management and consideration and some of these are outlined in section two.
- Readiness to meet Budget 2024 pre-conditions – again, this activity is being closely monitored by the Boards, Manatū Hauora and the Treasury.

This assessment was undertaken during September and October 2023 with interviews between 4 September and 9 October 2023. It is acknowledged that since that time, the organisations will have subsequently made progress in some areas outlined in this assessment.

Committee members (Chair, Sue Suckling and Cathy Scott) along with the secretariat interviewed 47 people mainly across Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora (a list of interviewees is included as **Appendix C**). Interviews were primarily held with tier one, two and three leadership within the three organisations. Discussions were also held with the Chairs and Boards of Te Whatu Ora and Te Aka Whai Ora, and interviews were held with clinical leaders and some external stakeholders. Due to scope and time constraints, frontline staff and consumers were not interviewed in this assessment. Some of those interviewed had recently been appointed to their role. Approximately 150 documents were received from the organisations for review with additional desktop research undertaken where required. In general, the Committee relied on the accuracy of information that it was provided, seeking verification from the organisations as required.

2. A challenging operating context

The findings of this assessment must be considered within the context in which the organisations were formed and are now operating. They are only 16 months into a reform programme that was always envisaged to take five to 10 years. The three organisations that form the backbone of the reformed sector are still managing the effects of the pandemic response as well as being under public and political scrutiny to provide early evidence of reform benefits within a fiscally constrained environment. This section of the report provides the context that is critical to understand, when considering the findings of this assessment.

The scale and complexity of this reform is unprecedented in New Zealand

The health reform is the most significant transformation and change programme to occur in both the public and private sector within New Zealand in recent years, and it occurred amid the challenges of responding to a global pandemic. The financial implications for the reform are material, with Vote Health accounting for approximately 18.5% of total government expenditure.[2] The scope of the reform included the establishment of three new construct organisations. The first construct, the new delivery organisation Te Whatu Ora, involved the amalgamation of 20 DHBs, eight shared service agencies and 28 payroll systems with a combined budget of $24 billion in Crown revenue, over 90,000 head count in staff and a $20 billion asset base.[3] The span of corporate governance responsibility the Board has inherited is immense. This includes for instance primary responsibility from health and safety of the Te Whatu Ora workforce through to the corporate governance risks of the multiple subsidiaries received. The second, Te Aka Whai Ora was established as a change agent to drive improvement in systemic long-term under-performance in delivering hauora Māori. The third construct required material reshaping of a large conventional Ministry into a lean "system steward" to support the new operating organisations, with much of the operating performance management transferring from the Ministry to the Board of Te Whatu Ora.

The establishment of the three-way partnership at a system level across Manatū Hauora, Te Aka Whai Ora and Te Whatu Ora was intentional to put focus on, and create the leadership tension needed, to improve health outcomes for Māori, noting that if progress is made for Māori, it will benefit other underserved populations and all New Zealanders. It should be noted that, although not unique in its design, the inherent complexity in assuming the dual roles of commissioning services and monitoring hauora Māori has made it difficult for Te Aka Whai Ora to mature its monitoring function at the pace and to the degree intended.

Establishing the three new organisational structures on the scale required to support the reformed system was always envisaged to take significant time and energy. Both Te Aka Whai Ora and Te Whatu Ora were established as Departmental Agencies nine months prior to the go-live date. This enabled the appointment of interim Boards and interim Chief Executives, providing a runway to prepare the organisations to go live on 1 July 2022, and allowing early progress to be made in some areas, including the transfer of functions and resource across organisations, and preparatory work to amalgamate systems and processes and, notably, consolidating DHB financial accounts. However, overall and for various reasons, some of the earlier establishment work took longer than originally anticipated.

At the time of this assessment, Te Aka Whai Ora has permanent senior leadership appointments in place, Te Whatu Ora is near completion with its recruitment of permanent leadership positions, and the process of confirming tier three roles across the organisation is well underway. The scale of this change

[2] New Zealand Government (2023, October 5). *Financial Statements of the Government of New Zealand for the year ended 30 June 2023*. https://www.treasury.govt.nz/sites/default/files/2023-10/fsgnz-2023.pdf
[3] Te Whatu Ora Operational Plan 2023/24.

process is substantial. For instance, the consultation process on the business units' operating models involved 398 in person/virtual consultation town hall sessions with staff and a total of 18,942 individual and group submissions.

Manatū Hauora reoriented itself to its new functions, established the Public Health Agency and introduced an initial operating model in June 2022.[4] Once the new permanent Director-General of Health was appointed in November 2022 an independent review of the Ministry's future functions and capability needs was commissioned and work to transform the Ministry to support its role as system steward commenced. At the time of this assessment Manatū Hauora had recently confirmed its new structure. In a transformational change of this size, it is only once the new senior roles are filled that focus can really move to realignment and implementation of new operating models for the organisations to support the reform objectives.

Significant legacy challenges exist

During the first 16 months of establishment, the organisations have been working in a very challenging operational environment including navigating the remnants and consequences of a global pandemic. The organisations are also facing business as usual challenges associated with long standing legacy issues within the health system such as underinvestment in infrastructure. This underinvestment and poor asset management capability was identified as part of a review into Health and Disability Infrastructure by the Infrastructure Commission: Te Waihanga.[5] The years of underinvestment means that Te Whatu Ora has inherited a system already on the backfoot including inheriting hospitals requiring significant modernisation, with some buildings found to be unsafe for occupation or not fit for purpose. Previous DHBs estimated a further $24 billion of capital investment was needed over the next ten years to address the age and condition of current assets and the demands of a growing and aging population.[6]

Te Whatu Ora is also constrained by existing IT systems that were not functioning well and causing outages. In 2019, it was estimated that $2.3 billion of investment would be required over 10 years to upgrade DHB IT systems.[7] Efforts to modernise these systems are hampered by needing to first put in place priority foundation systems, such as common finance and payroll platforms to support the previous 29 organisations. Te Whatu Ora inherited 1500 IT projects from DHBs, including large national ones. These required unpicking in the first year of operation to determine alignment with reform objectives, and what should be prioritised without creating risk to frontline delivery.

Significant entrenched health inequities exist for Māori, Pasifika, and disabled people with persistent gaps in life expectancy. The average life expectancy in New Zealand is around 82 years. This is much lower for Māori at 76.8 years and Pacific people at 77.3 years.[8] These inequities have been evident for decades and the health system has historically failed to materially reduce and eliminate them. Not only are these inequities avoidable, they lead to increased complexities that also place significant pressure on both health system financial and non-financial resources.

Te Whatu Ora, and to a lesser extent Te Aka Whai Ora, inherited a complex and fragmented primary and community care system with thousands of organisations operating under differing arrangements. Services are categorised in a multitude of ways (e.g., by life stage, health condition, delivery method) delivered in multiple service settings (e.g., health clinics, schools, aged care facilities), operating under various business models (e.g., for profit, not-for profit, individuals, small business, multi-national

[4] Ministry of Health (2022, July). *Tikanga Whakahaere – Ministry of Health Operating Model.*
[5] New Zealand Infrastructure Commission Te Waihanga (2021). *Sector state of play: Health*. https://tewaihanga.govt.nz/our-work/research-insights/sector-state-of-play-health
[6] CAB-22-MIN-0132, Health System New Capital Settings.
[7] Ministry of Health (2020, June). *The National Asset Management Programme for district health boards, Report 1: The current-state assessment.*
[8] Te Whatu Ora (2023, September). *Aotearoa New Zealand Health Status – key insights*.

corporations) with varying funding methodologies (e.g., fee for service, capitation), and funding sources (e.g., Health, ACC, other government agencies, grants) and with varying contracting arrangements (e.g. nationally standardised, locally tailored).[9] The general practice capitation funding formula is problematic for several reasons, primarily in that there are inequities in the funding approach. It is not aligned to patient need, thereby services with higher health needs are not funded adequately.[10] There are important workforce shortages and numerous inconsistencies across the country in terms of service provision, access to providers, and what is publicly funded versus where there are co-payments and fees. These issues of fragmentation and underfunding are most felt by high need populations.

Pressures on planned care have also increased due to increasing high acute demand[11] combined with restrictions during the COVID-19 pandemic and workforce constraints.[12]

Further, the reform occurred in an environment of long running pay equity claims and MECA (now SECA) negotiations, that led to an adversarial environment between Te Whatu Ora and healthcare professionals during the startup period for reform implementation.

New Zealand's health sector is not unique in what it is experiencing

The reform is happening to a sector which has many complex and dynamic challenges that are not unique to New Zealand, many of which are longstanding. These challenges include growing demand for sophisticated services and technology, the increasingly complex needs of an ageing population, the higher prevalence of chronic diseases, increased need for mental health services, a health workforce that is understaffed and under pressure, with gaps in workforces including nurses, midwives, doctors, anaesthetic technicians, dental/oral therapists and hygienists, sonographers, and others. Te Whatu Ora estimates that it requires 4,800 nurses, 1,700 doctors and 1,050 midwives to fill the current gap in the health workforce.[13] Competition for resources globally has resulted in health professionals leaving New Zealand. These global skills shortages exacerbated the already constrained New Zealand system, putting further pressure on both primary and hospital care delivery during the first 16 months of reform implementation. In some cases, changing how services can be delivered to address these shortages (through different scopes of practice for existing health related professionals) is constrained by legislation/regulation.

An inflationary environment and increased cost pressures

Finally, the early days of reform implementation have occurred in an inflationary environment which has increased cost pressures in the health sector. Staff wages have increased, as well as costs for power, equipment, pharmaceuticals, and building and maintenance, putting strain on resources. These cost pressures have also put a strain on resources to improve capital infrastructure and IT systems.

The inflationary impacts exacerbate the existing operating financial pressures that Te Whatu Ora in particular is facing. Investment needed to deliver financial savings may not be aligned with the timing of benefits realisation, and unless this is acknowledged and addressed, will hinder the rate of reform

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[9] New Zealand Health and Disability System Review (2019). *Health and Disability System Review – Interim Report. Hauora Manaaki ki Aotearoa Whānui – Pūrongo mō Tēnei Wā.* Wellington: HDSR. https://www.health.govt.nz/system/files/documents/publications/h-and-d-full-interim-report-august-2019.pdf

[10] Sapere Research Group (2022, July 5). *A Future Capitation Funding Approach: Addressing health need and sustainability in general practice*. https://srgexpert.com/wp-content/uploads/2023/07/A-Future-Capitation-Funding-Approach-July-2022.pdf

[11] Te Whatu Ora (2023). *Clinical Performance Metrics.* Clinical Performance Report 1 April - 30 June 2023 – Te Whatu Ora - Health New Zealand

[12] CAB-23-MIN-0229, Reducing Wait Lists for Planned Health Care.

[13] CAB-23-MIN-0267, Health Workforce Plan 23/24.

implementation progress. Some of the considerable inflationary cost pressures Te Whatu Ora face include:

- 5% uplift for community contracts.
- 4 – 5% uplifts for Collective Employment Agreements with a workforce not settling at this level and undertaking strike activity.
- Increases of up to 20% per annum for the past two years in the costs for building materials and maintenance. This has also impacted building re-evaluation for two years in a row and puts pressure on the Health Capital Envelope.
- Increases in cost of blood products of 15% per annum.
- Increases of up to 7% for many supply categories – eating into savings from harmonisation, standardisation and rationalisation.
- Increases of up to 7% sought by outsourced health service providers (private hospitals, radiology, etc).
- Increases in PPE, security, cleaning and other costs in hospitals due to changes in practice for COVID-19 that are no longer funded but are now standard practice and are part of ongoing costs.

Notwithstanding the challenges outlined above, all three organisations are very committed to the reform agenda and the benefits it will unlock for New Zealanders. They are fully focused on driving transformation to achieve the five system shifts underpinning their strategic and operational plans. There are numerous early successes that show the benefits of the reform construct, and a selection of these are outlined in the following section of this report.

3. Early signs of success and benefits of reforming the system

Despite the significant operational challenges the sector has faced in the first 16 months of the reform, there are already tangible, early signs of success and benefits enabled by the reform structure coming through.

The lists below are by no means comprehensive. However, they provide early confidence that given time, with the further bedding in of enabling foundational blocks and a continual improvement approach, the expected intentions of the reform and the five system shifts could be achieved. While a number of the early successes and benefits could be considered as contributing to one or more of the five system shifts, for the purposes of this report they have been assigned to one specific system shift. These successes do not stand alone and should be considered alongside areas which still require ongoing focus, prioritisation and/or increased attention, as discussed in sections four and five. This includes evidence that there continues to be pressure and increasing demand across the system, resulting in for example a rise in ASH rates for children, and increased emergency department presentations[14].

System shift one: The health system will reinforce Te Tiriti principles and obligations

- There are early signs that the organisations have put an unequivocal focus on Te Tiriti and there is good progress towards achieving this system shift (see section 4.1).
- The development of Te Mauri o Rongo | the New Zealand Health Charter (the Charter)[15] through consultation with iwi Māori providers, workers and their unions and organisations that promote the interests of the health workforce is underpinned by Te Tiriti principles.
- Within the first 16 months Te Aka Whai Ora has successfully established 15 Iwi Māori Partnership Boards (IMPBs) which are formally recognised under the Act.[16] The IMPBs are a key element of the reform. They represent local Māori perspectives on the needs and aspirations of Māori with respect to planning and decision-making for health services, and responding to local level health needs as outlined in the Act.

System shift two: All people will be able to access a comprehensive range of support in their communities to help them stay well

- The "Health System Preparedness for Winter 2023" plan focused on 24 nationally managed and coordinated initiatives across eight focus areas, including a strong emphasis on primary and community care. This plan was clear, focused, monitored, and reported on regularly. This level of co-ordination and national management did not exist in the past with 20 DHBs. Te Whatu Ora plan to evaluate these initiatives to understand the impact they have had on the health and wellbeing of communities. The use of data and analytics enabled the individual and collective impact of the planned initiatives to be better understood and tangible progress was made, e.g.:
  - More than 730 community pharmacies were authorised and funded to dispense medications and provide consultations for minor ailments, with over 137,000 consultations undertaken by the end of September 2023.

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[14] Te Whatu Ora (2023). *Clinical Performance Metrics*. Clinical Performance Report 1 April - 30 June 2023 – Te Whatu Ora - Health New Zealand

[15] Te Whatu Ora (2023). *Te Mauri o te Rongo: The New Zealand Health Charter.* https://www.tewhatuora.govt.nz/assets/For-the-health-sector/Te-Mauri-o-Rongo-NZ-Health-Charter-/Te-Mauri-o-Rongo-NZ-Health-Charter_final-22-Aug.pdf

[16] Pae Ora (Iwi-Māori Partnership Boards) Order 2022 https://www.legislation.govt.nz/regulation/public/2022/0334/8.0/LMS792371.html; Pae Ora (Iwi-Māori Partnership Boards) Order 2023 https://www.legislation.govt.nz/regulation/public/2023/0156/latest/LMS845854.html

- Ambulance frontline paramedics were supported with clinical telehealth, which reduced referrals to Emergency Departments. 2,010 patients (69%) did not need transfers to Emergency Departments.

- The ability of Te Aka Whai Ora to respond to vulnerable communities in a timely manner, and commission support and services at pace was demonstrated through the recovery response to Cyclone Gabrielle where the need for mental health services was significant. Te Aka Whai Ora engaged with Māori partners specialising in Te Ao Māori psychosocial solutions. This resulted in the delivery of several initiatives. Further funding has been allocated for 2022/23 and 2023/24.

- The Health Quality and Safety Commission and Te Whatu Ora have been working closely on the development of infrastructure and systems to ensure consumer voice is more effectively integrated into the system at all levels. The Consumer Health Forum Aotearoa and a nationally focused Code of Expectations has been established.

  A National Quality Forum which will include Te Tiriti partners, consumers and agencies to raise and discuss health sector issues and risks is in the process of being established. It is a forum to review the data on quality of health care (in particular the Quality Alerts) and acts as a vehicle to coordinate, as appropriate, a sector wide response to identified concerns and potential quality improvement initiatives. The establishment of the Quality Forum was referenced in the Health & Disability System Review: Proposal for Reform, to "act as the umbrella organisation for consumer and patient voice, bringing together multiple existing local groups and non-governmental organisations".[17]

- The establishment of separate appropriations for primary and community care, and hospital and specialist services, means that funding cannot be shifted from community and primary care to meet the fiscal demands on the hospital and specialist services as was the case under the DHB system. However, there must be mechanisms in place to prevent disincentivising the transfer of resource from hospital to community care where appropriate. This may include the use of shared priorities and work programmes to reduce acute demand on hospitals, and to prevent avoidable hospital admissions.

System shift three: Everyone will have access to high-quality emergency or specialist care when they need it

"Reforms have allowed a national solution to a local issue"

- The establishment of the 'one system' national Planned Care Taskforce in the early days of establishment made recommendations that informed the development of an agreed measurable Action Plan. At the time of writing this report, Northern and Te Manawa Taki regions are on track to meet the target of no people waiting more than 365 days for treatment (excluding orthopaedics) by 31 December 2023. Central and Te Waipounamu regions are forecast to largely meet the target by end of January with a small number of complex patients by the end of March. All patients that are not treated by 31 December will have an individual treatment plan by end of the year.[18]
- The removal of IDFs has enabled the efficient transfer of some patients and/or staff not bound by geographical boundaries so that patients get quicker access to the care or level of expertise that is needed.
- Addressing historic radiation oncology access issues in Te Waipounamu through a national clinical network and being able to mobilise national resource to areas of need with national clinical consistency.

[17] Department of Prime Minister and Cabinet (n.d.). *Health and Disability System Review – Proposals for Reform* (proactively released paper and minute). www.dpmc.govt.nz/sites/default/files/2022-06/cab-21-sub-0092-health-disability-system-review.pdf

[18] Te Whatu Ora, Briefing to Health Services Committee.

- A national approach to service planning and funding (versus the previous 20 separate DHB approach) has enabled local issues to be identified and collectively resolved through national clinical networks and solutions that were not able to be easily applied in the past, e.g. removal of IDFs and a national approach to supporting lists in radiation oncology and cardiac surgery.

  Leadership appointments have been made to the first National Clinical Networks, which are focused on "developing national standards and models of care, identifying ways to address variation in service quality and outcomes, addressing equity and developing innovative, efficient, and evidence-based solutions that will inform investments and workforce planning and be applied nationally".[19] These leaders have a key role in supporting the delivery of equitable access to high quality health services across primary, community and secondary care no matter who people are or where the live.

While a national approach to addressing the increasing need for health services and the resulting pressures on systems and workforce has seen positive progress being achieved, sections 5.2 and 5.11 outline actions that still require ongoing focus.

System shift four: Digital services will provide more New Zealanders with the care they need in their homes and local communities

- The use of coordinated clinical telehealth to support access to afterhours primary care and ambulance paramedic service for lower acuity patients as part of winter planning for 2023, thereby reducing attendance numbers at emergency departments.[20]
- A national approach to data and analytics has enabled Hospital & Specialist Services to stand up the national rapid database which provides aggregated clinical data and trends at service, local, regional and national levels. Initial feedback from users is encouraging. This is intended to provide timely access to clinical data and trends to inform clinical improvement opportunities.
- The Budget 2024 process has enabled Te Whatu Ora to identify priorities across the system and will lead to prioritised and costed implementation plans e.g., for data & digital services.
- A roadmap for the implementation of a national Finance, Procurement and Information Management system (FPIM)[21] across districts has been developed, and progress tracked against it.[22] This enabled the reconciliation of separate financial systems into a single consistent national operational financial view for the delivery organisations, which was not possible prior to the reform.
- The year end annual accounts and representations for the year end audit were all completed by 31 October 2023. This was a significant task given the size of Te Whatu Ora and this being the first year of consolidation. The draft audit opinion was issued and there are no qualifications for the financial accounts.

System shift five: Health and care workers will be valued and well-trained for the future health system

"Creating a common culture working together in different geographical locations"

- There is a growing sense of managing a single national workforce within Te Whatu Ora, as opposed to 20 separate workforces.
- Pooling of previously individual DHB resource to address early priority workforce actions. While the development of a joint Te Whatu Ora and Te Aka Whai Ora Health Workforce Plan 2023/24 has recently been completed, there has been early investment in key areas of immediate / urgent need. These include (but are not limited to):

[19] Te Whatu Ora (2023, October 27). *National Clinical Networks*. tewhatuora.govt.nz. https://www.tewhatuora.govt.nz/whats-happening/what-to-expect/national-clinical-networks/
[20] Te Whatu Ora (2023, May 17). *Health System Winter 2023 Preparedness Plan*. Aide memoire.
[21] FPIM is the Oracle-based software and hardware platform which supports Te Whatu Ora's day-to-day finance, procurement and supply chain operations.
[22] Te Whatu Ora (2023, September 7). *Te Whatu Ora FPIM Programme, FPIM Roadmap*.

- Closing the pay gap between hospital-based registrars and registrars training for general practice (through the General Practice Education Programme (GPEP)) to attract and retain registrars in general practice.
- Increasing funding available for supervision of GPEP trainees and supporting 12-week community training modules in general practices through additional funding. This is a strong step towards their goal of 300 GPEP registrars by 2026.
- Launching support for internationally qualified nurses to complete Competency Assessment Programmes to practice in New Zealand. In part driven by this investment, there has been significant growth in the Te Whatu Ora nursing workforce; in the year to June 2023, its whole-of-system nursing workforce by number of FTE with annual practising certificates has grown by over 6,000 nurses (8.5% of the total nursing workforce).
- Delivering a 60% increase in funded capacity for nurse practitioner training (from 50 to 80 places per year) in 2023, with a further increase to 100 from next year.
- Launching a pilot initiative supporting 20 overseas-trained doctors to get ready to practice in New Zealand across both hospital and primary care settings.
- Development of the new Te Pitomata Scholarship Programme that is intended to support studies towards becoming part of a highly valued Māori health workforce.
- Māori workforce pipelines focusing on recruitment and retention in health service delivery roles and leadership.
- Development of kaiāwhina workforce training which contributes to hauora Māori outcomes from a te ao Māori perspective.

New enabling foundations, structural arrangements and ways of working are contributing to the ability of the system to achieve the five system shifts

In addition to attributing specific successes to the five system shifts, new enabling foundations, structural arrangements and ways of working are beginning to demonstrate benefits for patients and the workforce. The amalgamation of resources from 20 DHBs, with a one-system view, and nationally co-ordinated approaches has shown early benefits. However, it must be stressed that this was never intended to be (and must not become) a 'centralised' model, but rather a nationally planned, regionally delivered and locally tailored model, noting that planning will occur at every level of the system. Early signs of the benefits of this new way of working include:

- The strong positive working relationships established across the three organisations and the wider system to enable good progress to date on priority initiatives. These now need to be systematised to remove reliance on individual relationships.
- The utilisation of a 'one system' focus and robust change management disciplines including having plans and milestones in place, has resulted in meaningful progress on agreed priority initiatives, e.g. winter preparedness planning and the taskforce approach to planned care (both outlined above).
- The amalgamation from 20 DHBs into one organisation has enabled Te Whatu Ora to make progress in a number of areas including:
  - The ability to progress equity for priority populations has been boosted through opportunities to innovate, by taking national approaches, and pooling resources. This includes an agreed Māori and Pacific pipeline of innovation projects. An example of this is the positive progress that has been made towards lung cancer screening which will be beneficial for Māori and Pacific. At the time of this assessment, testing was underway. If successful, this will become a national screening programme delivered by the National Public Health Service.

  - Addressing historical issues and grievances through a national approach e.g., Holidays Act 2003 and pay equity. The latter resolving all pay equity claims with its employed workforce where sex-based undervaluation had been established (~74,000 people).
  - Consolidating multiple insurance policies, IT systems and other costs, saving approximately $75 million in its first year.
  - Consolidating volumes for mobile pricing has predicted cost savings of approximately $3.2 million per year.

- The 'one organisation' approach has also enabled Te Whatu Ora to better engage other government agencies, e.g. a systematic review of ED clinical data errors was commissioned by Te Whatu Ora. This was undertaken by a panel including expertise from Statistics New Zealand and has resulted in a detailed implementation plan with clear actions, timeframes and accountabilities. It appears that other Government agencies are more willing and/or find it easier to engage on national initiatives rather than working with 20 different DHBs.
- Previous locally focused DHB and/or regional expertise has been marshalled and applied to benefit the whole country. Examples include:
  - Shifting of previously limited, locally based data and analytics expertise into national roles where skills and tools such as the locally based modelling that was used for COVID-19 management could be applied nationally.
  - Completion of the first national Health Status Report23 (versus individual DHB reports) which uses consistent and evidence-based methodology to inform Te Whatu Ora prioritisation decisions.

"The reform has enabled people who were in roles doing good work within a DHB to now apply their expertise nationally"

There are other early successes and examples of benefits that the reform has enabled that have not been captured here. The list above is intended to be a snapshot. It will be important as reform implementation continues, to continue to identify and share these successes widely; utilising learnings and insights to inform ongoing performance improvement.

[23] At the time of writing, the Health Status Report is undergoing peer review and is expected to be published in December.

4. Key areas identified as making positive progress and require ongoing focus

This section highlights areas the Committee noted where positive progress is being made and appear to be on the right track. However, continued ongoing focus and prioritisation of these areas alongside disciplined tracking of progress against detailed implementation plans is imperative. There is still significant work to be done in these areas, and they must continue to be monitored for progress by Boards, and by the SRIO at a system level.

4.1 Continue embedding Te Tiriti o Waitangi at all levels of the system

It is evident that the foundations for progress are in place for embedding Te Tiriti o Waitangi at all levels of the system. There are early signs that the organisations have put an unequivocal focus on Te Tiriti and there is good progress towards achieving the first system shift, that "the health system will reinforce Te Tiriti principles and obligations". Real progress will be demonstrated through translating this focus into priorities and actions.

At a system level, there is strong foundational guidance in place.

- Pae Tū: Hauora Māori Strategy[24] has been developed jointly by Manatū Hauora and Te Aka Whai Ora to guide the whole health system to give effect to Te Tiriti o Waitangi and to achieve Māori health equity. The Committee is aligned with the SRIO view that implementation of Pae Tū: Hauora Māori Strategy is critical to ensuring the reformed health system upholds Te Tiriti o Waitangi and enhances long-term health outcomes for whānau.
- The development of Te Mauri o Rongo | the New Zealand Health Charter [25] is underpinned by Te Tiriti o Waitangi principles identified by the Waitangi Tribunal in its Wai 2575 Inquiry:[26] tino rangatiratanga (self-determination); ōritetanga (equity); whakamaru (active protection); kōwhiringa (options); and pātuitanga (partnership). It sits alongside the HQSC Code of Expectations for health organisations' engagement with consumers and whānau[27] and the Code of Health and Disability Services Consumers' Rights.[28] There was significant engagement with Māori networks and communities through the development process. This has resulted in strong Māori ownership.
- Manatū Hauora and Te Aka Whai Ora are working in partnership to ensure the health system meets its obligations under Te Tiriti o Waitangi, addresses Māori health aspirations, and achieves equity and pae ora for Māori.

The partnership across Manatū Hauora, Te Aka Whai Ora and Te Whatu Ora at a system level which includes Māori at the system leadership table rather than at the tier two organisational level as has been the case in the past, has enabled notable progress to be made towards addressing legacy issues.

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[24] Ministry of Health (2023). *Pae Tū: Hauora Māori Strategy*. Wellington: Ministry of Health.
[25] Te Whatu Ora (2023). *Te Mauri o te Rongo: The New Zealand Health Charter.* https://www.tewhatuora.govt.nz/assets/For-the-health-sector/Te-Mauri-o-Rongo-NZ-Health-Charter-/Te-Mauri-o-Rongo-NZ-Health-Charter_final-22-Aug.pdf
[26] Waitangi Tribunal (2019). *Hauora: Report on Stage One of the Health Services and Outcomes Kaupapa Inquiry* (Wai 2575). https://waitangitribunal.govt.nz/inquiries/kaupapa-inquiries/health-services-and-outcomes-inquiry
[27] Health Quality & Safety Commission (2023, June 13). *Code of expectations for health entities' engagement with consumers and whānau.* hqsc.govt.nz. https://www.hqsc.govt.nz/resources/resource-library/code-of-expectations-for-health-entities-engagement-with-consumers-and-whanau/
[28] Health & Disability Commissioner (n.d.). *Code of Health and Disability Services Consumers' Rights.* https://www.hdc.org.nz/your-rights/about-the-code/code-of-health-and-disability-services-consumers-rights

At an operational level Te Whatu Ora and Te Aka Whai Ora have jointly appointed a Chief of Tikanga. This role sits on the ELT of both organisations, which means that Tikanga is present at the senior leadership level and has national reach.

A Tikanga practice manual underpins induction for senior leaders, and the health workforce is being provided an educational opportunity to learn about Tikanga and what their obligations are. The training modules currently vary throughout the country. However, it is intended they will be nationally standardised and continue to be delivered locally. This will take time and resource to implement.

IMPBs are a core element of the reform representing local Māori perspectives on the needs and aspirations of Māori with respect to planning and decision-making for health services at the local level. The intention outlined in the Act was that IMPBs at a local level would:[29]

- Engage with whānau and hapū about local health needs, and communicate the results and insights from that engagement to Te Whatu Ora and Te Aka Whai Ora.
- Evaluate the current state of hauora Māori in the relevant locality for the purpose of determining priorities for improving hauora Māori.
- Work with Te Whatu Ora and Te Aka Whai Ora in agreeing to locality plans for a relevant locality.
- Monitor the performance of the health sector in a relevant locality.

Further work is needed to clarify the role and responsibilities of IMPBs, how they will effectively input into regional and local decision making and prioritisation, and how they will be supported by Te Aka Whai Ora and Te Whatu Ora.

There is recognition by Hospital & Specialist Services that more work is required to address the need for onsite, local Māori leadership. With previous DHB Māori leaders transferring to Te Aka Whai Ora and to national roles in Te Whatu Ora, access to local Māori leadership for the local workforce is currently unclear. Hospital & Specialist Services is undertaking work to understand and define what onsite, local Māori leadership looks like and what regional and local ways of working will look like.

Key points

Te Tiriti o Waitangi

- It is evident that there is significant progress in embedding Te Tiriti o Waitangi at all levels of the health system with early signs that the organisations have put an unequivocal focus on Te Tiriti. Ongoing focus must continue.
- The partnership across Manatū Hauora, Te Aka Whai Ora and Te Whatu Ora at a system level which includes Māori at the system leadership table rather than at the tier two organisational level as has been the case in the past, has enabled notable progress to be made towards addressing legacy issues.
- Implementation of Pae Tū: Hauora Māori Strategy will be critical to ensuring the reformed health system upholds its commitment to Te Tiriti o Waitangi.
- Further work is needed to clarify the roles and responsibilities of IMPBs, as they are a core element of the reform representing local Māori perspectives.

[29] Pae Ora (Healthy Futures) Act 2022, Section 30
https://www.legislation.govt.nz/act/public/2022/0030/latest/LMS659229.html

4.2 Continue to progress and monitor Te Aka Whai Ora action plan

In March 2023 the previous Minister and Associate Minister of Health commissioned the HMAC to undertake a high-level assessment of the early progress and plans of Te Aka Whai Ora to ensure it is meeting Cabinet expectations, commitments, and priorities.[30]

This assessment found positive developments made by the newly established organisation in a relatively short timeframe (10 months) where expectations were high not only from the Ministers at that time, but also from Iwi, Māori, and the general public. This assessment made a number of recommendations for Te Aka Whai Ora to prioritise resource and effort over the next six and 12 months in order to deliver on its role to improve hauora Māori, along with the other organisations. Te Aka Whai Ora played a leadership role in responding to this with an action plan[31] with clear milestones to address each of these recommendations; thirty-one in total.

The Committee supports the role of HMAC in overseeing the delivery of the action plan developed by Te Aka Whai Ora. The progress and planned actions identifed through the HMAC assessment process requires continued support to progress improvement in hauora Māori outcomes. It is important that the focus, intent and progress is not lost .

Key points

Te Aka Whai Ora

- Te Aka Whai Ora developed a plan with 31 actions and clear milestones to respond to HMAC's high-level assessment of its early progress and plans to meet Cabinet expectations, commitments and priorities.
- The Committee supports the role of HMAC in overseeing the delivery of the action plan developed by Te Aka Whai Ora. The progress and planned actions identifed through the HMAC assessment process requires continued support to progress improvement in hauora Māori outcomes. It is important that the focus, intent and progress is not lost .

4.3 Continue to progress workforce development

Planning for future workforce requirements and providing for the training and development needs of New Zealand's health workforce is one of the reform's five system shifts to achieve health reform intent. The reform has enabled current and future workforce issues to be addressed through a nationally coordinated approach. This avoids the fragmented and (often inadvertent) competitive arrangements that occurred under the previous arrangements.

Several key documents addressing workforce pressures and priorities have been released this year, demonstrating the three organisations' commitment to prioritising the healthcare workforce for the future.

[30] Hauora Māori Advisory Committee (2023, March 5). *High-level assessment of Te Aka Whai Ora against Cabinet expectations, commitments and priorities*. https://www.health.govt.nz/system/files/documents/publications/230505i-hmac-report.pdf

[31] Te Aka Whai Ora (2023, August). *Table of action items in response to the Hauora Māori Advisory Committee report* https://www.teakawhaiora.nz/assets/Uploads/MHA-specific/230803-Te-Aka-Whai-Ora-Action-Plan-August-2023.pdf

- Manatū Hauora released the Health Workforce Strategic Framework[32] which outlines aspirations for the future health workforce. The framework identifies five policy levers to deliver the changes required to improve workforce outcomes.
- Te Whatu Ora and Te Aka Whai Ora developed the Health Workforce Plan 2023/24. The Workforce Plan draws on the Manatū Hauora strategic framework and notes that policy and regulation change will be needed to address some of the workforce issues. The Health Workforce Plan 2023/24 defines the issues and outlines actions, both in the short term to address current global workforce pressures, and in the longer term to ensure workforce sustainability. While it takes time to train workforces, it is recognised that an enabling regulatory environment is needed to maximise the use of the existing workforce with, for instance, changes to models of care and scopes of practice.
- Te Mauri o Rongo | the New Zealand Health Charter was released in September 2023. The Charter, required under the Act, was developed through consultation with workers and unions and sets clear expectations of how all health workers must be treated while at work. It is underpinned by Te Tiriti o Waitangi principles and is also a statement of the values and principles that health workers are expected to demonstrate.

As noted in section three, the ability to pool resources nationally has meant that early investment in key areas of immediate / urgent need has been possible while planning processes have been underway.

Efforts to grow the workforce over the past 16 months has resulted in:

- 9,095 health sector workers approved for Accredited Employer Work Visas since July 2022, with 3,722 of these workers approved to work at Te Whatu Ora.
- 1,650 internationally qualified nurses were helped to become registered to work in New Zealand for Te Whatu Ora and in the publicly funded sector.
- A record 303 New Entry to Specialist Practice nurses and 87 allied health workers have started their mental health and addiction careers.
- The number of funded clinical psychology interns have trebled, and four training hubs have been established. Two of these hubs have established Kaupapa Māori clinical psychology training.
- Ambulance providers have increased the frontline workforce by 176 FTE, from 1,722 to 1,898.

Alongside the efforts to recruit from overseas to bolster priority areas of urgent need, Te Whatu Ora has identified actions to grow the domestic pipeline, including return to work programmes for staff who may have left their professions, and developing, expanding and investing in training pathways in priority areas as outlined in the Health Workforce Plan 2023/24. It is critical that priority and focus is given to growing a domestic workforce that is sustainable over the long term.

There is a lot of work that needs to be progressed in this area. The SRIO also identified that the key focus areas for the next period of the reform must include:

- The Health Workforce Plan 2023/24 progressing towards implementing flagship projects with future initiatives subject to Budget 2024 decisions. There will be work completed on workforce legal and regulatory settings to support the development of the health workforce for the future, noting roles and scopes of practice have to change to meet demand.
- Te Mauri o Rongo | the New Zealand Health Charter being communicated to the workforce.

The actions and key focus areas identified in the workforce plan and by the SRIO are relevant. However, the plan does not include detailed information or milestones setting out what actions will be taken and by when. This needs to be detailed in an implementation plan and focus given to this plan to ensure that the agreed actions are implemented within the timeframes set.

[32] Ministry of Health (2023) *Health Workforce Strategic Framework*. https://www.health.govt.nz/publication/health-workforce-strategic-framework

Implementing the Te Mauri o Rongo | the New Zealand Health Charter across the system is needed to improve workforce culture and staff retention. Implementation of the Charter needs to be monitored and evaluated to ensure implementation achieves its goals; this goes beyond just a process of communicating the Charter to the workforce.

Key points

Workforce

- The organisations should build on the progress they have made to date to address immediate workforce pressures and workforce sustainability.
- A detailed implementation plan to action the Health Workforce Plan 2023/24 is required and progress must be monitored against plan and the actions already achieved.
- The Health Workforce Plan 2023/24 defines the issues and outlines actions, both in the short term to address current global workforce pressures and in the longer term to ensure workforce sustainability.
- While it takes time to train workforces, it is recognised that an enabling regulatory environment is needed to maximise the use of the existing workforce with, for instance, changes to models of care and scopes of practice.
- It is critical that priority and focus is given to growing a domestic workforce that is sustainable over the long term.
- Implementation of Te Mauri o Rongo | the New Zealand Health Charter needs to be monitored and evaluated to ensure implementation achieves its goals.

4.4 Continue to build enabling foundations

In November 2022, Te Whatu Ora launched "Simplify to Unify"[33]; to unify teams nationally, and to simplify the way it worked as an organisation. While corporate systems can often be neglected in favour of clinical priorities, they are critical (and transformative) in embedding 'one culture' across the organisation and enabling staff to do their job efficiently and effectively. They help frontline staff to focus on patient facing activity by reducing time spent on administration. They will also be needed to capture financial efficiencies.

As flagged in section two, Te Whatu Ora inherited disparate systems from 20 DHBs and 1500 IT projects; some of which were large national projects. In 2019, it was estimated that $2.3 billion of investment would be required over 10 years to upgrade DHB IT systems.[34] The work required to modernise these systems is hampered by needing to first bring together the disparate and ageing sub-optimal systems. The delivery of the first "one organisation" enabling foundation being the new FPIM for Te Whatu Ora in the first year of operations was exceptional. The benefits of being able to understand operational financial performance for the first time using a national standardised approach are being realised.

[33] Te Whatu Ora (2023, July 19). *Simplify to unify: Te Whatu Ora Organisation Consultation*. tewhatuora.govt.nz. https://www.tewhatuora.govt.nz/whats-happening/consultations/simplify-to-unify-te-whatu-ora-organisation-change-overview/

[34] Ministry of Health (2020, June). *The National Asset Management Programme for district health boards, Report 1: The current-state assessment.*

"…the ability to communicate and share data and information and create a culture of a single entity for Te Whatu Ora is really important to embed the reform"

The current HR systems infrastructure inherited by Te Whatu Ora consists of over 200 different systems which support the hire-to-retire, and roster to pay processes. These have been configured differently across the previous 20 different organisations, and some systems are out of support and close to end of life (including PSe Ceridian and Microster, which respectively account for more than 20% of the payroll and rostering load across the country). This means that staff information and files, recruitment, payroll, reporting, rostering, expense management and timesheets were managed and organised differently across the different systems. This is a significant task to bring together. Many manual work arounds are required to be able to manage HR and payroll in the interim while a future national payroll system is designed and implemented. This has created very high-risk area for the organisation with the risk of one-off failure of one or more payroll or rostering systems (e.g. by a payroll failing to run), which in aggregate across all its systems being likely over the next five years.

The future design and implementation will require broader government support and investment to ensure that the INCIS (Police) and Novopay[35] (Education) situations that have occurred in the past are not repeated here. Te Whatu Ora is responsible for the largest workforce in New Zealand, 90,000 employees and payroll in excess of $10 billion. It is arguably one of the most complex and diverse in terms of salary, contractual and rostering arrangements, which means that its HR and payroll solution must be supported appropriately going forward and not be compromised.

The following actions identified as deliverables in the Reform Roadmap are critical to unifying and driving efficiency in Te Whatu Ora as one organisation and should be given priority:

- Continue implementing the Digital Workspace plan – ensuring all workforce have access to information services and desktop. This will reduce administrative burden and is a key enabler. Staff will be able to print from their computers irrespective of location, will access information to make decisions and clinical services will be accessible virtually, contributing to equity goals.
- Continue to progress the design and implementation of an amalgamated HR system / national payroll solution.

Benefit realisation in this area is long term. The ability of Te Whatu Ora to extract efficiencies is dependent on investment in these and other core systems identified in the digital transition and modernisation programme of work. Further work will be required to identify funding for these enabling foundations.

The overwhelming majority of current assets were sweated over time by DHBs, meaning Te Whatu Ora now carries a significant investment deficit. Amalgamation of the HR system will likely take at least five years and will require new budget support as it is not possible to fund this activity within baselines.

[35] Ministerial Inquiry into the Novopay Project (2013, June). *Report of the Ministerial Inquiry into the Novopay Project*. New Zealand Government. Wellington, New Zealand.

Key points

Enabling functions

- Corporate systems are critical (and transformative) in enabling staff to do their job efficiently and effectively.
- The current HR systems infrastructure inherited by Te Whatu Ora consists of 200 different systems each of which have been configured differently across the previous DHBs; and some systems are out of support and/or close to end of life.
- The ability of Te Whatu Ora to extract efficiencies is dependent on investment in the digital transition and modernisation programme of work.
- Having begun implementation of FPIM, organisations should now prioritise and invest in implementation of the Digital Workspace and Payroll infrastructure as critical components of the overall system infrastructure using the same disciplined approach as used for the successful FPIM implementation. Additional funding will likely need to be secured to do this.

4.5 Progress the work on improving the accessibility and quality of data and analytics

The ability of the wider sector and organisations to confidently access and utilise standardised data and information to inform both national and regional decision making, and to report on performance is critical. Good data empowers healthcare professionals and leaders to make informed, evidence-based decisions that improve patient outcomes, drive medical research and clinical innovation, and identify service gaps or areas that need improvement.

The reform intended a shift to a national view of performance and a national approach to planning, however the fragmented information systems of 20 DHBs and other organisations has not been conducive to this. Te Whatu Ora has been predominantly reliant on manually compiling data for reporting purposes. This patchy data, along with insufficient quality assurance, led to incorrect data on 12 clinical indicators being published on the Te Whatu Ora website in March 2023. As a result, Te Whatu Ora commissioned a review to identify how the errors occurred and to make recommendations on what improvements need to be made.[36] In addition, a national rapid data set has recently been implemented, and this provides aggregated clinical data and trends at local, regional and national levels. Initial feedback from users is encouraging.

The Te Whatu Ora Board endorsed all recommendations in the review report and an initial implementation plan has been developed. A range of actions are already underway, including some that are multi-year data and digital plans which will all ultimately contribute to the delivery of a more robust national performance reporting system. There is intent to standardise and automate data collection, but this is still some time away. Work to deliver on the implementation plan now needs to be a priority to ensure robust data and information is accessible at all levels of the system.

Key points

Data and analytics

- Currently, Te Whatu Ora is reliant on manually compiling data for reporting purposes; work is required to ensure a standardised national dataset to inform decision making.
- The organisations should continue to prioritise implementation of the clinical data review recommendations and actions.

[36] Te Whatu Ora (2023, June 15). *Review of the Process Underlying the Publication of Clinical Data on the Website of Te Whatu Ora*. ELT paper.

4.6 Utilise the Joint Leadership Group (JLG) as a system leadership forum

The JLG is made up of the Chief Executives of Te Whatu Ora and Te Aka Whai Ora, and the Director-General of Health. It is supported by the SRIO and is a key forum in the sector for strategic thought leadership and a place to collectively reach agreement and resolve escalated cross-organisational issues when required. While it currently meets regularly and considers items brought to their attention, it does not routinely or systematically monitor progress of the reform.

The collective function does not replace the decision-making roles and accountabilities of the organisation leaders and the Boards but it should be a forum where the leaders can collectively reach consensus on system level issues and direction setting decisions which impact all organisations. These decisions would then be taken back to the respective organisations for consideration and respective decision making.

The Committee considers that the JLG should be powered up with the support of a well-resourced secretariat and be routinely monitoring progress of a jointly prioritised reform programme of work and key system risks and issues that are brought to the table for resolution. This programme of work should be aligned with the Reform Roadmap, but the actions in this roadmap need to be ruthlessly prioritised to ensure collective focus on the most important achievements over the next period. In addition, key prioritised collective action items that are not incorporated in the Reform Roadmap need to be included in the JLG's prioritised programme of work. The Health Leadership Forum should also be aligned with this work programme.

Key points

JLG	• The JLG should be utilised to provide system leadership that collectively reaches consensus on system level issues and direction setting decisions. • The JLG does not currently routinely or systematically monitor progress of the reform It should monitor a ruthlessly prioritised programme of work that is aligned to the Reform Roadmap, but also key prioritised collective action items.

4.7 SRIO role in monitoring system reform progress

Since its establishment, the SRIO (which sits within Manatū Hauora) has progressed a significant programme of work to better align the organisations' planning and progress against reform intentions. It has coordinated the development of the Reform Roadmap and facilitated an assessment of confidence of the roadmap milestones. It has recently reported on progress of the reform for Quarter One FY 2023/24.[37] The development of the Reform Roadmap is a significant step forward for the reform as it was the first time a roadmap had been developed. This is essential and it needs to be continually monitored and updated when required to bring actions back on track and/or if reprioritisation is needed.

If the SRIO continues to exist along with the proposed assurance function[38] currently in design, their roles and accountabilities must be clear so as to not further 'muddy the waters' in what is already a somewhat crowded space, and therefore clearly add value to drive the reform agenda.

Despite being located in Manatū Hauora, the SRIO must take a system view of progress against the roadmap. This will include considering and reporting on progress made by Manatū Hauora. Maintaining

[37] System Reform Integration Office (September 2023). *Health System Reform Progress Report Q1 FY 2023/24.*
[38] Ministry of Health (2023, September 13). *Reform Assurance Framework and System Reform Assurance Office.* JLG memorandum.

this system level view is required as the SRIO must be able to provide independent unfettered system level advice to the Minister of Health. The proposed assurance function should take this same approach, taking a system view of assurance in providing advice.

The SRIO should continue supporting the JLG in its role and prioritise the achievements in the Reform Roadmap for collective focus.

Key points	
SRIO	• The SRIO has progressed a significant programme of work including development of the Reform Roadmap and facilitated an assessment of confidence of the roadmap milestones. • The Reform Roadmap must be continually monitored and updated when required. • The SRIO and the proposed assurance function must take a system view, including considering the progress and work of Manatū Hauora. • Roles and accountabilities across the SRIO and the proposed assurance function must be clear and aligned.

5. Key areas requiring increased attention

This section highlights areas the Committee recommends need significant increased focus over the next 12 – 18 months to ensure momentum and buy-in, to progress delivery of the five system shifts with sufficient pace. These areas have been categorised into health service delivery, organisation design and development, and enabling foundations. They are not in order of priority.

Health service delivery

5.1 Advance work to measure and monitor progress towards equity, to inform priority action

Equity of health access and outcomes is a core principle that underpins the health reform and is enshrined in the Act. The directive to achieve equity of access and outcomes for all New Zealanders is clearly stated and woven through each of the key accountability statements. The goal of achieving equity for priority populations will take time. It underpins strategic and operational planning activity across the organisations, and work is underway to measure progress against this goal across all areas of service delivery within Te Whatu Ora.

Within Te Whatu Ora, there is a clear expectation within the leadership through to tier three that "equity is everyone's business". There is widespread agreement across the organisations that inequity of access and outcomes is unacceptable.

Te Whatu Ora has worked with Te Aka Whai Ora to develop a Performance Framework for the Measurement of Equity.[39] The framework is intended to track progress with improving health outcomes for all New Zealanders, and equity of health outcomes for Māori, Pacific, disabled people and those rurally located. It aims to also be used to track nationwide progress with implementing Te Pae Tata initiatives. The framework will be designed to show:

- Prevalence of health conditions and proportion of people experiencing poor outcomes by sub-region broken down into ethnicity, age and gender. Over time it is intended to include a category for disabled people.
- Level of service uptake such as primary care, medication use and laboratory testing.
- Resource and access factors such as availability of services, travel time, workforce numbers.

The framework is currently under development and baseline reporting is expected from December 2023. This framework will consider and align with other equity and performance improvement and monitoring work across Te Whatu Ora and Te Aka Whai Ora. The development of this comprehensive framework is a positive step forward and shows that the goal to achieve equity is being embedded into the system. It is important this work continues so improvements in equity goals can be tracked to inform commissioning and where priority action needs to occur.

As outlined in section 5.5, there is opportunity to make real progress towards equity by scaling up and prioritising some key clinical improvement programmes; with organisations working together to bring their respective expertise and levers to deliver on these.

[39] Te Whatu Ora (2023, June 13). *Te Pae Tata 5.1 Performance Framework for Measurement of Equity.* ELT paper.

Key points

Equity

- There is a clear view across the system that inequity of access and outcomes is unacceptable and a strong commitment to achieving equity across all three organisations.
- The directive to achieve equity of access and outcomes for all New Zealanders is clearly stated and woven through each of the key accountability statements.
- It is important that work on the Performance Framework for the Measurement of Equity continues so improvements in equity goals can be tracked to inform commissioning and where priority action needs to occur.

5.2 Urgently address primary and community care sustainability issues

Quality community and primary care is seen in New Zealand and other countries as a keystone of a well performing health system. As noted by the late Professor Barbara Starfield:

> *There is now good evidence, from a variety of studies at national, state, regional, local, and individual levels that good primary care is associated with better health outcomes (on average), lower costs (robustly and consistently), and greater equity in health.*[40]

It is the first point of contact for most health services where continuity of care is offered to whānau and individuals with a focus on prevention and early management of health conditions. It is the gate keeper for hospital and specialist services that in turn depend on well-functioning community and primary care services to avoid unnecessary patient admissions, ensure patient flow and avoid patient readmissions. The majority of care is provided in this sector with on average over 20 million consults or other encounters in primary care per year.[41]

Clarify the primary care settings and ensure expert sector engagement

New Zealand's primary care settings are largely unchanged since the 2001 Primary Health Care Strategy. As noted in section two, Te Whatu Ora and to a lesser extent, Te Aka Whai Ora, have inherited a complex and fragmented sector. While there have since been examples of positive changes that are making a substantive difference (e.g., nurse-led models of care, nurse prescribers and nurse practitioners, and the introduction of the Healthcare Home model) to date there has been limited progress in achieving the Strategy's vision.[42]

The previous Minister of Health recently agreed to a set of refreshed design principles for primary care, and Manatū Hauora is leading a strategic policy work programme, working with Te Whatu Ora and Te Aka Whai Ora. It has convened a tier two Primary and Community Health Care Policy Steering Group consisting of Te Aka Whai Ora, Te Whatu Ora and Whaikaha to provide guidance and strategic direction to the work programme.[43] Manatū Hauora and Te Aka Whai Ora will work with IMPBs to ensure IMPB input into the policy programme. An Expert Advisory Group and an Interagency Group are planned but at the time of this assessment, are yet to be announced. It is imperative this external sector expertise is fully utilised. The programme includes five projects spanning the structure and function of primary

[40] Global Family Doctor (n.d.). *The Barbara Starfield Collection.* globalfamilydoctor.com. https://www.globalfamilydoctor.com/internationalissues/barbarastarfield.aspx
[41] Te Whatu Ora (2022). *Te Pae Tata Interim New Zealand Health Plan 2022*. https://www.tewhatuora.govt.nz/publications/te-pae-tata-interim-new-zealand-health-plan-2022/
[42] New Zealand Health and Disability System Review (2019). *Health and Disability System Review – Interim Report. Hauora Manaaki ki Aotearoa Whānui – Pūrongo mō Tēnei Wā.* Wellington: HDSR. https://www.health.govt.nz/system/files/documents/publications/h-and-d-full-interim-report-august-2019.pdf
[43] Ministry of Health (2022, June 29). *Ways of working in primary and community health care*. Memo to JLG.

care, investment and funding, workforce, improving prevention, and supporting system settings that better enable Māori to design and deliver whānau-centred care.

Manatū Hauora has broadened the role of primary care and emphasises the role of localities and their focus on social determinants of health.[44] Budget 2022 allocated additional funding to Te Whatu Ora for Comprehensive Primary and Community Care Teams, to fund additional frontline staff.[45] The work programme is split into three phases:

- Current state analysis and working papers (August and October 2023)
- Core policy advice (November 2023 – July 2024)
- Follow up implications from policy advice (August – December 2024)

The timeline has Cabinet making decisions on investment and finance settings in May 2024, and on funding mechanisms in the fourth quarter around June. The work programme aims to deliver on a vision of the primary and community healthcare sector over the next ten years. It is a strategic policy work programme to develop the foundational policy settings in line with the 10-year vision.[46] However, based on these timelines, the work programme does not appear to respond to the challenges and risks in primary and community care with the sense of immediacy required.

Te Whatu Ora has identified that all parts of primary care need urgent action including ambulance, primary care, home and community support, aged residential care, dental services, pharmacy, laboratories and radiology, mental health and community radiology.[47] A great deal of emphasis is also placed on localities.[48] At the time of this assessment, Te Whatu Ora was establishing 'Strategic Networks' with "sector leaders, clinicians, providers, people with lived experience, diverse voices and community members and their whānau". These networks will be timebound and come together to inform the long-term policy settings noted above as well as the more operational funding and service design work undertaken by Te Whatu Ora.[49]

Te Whatu Ora has an operational work programme underway with several initiatives and some crucial elements such as funding flows and allocative mechanisms, aged care funding and service models, standardising contracting and funding arrangements and reviewing rural hospital funding and ownership models. There is an evaluation underway of the range of initiatives implemented for winter preparedness to see what would warrant further roll out. Some of the projects aim to have more immediate effects such as the roll-out of comprehensive primary care teams and roll-out of the equity adjustment to capitation funding to provide short term support for high need practices.

The organisations have agreed how they will work together and note the importance of keeping each informed of work underway, particularly the operational work Te Whatu Ora is undertaking in primary and community health care and locality planning.

Urgent action is required

The Committee agrees that all aspects of primary and community care need urgent action and considers this work has not received the priority and focus needed. There are significant pressures on general practice, urgent care and aged care services amongst others due largely to the drivers in

[44] SWC-23-MIN-0097, Achieving Pae Ora Through Primary Care.
[45] Te Whatu Ora (n.d.). *Appendix 1: Comprehensive Primary & Community Care Teams*.
[46] Ministry of Health (2022, 29 June). *Ways of working in primary and community health care*. Memo to JLG.
[47] Te Whatu Ora (2022). *Te Pae Tata Interim New Zealand Health Plan 2022*. https://www.tewhatuora.govt.nz/publications/te-pae-tata-interim-new-zealand-health-plan-2022/; Te Whatu Ora (2023, September). *Approach to primary care.* Powerpoint slidepack.
[48] Te Whatu Ora (2022). *Te Pae Tata Interim New Zealand Health Plan 2022*. https://www.tewhatuora.govt.nz/publications/te-pae-tata-interim-new-zealand-health-plan-2022/
[49] Te Whatu Ora (2023, September). *Approach to primary care.* PowerPoint slide pack.

demand (complexities of an ageing population, increase in mental health need and rising prevalence of a number of chronic diseases such as diabetes), workforce shortages and pay disparities.[50] Financial sustainability of these providers is threatened as labour costs in the employed Te Whatu Ora workforce have increased, and may continue to increase, through pay equity and SECA payments.

Not only do these pressures manifest in increased inequity, increased unmet need, declining patient experience and a burnt-out workforce, they also place pressure on the whole health system as patients cannot access primary care, present to urgent care or to emergency departments and are admitted as inpatients. As also noted in section 5.11 below, this is reflected in the increased Ambulatory Sensitive Hospital Admissions (ASH) rates recently reported by Te Whatu Ora that were potentially avoidable through care provided in a primary care setting.[51]

While it is important to be strategic in developing and operationalising policy, this needs to occur at pace with the collective input of policy and regulatory levers, primary and community care expertise and sector involvement. It is encouraging that Te Whatu Ora is looking to put in some short-term measures such as the equity adjusted capitation funding, however on their own these initiatives are insufficient and fall short of what is needed for a sustainable primary care sector. Work needs to scale up to ensure general practice, urgent care and aged care services are sustainable in the short to medium term, while longer term foundational policy is developed. This will require the three organisations working together collectively at pace and may require broader government support with additional investment.

There is also general confusion regarding the role of community and primary care providers within the wider health reform more generally. What is the role of PHOs? How does general practice work with localities? Clarity is needed and widespread engagement with providers across the community and primary care sector is also crucial.

There are some important primary and community care actions in the Reform Roadmap for FY 2023/24 such as “review contracting arrangements to support new models of care & service”, “regional networks for living, ageing, mentally, and starting well established” and “National Rural Clinical Telehealth implemented”. However, more urgent milestones focussed on primary care sustainability are required.

[50] Royal New Zealand College of General Practitioners (2022). *2022 Workforce Survey.* https://www.rnzcgp.org.nz/resources/data-and-statistics/2022-workforce-survey/

[51] Te Whatu Ora (2023). *Clinical Performance Metrics*. Clinical Performance Report 1 April - 30 June 2023 – Te Whatu Ora - Health New Zealand

Key points

Primary care

- Quality community and primary care is seen in New Zealand and other countries as a keystone of a well performing health system.
- Te Whatu Ora has identified that all aspects of community and primary care need urgent action.
- Manatū Hauora and Te Aka Whai Ora are leading out on a strategic policy work programme and Te Whatu Ora has a workplan on a number of important initiatives through to December 2024. However, as it is, these appear to fall short of what is needed in the near to medium term for a sustainable primary care sector.
- The primary and community care sector has not received the priority and focus required. Policy and approaches need to be developed and implemented at pace with collective policy input and regulatory levers, primary care expertise and sector involvement. Work needs to urgently scale up to ensure general practice, urgent care and aged care services are sustainable in the short to medium term, while longer term foundational policy is developed.
- Greater clarity is needed on the role of primary care within the health reform more broadly, specifically with localities and PHOs.

5.3 Further clarify the scope and role of localities and the feasibility of implementing them nationwide

The Act introduced the requirement for Te Whatu Ora, with the agreement of Te Aka Whai Ora and through consultation with IMPBs, to determine localities (defined as geographically defined areas) covering all of New Zealand.[52] Localities are a placed based planning approach and a key initiative in the reformed health system. As noted in section 5.2, the emphasis has been placed on the role of localities to broaden access to community and primary care services. They are intended to take a population health approach, foster community-led solutions to address the needs of their communities and consider the wider social determinants of health.

Te Whatu Ora aims to have 100% of locality boundaries completed by June 2024, and "all locality plans agreed" by 30 June 2025, as set out in the Reform Roadmap.[53] While the timeframe is tight to complete the locality boundaries, Te Whatu Ora reports it is on track to deliver this. Once fully implemented, it is expected that there will be approximately 60 localities across the country. Te Whatu Ora, Te Aka Whai Ora and IMPBs are required to jointly sign off locality plans. IMPBs provide Māori governance in the determination of health priorities for iwi and Māori across the localities and provide an important role in voicing the aspirations of mana whenua.

Twelve prototype localities are in place and Te Whatu Ora is evaluating these through a learning and insights programme to facilitate continuous improvement. Te Whatu Ora has received first draft plans from each of the prototypes and while (at the time of this assessment) final plans are yet to be delivered, this milestone reflects substantial grassroots work with local communities and mana whenua to elicit their needs and aspirations for improved health and wellbeing outcomes. As to be expected with prototypes, there have been teething issues with their establishment. For instance, there was a lack of clarity on the scope and role of a locality with confused communications on whether they had a

[52] Section 54, Pae Ora (Healthy Futures) Act 2022.
[53] Ministry of Health (2023, September 25). *Health System Reform Roadmap – Primary and Community Care*, https://www.health.govt.nz/new-zealand-health-system/health-system-reforms/health-system-reform-roadmap/health-system-reform-roadmap-primary-and-community-care#h1

commissioning role or not. The prototypes were established before IMPBs and in some cases it has taken time to establish these relationships and reach agreement on draft plans. The recent insights and evaluation report was not provided to the Committee during the time of this assessment, and so it is difficult to comment on the progress being made with the prototypes.

Te Whatu Ora has and continues to work on responding to these establishment issues with greater clarity and guidance as to their scope and role, along with improved communications and relationship management. However, it is acknowledged that more work is required to further clarify their scope and role and how they work within the broader health care system. Work must continue on this to ensure it is considered within the broader community and primary care policy work programme.

Adequate resourcing needs to be resolved, particularly as the number of localities requiring support increases. Funding for ongoing operating costs and governance costs has been flagged as being insufficient to cover the number of projected localities.[54] This resourcing (e.g., engaging with whānau and communities, project management and funding governance meetings) is also a source of contention with some localities.

While place based initiatives are proven to be effective in helping to improve outcomes for individuals and families living in disadvantaged areas,[55] the time, resource, infrastructure and expertise to establish and work with them are substantial and should not be underestimated. To do their job fully, localities need access to relevant data and data analytical capability from Te Whatu Ora along with the resources to support their ongoing operation. In many instances, there are complex relationships to navigate and expectations to manage amongst key stakeholders – community groups and local providers, IMPBs, local government, government social sector organisations to name a few.

The management and administrative resourcing and workload required to progress the planned roll out of localities is substantial and would appear to be unsustainable on a national level. While legislative change may be required, the organisations could explore the feasibility of taking a targeted approach of establishing localities in areas of high need versus implementing and rolling them out for all New Zealanders, which is currently the plan. This approach will also need to draw on the insights and evaluation programme and potentially other sources of guidance and assessment to be confident that the localities can deliver the intended benefits and the resources required to do so.

Key points

Localities

- There is a need to:
  - Explore the feasibility of implementing and rolling out localities for all New Zealanders, versus taking a targeted approach of establishing localities in areas of high need.
  - Continue working to clarify and reconfirm the intent of localities – including continuing with evaluation of the pilots and applying the lessons learnt from them to the wider programme.
  - Consider any legislative change that may be required.
- Te Whatu Ora should ensure the capacity and expertise is in place within the organisation to support and sustain the roll-out along with resources required, including access to data and analytics.

[54] Te Whatu Ora (2023, March). *Localities Deep Dive*.
[55] Crew, M. (2020). *The effectiveness of place-based programmes and campaigns in improving outcomes for children: a literature view.* National Literacy Trust. https://files.eric.ed.gov/fulltext/ED607978.pdf

5.4 Clarify the roles and accountabilities within the public health operating model

The reform established the Public Health Agency (PHA) within Manatū Hauora, the National Public Health Service (NPHS) within Te Whatu Ora, and an Office of the Director of Public Health spanning both PHA and NPHS. Te Aka Whai Ora also works in close partnership with both. The PHA and NPHS have made significant progress in finalising their operational design and recruiting into key roles. This new arrangement is a complicated structure because separation of functions into policy and regulatory versus operational is not clear cut in public health.

"It's a national public health service not a central public health service"

In June 2023, the PHA commissioned a review of the public health accountability framework. The review found several positive aspects of the reformed arrangements such as an increased focus on strategy and the ability for local services to connect with national leadership more easily. However, the review also identified areas where there were coordination issues and areas of "rub" that need to be resolved.[56] The review highlighted issues across areas such as the policy making process, health protection and emergency management, development and implementation of regulation development and a clinical governance framework. In addition, urgent action on surveillance was identified.

The PHA and NPHS have described their respective roles in surveillance as strategic surveillance and operational surveillance. However, this divide has led to tensions in determining where strategic surveillance ends, and operational surveillance starts. Both the PHA and NPHS have independently developed their own surveillance teams and expertise. As a result, there are differences in opinion on who has what accountability, particularly around communicable disease surveillance which is critical to detect and manage disease outbreaks and detect new pathogens. Both parties agree that this is an area that requires urgent resolution. This is complicated further as the PHA and NPHS disagree on who should hold direct contracts with the Institute of Environmental Science and Research.

In response to the review, the organisations are addressing the identified issues through turning each focus area into a workstream led by either the PHA or NPHS, with Te Aka Whai Ora being a key partner across all. Progress will be reported back through the Shared Public Health Leadership Group.[57] The joint work to progress the recommendations from the review is promising, with estimated completion by December 2023. The organisations need to ensure continued sustained effort and more detailed planning, particularly prioritising surveillance and within that, communicable disease surveillance.

While the SRIO does not specifically call out roles and responsibilities in surveillance in its Quarter One report as a focus for the next period, it does note "public health intelligence operating model and system are implemented" as an achievement in the Reform Roadmap. This work is to be led by the PHA. The roles and accountability issues for surveillance should be addressed through this operating model work as it involves standing up a cross agency governance group, establishing a national surveillance strategy and multipurpose prevalence survey, as well as implementation of the public health knowledge and surveillance system operating model by June 2024.[58]

Strong clinical governance is required within the public health system. The NPHS, in its recently released operating model, has addressed concerns about the lack of clinical leadership and intend to

[56] Sapere Research Group (2023, June 2). *Public health accountability framework review. Current state analysis: discovery interview themes and analysis*; Sapere Research Group (2023, June 2). *Public health accountability framework review. Current state analysis: document review*.
[57] Ministry of Health (2023, September 5). *Next steps for shared work programme and accountabilities.* JLG memorandum.
[58] Current work programme of the Public Health Agency.

appoint a National Clinical Director and senior clinical leadership.[59] However, the problem lies beyond the lack of clinical roles. The Sapere report points out a lack of clarity in clinical governance and clinical risk management, particularly who should own national guidelines and whether they are considered national policy compared to operational guidance. The organisations should clarify roles in line with the recommendations from the Sapere report and ensure that clinical representation is sufficiently incorporated into decision making.

The areas of tension that are impacting implementation progress could either be a result of different interpretations of the operating model design or inherent in the design itself. As the Committee is unable to determine the underlying reason, it recommends that a follow-up review is undertaken in 12 – 24 months' time to ensure sufficient progress has been made and that the design and execution of the operating model are fit for purpose. This 12 – 24 month period will provide time for the organisations to test the operating model.

Key points

Public health

- A PHA commissioned review shows issues regarding roles and accountabilities across the PHA and NPHS particularly in communicable disease surveillance.
- In response to this review, the organisations are addressing the issues through a joint work programme, with each focus area of the review made into workstream led by either the PHA or NPHS. Te Aka Whai Ora is a key partner across all. Resolution of an agreed operating model is urgent and the two leaders of the PHA and NPHS should be given a time bound period (by December 2023) to achieve this.
- The Committee recommends that a follow-up review is undertaken in 12 – 24 months to see whether the design and execution of the operating model are fit or purpose.

5.5 Power up key priorities

The interim Te Pae Tata[60] notes there are pockets of excellence and numerous services and solutions making a difference in achieving equity. A good example of when this worked well was the COVID-19 response, with Māori providers and groups achieving swift impactful results within their communities when enabled and resourced. As noted above, there is a strong commitment across the organisations to strive for equity demonstrated through the recently developed strategies, plans and frameworks, identification of Māori and Pacific pipeline of innovation projects and the potential for localities and IMPBs to inform commissioning.

"we don't always need to polish the paradigm – as long as we know where we are going, we can take tactical steps"

There is opportunity to make real progress, with greater momentum needed to scale up and implement approaches to achieve results for whānau. This requires the organisations working together to bring their respective expertise and levers to the table (e.g., clinical, commissioning, legislative and regulatory levers) and to work with other government agencies, providers, whānau and communities. All system levers need to be lined up.

The opportunity now exists for the three organisations to prioritise and actively progress some key clinical improvement programmes promptly and collectively while continuing to invest in foundational

[59] Te Whatu Ora (2023, August 15). *NPHS Decision and Reconsultation Document*.
[60] Te Whatu Ora (2022). *Te Pae Tata Interim New Zealand Health Plan 2022*. https://www.tewhatuora.govt.nz/publications/te-pae-tata-interim-new-zealand-health-plan-2022/

work to support the reform. An example would be addressing diabetes where there would be no debate between the three organisations that this is a priority area. It is a key priority for Māori and Pacific people, progress will keep people healthier for longer and out of hospital level care, contributing positively to the system in the longer term. It could be a pilot for how transformation can occur across hospital, primary and community care settings.

The organisations need to agree the priority areas that they could choose to power up over the next 18 months, identify the goals, issues/barriers to making progress and the approach and interventions required to meet their goals and timelines. The agreed priority areas could inform work programmes for the Clinical Networks. Where legislative or regulatory barriers exist, the organisations need to work together to resolve these.

A carefully selected number of national targets in areas that are collectively agreed as needing significant improvement could be chosen to drive nearer term health benefit and to further signal progress towards achieving the five system shifts.

Key points

Power up key priorities

- The opportunity now exists for the three organisations to work with the sector to prioritise and actively progress some key clinical improvement programmes promptly and collectively, while continuing to invest in foundational work to support the reform. Diabetes has been suggested as a priority clinical improvement programme.
- The agreed priority areas could inform work programmes for the Clinical Networks.
- A carefully selected number of national targets could be utilised to help drive nearer term health benefits and further signal progress towards achieving the five system shifts.

5.6 Coordinate the approach to addressing social determinants

Addressing social determinants is critical to the system being able to deliver on equity goals. The recently completed Aotearoa New Zealand Health Status report notes that "the social determinants of health are of significant importance, require sound planning, investment and collaboration with other agencies to address".[61] The report notes that socio-economic and rural issues contribute and compound existing inequities in health outcomes, and that many stressors impacting already at-risk whānau are difficult to capture in traditional analyses of health need. However, the current approach to working with other agencies across the system and within individual organisations is fragmented and not systematically coordinated.

A strong theme has come through from all three organisations (from system stewardship to local delivery), that there is an increasing need to address social determinants and work proactively with wider government partners and other social sector organisations. In addition, many of the issues raised by the twelve locality prototypes in their draft plans relate to wider social determinants such as housing and further underscore the importance of effective relationships with wider government partners and other social sector organisations at all levels within Te Whatu Ora.

Organisations and individual business units have identified the need to resource this work, with some identifying new roles focused on this. It is understandable that limited systematised progress has been

[61] Te Whatu Ora (2023, September). *Aotearoa New Zealand Health Status – key insights. Population Health Gain and Equity teams, Service Innovation and Improvement*.

made in this area to date as new leaders have prioritised their time on setting up their own areas of focus during this first 16 months of establishment.

Greater leadership and co-ordination focused on addressing social determinants as a system would benefit those working at regional and local levels, as well as agency partners who are being asked to engage in different locations on different initiatives. Achieving coordinated and agreed national mandate across other agencies and partners reduces the risk of local resource and support from other agencies being pulled onto competing operational priorities of the day.

Te Whatu Ora staff noted good engagement with other government agencies and partners at a national level is an early benefit of the reform, with other government agencies finding it more efficient and effective to engage with one organisation rather than with 20 separate entities in the past. This should be leveraged to take a coordinated approach to addressing social determinants across Te Whatu Ora and the wider system.

There is also opportunity to strengthen alignment with other agencies at regional levels with the Regional Public Service Commissioners who have a role in strengthening regional system leadership; coordinating and aligning central government decision makers. They are focused on the planning and delivery of wellbeing outcomes in their regions and ensuring there is regional alignment and national level input where needed to achieve outcomes for communities.[62]

Addressing the social determinants of health is complex. It is dependent on engagement and buy-in across government agencies with differing priorities. As demonstrated by existing place-based initiatives[63] such as the South Auckland Social Wellbeing Board, and Manaaki Tairāwhiti, cross-government working and collective impact can be achieved within existing policy settings where trusted relationships have been built, and common goals are agreed across government agencies, community and whānau. These place-based initiatives have demonstrated that immediate impact can be achieved for whānau and communities, however systematising these approaches takes time to achieve; national mandate and across government alignment on priorities is required. Manatū Hauora as system steward should take a more active role in stewarding health across government and other sectors to improve population health,[64] and has taken steps to progress its role in this regard. However, it must work closely with Te Whatu Ora and Te Aka Whai Ora to agree priorities for cross-government focus to ensure they are aligned with operational demands. This in turn, would require Te Whatu Ora and Te Aka Whai Ora to establish nationally coordinated organisational approaches to streamline efforts in working with other government agencies. It may be beneficial to work towards achieving national mandate across government by focussing on a small number of agreed government priorities. These may be determined by government, to ensure that each individual organisation's priorities are not compromised.

Progress should be monitored and could be incorporated into the Reform Roadmap on the pathway to achieving "Equitable access to health services that meet people's needs, are culturally appropriate and achieve Pae Ora".

[62] Te Kawa Mataaho Public Service Commission (n.d.). *Public Service in the regions.* publicservice.govt.nz. https://www.publicservice.govt.nz/system/regions/

[63] Litmus (2019, December 4). *Implementation and emerging outcomes evaluation of the Place-Based Initiatives.* Social Investment Agency | Oranga Tangata. https://swa.govt.nz/assets/Publications/reports/FINAL_Process-and-Emerging-Outcomes-Evaluation-report_04-12-2019.pdf

[64] EY (2023, April). *Manatū Hauora: Future-focused Ministry.* Ministry of Health. https://www.health.govt.nz/system/files/documents/pages/ey-report.pdf

Key points	
Social determinants	• Socio-economic and rural issues contribute and compound existing inequities in health outcomes. • A strong theme has come through from all three organisations (from system stewardship to local delivery) that there is a need to address social determinants and work proactively and systematically with wider government partners and other social sector organisations. • Achieving coordinated and agreed national mandate across other government partners reduces the risk of local resource and support from other agencies being pulled onto competing operational priorities of the day. There should be consideration of across-government priorities. • It could be beneficial to establish a coordinated organisational and system level approach to streamline efforts to address social determinants aligned to clear agreed government priorities. Progress on this should be incorporated into the Reform Roadmap.

Organisational design and development

5.7 Enable and strengthen the transformation focus and discipline

The three organisations are at different stages of their change and transformation journeys. The HMAC high level assessment discusses the status of Te Aka Whai Ora progress and therefore the Committee has not considered this specifically for Te Aka Whai Ora.

At a system level the SRIO, as noted earlier, has developed a system level Reform Roadmap and has begun quarterly reporting against this to monitor and drive system performance.

At the governance level, the Te Whatu Ora Board has recently dedicated time to focus on transformation and reform.[65] However this focus must be underpinned and guided by a clear transformation plan, goals, and milestones that enable regular monitoring of progress and facilitate internal performance challenge.

At an organisational level, Manatū Hauora and Te Whatu Ora have both recognised the need to bring in transformation expertise and discipline and have both recently appointed their own dedicated transformation leads. They have a key role in enabling and strengthening the transformation focus and discipline within these organisations and ensuring an overall aligned system. At the time of this assessment both were in the process of developing and implementing transformation plans; recognising the need to bring transparency, focus and attention on their transformation goals over and above the 'BAU' demand in the system.

The ability of the organisations to achieve their intended goals will require recognition and support by leaders, of:

- The need to jointly agree a limited number of key priority transformation deliverables.
- The importance of appropriate transformation methodology, discipline and planning.
- The value of effective programme and project management expertise (including reporting against agreed measurable KPIs) to drive change.
- The up-front investment that will be needed to achieve long-term benefits.

[65] Poutasi, K. (2023, August 31). *Review of Board Committee Structure*. Letter to Minister Verrall.

Key points

Transformation focus

- Te Whatu Ora and Manatū Hauora have appointed transformation leads, showing recognition of the need for this specific expertise. They have a key role in enabling and strengthening the transformation focus and discipline within these organisations, and ensuring an overall aligned system.
- The value of transformation planning, discipline and capability within the organisations (including Te Aka Whai Ora) must continue to be recognised and supported by leaders, including reporting against agreed measurable KPIs for the limited number of jointly agreed priority areas of focus in implementation plans.

5.8 Ensure the workforce understands what the transformation means for them and their role in it

Successful transformation is reliant on investment in both the emotional (e.g., a compelling why, support in place) and the rational (e.g., process, KPIs, resource, technology) .[66]

The delivery of a clear vision for the future (the "compelling why"), and what is required to achieve the five system shifts is critical to engaging and retaining the wider health system workforce through this time of change. It is also important with the passage of time for the frontline to understand not just the vision but how the reform impacts them and what opportunities the new arrangements bring for new ways of working and being able to innovate and do things differently, to make a difference for patients and how local innovation can be supported. This should include the wider health workforce, not just the employed workforce.

There is no integrated workforce communications strategy for Te Whatu Ora which identifies how it will keep the frontline engaged over the next 12-18 months. However, there has been significant effort put into communications since establishment, through a number of communication channels. Implementation has been undertaken individually by Te Whatu Ora, and jointly by Te Whatu Ora and Te Aka Whai Ora. The size and diversity of the audience, and the lack of a unified digital platform and/or sophisticated communication tools has meant that this has been challenging for the organisations and uptake has been variable. Examples of internal engagement being undertaken by Te Whatu Ora and Te Aka Whai Ora include:

- Tū Mata Kokiri to all staff weekly
- CE Update to all staff fortnightly
- Local pānui to local teams as required
- Leaders' hui to all staff monthly
- All staff hui monthly

These fora and media provide information on reform progress including progress against the five system shifts, operational priorities and progress, change updates and celebration of achievements. At this point Te Whatu Ora acknowledge it has lost many on the 'frontline' who, while initially enthusiastic about the potential of the reform model, are now unclear on 'what it means for me - when and how'. This requires attention.

"We have lost the frontline when it comes to communication"

[66] EY (2022). *Transformative Leadership: Humans@Centre Research.*

The SRIO identified the need to increase focus on workforce communications and engagement using evidence-based understanding of levels of engagement and the development of appropriate communications and approaches. However, it should not be underestimated what is required to achieve this; including greater collective understanding of the tools required to communicate to such a large and diverse workforce, and the likely investment in foundational technology and resource that will be required.

Key points

Workforce communications

- It is important for the frontline to understand not just the vision but how the reform impacts them and what opportunities the new arrangements bring for new ways of working and being able to innovate and do things differently.
- There needs to be ongoing focus on workforce communications and engagement. It is likely investment in foundational technology and specialised communications tools will be required to be able to reach and engage the large and diverse workforce.
- At this point Te Whatu Ora acknowledges it has lost many on the 'frontline' who, while initially enthusiastic about the potential of the reform model, are now unclear on 'what it means for me, when and how'. This requires attention.

5.9 Progress work to create a 'smaller, future-focused' and proactive Ministry with the right capability

As noted in the context, Manatū Hauora had reoriented itself to new functions and structure prior to June 2022. However, following the appointment of the new permanent Director-General of Health in November 2022 a Transformation Programme has recently been established, a Transformation Director appointed, and a draft Transformation Programme Benefits Realisation Plan developed as key mechanisms for delivering on the change required to support its role as system steward. Greater clarity is required on what stewardship means. The EY Report on the future focused Manatū Hauora outlines what a good stewardship role could look like for Manatū Hauora[67]. This includes (but not limited to) having a clear long-term vision, anticipating change and actively supporting the sector to prepare for that change; looking for opportunities for improvement; and being grounded in evidence and best practice which requires global horizon scanning, seeking global learning and leading practice. It is accountable to the public and must drive system performance and system design that optimises population outcomes. The organisation's new structure and roles were announced in September 2023 and recruitment for new roles is being progressed.[68] There needs to be continuing pressure to finalise and embed the organisational structure and to complete the appointment of key roles through to tier three within six months.

The Ministry's intention is to create a 'smaller, future focused' and proactive organisation with the right capability, in accordance with its strengthened stewardship role versus the role it played when there were 20 DHBs. At this time, as change is still underway, a significant gap exists between the vision for the Ministry as a steward and how it is operating now.

Manatū Hauora intends to convene a new Sector Stewardship Meeting twice a year, engaging with partners and stakeholders to test thinking and collaborate on a small number of strategic and emerging

[67] EY (2023, April). *Manatū Hauora: Future-focused Ministry.* Ministry of Health. https://www.health.govt.nz/system/files/documents/pages/ey-report.pdf

[68] Ministry of Health (n.d.). *Final decisions on change to the Ministry's organisational structure – phase 1.*

topics.[69] Within Manatū Hauora this will include the Director-General, Deputy Director-Generals, Director System Reform, Chief Officers, Pacific Health Lead and Disability Lead. New governance arrangements have been established to focus on strategic direction and performance, including the appointment of new senior positions that are strategic and forward focussed such as Chief Advisor, Horizon Scanning.[70]

Of paramount importance for Manatū Hauora is the focus on shifting workplace culture and ways of working.[71] As alluded to earlier in this report, the current approach to policy development is an example where a substantive change in the way of working is required. As Manatū Hauora begins to take a more strategic view in direction setting through policy, it must recognise the need to draw on all parties to bring expertise and levers to the table, and jointly agree solutions. Policy must enable delivery, including the appropriate use of regulatory levers to enable innovative delivery rather than creating barriers. The change in ways of working and in particular needing to work 'alongside' Te Whatu Ora and Te Aka Whai Ora, which are both further advanced in terms of implementing their new organisational structures and therefore new ways of working, will require Manatū Hauora to work at pace to keep up with operational demand.

In addition, the roles and accountabilities within Manatū Hauora and across organisations must be clarified. In some cases, there will be projects where the three organisations must work together in a flexible way, however the day-to-day roles of the Ministry and other organisations must be clear. This is a shift from its role prior to the reform and will require taking a system view of how the organisations operate, working together with the other organisations to clarify roles and functions, and acting on decisions which may include stepping back in some areas where Te Whatu Ora or Te Aka Whai Ora should take the lead, and driving development in other areas. In some cases, such as community and primary care, it will require the organisations to work in 'lockstep' to ensure pace is maintained. The role of Manatū Hauora also needs to adjust to the roles and accountabilities that now rest with the Boards of both Te Whatu Ora and Te Aka Whai Ora where previously some of these were the responsibility of the Ministry.

Key markers to monitor Manatū Hauora progress against its transformation plan should be incorporated into the Reform Roadmap through horizons one and two (over the next 12 – 18 months).

[69] Ministry of Health (2023, October 26). *Implementation of the Executive Governance Team, Operational Leadership Team, and Sector Stewardship Team.* Memorandum.
[70] Ministry of Health (2023, October). *Executive Governance Team Draft Terms of Reference.* Ministry of Health (2023, October). *Operational Leadership Team Draft Terms of Reference.*
[71] Also noted in Ministry of Health (2023, August 22) *Manatū Hauora: Future-focused Ministry. TMO – Transformation Roadmap*.

Key points

Manatū Hauora

- Manatū Hauora must become a 'smaller, future focused' and proactive Ministry with the right capability, in accordance with its strengthened stewardship role. This must include a strong focus on shifting culture and ways of working.
- There must be a substantive change to the way policy is developed, recognising the need to draw on all parties to bring expertise and levers to the table, and jointly agree solutions.
- Policy must enable delivery including the use of regulatory levers to enable innovative delivery rather than creating barriers.
- Manatū Hauora must work at pace alongside Te Whatu Ora and Te Aka Whai Ora to keep up with operational demand.
- Roles and accountabilities within Manatū Hauora and across organisations must be clarified, with some projects requiring the organisations to flexibly work together and other day-to-day activities requiring a clearer definition of roles.
- Key markers to monitor organisational progress against transformation plans should be incorporated into the Reform Roadmap.

5.10 Mitigate the risk of transformation focus being subsumed by operational challenges within Te Whatu Ora

The legislative merger of 20 separate entities was only the beginning of the transformation journey for Te Whatu Ora. Its transformation is significant, given the size, complexity and diversity of the organisation's roles; its workforce and the workplace settings; the current lack of an 'interoperable infrastructure spine'; and ongoing operational challenges.

Ensuring it does not end up with a single national organisation "doing what we've always done" must be a key goal of the transformation process for Te Whatu Ora. This will require deliberate transformation disciplines to be put in place so both the Board and senior leadership are not subsumed by any BAU challenges at the governance and leadership table.

BAU challenges will always have an impact on transformation priorities, e.g., the explicit decision to delay the development of a new operating model for Hospital and Specialist Services to minimise disruption to frontline staff over the winter period. This delay along with the commissioning business unit also re-consulting on its operating model, and pushing out its planned timeframe for completion, means that recruitment to Te Whatu Ora key tier three and four positions is still underway across the organisation. At best it will take up to another six months to complete the appointment of key roles through to tier three and this will only be achieved if focus is maintained, and there is continuing pressure to finalise and embed organisational structure.

Clinical governance and the appointment of permanent leadership roles is critical to transformation progress. As outlined in the section on early benefits of reform, clinical networks will play an important role in the system, facilitating integration across the system, and ensuring clinical consistency and quality. Cabinet also noted that clinical governance at all levels is vital to ensure both commissioning and service delivery functions are efficient, effective, and evidence based. It noted that clinical governance has a key role in fostering an innovation culture in the system".[72] At the time of this

[72] Department of Prime Minister and Cabinet (n.d.). *Health and Disability System Review – Proposals for Reform* (proactively released paper and minute). www.dpmc.govt.nz/sites/default/files/2022-06/cab-21-sub-0092-health-disability-system-review.pdf

assessment some national clinical leadership roles are interim, and the clinical governance framework is still in development.

Key markers to monitor organisational progress against its transformation plan and in particular completion of key appointments including clinical leadership should be incorporated into the Reform Roadmap through horizons one and two (over the next 12 – 18 months).

Key points

Te Whatu Ora transformation focus

- Te Whatu Ora must maintain pressure and focus to finalise organisational structures, ensure key roles are in place within six months and embed the desired change in culture.
- Implementation of a clinical governance and leadership framework, and the appointment of permanent leadership roles is critical and must be an immediate focus for Te Whatu Ora.
- The Te Whatu Ora Board must monitor progress against a transformation plan with clear goals and milestones.
- Key markers to monitor organisational progress against transformation plans should be incorporated into the Reform Roadmap.

5.11 Achieve an integrated and aligned system

Achieving the five system shifts is dependent on a whole-of-system, coordinated approach. This will require an integrated approach at all levels of the system and across organisations, from policy design and implementation planning through to local delivery.

As noted earlier, Te Whatu Ora has necessarily started with a focus on the establishment of national level functions and structures to enable consistency, coordination and standardisation of systems, policies and process. Through its Simplify to Unify change programme, Te Whatu Ora aims to integrate a range of systems to streamline its operations (for instance integrating "28 payroll systems, over 3000 clinical applications and a national procurement system").[73] It is structured into five delivery business units and five enabling business units with priority early on given to establishing the second-tier structure and recruiting to those critical positions. In doing so, Te Whatu Ora reduced down from more than 270 tier two roles in the previous DHBs and Shared Service Agencies to 111 tier two and tier three roles.

"Integration requires structured process"

As noted above, for various reasons operating models for each business unit were developed, consulted on and finalised at different times. For Te Whatu Ora, this has resulted in large vertical business units and individual operating models being stood up without integration with overlapping parts of the system. These operating models now require intentional horizontal integration embedded at all levels of the organisation to enable design, development and implementation of cross-cutting strategies, plans and activities, and to avoid unintended consequences.

This is particularly important for the integrated planning of primary care services and hospital and specialist services to advance the shift of care to communities where appropriate. The indicators reported in the Te Whatu Ora Quarter Four Clinical Performance Metrics (1 April to 30 June 2023)[74] confirms that there continues to be pressure and increasing demand across the system, notably the rise in ASH rates for children; increased emergency department presentations and patient

[73] Te Whatu Ora Operational Plan 2023/24.
[74] Te Whatu Ora (2023). *Clinical Performance Metrics*. Clinical Performance Report 1 April - 30 June 2023 – Te Whatu Ora - Health New Zealand

complexity; and more young people needing mental health support. These metrics reinforce the need for horizontal integration that facilitates coordinated design and planning across Hospital and Specialist Services, Commissioning and primary care to address the increasing need for healthcare services, and the increasing pressure on the system and workforce.

The Committee acknowledges the scale of change and notes in the interim Te Pae Tata 2022 and Te Whatu Ora 2023/24 Operational Plan that in the first two years the organisation will implement a new national, regional and local organisation structure using a standardised operating model across its business units. Clearly more work is required to achieve this desired outcome. A continual improvement approach is required to align operating models across Te Whatu Ora and therefore progress integration across the organisation.

Key points

Integrated and aligned system

- Achieving the five system shifts is dependent on a whole of system, coordinated approach.
- Te Whatu Ora plans to standardise the operating models across the organisation. However, more work is required to achieve this desired outcome with urgency.
- The operating models require intentional horizontal integration embedded at all levels of the organisation to enable design, development and implementation of cross-cutting strategies, plans and activities, and to avoid unintended consequences.

5.12 Empower the Regional Integration Teams as a core element of the system infrastructure and as the horizontal integrator

The regional infrastructure is a core component of the intended nationally planned, regionally delivered and locally tailored model. The reform intended to take a regional approach to analytics, whole-system monitoring, contract management, and integration of planning for primary, community and hospital networks, and develop a critical core of commissioning capability.[75] This included a hub and spoke model with district offices as the 'front door' for commissioning of primary and community services and engagement with local populations. It was envisaged therefore, that the regional arrangements would provide leadership for service planning and commissioning in the region, and be the primary conduit for partnership, involvement and engagement of communities in decision-making, the latter also being informed by localities and IMPBs. There is a significant risk that if the regional infrastructure is not functioning as intended, with clear regional and local level decision making roles and accountabilities in place, that the intended model will be perceived as being centrally controlled.

The current regional infrastructure and in particular the Regional Integration Teams (RITs) must therefore be considered as core elements of the system infrastructure at regional, district and local levels (across planning and delivery), and key to the machinery for localities and IMPBs. They have an important role facilitating horizontal integration across Te Whatu Ora.

The RITs were formally stood up in early 2023[76] with permanent appointments made to the regional roles at that time, however they are still relatively early in their development. With the Terms of Reference still in development at the time of this assessment, their role and function remain unclear.

[75] Department of Prime Minister and Cabinet (n.d.). *Health and Disability System Reivew – Proposals for Reform* (proactively released paper and minute). www.dpmc.govt.nz/sites/default/files/2022-06/cab-21-sub-0092-health-disability-system-review.pdf

[76] Te Whatu Ora (2023, August 8). *Stocktake of Te Whatu Ora's Regional Integration Teams*. Joint memorandum.

Those working at the regional level have acknowledged benefits of the reform, e.g., being part of one organisation enables staff and resource to be mobilised more freely to address unwarranted variation. However, there is also recognition that there are areas of design and development which require more work for the potential of the regional arrangements to be fully optimised.

"National teams need to work for the regions, but the regions are at very different stages and have different issues"

Currently, the RITs are highly people and relationship dependent without consistent clear accountability arrangements or supporting infrastructure. Levels of delegation, decision making and autonomy at the regional level remain variable and at times unclear, and there appears to be limited collective regional accountability to make integrated implementation decisions. Without clear collective regional accountability, there is risk that vertical accountabilities will override collectively agreed regional plans and/or decisions. This will impact timeliness of decision making at regional, district and local levels. It is also unclear what role the RITs will play in supporting and/or enabling localities and IMPBs despite the expectation that they will be a key part of the machinery.

At the time of this assessment, each RIT has developed draft regional health plans. Over time it is expected that locality and regional plans will inform national planning and vice versa, however currently, the regional health plans are being developed independently.

Given the importance of the RITs to the system infrastructure and to achieving horizontal integration across functions, there should be greater prominence given to achieving clarity of their role, function and regional accountabilities in the Reform Roadmap. The Terms of Reference should be finalised urgently, and a review of their functionality and effectiveness be undertaken in August 2024 which will be approximately 18 months since their establishment.

Key points

Regional integration teams

- The reform intended to take a regional approach to analytics, whole-system monitoring, contract management, and integration of planning for primary, community and hospital networks, and to develop a critical core of commissioning capability.
- The RITs are a core element of the system infrastructure at regional, district and local levels, across planning and delivery. They are key to horizontal integration within Te Whatu Ora.
- The Terms of Reference for the RITs need to be finalised urgently.
- The RITs should have more prominence in the Reform Roadmap, including clarity of their role, function and regional accountabilities.
- A review should be undertaken into the functionality and effectiveness of the RITs in August 2024.

5.13 Implement an internal Te Whatu Ora performance management framework and tools to drive performance improvement

As outlined in section 5.15, Crown Entity Boards must be held accountable for organisation performance. In the case of Te Whatu Ora; a diverse and complex organisation and the largest single operating organisation (public or private) in New Zealand, performance management is challenging.

"Data and Digital is a horizontal enabler of the reforms"

There is a large volume of reporting being undertaken by Te Whatu Ora for both the Board and external agencies. The lack of a unified digital platform across the organisation means that data collection, monitoring

and reporting is currently labour intensive, and the resource and tools required to meet both internal and external monitoring requirements is substantive.

Te Whatu Ora has work underway to develop a new organisational performance framework, and it is intended that there will be a focus on the Government's performance priorities. Feasibility testing on the framework and measures is planned to be undertaken in Quarter Three 2023/24.

In addition to reporting on Government's priorities, Te Whatu Ora needs to further refine its reporting frameworks and tools to enable the Board to execute its responsibilities, distinct from retrospective reporting for external compliance purposes. While the indicators and measures should also inform external compliance reporting, i.e., "one source of truth", the internal indicators of organisational performance need to be internally prioritised and agreed, and should include for example, indicators of staff wellbeing and culture, particularly through the change process, as well as delivery priorities. These measures will enable the Board to monitor performance of the organisation and should cascade to the Chief Executive, ELT, and business units to drive performance. The internal performance framework needs to be action focused, to proactively track both transformation progress as well as organisational performance progress (against plans / targets); enable proactive management of risk and issues as they arise; and facilitate monthly internal challenge across ELT (and the Board) to drive continual performance improvement.

Key points

Te Whatu Ora internal performance management

- Te Whatu Ora should rapidly progress the further development of its internal performance monitoring framework and tools.
- The reporting framework and tool must enable the Board to monitor both the BAU as well as transformation performance of the organisation, facilitate internal performance challenge and drive performance at Board and ELT levels.

Enabling foundations

5.14 Clarify, align and reduce system setting artefacts

There are a large number of priorities across different system setting artefacts making it difficult to understand where to focus and prioritise effort. These include a core set of direction setting artefacts in place across the three organisations such as the GPS that enables the Government to set medium term priorities, the six pae ora strategies introduced in the Act, and the interim Te Pae Tata 2022 that acts in effect as an action plan. There are also a plethora of strategies and plans across key areas such as workforce, primary and community care, and data and digital services to name a few. And there are plans to develop an overarching system level Outcomes Framework incorporated into the GPS and both Te Whatu Ora (working with Te Aka Whai Ora) and Manatū Hauora are developing benefits realisation plans. In the future, locality plans will inform planning at the regional and national level as they feed into the commissioning cycle.

Performance frameworks are being worked on across the sector requiring greater coordination, alignment and streamlining of performance metrics (of which there are hundreds). In addition, there is the Reform Roadmap and the recommendations from the DPMC assessment of working

relationships,[77]and the outputs from this report could also become another "reporting artefact". There are priorities across all these documents.

While to some extent the number of artefacts and priorities is to be expected for such a large and complex system, the current landscape has become crowded, unwieldy, confusing and it is difficult to understand how it all 'fits together' and where to focus and prioritise effort. While ideally planning would occur in a cascading manner, informed by both 'top down and bottom up' processes, there are also concerns about the timing of documents such as the development of the GPS 2024 – 2027 and Te Pae Tata that are being developed in parallel. The SRIO also has concerns about the GPS 2024 – 2027 and Te Pae Tata and notes in its Quarter One report that there is a significant risk that they will not align "due to the inherent complexity of the work".[78] There also appear to be too many 'priorities' across all these documents.

A system of this size early in its reform implementation timeline, will inevitably require time to streamline and rationalise its direction setting strategies, plans and priorities with an accompanying suite of performance measures. The three organisations acknowledge this and are working towards this goal. Work is needed to continue to declutter and help focus the priority transformation work across the organisations, and in some instances, this may require legislative change.

Key points

System artefacts

- There are a large number of priorities across different system setting artefacts making it difficult to understand where to focus and prioritise effort.
- There is a need to align system setting artefacts and to declutter strategies, plans and priorities across the system to enable more streamlined focus of effort and resource. This may require legislative change.

5.15 Rationalise and strengthen system level performance management

The DPMC Implementation Unit intends to undertake a review of performance management and monitoring, including Manatū Hauora's progress in implementing its monitoring framework (including performance monitoring) and its monitoring partnership with Te Aka Whai Ora and other health related organisations by December 2023.[79]

The SRIO is tracking the progress of system performance monitoring and has identified several focus areas for the next period. The Reform Roadmap includes broad achievements related to system and organisation performance management arrangements. However, it does not include clear deliverables within these achievements.

Given the activities outlined above, the Committee has not focused on system performance monitoring per se. However, it would be beneficial to incorporate key markers of progress for implementing system monitoring arrangements into the Reform Roadmap, and notes that there is still significant work to be done on:

[77] Department of the Prime Minister and Cabinet (2023, May 31). *Assessment of working arrangements between agencies following implementation of the Health reforms in July 2023*. DPMC-2022/23-1478. Briefing.
[78] System Reform Integration Office (September 2023). *Health System Reform Progress Report Q1 FY 2023/24.* See also: https://www.health.govt.nz/new-zealand-health-system/health-system-reforms/health-system-reform-roadmap
[79] Department of the Prime Minister and Cabinet (2023, May 31). *Assessment of working arrangements between agencies following implementation of the Health reforms in July 2023*. DPMC-2022/23-1478. Briefing.

- Understanding the role of Manatū Hauora as monitor of a large Crown Entity which is substantively different to its previous role in monitoring DHBs.
- Gaining greater clarity of what stewardship means for Manatū Hauora, and specifically what this means for its system monitoring role, and therefore what information is required to carry out this role. The March 2021 Cabinet Paper describes the role of Manatū Hauora in monitoring overall health system performance, and in monitoring the performance of the Boards in managing entity performance and organisational health.[80] It reiterates that the organisations themselves are responsible for monitoring their own performance and progress against priorities and expectations. Therefore, Manatū Hauora must clarify its role in monitoring the performance of the Boards and how it will do this versus monitoring organisation performance.
- Rationalising performance metrics to make it more efficient for the reporting organisation when reporting to multiple different audiences and monitors.

The Committee met with Te Manatū Waka, Ministry of Transport and Te Tūāpapa Kura Kāinga, Ministry of Housing and Urban Development to understand their monitoring roles with respect to the Crown entities that they monitor. Like Te Whatu Ora, these Crown entities are large, relative to the Ministries that monitor them. It took time for their respective roles (the Ministries and the Crown Entity Boards) to be clarified. They both noted that having senior staff from the Ministries attending Board meetings was an important step forward in improving this relationship and clarifying roles and responsibilities.

Key points

Performance management

- It would be beneficial to incorporate key markers of progress for implementing system monitoring arrangements into the Reform Roadmap.
- Significant work needs to be done on:
  - Understanding the role of Manatū Hauora as monitor of a large Crown Entity which is substantively different to its previous role in monitoring DHBs;
  - Gaining greater clarity of what stewardship means for Manatū Hauora, what this means for its system monitoring role, and therefore what information is required to carry out this role.
  - Manatū Hauora considering its role in monitoring a large Crown Entity, including its role in monitoring the performance of the Boards versus monitoring organisation performance which is the accountability of the Boards.
  - Rationalising performance metrics to make it more efficient when reporting to multiple different audiences and monitors.

[80] CAB-21-MIN-0092, Health and Disability System Review: Proposals for Reform.

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Appendix A. Terms of Reference

Purpose

1. The purpose of the Ministerial Advisory Committee ("**the Committee**") for health reform implementation is to provide independent advice to Ministers on the continued implementation of the health reforms beyond Day 1 of the new system, advising on the delivery, benefits and any risk for the first 2 years of the reform [SWC-22-MIN-0089 refers].
2. The Committee is formed under section 87 of the Pae Ora (Healthy Futures) Act 2022.

Background and context

3. The Pae Ora (Healthy Futures) Act 2022 came into effect on 1 July 2022. This established the new health system entities and ways of operating, setting the foundations and expectations for a more equitable and sustainable health system to improve the health and wellbeing of all New Zealanders.
4. As the health system transitions, Te Whatu Ora – Health New Zealand, Te Aka Whai Ora – Māori Health Authority, and the Ministry of Health collectively have responsibility to deliver on the intended vision of the reformed health system as agreed by Cabinet [CAB-21-SUB-0092]. An independent assurance and advisory function will be vital to advise Ministers on implementation progress to ensure a system focus on the intended outcomes and benefits of the reform. The Committee will sit outside the entities to ensure independence but will have the knowledge and sector relationships to advise on delivery, benefits and risk.

Role

5. On 18 May 2022, Cabinet noted the intention of the Minister of Health to establish a Ministerial Advisory Committee under Section 87 of the Pae Ora (Healthy Futures) Act 2022, to "provide external advice to Ministers on progress, support requirements and risk on health reform implementation after Day 1" [SWC-22-MIN-0089 refers].
6. The Committee will provide independent advice on:
    a. progress of Te Whatu Ora, Te Aka Whai Ora and the Ministry of Health towards embedding functions and systems, realising the reform objectives, including working as one system;
    b. emerging risks, issues and mitigation strategies;
    c. requirements to achieve successful implementation of the reform agenda, in the intended vision, benefits and outcomes; and
    d. prioritisation of resources and effort across the system on reform related activities.
7. The Committee will provide regular advice to the Minister on reform implementation, which will be considered alongside ongoing direct reporting from the entities.
8. The Committee can engage directly with the entities to understand risks and progress of the reform programme to advise the Minister. This engagement may occur through the Ministry of Health, or through representatives from the entities attending the Committee's meetings.
9. The Committee may also engage with any other person who they believe can assist in their provision of advice to the Minister.
10. The Minister may also seek the Committee's advice on any other relevant matter.
11. Section 87 committees are independent, and report directly to the Minister of Health, and are solely accountable to the Minister.
12. The Committee is not a decision making or governance body, and is not intended to advise on operational performance of the system. It is intended to provide implementation and programme advice to the Minister.

13. The Committee is expected to act consistently with the purpose and functions set out in these Terms of Reference and perform its functions efficiently and effectively.

Membership

14. The Committee will comprise of no more than six members, including a Chair.
15. Collectively, the Committee should possess the following expertise and attributes:
    a. experience in leading large-scale transformation and/or system change, including change processes impacting people and workforce;
    b. experience in designing, delivering and/or monitoring primary and community care services;
    c. in-depth knowledge of the reform agenda as agreed by Cabinet, including a clear understanding of the new system operating model, and the respective roles, powers and functions of the entities;
    d. familiarity with machinery of government and government processes;
    e. experience in governance, management or service delivery for a healthcare provider (e.g., aged care residential or primary health organisation); and
    f. a representative from the Hauora Māori Advisory Committee who brings an in-depth understanding of te Tiriti o Waitangi and equity as it relates to hauora and oranga Māori issues, services and support.
16. In addition, key attributes for the Chair of the Committee include:
    a. experience in a public facing role; and
    b. governance experience.

Operations

17. The Committee will meet on a monthly basis to carry out its functions in a timely manner. The scheduling of these meetings will be determined by the Chair and members, who will also determine the meeting procedures and processes. Members who are unable to attend a meeting of the Committee cannot be represented by a substitute or proxy.
18. The Health Transition Unit will provide initial secretariat services and administrative support until 30 September 2022. The Ministry of Health take over this function from 1 October 2022.
19. Secretariat services and administrative support to the Committee include:
    a. setting up meetings;
    b. collating and distributing papers;
    c. recording minutes and actions as required; and
    d. preparing and collating appropriate information.
20. No quorum is required as the Committee is not a decision making or governance forum.

Public statements

21. Queries about the Committee and its advice will be directed to the Chair. The Chair will discuss any response with the Minister, or the Minister's office in the first instance. The Director-General of Health and the Chairs of Te Whatu Ora and Te Aka Whai Ora may be consulted or informed of any responses made by the Chair as appropriate.
22. The Chair is the sole member authorised to comment publicly on matters connected with the Committee.

General confidentiality requirements

23. For the Committee to operate effectively, members must maintain the confidence of the Committee, including maintaining confidentiality of matters discussed at meetings, and any information or documents (not otherwise publicly available) provided to it.

24. Disclosure of Committee advice to anyone outside the Committee, the Ministry of Health, the Minister or their office requires the agreement of the Chair and the Minister. The release or withholding of information is subject to the provisions of the Official Information Act 1982 and the Privacy Act 2020.

Terms and conditions of appointment

25. All appointments to the Committee will be made by the Minister and will be for a period until the end of June 2024.

26. Fees for the Chair and members will be set according to the Cabinet Fees Framework and outlined in a letter of appointment. The fees are:

    a. $1,150 per day for the Chair

    b. $865 per day for members.

27. Any member of the Committee may at any time resign as a member by advising the Minister and the Chair in writing.

28. The Minister may, by written notice, remove a member from the Committee. This may be for a serious breach of any of these terms or any other reason. Serious breaches of these terms include (but are not limited to) a breach of confidentiality, unauthorised communication with media about the Committee, or a failure to declare or appropriately manage a conflict of interest.

Disclosure and other matters

29. Members are responsible for declaring any real or potential conflict of interest to the Committee, as soon as the conflict arises. The Chair will ensure appropriate mitigation and management of real or potential conflicts.

30. Members must ensure that they do not let advocacy of particular interests override or undermine their responsibilities or duties as members of the Committee.

Appendix B. Documents received and reviewed

Previous reviews

Document title	Source
Final progress report Quarter One	SRIO
High-level assessment of Te Aka Whai Ora progress against Cabinet expectations, commitments, and priorities for the Hauora Māori Advisory Committee	Hauora Māori Advisory Committee
Assessment of Te Whatu Ora Data and Digital Service	MAC
Public health accountability framework review - discovery interview themes and analysis	Sapere
Public health accountability framework review - current state analysis document review	Sapere
Ministry of Health Functions and Capability Review	EY
Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022	Department of Prime Minister and Cabinet

Documents provided by the organisations

#	Document title	Source
1.	Primary and Community Care Policy Programme Structure	Manatū Hauora
2.	Terms of Reference for Steering Group Primary Care Policy Work Programme	Manatū Hauora
3.	Indicative Workplan to Implement System Shifts Towards the Future Vision for Primary and Community Healthcare	Manatū Hauora
4.	Memorandum: Ways of Working in Primary and Community Health Services	Manatū Hauora
5.	Memorandum: Statement of Scope Primary and Community Healthcare Policy Work Programme	Manatū Hauora
6.	Memorandum: Primary and Community Healthcare Policy Work Programme – Workstream Briefs	Manatū Hauora
7.	Hauora Māori Primary and Community Healthcare Workstream – Key Shifts and Questions	Manatū Hauora
8.	Current Work Programme of the Public Health Agency	Manatū Hauora
9.	PHA Establishment Case Study	Manatū Hauora
10.	Public Health – Shared Work Programme and Accountabilities	Manatū Hauora
11.	Overview on Immediate Actions Identified by Health Agencies to Improve Childhood Immunisation Rates	Manatū Hauora
12.	Health Workforce Strategic programme - Mobilising the Workforce Strategic Framework	Manatū Hauora
13.	Future Engagement with the Health Workforce	Manatū Hauora
14.	Update on Health Workforce Legislation	Manatū Hauora

#	Document title	Source
15.	Health Workforce Strategic Approach and Work Programme	Manatū Hauora
16.	Multi-Year Funding for Vote Health Progress on Budget 24 Conditions	Manatū Hauora
17.	Current Approach for GPS on Health 2024-2027 and the Roadmap to June 2023	Manatū Hauora
18.	Investment and Funding Strategy Team - Work Programme June - December 2023	Manatū Hauora
19.	Role of 2024 - 2027 Government Policy Statement on Health in the Accountability Cycle	Manatū Hauora
20.	Pae Ora Health Strategies - Cabinet Government Administration and Expenditure Review Committee	Manatū Hauora
21.	Multi-Year Funding for Vote Health: Conditions for Budget 24	Manatū Hauora
22.	Budget 2024 - Proposed Health Cost Pressure Planning Parameters	Manatū Hauora
23.	Multi-Year Funding for Vote Health: Coverage and Design Considerations	Manatū Hauora
24.	Multi-Year Funding: Budget 2024 Work Programme Overview	Manatū Hauora
25.	Outcomes Framework Health – Draft Briefing	Manatū Hauora
26.	Approach to Developing the Outcomes Framework for Health	Manatū Hauora
27.	Revised Cabinet Paper Achieving Pae Ora Through Primary and Community Care	Manatū Hauora
28.	Localities Framework	Manatū Hauora
29.	Primary and Community Healthcare Work Programme Timeline	Manatū Hauora
30.	Achieving Pae Ora Through Primary and Community Care	Manatū Hauora
31.	Strengthening the Role of Manatū Hauora in a Reformed Health System	Manatū Hauora
32.	Capability Bid Briefing	Manatū Hauora
33.	Manatū Hauora: Future-Focused Ministry of Health TMO – Transformation Roadmap	Manatū Hauora
34.	Updated Governance, Leadership, And Decision-Making Arrangements for Manatū Hauora	Manatū Hauora
35.	Manatū Hauora Transformation Programme – Draft Benefits Realisation Plan	Manatū Hauora
36.	JLG Memorandum Reform Roadmap V2	Manatū Hauora
37.	Level 0 & Level 1 Roadmap Version 2 – 12 October	Manatū Hauora
38.	National Clinical Trials Network Plan on Page – Establishment Draft	Manatū Hauora
39.	Horizon Scanning for Health	Manatū Hauora
40.	Position Description: Clinical Chief Advisor – Maternity (Clinical Quality and Safety Group)	Manatū Hauora
41.	Position Description: Director, SRIO	Manatū Hauora
42.	System Reform Integration and Assurance	Manatū Hauora
43.	Reform Assurance Framework and System Reform Assurance Office	Manatū Hauora
44.	Transformative Leadership: Humans@Centre Research 2022 EY	Manatū Hauora
45.	MH Our Story September 2023	Manatū Hauora
46.	Communicating Our System Performance Approach	Manatū Hauora
47.	Te Whatu Ora Quarterly Engagement and Monitoring Cycle	Manatū Hauora

#	Document title	Source
48.	Te Whatu Ora Monitoring Plan	Manatū Hauora
49.	Board Induction Day – Agenda and List Of Attendees	Manatū Hauora
50.	Induction Slide Pack for Board	Manatū Hauora
51.	Slides On Monitoring for Crown Entities September Session	Manatū Hauora
52.	Board Induction – Post Event Letter	Manatū Hauora
53.	System Reform Communication and Engagement Strategy	Manatū Hauora
54.	Manatū Hauora TMO Update to MAC October 2023	Manatū Hauora
55.	TMO Programme Plan – As at 31 October 2023	Manatū Hauora
56.	OLT Memorandum – Transformation Programme Organisational Design Principles and Business Rules	Manatū Hauora
57.	Memorandum – Approach to Review Offices of the Deputy Director-Generals	Manatū Hauora
58.	Manatū Hauora Transformation Programme – Draft Benefits Realisation Plan	Manatū Hauora
59.	EGT Memorandum – Transformation Programme Update	Manatū Hauora
60.	EGT Memorandum – Implementation of the Executive Governance Team, Operational Leadership Team and Sector Stewardship Team	Manatū Hauora
61.	Executive Governance Team – Draft Terms of Reference	Manatū Hauora
62.	Operational Leadership Team – Draft Terms of Reference	Manatū Hauora
63.	Health System Winter 2023 Preparedness Plan	Te Whatu Ora
64.	Cabinet Paper - Reduced Waitlists for Planned Health Care	Te Whatu Ora
65.	HSS National Decision Document 21 September 2023	Te Whatu Ora
66.	National HSS Service Planning for Infrastructure Plan	Te Whatu Ora
67.	HSC Rural Health Project Update 3 August	Te Whatu Ora
68.	HSS Programme Initiatives	Te Whatu Ora
69.	Appendix 2: Hospital and Specialist Services	Te Whatu Ora
70.	Appendix 1: Comprehensive Primary and Community Care Teams	Te Whatu Ora
71.	Comprehensive Primary and Community Care Teams Implementation	Te Whatu Ora
72.	Commissioning Operational Plan 23/24	Te Whatu Ora
73.	Primary and Community Healthcare work-programme timeline	Te Whatu Ora
74.	Approach to Primary Care	Te Whatu Ora
75.	National Public Health Service Operational Planning Presentation	Te Whatu Ora
76.	NPHS Key Planned Deliverables for 2023-24	Te Whatu Ora
77.	NPHS Key Priorities	Te Whatu Ora
78.	Initial Priorities for the National Immunisation Programme in Aotearoa	Te Whatu Ora
79.	NPHS Decision and Re-consultation Document	Te Whatu Ora
80.	NPHS Ways of Working	Te Whatu Ora
81.	Te Whatu Ora Operational Plan – Appendix 3 National Public Health Service	Te Whatu Ora
82.	Te Whatu Ora Operational Plan – Appendix 4 Pacific Health	Te Whatu Ora
83.	National Diabetes Action Plan - Draft	Te Whatu Ora

#	Document title	Source
84.	Te Whatu Ora Operational Plan – Appendix 8 Infrastructure and Investment Group	Te Whatu Ora
85.	Cabinet paper - Health Workforce Plan 2023	Te Whatu Ora
86.	Te Mauri o Rongo | the New Zealand Health Charter	Te Whatu Ora
87.	Workforce Initiatives – Email on Key Initiatives and Successes	Te Whatu ora
88.	Early Actions Programme Budget 2022 Funding Implementation	Te Whatu Ora
89.	Regional Health Services Planning Progress	Te Whatu Ora
90.	HNZ Estimates of Appropriation 2023/24	Te Whatu Ora
91.	Document Te Whatu Ora 2023/24 Operational Plan	Te Whatu Ora
92.	Review of Board Committee Structure	Te Whatu Ora
93.	Stocktake of Te Whatu Ora's Regional Integration Teams	Te Whatu Ora
94.	Te Whatu Ora Senior Leadership Team Structures	Te Whatu Ora
95.	Stocktake of Te Whatu Ora's Regional Integration Teams	Te Whatu Ora
96.	Te Whatu Ora Operational Plan – Appendix 5 Service Improvement & Innovation	Te Whatu Ora
97.	Te Whatu Ora Operational Plan – Appendix 13 Planning and Accountability Framework	Te Whatu Ora
98.	Te Whatu Ora Operational Plan – Appendix 14 Te Whatu Ora Strategic and Enterprise Risk Register	Te Whatu Ora
99.	Te Whatu Ora 2023/24 Operational Plan	Te Whatu Ora
100.	Our 2023 24 Operational Plan on a Page	Te Whatu Ora
101.	Pae Ora Delivery Unit Strategic Roadmap for Te Whatu Ora	Te Whatu Ora
102.	Roadmap To Pae Ora	Te Whatu Ora
103.	Appendix 9 Office of the Chief Executive	Te Whatu Ora
104.	Appendix 12 Clinical Leadership Operating Model	Te Whatu Ora
105.	Operating Model Presentation 27 June 2023	Te Whatu Ora
106.	Diabetes Plan ELT Update	Te Whatu Ora
107.	Terms Of Reference - Fatu Fono Ola National Pacific Health Senate	Te Whatu Ora
108.	Minutes Fatu Fono Ola 1 July 2023	Te Whatu Ora
109.	Minutes Pacific Senate 6 April 2023	Te Whatu Ora
110.	Fatu Fono Ola Minutes 1 June 2023	Te Whatu Ora
111.	National HNA Highlights 1 September 2023	Te Whatu Ora
112.	ELT Paper – 1. Equity Framework	Te Whatu Ora
113.	ELT Paper – 1.1 Equity Goals	Te Whatu Ora
114.	ELT Paper – 2. ED Data	Te Whatu Ora
115.	ELT Paper – 3. ELT SII DD Innovation Overview	Te Whatu Ora
116.	ELT Paper – 4. ELT CEWV	Te Whatu Ora
117.	Securing Our Future Health: Taking a Long-Term View by Derek Wanless	Te Whatu Ora
118.	Level of ICT Investment That Needs to be Addressed	Te Whatu Ora
119.	Te Whatu Ora Operational Plan – Appendix 7 Data & Digital	Te Whatu Ora

#	Document title	Source
120.	Data And Digital Horizon 1 Roadmap	Te Whatu Ora
121.	DD Input into MAC October 2023	Te Whatu Ora
122.	Internal And Stakeholder Hui and Panui Stats	Te Whatu Ora
123.	Te Whatu Ora Operational Plan – Appendix 6 People and Communications	Te Whatu Ora
124.	People and Comms Operational Plan	Te Whatu Ora
125.	Information for MAC – 3 November 2023	Te Whatu Ora
126.	Commissioning Final Decision Document	Te Whatu Ora
127.	Case Studies	Te Whatu Ora
128.	Te Whatu Ora Operational Plan – Appendix 1 Commissioning	Te Whatu Ora
129.	Regional Areas of Focus and Actions - Assessment of Pae Ora Actions V2	Te Whatu Ora
130.	Draft RHWP Te Ikaroa – Central Comments for Feedback	Te Whatu Ora
131.	Regional Integration Team Terms of Reference Draft	Te Whatu Ora
132.	Te Whatu Ora Operational Plan – Appendix 10 Finance	Te Whatu Ora
133.	Te Whatu Ora Operational Plan – Appendix 11 Pae Ora Delivery	Te Whatu Ora
134.	Update on Health Capital Projects	Te Whatu Ora
135.	Infrastructure - Final Letter of Expectations	Te Whatu Ora
136.	Te Whatu Ora and Manatū Hauora Joint Infrastructure Group	Te Whatu Ora
137.	Appendix I - Commissioning and Procurement Governance Structure	Te Aka Whai Ora
138.	Appendix II - Commissioning Work Programmes Template	Te Aka Whai Ora
139.	Appendix III - Contract Tracking Example - Funding Allocation Floods & Cyclone	Te Aka Whai Ora
140.	Appendix IV - Delivery Management Plan	Te Aka Whai Ora
141.	Appendix V - Quality Improvement Working Group	Te Aka Whai Ora
142.	Audit And Assurance Notes	Te Aka Whai Ora
143.	Appendix VI - Dashboard Example	Te Aka Whai Ora
144.	Commissioning Plan	Te Aka Whai Ora
145.	Example of Monitoring Approach	Te Aka Whai Ora
146.	Te Aka Whai Ora Statement of Performance Expectations	Te Aka Whai Ora
147.	Te Aka Whai Ora Statement of Intent	Te Aka Whai Ora
148.	Te Aka Whai Ora Quarter 3 Report	Te Aka Whai Ora
149.	Te Aka Whai Ora Statement of Performance Expectations 2023 - 2024	Te Aka Whai Ora
150.	Table of Actions Items in Response to the HMAC report	Te Aka Whai Ora
151.	HMAC Recommendations Weekly Progress Report - for week ending 15092023	Te Aka Whai Ora

Appendix C. List of interviewees

Ministry of Health

Name	Role
Dr Diana Sarfati	Director-General of Health
Robyn Shearer	Deputy Director-General, System Performance Monitoring
Jess Smaling	Associate Deputy Director-General, System Performance Monitoring
John Whaanga	Deputy Director-General, Māori Health
Andrew Old	Deputy Director-General, Public Health Agency
Fergus Welsh	Chief Financial Officer
Geoff Short	Director, Transformation Management Office
Maree Roberts	Deputy Director-General, Strategy, Policy and Legislation
Steve Barnes	Group Manager, Family and Community Health Policy
Stephen Crombie	Director, Reform Integration Oversight

Te Aka Whai ora

Name	Role
Riana Manuel	Chief Executive
Tipa Mahuta	Chair, Te Aka Whai Ora Board
Selah Hart	Deputy Chief Executive Public and Population Health
Patrick Le Geyt	Regional Director Central

Other agencies

Name	Role
Caralee McLeish Struan Little Jess Hewat Amy Russell	Chief Executive, Treasury Deputy Chief Executive, Treasury Manager, Health, Treasury Principal Advisor, Health, Treasury
Ben McBride	Policy Advisory Group, Department of Prime Minster and Cabinet
Maari Porter	Interim Director, Implementation Unit, Department of Prime Minister and Cabinet
Stephen McKernan	Director, Health Transition Unit; Partner, EY
Audrey Sonerson	Chief Executive, Ministry of Transport
Peter Jansen	Chief Executive, Health, Quality and Safety Commission
Parekawhia McLean	Chair, Hauora Māori Advisory Committee[81]
Jo Hughes	Director, Ministry of Housing and Urban Development
David Moore	Managing Director, Sapere

[81] Parekawhia McLean is also a member of the Ministerial Advisory Committee.

Te Whatu Ora

Name	Role
Margie Apa	Chief Executive
Karen Poutasi	Chair, Te Whatu Ora Board
Peter Alsop	Chief of Staff
Leigh Donoghue	Chief of Data and Digital
Rosalie Percival	Chief Financial Officer
Markerita Poutasi	National Director, Pacific Health
Andrew Slater	Chief People Officer
Mahaki Albert	Chief of Tikanga
Nick Baker	Interim National Chief Medical Officer
Fionnagh Dougan	National Director, Hospital and Specialist Services
Abbe Anderson	National Director, Commissioning
Nick Chamberlain	National Director, National Public Health Service
Patrick O'Doherty	Chief Transformation Officer, Office of the Chief Executive
Emma Hickson	Interim National Lead, Nursing
Dale Bramley	National Director, Improvement and Innovation
Kylie Ormrod	Localities Lead
Lisa Williams	Head Strategy, Planning and Performance
Gary Jackson	Director, Population Health Gain
Catherine Delore	Head of Communications (seconded from DPMC)
Tricia Keelan	Regional Wayfinder, Central Region
Rachel Haggerty	Director, Service Strategy, Planning & Purchasing, Hospital and Specialist Services
Russell Simpson	Central Regional Director, Hospital and Specialist Services
Chris Lowry	Te Manawa Taki Director, Hospital and Specialist Services
Paula Snowden	Central Regional Director, National Public Health Service