

Aide-Mémoire

Talking points for Social Outcomes Committee: Programme of work to establish a new medical school

Date due to MO:	20 May 2024	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	H2024041564
To:	Hon Dr Shane Reti, Minister of Health		
Consulted:	Health New Zealand: <input type="checkbox"/> Māori Health Authority: <input type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
Maree Roberts	Deputy Director-General, Strategy, Policy and Legislation	s 9(2)(a)
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Talking points for Social Outcomes Committee: Programme of work to establish a new medical school

Date due: 20 May 2024

To: Hon Dr Shane Reti, Minister of Health

Security level: IN CONFIDENCE **Health Report number:** H2024041564

Details of meeting: 10.30am, 22 May 2024

Cabinet Committee: Social Outcomes Committee (SOU)

Purpose of meeting/proposal: To seek Cabinet's agreement that:

- the Ministry of Health proceeds with the development of a Programme Business Case, which the Minister of Health will provide to Cabinet by Quarter 3 of 2024
- the Ministers of Finance, Health, Tertiary Education and Skills have joint oversight of the programme of work to support the delivery of the business cases.

Comment:

Talking points for Cabinet Committee

- This aide-mémoire provides you with talking points to support you in seeking Cabinet approval (**Appendix A**).

Feedback from Ministerial consultation and the Treasury

Ministerial feedback

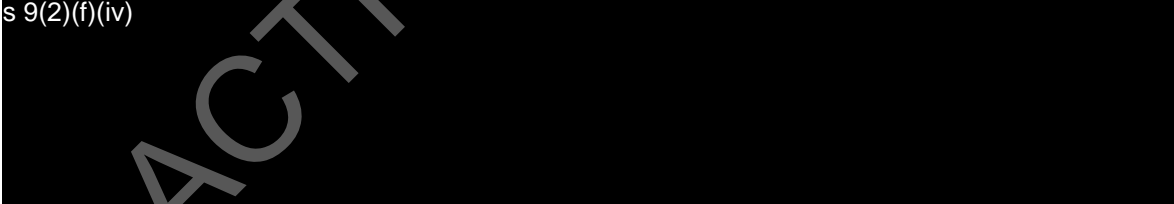
- We received feedback from the Office of Minister Casey Costello on the draft Cabinet paper: Programme of work to establish a new medical school.
- The feedback received indicates that:
 - the presented timeframes are ambitious and can impact the quality of analysis in the Programme Business Case – and it is unclear what alternatives there are if timeframes slip.
 - comparators used in the cost-benefit analysis do not include increasing international recruitment, even though a combined approach to increasing training capacity at existing

medical schools and increasing international recruitment could be less costly and deliver more immediate benefits.

Ministry's response

- The timeframes are ambitious however provides the best path to seek funding decisions in Budget 2025. The outcome of the quality assurance and review processes, and agreement by Cabinet to proceed at each stage will influence the proposed timeframes. We will continue to provide advice on how work can be progressed throughout the decision process.
- The assurance arrangements including oversight by the Ministers of Finance, Health, and Tertiary Education and Skills, cross-agency and -sector governance, independent quality assurance, Gateway reviews and an independent Cost Benefit Analysis will ensure successful development of the business case and manage any changes to timeframes, if needed.
- The Programme Business Case will consider and assess a long-list and short-list of options. The Detailed Business Case and Implementation Business Case will provide greater certainty around timeframes for delivery and implementation.
- To manage delivery risks and ensure economic analysis can take place, the scope of the Cost Benefit Analysis will focus on comparators that are most likely to achieve the investment objectives.
- Although international recruitment would provide immediate benefits and increase the number of doctors, it increases our reliance on internationally trained doctors in an internationally competitive market, where there are global shortages.

Treasury comment

- The Treasury has also provided feedback, which is included as a Treasury comment in the Cabinet paper.
- Overall, the Treasury supports the Cabinet paper and are working with Health officials to support the development of a Programme Business Case.
- Treasury note that there are two key risks:
 - s 9(2)(f)(iv)

 - The indicative timeframes outlined in this paper are ambitious and major milestones individually contain risk. In particular, in ensuring that a quality Programme Business Case is developed within six months in order to align with Budget 2025 timeframes, in construction timeframes, and in the ability to ensure the school achieves accreditation within outlined timeframes.
- We are working closely with Tertiary Education Commission and University of Waikato to ensure greater clarity of the financial case. This includes understanding the basis for cost estimates, confirming the level of Government investment and sources of non-Government funding. This will allow consideration of the financial viability of the proposal and any risks and associated mitigations.

Next Steps

- We have incorporated the Treasury comment in the Cabinet paper.
- The paper is due to be considered by the Cabinet Social Outcomes Committee on 22 May 2024, and Cabinet on 27 May 2024.
- We have provided below (**Appendix A**) talking points to assist you in your attendance at the Cabinet Social Outcomes Committee and to help address Ministerial feedback.



Allison Bennett
Group Manager, Health System Settings
Strategy, Policy and Legislation

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Appendix A: Talking points on programme of work to establish a new medical school

s 9(2)(g)(i)



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