



## Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of Hon Andrew Little, Minister of Health:

### Health and Disability System Reform Briefings

The following documents have been included in this release:

**Title of paper:** Health Reform Strategy and Approach to Legislation

**Title of paper:** Health Reforms: Implementation and Transition Cabinet Paper

**Title of paper:** Health Reforms: Planning and Accountability Framework

**Title of paper:** Health Reforms: Implementation of a Consumer Voice Framework

**Title of paper:** Health Reforms: Legislation Cabinet Paper Summary and Talking Points

**Title of paper:** Health Reform: Legislation and Transition Update

**Title of paper:** Health Reforms: Legislating for Public Health Structures

**Title of paper:** Health Reforms: Legislating Intervention Powers and Obligations Relating to Health New Zealand

**Title of paper:** Health Reforms: Final Decisions for Legislation

**Title of paper:** Health Reforms: Implementation Cabinet Paper Summary and Talking Points

**Title of paper:** Confirming Hauora Māori System Settings

**Title of paper:** Health Reforms: Employment Relations Settings

**Title of paper:** Further Policy Decisions for the Health Reform Bill: Cabinet Paper Summary and Talking Points

**Title of paper:** Health Reforms: Development of the NZ Health Charter and Associated Legislative Provisions

**Title of paper:** Health Reforms: Independent Alcohol Advice and Research Function and Levy

**Title of paper:** Health Reforms: Remaining Transitional and Consequential Provisions for Decision

**Title of paper:** Joint Te Kawa Mataaho/ Health Transition Unit Report: Māori Health Authority – Proposed Application of Crown Entities Act 2004 and Public Service Act 2020

**Title of paper:** Health Reforms: Draft Cabinet Paper to Approve Bill for Introduction and Health System Principles

**Title of paper:** Pae Ora (Healthy Futures) Bill: Approval for Introduction at Cabinet



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- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion; and
- section 9(2)(h), to maintain legal professional privilege.



# Briefing

## HEALTH REFORMS: DEVELOPMENT OF THE NZ HEALTH CHARTER AND ASSOCIATED LEGISLATIVE PROVISIONS

To: Hon Andrew Little, Minister of Health  
Cc: Hon Peeni Henare, Associate Minister of Health

Date	27/08/2021	Priority	Routine
Deadline	1/09/2021	Briefing Number	DPMC-2021/22-234

### Purpose

This briefing provides you with an update on the development of the New Zealand Health Charter (Health Charter), including an overview of work undertaken to date and seeks your decision on the provisions in the Health Reform Bill regarding the Health Charter. Officials will discuss this with you at your meeting on 1 September 2021, 12:15 – 12:45pm.

### Recommendations

- a. **Note** the Health and Disability System Review recommended that legislation require a health and disability system charter be developed to set out shared values and to guide the culture, behaviours and attitudes expected of all parts of the system
- b. **Note** in March 2021 Cabinet agreed that you, as Minister of Health, will lead the development of a New Zealand Health Charter for the health system that will set out common values and principles to guide organisations and health and care workers
- c. **Note** that work to design the objectives and purpose of the Charter is underway, led by the Transition Unit and in collaboration with unions, district health boards and peak bodies

- d. **Agree** while detailed content of the Charter will be developed in collaboration with the sector over the coming months and evolve over time, that the Charter should: **Yes / No**
- a. be an agreement of common values, behaviours and principles that will guide all organisations and people working across the health and disability sector
  - b. provide a common foundation of expectations and ways of working across disciplines and locations
- e. **Agree** that in achieving the above, our aims should be that the Health Charter will: **Yes / No**
- a. support respectful relationships between those working in the health sector
  - b. strengthen commitment across the system to achieving equity of outcomes, including the provision of culturally responsive services
  - c. enhance the ability of cross disciplinary teams to deliver quality care together
  - d. ultimately by achieving the above lead to improved health outcomes for all those in New Zealand
- f. **Agree** the Health Charter will complement existing mechanisms to protect and uphold the rights of people accessing health services in New Zealand, but will not create additional rights **Yes / No**
- g. **Agree** the Health Reform Bill include a requirement for the Minister of Health to publish a Health Charter, for the purpose of providing common values, principles and behaviours for the health workforce **Yes / No**
- h. **Agree** the Health Reform Bill require the Minister of Health to engage with health entities and worker representative organisations in developing the Charter **Yes / No**
- i. **Agree** the Health Reform Bill will include a requirement for the government health sector entities to have regard to the Health Charter in their planning and contracting activities; and to report annually on their implementation of the Health Charter **Yes / No**
- j. **Agree** the legislation should not place statutory requirements on private sector health organisations, but that the Charter will be given effect through commissioning agencies' contracting practices **Yes / No**
- k. **Agree** the legislation should not apply the duty to have regard to the Charter to health workforce regulatory authorities **Yes / No**

- l. **Agree** that detailed content of the Health Charter will be developed in collaboration with the health and disability sector and that this detail will not be included in the Health Reform Bill **Yes / No**
- m. **Note** the initial Charter will be completed by 1 July 2022 for the Minister of Health's approval and implementation by health entities in the reformed system
- n. **Note** the Transition Unit intend to proceed with a two-phased engagement approach as detailed in Appendix 1

  pp Stephen McKernan Director <b>Health Transition Unit</b>	  Hon Andrew Little Minister of Health
27/08/2021	...../...../.....

**Contact for telephone discussion if required:**

Name	Position	Telephone	1st contact
Stephen McKernan	Director, Transition Unit	s9(2)(a)	
Simon Medcalf	Health Team Lead, Transition Unit	s9(2)(a)	✓

**Minister's office comments:**

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to

Proactively Released

# HEALTH REFORMS: DEVELOPMENT OF THE NZ HEALTH CHARTER AND ASSOCIATED LEGISLATIVE PROVISIONS

## Background

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1. The Health and Disability System Review (the Review) found that while many health and disability organisations share common perspectives and motivations for delivering services, there is no one place for its combined core values and goals. In light of this, the Review recommended that legislation require a health and disability system charter be developed to set out shared values and to guide the culture, behaviours and attitudes expected of all parts of the system. The Review also recommended that all providers funded with public money should be expected to abide by the charter, and other provisions of the commissioning framework.
2. In March 2021 Cabinet agreed that you, as Minister of Health, will lead the development of a New Zealand Health Charter for the health system that will set out common values and principles to guide organisations and health and care workers [SWC-21-MIN-0092 refers].
3. Since March, the Transition Unit has been leading work to design the objectives and purpose of the Charter. To date, a number of planning and design activities have taken place with the New Zealand Council of Trade Unions, Te Kauae Kaimahi (CTU) and to a lesser extent, with District Health Boards (DHBs) and peak bodies.
4. While this work is in the early stages, our engagement with the sector so far has provided an opportunity to begin to build a shared understanding of the future culture and ethos of the health systems. Our engagement to date has largely been positive and constructive, and the feedback has been clear that the sector want a Health Charter to be more than an exercise of developing a vision and values.

## Role and purpose of the New Zealand Health Charter

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*There are different ways to construct, introduce and implement a health charter*

5. Several government sectors in New Zealand and internationally use charters as an instrument to convey a common set of goals, principles, expectations or rights for a defined workforce, groups of consumers or organisations. There is no one single purpose that charters are used for, and as such charters can take different forms and have different functions. For example, a charter can be:
  - a. a commitment to a common goal, like the Ministry of Social Development's accessibility charter. It is expected, but not legislated, that all government agencies will sign this commitment to provide accessible information that is inclusive of disabled people;
  - b. required under legislation like the Ministry of Education's School Charter. It is a statutory requirement for school boards to prepare and maintain a charter and to submit this to the Ministry of Education each year. The requirements of the

charter are set out in the Education Act 1989 and include mission, vision and values, and broad aims; and/or

- c. a statement of the principles and aims of an organization, such as the New Zealand Government Procurement Charter, which sets out government's expectations of how agencies should conduct their procurement activity to achieve public value.

*We recommend that the Health Charter be an agreement of common values, behaviours and principles for people working across the health and disability system*

6. While the detailed content of the Health Charter will be developed in collaboration with the sector over the coming months, our aim is that the Health Charter will be a foundational document that will guide the values and behaviours of people and organisations working across the health and disability system. Specifically, our recommendation is that the Health Charter should:
  - a. be an agreement of common values, behaviours and principles that will guide all organisations and people working in the health and disability sector; and
  - b. provide a common foundation of expectations and ways of working across disciplines and locations.
7. In achieving the above, the Health Charter will support respectful relationships between those working in the health sector and strengthen commitment across the system to achieving equity of outcomes, including the provision of culturally responsive services. Ultimately, we believe that by enhancing the ability of cross disciplinary teams to deliver quality care together, the Health Charter will lead to improved health outcomes for all those in New Zealand.
8. Further description of the potential benefits of the Charter are noted in Attachment A.

*We recommend that the Health Charter complement existing mechanisms to protect and uphold consumer rights and professional standards*

9. In New Zealand, the rights of people accessing health and disability services are set out in a range of laws, regulations, standards and guidelines. This includes the Code of Health and Disability Services Consumers' Rights (the Code). The Code is a regulation under the Health and Disability Commissioners Act and establishes the rights of all consumers of health and disability services in New Zealand, and places corresponding obligations on providers to comply with the Code.
10. A range of mechanisms also exist to ensure that professional standards are defined and maintained. This includes provisions set out in the Health Practitioners Competence Assurance Act 2003 to protect the health and safety of the public, including the establishment of responsible authorities to ensure that all health practitioners registered with them are fully competent in the practice of their profession.
11. As such, we recommend that the new Health Charter will complement these existing mechanisms to protect and uphold consumer rights and professional standards. We do not propose that the Health Charter will create additional rights.

## Legislating for the Health Charter

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12. The Health and Disability System Review recommended that a Health Charter should be required by legislation. We agree and recommend that **the Health Reform Bill include a requirement for the Minister of Health to publish a Health Charter**. In our view, this requirement should sit with the Minister as the 'owner' of the Charter, to ensure that it is seen to have broad effect across the whole health system and is not just the preserve of a single entity or organisational owner.
13. We recommend that the legislation should not seek to specify the detailed content of the Charter or processes for developing it in precise detail. In both cases, this would be likely to remove some flexibility, and would allow for the Charter to evolve over time. However, we propose some key requirements:
  - a. that the purpose of the Charter be described, in line with the advice above, as being to provide common values, principles and behaviours for the health workforce; and
  - b. that the Minister be required to undertake engagement with health entities and worker organisations in preparing the Charter; and
  - c. that the Charter must be published online and presented to the House.
14. Our expectation is that the Health Charter will influence the development of policies, practice and procedures, and in doing support improvements in how workforces relate and deliver quality care together, ultimately leading to improved and equitable health outcomes for all those in New Zealand. The Charter also has the potential to shape how the system is governed and held accountable for its performance.
15. To enable these effects to be realised in the day-to-day operations of services, we also recommend that the Bill include requirement for health sector entities to:
  - a. **have regard to the Charter in the exercise of their relevant functions** (including, for instance, planning and contracting activities). We suggest this should be a duty to 'have regard' rather than 'give effect', since the nature of the Charter and its focus on high-level values and principles may make it difficult to underpin with a duty to give effect to them directly and in full, and risk setting a requirement that cannot be met; and
  - b. **to report annually on** how they have given effect to the Charter. This might be practically incorporated into other reporting requirements, for example in relation to the NZ Health Plan, rather than comprise a standalone report. It would support accountability for implementing the Charter and ensure that this becomes an element of system-level monitoring carried out by the Ministry (and other agencies where relevant).
16. These requirements should extend to all health entities under the legislation (i.e. Health New Zealand, the Māori Health Authority, the Health Quality and Safety Commission, Pharmac and the NZ Blood and Organ Service). This would ensure that the principal employers and commissioners of publicly-funded health services come within the requirement to have regard to the Charter.
17. We propose that the Charter act on entities and have legal effect at the organisational level, rather than at an individual level. Requiring individual workers in the health

system to have regard to the Charter would have implications for wider professional regulation and would require a more complex statutory framework. Instead, as above we propose to require health entities to give effect to the Charter, so that it is embedded in their planning, corporate and workforce policies and practice.

18. We do not propose that the Bill explicitly seek to require private healthcare organisations to have regard to the Charter. Although the Charter should be relevant to private healthcare and we would intend for it to set common values across the whole of the public and private system, we do not wish to place duties on private healthcare organisations and bring them formally under the provisions of the Bill. In practice, where services are commissioned by public sector organisations, the Charter will apply in that the commissioner entity (e.g. Health New Zealand) will be required to have regard to it in the way that it commissions services.
19. Similarly, we do not propose at present to require that health workforce regulatory authorities have regard to the Charter. As above, we expect that the Charter will be highly relevant to the work of those authorities, and indeed that they would play an important role in embedding the values and principles in the future workforce. However, we do not wish to make explicit provision in this Bill, to avoid opening the scope of the legislation to the Health Practitioners Competence Assurance Act 2003, and to avoid pre-empting the medium-term work underway on the broader approach to workforce regulation. Instead, we recommend that questions on the application of the Charter to the regulatory authorities be taken forward through that planned medium-term work.

## **Development of the initial Charter**

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*Our goal is to deliver a finalised Health Charter by 1 July 2022*

20. The process of developing the Health Charter provides an opportunity to create a highly engaged, high performing health system, with common perspectives and motivations that in turn will influence how care is delivered in homes, communities and hospitals.
21. For the Health Charter to be successful and fully realise its potential, early and ongoing engagement with the health sector is essential. Meaningful engagement now and over the next 12 months will allow people and organisations in the health sector to see their goals and aspirations reflected in the Health Charter and to recognise and realise their role in achieving this.
22. To enable this, the Transition Unit is currently planning a two-phased approach to engage with the sector on the NZ Health Charter. If agreed, phase one of formal engagement with the sector will take place between September and December 2021 and will include engagement with key stakeholder groups, including unions, industry/peak bodies and other representative groups, with the aim of hearing thoughts and concerns from the sector.
23. More formal and extensive engagement with the wider health workforce will take place between January and May 2022 (phase 2), through the form of Charter 'workshops', surveys and other methods. Our aim is to reach as much of the workforce as possible, both online and face to face. This phase will develop the shape and content of the Charter, as well as provide an opportunity to deliver key messages about the health reforms to the workforce. Our goal is to deliver a finalised version of

the initial Health Charter by 1 July 2022, ready for your approval and publication to coincide with the establishment of the reformed system.

24. While the Transition Unit will lead the development of the initial Health Charter in consultation with the Ministry and other agencies, we recognise the important role that Health New Zealand and the Māori Health Authority will have in leading its implementation in the future. We plan to engage as early as possible with interim Health New Zealand and the interim Māori Health Authority, including consultation with their interim leadership teams to approve the process and content of draft Charter by early April 2022.

## Work to embed the Health Charter

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*Ongoing effort will be required to embed the common values and workforce behaviours expected throughout the system*

25. Our aim is that the Health Charter will bring the health sector together to define the desired culture and behaviours of the future system, support respectful relationships between those working in the health sector, and strengthen the system's commitment to achieving equity of outcomes, including the provision of culturally responsive services.
26. Developing a Health Charter to guide all organisations and people working in the health and disability sector is the first step in creating a highly engaged, high performing health system. Ongoing efforts will be required to embed the common values and workforce behaviours expected throughout the system, and for them to be reflected in policies, practice and procedures.
27. From July 2022, we anticipate that Health New Zealand and the Māori Health Authority will lead the implementation of the Charter, together with the other health entities who will be required to have regard to it. We expect that oversight of delivery of the Charter across all entities will be aligned with the broader accountability mechanisms for the new system, including in how the Ministry undertakes system-level monitoring.

## Next steps

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28. Depending on your preferences and indications, we can provide you with further advice and incorporate aspects of your preferred approach to the development of the Health Charter.
29. The Ministry of Health has not been consulted on this paper but will be engaged as a key partner to this work once your preferred approach has been agreed.
30. Subject to your agreement, the Transition Unit will engage with key stakeholders on the development of the Health Charter. We will provide updates to your Office as this engagement progresses.

<b>Attachments:</b>	
<b>Attachment A:</b>	Further detail on the potential benefits of a Health Charter

# ATTACHMENT A

## Further detail on the potential benefits of a Health Charter

Although the Charter by its very nature will be a high-level document, it has the potential to help resolve many interrelated issues that rely on people, how they work together, and how they respond individually and collectively to the complexity of their work.

Positive health system results from a well implemented Charter process may include:

- a) **Clinical governance:** the Charter has the power to enable effective clinical governance within and across organisations by empowering staff to establish locally owned and clinically relevant measures of performance that could be reported in real time to facilitate active continuous improvement. These measures could then form part of a cascade of performance data collated and reported at different levels of the organisation, to provide a coherent and continuous picture of that organisation's performance for its board, the government and the public. This approach has the power to effectively link the everyday work of the sector to overall outcomes, while at the same time, value the specific contributions of individuals, teams and departments to the system outcomes we seek.
- b) **Leadership:** the Charter offers the opportunity to better define the characteristics of leadership for the sector. Leadership will be required to actively participate in and promote the aspirations of the Charter and to support expectations of continuous improvement.
- c) **Workplace burnout:** Understanding and addressing the causes of workplace burnout and an emphasis on building staff resilience could be a deliberately sought outcome from a commitment to the Charter.
- d) **Enhanced staff and patient safety** through a focus on human factors.