



07 MAY 2024

Dr Lester Levy CNZM
Board Chair
Health Research Council of New Zealand

Tēnā koe Lester

Timely access to quality health care

This letter sets out our Government's expectations for the Health Research Council of New Zealand (HRC) for the remainder of 2023/24 and for 2024/25.

I want to thank you for your commitment over the past year to delivering your agreed objectives during a period of significant change in the health system. The work carried out by the HRC plays a crucial role in achieving our collective goals for a healthier and more resilient society.

Financial management expectations

We are operating in a difficult fiscal and economic environment locally and internationally and we expect these conditions to continue for some time. We are committed to ensuring that the wider public service and the health system work well for New Zealanders.

Your focus on delivering your statutory objectives will need to be undertaken in an efficient and fiscally responsible manner. As health resources will continue to be finite, it will be important to identify and pursue any opportunities to work collaboratively and collectively with other entities where this will result in health gains or enable efficiencies.

Government priorities

The health system is in crisis. Across various metrics, including access and timeliness, the system is performing poorly and has deteriorated over recent years. My overarching vision for health is ensuring timely access to quality health care. I want to achieve good outcomes for all New Zealanders, with a focus on those with highest need as a key criterion.

The Government Policy Statement on Health is the primary direction setting vehicle for our system and will set out more detail for Government priorities for the next three years.

I expect the health system will focus on improvement in three priority areas related to health services which are access, timeliness and quality. The health system will also focus on two priority areas to make improvements to critical enablers; workforce and infrastructure.

Harnessing the benefits of biotechnology is also a key priority of Government, and I look forward to how the HRC can contribute toward this priority.

Health Targets

The Government is reinstating health targets and you will be aware that we have recently announced five health targets for the system that will be in place from 1 July 2024. The aim of the health targets is to lift performance across priority areas, provide a focus for effort and resource and to support all parts of the system to move together to achieve our health system goals. The Minister for Mental Health is also setting five targets for mental health and addiction. The annual performance expectations and milestones against the targets will be set in the Government Policy Statement on Health for 2024-2027.

Governance

Strong governance of your entity will be essential in leading your agency in this environment. I ask that you continue to ensure that your executive staff are providing the right information to enable the Council to make the right strategic decisions, and to undertake assessment and learning activities to improve the performance of your Board members in their important role.

Accountability

I expect that your reporting, and the associated monitoring undertaken by the Ministry of Health | Manatū Hauora (the Ministry), will enable me to assess both the performance of your entity and how you are contributing to overall health and research system performance.

Expectations for health research in the health system

I ask that you continue to think about how the HRC can add value to wider system performance and to work collaboratively and collectively with other entities as appropriate. I encourage you to prioritise your efforts and resources on areas where the HRC can add the most value to our research system and our public health system.

In the year ahead, please focus on building and maintaining a strong strategic relationship between the HRC as the primary funder of health research, the Ministry as overall health system leader, and the Ministry of Business Innovation and Employment (MBIE) as primary funder of research and strategic support. A strong collaborative relationship across all agencies will create a science, innovation and technology system that will advance the economic, social, cultural and environmental wellbeing of New Zealanders.

You should further advance your work, in partnership with the Ministry and MBIE, to progress the New Zealand Health Research Strategy. The workplan and governance arrangements for this strategy are being refreshed to account for the new health system structures and emerging aspects of the health research landscape. You should consider how the strategy could give effect to our priorities related to biotechnology, AI in healthcare and commercialisation of research to drive economic transformation.

The HRC has an important role to play in strengthening New Zealand's health research workforce and supporting the equitable development of clinician researchers with the skills to embed research in practice. Please continue to work with both the Ministry and MBIE to enable more health professionals and others to become part of the health research workforce and contribute to research activities.

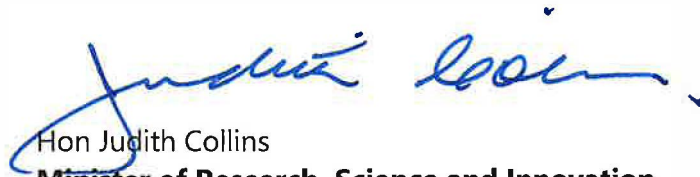
I expect you to further build on your relationship with Health New Zealand | Te Whatu Ora and engage with them, showing clear and regular lines of communication. Use this engagement to understand the research priorities of the health sector and how the HRC can support these priorities being met and increase the quality and quantity of research in the health system. I understand HRC has had difficulties remaining below the public equity amount of \$15.0 million at which you are liable to pay a capital charge. I ask that you continue to work with MBIE on developing a forward-looking public equity management plan. Please ensure this is completed by 30 June 2024. I expect you to continue to work collaboratively with the two Ministries and with the Treasury on ways to manage public equity. I do not want funding available for health research to be reduced by the impact of another capital charge.

I ask you to provide a draft of your Statement of Performance Expectations for 2024/25 to your contact at the Ministry by 30 April 2024. I also ask that you update your current Statement of Intent to demonstrate how your current priorities align with the new priorities of this Government. I ask you to liaise with the Ministry regarding an agreed timeframe for when an updated Statement of Intent can be provided.

Nāku noa, nā



Hon Dr Shane Reti
Minister of Health



Hon Judith Collins
Minister of Research, Science and Innovation

cc Professor Sunny Collings, Chief Executive, Health Research Council
Dr Diana Sarfati, Director-General of Health
Carolyn Tremain, Chief Executive, MBIE