

# Briefing

## Health Workforce: Chapter 1

<b>Date due to MO:</b>	5 December 2023	<b>Action required by:</b>	N/A
<b>Security level:</b>	IN CONFIDENCE	<b>Health Report number:</b>	H2023032584
<b>To:</b>	Hon Dr Shane Reti, Minister of Health		
<b>Consulted:</b>	Health New Zealand: <input checked="" type="checkbox"/> Māori Health Authority: <input checked="" type="checkbox"/>		

### Contact for telephone discussion

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### Minister's office to complete:

- |   |                                    |  |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Decline   | <input type="checkbox"/> Noted               |
| <input type="checkbox"/> Needs change         | <input type="checkbox"/> Seen      | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |  |

Comment:

# Health Workforce: Chapter 1

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**Security level:** IN CONFIDENCE      **Date:** 5 December 2023

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**To:** Hon Dr Shane Reti, Minister of Health

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## Purpose of report

1. This paper seeks to confirm your priorities and agreement to proceed with a programme of work to address the significant challenges faced by the health workforce.

## Summary

2. Our workforce is a diverse group of people that help deliver health outcomes for New Zealanders. They are highly skilled and are a key enabler in achieving your health system goals and should be a key consideration in any health system initiatives.
3. There are persistent and significant challenges that are having an impact on the availability, accessibility, responsiveness, productivity, and quality of the workforce, and subsequently flow on to health outcomes.
4. There are multiple failure points which require change across a suite of system levers, for example, it will not be enough to grow capacity in education and training, without improving retention rates in employment.
5. Fixing the issues will require embedding the workforce agenda across broad programmes of work, to progressively step towards improving workforce outcomes by:
  - a. delivering on current funded workforce activity
  - b. continued consolidation of system change
  - c. implementation of your immediate priorities
  - d. developing a longer-term strategic health workforce programme and ensuring wider health system policy alignment.
6. Health New Zealand | Te Whatu Ora (HNZ) and the Māori Health Authority | Te Aka Whai Ora (MHA) are currently making headway with funded activity under the Health Workforce Plan 2023/24 and are consolidating system changes, please refer to their briefing on growing the health workforce.
7. We wish to confirm your priorities for the workforce system both in the short-term and where we should look to strengthen the system over the medium- to long-term. Your priorities can inform the strategic health workforce programme, wider health system change, performance expectations and monitoring, and enable HNZ to progress with implementation and delivery of results.

## Recommendations

We recommend you:

- a) **Note** this report is chapter 1 of 2 with Health New Zealand | Te Whatu Ora and the Māori Health Authority | Te Aka Whai Ora providing advice on their current workforce plan and future priorities
- b) **Note** that there are significant challenges for the health workforce, and opportunity to make traction on addressing them now, but more fundamental shifts in the system will be required in the medium- to long-term
- c) **Discuss** your immediate priorities with officials and direction for the medium- to longer-term programme of work that you would like to progress. **Yes/No**



Dr Diana Sarfati

**Director-General of Health**  
**Te Tumu Whakarae mō te Hauora**

Date: 6 December 2023

Hon Dr Shane Reti

**Minister of Health**

Date:

# Health Workforce: Chapter 1

## Context

### Our workforce is highly skilled and a key enabler to achieving health outcomes

8. The workforce is the backbone of our health system. They are a diverse group of clinical and other people that support individuals, whānau, and communities to achieve better health outcomes.
9. There are strong and positive parts of our workforce system:
  - a. it has enabled the development of high-quality clinical skills and capabilities across professions that are essential to the delivery of health services
  - b. significant gains in development of the kaiāwhina and unregulated workforce
  - c. successful innovation (eg, development of vaccinating health workers)
  - d. improvements in planning and reporting within the newly reformed health system.

### However, there are significant and persistent challenges requiring both immediate action and more fundamental system re-design

10. The health workforce is under considerable pressure, both here and globally with:
  - a. significant workforce shortages across all health professions
  - b. workforce maldistribution, and inequitable access to health services
  - c. workforce wellbeing is at risk resulting in increasing attrition rates, workforce burnout, fatigue, emotional distress, and job dissatisfaction
  - d. a health workforce which is not representative of the New Zealand population, with notable under-representation of Māori, Pacific peoples, and disabled peoples
  - e. inconsistent cultural and disability competency, limiting the ability to meet the needs of Māori, Pacific peoples, disabled peoples, and ethnic and gender diverse populations.

### What impact are these challenges having?

11. Workforce challenges have an across-the-board impact on the following desired workforce outcomes:
  - a. **availability** – there is sufficient availability to meet our population and service needs, including for Māori, Pacific peoples, and disabled peoples.
  - b. **accessibility** – our workforce is equitably accessible to provide choice and timely support.
  - c. **responsiveness** – our workforce is culturally safe, representative of and acceptable to the community it serves, and flexible to meet the needs of individuals and their whānau.
  - d. **productivity** – workforce is motivated and empowered to deliver and achieve equitable health outcomes, in an environment of continuous improvement.

- e. **quality** – that our workforce delivers safe, effective and efficient care, and are partners with Māori in providing the competencies and mātauranga Māori that is needed to achieve outcomes.

## Why do the workforce challenges continue to persist?

- 12. What we know is that there are multiple challenges (noted above) which require change across a suite of different system levers, with responsibility across different actors, for example:
  - a. **education and training** providers need to align more closely with population health needs and employer demand for skills and capabilities
  - b. **employment** settings need to provide an enabling, collaborative and culturally safe environment that supports wellbeing and improves retention
  - c. **commissioning** should incentivise models and pathways of care that will deliver improved health outcomes for whānau and communities
  - d. the way **investment** is structured and how we resource our health system should address unintended incentives and behaviours
  - e. the **legislative** environment needs to provide greater flexibility and clarify roles and responsibilities so that we can better utilise our workforce.
- 13. Addressing workforce challenges often focuses on shortages in existing professions and status quo models of care, addressing current gaps and pressure, but do not address underlying issues. It is necessary to provide immediate relief to current challenges, while progressing the longer-term system change required for a more sustainable health system.

## Where is change required?

- 14. The work programme and priorities should move the system away from individual professional workforce groups, to developing the whole of the health workforce to meet population health demands.
- 15. Our approach should support the significant programme of work already underway by Health New Zealand | Te Whatu Ora (HNZ) and the Māori Health Authority | Te Aka Whai Ora (MHA) to address the gaps in workforce, while taking a step back to consider broader system levers and addressing systematic barriers that inhibit delivery of your priorities.
- 16. This requires the workforce agenda to be embedded across broad programmes of work, both short- and longer-term to progressively step towards achieving workforce outcomes. This includes:
  - a. implementation of your immediate priorities and manifesto commitments
  - b. HNZ and MHA delivering on current funded activity and the new nationally coordinated Health Workforce Plan 2023/24
  - c. continued consolidation of system change with HNZ focused on strengthening workforce planning, human resource systems, and data and reporting
  - d. longer-term strategic policy to ensure wider health system policy alignment and removing systemic barriers to delivering on workforce outcomes.

17. Development of a strategic policy programme will bridge your longer-term ambitions for the health system and the immediate responsiveness of the HNZ and MHA health workforce plan.

## **Where are we making traction?**

18. HNZ and MHA are focused on delivery of the health workforce plan for 2023/24 with a strong focus on lifting the pressures on the workforce and taking steps towards more fundamental change. HNZ and MHA will provide you with advice on their workforce plan. We expect to see improvement in workforce outcomes as they consolidate their processes, implement change programmes, and progress initiatives funded under the workforce plan.
19. We are building a range of indicators to improve reporting and support performance management. However, there are gaps in our current data and ability to measure that make it difficult to monitor performance against key workforce outcomes.
20. We are seeing improvements as HNZ is now in a better position to consolidate disparate systems to align with key performance and monitoring mechanisms (eg, the Government Policy Statement (GPS) and Te Pae Tata (Health Plan)).
21. Managing infrastructure and capacity constraints are a focus for HNZ, however it will be possible to strengthen forecasting of future requirements and align with the introduction of Health Targets and align as necessary to any immediate priorities.

## **What are your priorities?**

### **We wish to confirm your immediate priorities and where we should look to strengthen the workforce system over the medium- to long-term**

22. The Ministry of Health | Manatū Hauora (the Ministry) is well placed to deliver your manifesto commitments and will provide advice on progressing them. We wish to discuss timing, milestones, steps to progress priorities, and when you can expect to make decisions.
23. There is also an opportunity to couple your priorities for the health system with addressing underlying issues that exacerbate the current situation (eg, inability for the health system to influence education and training investment or programme design).
24. We wish to discuss your priorities to help inform a longer-term programme of work and set an agenda and direction of travel for the workforce system, including:
  - a. improving how we recognise and develop skills and capabilities, with priorities to increase development capacity through additional placements and a third medical school
  - b. to value and incentivise our workforce, with priorities for bonded scholarships to incentivise nurses and midwives to enter and stay in the workforce
  - c. provide flexibility and safety; with opportunity in progressing the review of the Health Practitioners Competence Assurance Act 2003 (HPCA Act) to remove unnecessary barriers that would then allow the workforce to be used more productively and provide more efficient pathways for registration of overseas trained professionals.

25. We believe there is an opportunity to drive significant change in your priority areas, both in the short-term, and leverage this activity to achieve more transformational change.

*Priorities to strengthen how we recognise and develop skills and capabilities*

26. It will be possible to strengthen how we develop skills and capabilities in the health system by increasing capacity for training with your immediate priorities focused on:
- a. increasing the number of medical school placements at the Universities of Auckland and Otago by 50 places from 2025
  - b. establishing a third medical school for graduate entry from 2027, with initial capacity for 120 students
  - c. increasing number of psychiatrist registrar places, increasing psychology trainees, and expansion of internship hubs to boost the number of training places.
27. The Ministry will work with HNZ, the Ministry of Education and the Tertiary Education Commission to provide advice on these priorities and confirm your ambitions for training. Advice will cover process and timeframes for implementation, fiscal implications and trade-offs against other training provision (eg, allied health). It will cover the model of training, capacity for supervision, commissioning approaches and incentives for community providers.
28. It will be necessary to engage early with the Universities of Auckland and Otago on capacity for the additional training places, and with the University of Waikato to progress the Memorandum of Understanding referred to in the 100-day action plan.
29. As part of a longer-term programme of work, there is the opportunity to leverage your immediate priorities to strengthen how we recognise and develop skills and competencies required to deliver health outcomes further including:
- a. collaboration between health and education systems to design and deliver training programmes, with investment for tertiary providers aligned to workforce requirements, including equity considerations
  - b. expanding the role and support for employers in developing the existing and future health workforce. A first step would be considering how the new medical school model interacts with primary care and rural settings and how it could be expanded
  - c. s 9(2)(f)(iv) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
  - d. a consistent approach for supporting health students to complete clinical placements and reduce attrition where we already have significant investment
  - e. give consideration to the broader professional health workforce to ensure there continues to be a net gain in health workers (eg, existing initiatives to develop comprehensive Primary and Community Teams).

Confirm your priorities and discuss with officials where you would like to focus the longer-term programme of work for how we recognise and develop skills and capabilities.

*Value and incentivise our workforce*

30. It is possible to strengthen how we value and incentivise the health workforce with your immediate priorities to:
- a. § 9(2)(f)(iv)
  - b. § 9(2)(f)(iv)
31. § 9(2)(f)(iv) We will work with other agencies to understand implementation pathways, costs, and the potential return on investment of the scheme.
32. There are opportunities in the medium and longer-term to further strengthen incentives and how we value the workforce in the system.
- a. Combine initiatives to make health workplaces more attractive, for example, the bonding scheme alongside strong performance and monitoring, and supporting initiatives that enable employers to provide workplaces where the workforce can thrive.
  - b. Set an approach to employment relations that is integrated and proactive to better align employment relation outcomes with system outcomes, and compensate the workforce fairly and competitively (further advice will be provided specifically on employment relations matters) - aligning with any review of the pay equity process in the Equal Pay Act 1972.
  - c. Build capability in commissioning so how and what services are delivered is attractive for the workforce and achieves our desired health outcomes - a review of primary care is an opportunity to realise workforce outcomes and align these with what service outcomes are desired.

Confirm your priorities and discuss with officials where you would like to focus the longer-term programme of work in how we value and incentivise the workforce.

*Provide flexibility and safety that allows the workforce to operate in more efficient and innovative ways*

33. We are currently progressing a review of the HPCA Act. We have engaged with the responsible authorities and practitioners on the review and are on track to provide advice on the proposed direction of change by the end of the year.
34. Issues with the HPCA Act identified through our consultation include a rigid and siloed regulatory system that does not incentivise collaboration across professions.
35. To support your other priorities there is an opportunity in finalising the review of the HPCA Act to remove unnecessary barriers and could enable:
- a. easier pathways for doctors trained in comparable overseas jurisdictions to practise in New Zealand



- b. other appropriately skilled and qualified health professionals to take on primary care tasks to reduce pressure on general practitioners.
36. The review of the HPCA Act is considering how to provide a responsive and sustainable regulatory system to assure safety with choices around:
- a. the role of regulators in the health system (eg, taking a whole-of-system or a profession-only view of regulation)
  - b. the effectiveness of regulatory systems centred on professions (current state) versus services
  - c. the interaction between the regulated and unregulated health workforces
  - d. sustainable funding models for regulation.
37. There is a longer-term opportunity to establish an approach to safety and flexibility that allows the workforce to utilise skills and capabilities needed for outcomes (eg, enabling the workforce to complete the required range of activities to meet patient need):
- a. enacting 'right-touch', risk-based regulation of health services to enable more efficient provision of services
  - b. flexible education and training pathways into the health workforce and opportunities of ongoing upskilling
  - c. our approach to and integration of the regulated and unregulated workforces.

Confirm your priorities and discuss with officials where you would like to focus the longer-term programme of work to improve flexibility and strengthen safety in our health system.

### **How can you progress your priorities?**

38. The health system is complex with multiple actors, but there are key leverage points to drive systematic change. The Ministry can help progress your priorities through:
- a. development of a strategic policy programme, including your priorities and longer-term focus for the system
  - b. wider policy alignment across government agencies and within health, you should expect to see and ask for workforce considerations across all programmes of work
  - c. setting workforce performance expectations and monitoring, including introduction of the Health Targets, development of workforce indicators, Te Pae Tata (Health Plan), Budget 2024 priorities, and Government Policy Statement
  - d. enabling HNZ to embed and consolidate new systems and deliver on initiatives funded in their 2023/24 Health Workforce Plan.

### **What can you expect next?**

39. The Ministry will also be providing advice for all your immediate priorities and following a discussion with officials, build out an agenda for the long-term workforce system and programme of work.

**ENDS.**