

Briefing

Draft MOU with Waikato University

Date due to MO: 10 December 2023 **Action required by:** 12 December 2023

Security level: IN CONFIDENCE **Health Report number:** H2023033372

To: Hon Dr Shane Reti, Minister of Health

Consulted: Health New Zealand: Māori Health Authority:

Contact for telephone discussion

Name	Position	Telephone
Dr Diana Sarfati	Director-General of Health	s 9(2)(a)
Maree Roberts	Deputy Director-General, Strategy, Policy and Legislation	s 9(2)(a)

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 Withdrawn | |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:

Draft MOU with Waikato University

Security level: IN CONFIDENCE **Date:** 10 December 2023

To: Hon Dr Shane Reti, Minister of Health

Purpose of report

1. This report provides you with advice and a draft Memorandum of Understanding (MOU) with Waikato University to progress a third medical school.

Recommendations

We recommend you:

- a) **Review** the draft MOU attached as appendix one
- b) **Note** funding to support the development of the work programme to establish a third medical school will need to be sought through the Budget 2024 process
- c) **Forward** this advice and the draft MOU to the Minister for Tertiary Education and Skills, Hon Penny Simmonds, for her information
- d) **Agree** that following your feedback the Ministry will share a draft MOU with the University of Waikato **Yes/No**
- e) **Agree** that the MOU will not commit or indicate that reimbursement or funding will be provided. **Yes/No**



Dr Diana Sarfati
Director-General of Health
Te Tumu Whakarae mō te Hauora

Date: 7 December 2023

Hon Dr Shane Reti
Minister of Health

Date:

Draft MOU with Waikato University

Context

2. Cabinet has invited you to sign an MOU with the University of Waikato and progress work, including a full cost benefit analysis on the feasibility of a medical school at the University [CAB-23-MIN-0468].
3. To support this, you have directed officials to draft an MOU between the Ministry of Health | Manatū Hauora (the Ministry) and the University of Waikato to collaboratively develop a programme of work to progress its proposed medical school [H2023033203 refers].
4. A draft MOU is attached as appendix one for your consideration.

Focus of the MOU

5. The draft MOU commits the Ministry and the University of Waikato to:
 - a. working together to develop a programme of work that will outline the pathway and required steps to establishing a third medical school including the qualification(s) it would deliver; and
 - b. provide you with a programme of work for consideration in quarter one of 2024.
6. This does not provide a commitment to follow through with the proposed programme of work. This commitment can not be given prior to a Cabinet decision agreeing to progress the programme of work.
7. The details of actions, deliverables and the role of each party is also specified in the MOU, clarifying what is expected of the Ministry and of the University of Waikato. By signing the MOU, parties agree to develop a programme of work that sets out:
 - a. stakeholder involvement and governance;
 - b. programme milestones and timeframes;
 - c. health and education sector dependencies;
 - d. approach to providing financial information and other relevant information about costs, benefits and risks including a better business case and cost benefit analysis; and
 - e. outcomes for development and implementation.
8. Developing this programme of work is a crucial step to gathering the information that will be needed for yourself and Cabinet to agree to and make further decisions to allocate funding to progress a third medical school.

Outcomes of the programme of work

9. The outcomes specified in the MOU will influence the direction and intent of the programme of work and are a key aspect of what Cabinet will be asked to agree to in early 2024. There are some limitations to how specific the outcomes can be before the initial analysis has taken place.

10. In the interim, the MOU only sets out high-level outcomes which reflect your manifesto commitments including:
 - a. developing education and training that will prepare graduates for practicing in primary care specialties and in provincial and rural locations; and
 - b. aligning the education pathway with health system needs.
11. As specified in the MOU, in development of the detailed programme of work, the Ministry and the University of Waikato will be guided by the Government's priorities for a third medical school.

Managing funding commitments

12. The University of Waikato has indicated a desire to have reimbursement of costs signalled in the MOU. However, a Cabinet decision is required before the promise of funding can be provided.
13. Outlining timeframes and decision points to secure funding and commitment will be a key component in developing the programme of work and the University of Waikato will need to provide an indication of their development costs as part of this.
14. There will be an opportunity to consider funding for development of the work programme through the upcoming budget process for the next financial year. We are expecting to receive information shortly on the Budget 2024 process that will provide further clarity on how initiatives should be progressed.
15. An MOU also does not sufficiently manage legal or fiscal risk and is not the right vehicle to provide or signal that funding will be made available. The draft MOU does not create any commitment to provide funding and sets out that any costs will be managed after seeking Cabinet agreement to progress with the programme in quarter one of 2024.
16. If a commitment to provide certainty of funding is required in the MOU, it will not be able to be signed until Cabinet has agreed to provide funding to the University of Waikato. The provision of this funding could then be managed through usual contracting and procurement processes.

Signatories and early work programme development

17. Officials are working to enable the signing of the MOU before the end of 2023 in order to commence work on the development of the work programme in early 2024. However, this is dependent on the rate and success of MOU negotiations with the University of Waikato.
18. Subject to your agreement, the Ministry will share the draft MOU with the University of Waikato on Tuesday 12 December 2023. Negotiations will then take place with signing planned for 22 December 2023. MOU negotiations may continue into the new year and signing may be stalled if the University of Waikato requires certainty of funding.
19. The MOU currently lists the Director-General of Health, Dr Di Sarfati and Vice-Chancellor, Professor Neil Quigley as the responsible parties. You may want to signal your commitment to this work programme by writing a letter that directs the Ministry of Health and the University of Waikato to work together to develop this programme of work. Officials can provide you with further advice and a draft letter at your request.

Stakeholder engagement

20. While the MOU does not commit these agencies, the Ministry of Health will also need to work closely with the Treasury, Ministry of Education, Tertiary Education Commission and Health New Zealand | Te Whatu Ora to progress with the development of the programme of work.
21. We will also need to work with existing medical school providers, the University of Auckland and the University of Otago to gain their expertise and support in developing a work programme for a new medical school.

Next steps

22. Subject to your agreement, the Ministry will incorporate your feedback and share the draft MOU with the University of Waikato for their consideration.
23. Following this, the Ministry will begin engagement with the University of Waikato to undertake initial scoping and agree an approach to developing the programme of work.
24. Once the MOU is signed, a draft programme of work will be co-developed between the Ministry and the University of Waikato and provided to you in mid-February 2024. The Ministry will then provide you with advice, seeking your agreement to draft and consult on a Cabinet paper to progress with the programme of work including securing any funding required.
25. Officials will work with your office to develop communications and announcement material to accompany the signing of the MOU.

ENDS.

Minister's Notes

PROACTIVELY RELEASED