



22 February 2022



Dear 

Ref: OIA-2021/22-0722

Official Information Act request relating to the Health and Disability Review Transition Unit

Thank you for your Official Information Act 1982 (the Act) request received on 6 December 2021. You requested:

“Can DPMC release the external costs of the health transition unit headed by Stephen McKernan, from its establishment to today’s date. Please break those costs down by entity – including, but not limited to, EY. Please state how many people have worked in the unit at its height, how many are currently working within it, and which organisation they have been seconded from/contracted to.”

On 25 January 2022, we wrote to you extending the time limit for response by 20 working days, to 22 February 2022. The additional time was needed to complete consultations before a final decision was made on your request. I am now in a position to respond.

Information on costs of the Health Transition Unit (HTU)

We interpreted your request to mean the costs of external contractors and consultants. These are reported for the Department of the Prime Minister and Cabinet (DPMC or the Department) to the Governance and Administration Select Committee each year and are available on parliament’s website. The table below sets out those costs of the Health and Transition Unit (HTU or the Unit) from its establishment to December 2021. The costs are broken down by provider (external agency) and by financial year. They exclude GST, payments to government agencies, travel costs and professional services, that fall outside the definition.

Provider	1 July 2020 – 30 June 2021 \$	1 July 2021 – 31 Dec 2021 \$	Total Spend
Arkus Communications Limited	37,600.00	172,800.00	210,400.00
Ernst & Young Group Ltd	4,329,815.32	4,467,437.65	8,797,252.97
Finora Management Services Ltd	274,026.84	163,586.37	437,613.21
Geraldine Woods	133,800.00	27,736.52	161,536.52
Inside Recruitment Limited	-	673,435.84	673,435.84
JacksonStone & Partners	-	79,022.10	79,022.10
Kahui Tautoko Consulting Ltd	22,711.99	134,260.07	156,972.06
Karen Poutasi	-	1,739.13	1,739.13
Ken Whelan Consulting Ltd	-	2,875.00	2,875.00
Mchale Group Limited	-	15,662.58	15,662.58
Mischewski Consulting Limited	900.00	15,727.51	16,627.51
Momentum Consulting Limited	-	73,101.19	73,101.19
Nukuroa Limited	-	5,736.76	5,736.76
NZIER	131,050.02	38,641.21	169,691.23
PAAS Partners Limited	4,028.70	7,356.72	11,385.42
Robert Walters NZ Limited	16,382.04	47,532.26	63,914.30
Roger Jarrold	-	20,876.71	20,876.71
Sapere Research Group Limited	166,969.26	250,500.00	417,469.26
Senate Communications Limited	228,290.31	19,265.76	247,556.07
Shea Pita & Associates Ltd	21,025.80	54,255.51	75,281.31
Sonia Wansbrough and Associates	-	270,357.44	270,357.44
Streamliner Productions Ltd	-	34,345.00	34,345.00
Sue Suckling Holdings Ltd	171,302.93	80,742.78	252,045.71
Te Amokura Consultants	13,920.00	5,700.00	55,380.00

Information on staffing for the HTU

In December 2020, the head count of the Unit was 25 people consisting of a mix of secondees, contractors and employees. In December 2021, the head count of the Unit was 135. The data is not available broken down by full-time-equivalent (FTE) for these periods. However, the Unit has a large proportion of part-time secondments, fixed-term employees and contractors, and therefore the FTE was lower than the 135 head count.

Since the establishment of the interim entities; interim Health NZ and interim Māori Health Authority, and the transfer of functions and staff, the Unit has significantly reduced in size. As at 27 January 2022, the head count of the Unit is 53 people made up a mix of both full time and part-time secondees, contractors and fixed term employees. Of the current 20 contractors, six are from Ernst & Young.

Seconded staff

Seconded staff currently working in the Unit include staff from:

- Auckland DHB
- Ministry for Pacific Peoples
- Ministry of Health
- Ministry of Social Development
- Social Wellbeing Agency

Contractors

Agencies who are providing contractors to the Unit include:

- Arkus Communications Limited
- Ernst & Young
- Inside Recruitment
- JacksonStone & Partners
- Mischewski Consulting
- Momentum Consulting
- NZIER
- Robert Walters
- Sue Suckling Holdings Limited

Rationale for consultants and contractors

The HTU is a mixture of public servants (employed by the Unit on fixed-term employment contracts and seconded) and contractors. The short-term nature of the Unit means that it was difficult to secure staff requiring more permanent job security. The use of contractors and secondees was therefore essential to resource the large and complex programme of work.

The detailed policy and design work to respond to the review of the health and disability system was highly complex and had to be completed within demanding timeframes. It was undertaken at a time when a significant amount of public sector resource, most particularly within the Ministry of Health itself, has been rightly focused on the response to the pandemic.

The team has delivered high quality results and achievement of key milestones in tight timeframes, including the announcement in April 2021 by the Government about the future shape of the health and disability system, the introduction of the Pae Ora Healthy Futures Bill in October 2021 and the establishment of the interim entities and appointment of Chief Executives in December 2021.

The work undertaken by the HTU and associated cost should be seen in the context of the \$20 billion investment in vote health

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the Act.

This response will be published on the Department of the Prime Minister and Cabinet's website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Yours sincerely



Clare Ward
Executive Director
Strategy, Governance and Engagement