DEPARTMENT OF THE PRIME MINISTER AND CABINET
TE TARI O TE PIRIMIA ME TE KOMITI MATUA

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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Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- section 9(2)(a), to protect the privacy of individuals;
- section 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials;
- 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 REFORM: LEGISLATION AND TRANSITION UPDATE

To Ministerial Group on Health and Disability System Reform			
Date	25/06/2021	**Priority**	High
Deadline	29/06/2021	**Briefing Number**	DPMC-2020/21-1173

Purpose

The purpose of this briefing is to provide you with the agenda and background information to support your meeting on 29 June 2021. Stephen McKernan and Dr Ashley Bloomfield will attend this meeting.

Recommendations

1. **Note** that the Transition Unit has developed a broad programme of work to deliver the reforms, and is scaling up resource to ensure the right blend of skills and experience, including to embed advice for Māori, Pacific and disability.
2. **Note** that the Minister of Health is consulting on draft Cabinet advice regarding proposals for legislating for the health reforms and, together with Cabinet decisions already made, these will provide for a majority of the necessary decisions for the Health Reform Bill.
3. **Note** that the Transition Unit expects to bring further significant policy decisions relating to the reforms to Cabinet, and to bring other decisions (including on the drafting of legislation) which are not likely to significantly affect the function of the future health system to only to this group or to the Minister of Health as appropriate.
4. **Note** that significant progress towards the objectives of reform – particularly in effecting structural and functional changes, including appointments for key leadership positions – will be made by 1 July 2022, in order to ensure the new entities are set up to succeed when they are legally established.

5. **Note** that the reforms will take several years to fully implement, and by 2024/25 the health system is expected to be operating close to its intended full form.

6. **Note** that work to consolidate DHBs into Health NZ is substantial, ranging from strategic decisions through to managing operational details, and that the Transition Unit has a programme of work underway with the sector and will advise Ministers of any emergent or changing risks or issues.

7. s9(2)(f)(iv) [redacted]

[redacted] **Yes / No**

Stephen McKernan **Director, Transition Unit**	Rt Hon Jacinda Ardern **Prime Minister**
…../…../….	…../…../….
Hon Grant Robertson **Minister of Finance**	Hon Andrew Little **Minister of Health**
…../…../….	…../…../….
Hon Peeni Henare **Associate Minister of Health**	Hon Carmel Sepuloni **Minister for Disability Issues**
…../…../….	…../…../….

Contact for telephone discussion if required:

Name	Position	Telephone	1st contact
Stephen McKernan	Director, Transition Unit	s9(2)(a)	✓
Bex Sullivan	Senior Manager, Transition Unit	s9(2)(a)	

Minister's office comments:

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

Health reform: legislation and transition update

Agenda

1. This meeting is scheduled for 29 June 2021, 4:00pm-4:45pm. Stephen McKernan and Dr Ashley Bloomfield will be in attendance.

2. As per your request, the agenda for this meeting is:

Agenda item	Estimated time
Transition work programme overview	10 mins
Legislation timeline and upcoming policy decisions	5 mins
Day 1 of the new system and a three-year roadmap	15 mins
DHB transition work programme	5 mins
Next steps on mental health in the new system	5 mins
Any other business	5 mins

Transition work programme overview

3. Delivery of the health reforms will require a broad and significant programme of work to design policy and operational settings, establish new entities, and take initial steps towards fostering cultural change across the system. Our design of the transition programme reflects this breadth, and covers four principal elements:

   a. Core functions of strategy and policy for the future system, including support to Ministers and cross-agency coordination. Our policy programme is focused on supporting the key decisions and milestones that will lead to implementation of the new system, including detailed system design, the development of the Health Reform Bill, setting of expectations for interim agencies, identification of priorities and options for future investment, and the design of frameworks for system-wide roles and functions that will be required on Day 1 (e.g. the monitoring framework). This programme is being taken forward with the Ministry of Health, the Treasury and the Public Service Commission.

   b. Establishment of new entities, and changes to existing entities. This work provides for the establishment of the interim Health New Zealand and the interim Māori Health Authority as departmental agencies, setting the expectations and work programmes for the interim entities and supporting the safe transfer of functions from the Ministry of Health and district health boards (DHBs) to these new entities. The establishment activity has involved undertaking recruitment processes to appoint members of the Boards overseeing the interim entities and will support the recruitment of the incoming Chief Executives. The necessary changes to the operating model of the Ministry of Health to reflect its refocused role in the future system is included in this element and is led by the Ministry of Health.

   c. Driving a significant change and engagement programme with the health sector. There is a range of areas of activity that provide opportunities for early engagement with the health sector to build consensus and involve stakeholders in the development of key projects. This includes flagship projects which drive early change, including the development of the initial New Zealand Health Plan and New

Zealand Health Charter, and the design and roll out of a programme of prototypes for locality networks. Planning for the development of the New Zealand Health Plan and the Health Charter is underway. This element also involves supporting the development of temporary operating models for the interim entities, to enable them to scale up personnel and functions quickly.

d. The above areas are supported by a Programme Management Office which will act as the overarching programme management function for the entire reforms. Following the establishment of the interim entities from September, these arrangements will also provide oversight for the deliverables held by those agencies, to ensure a single line of reporting to Ministers and Cabinet.

4. The above areas of work require a broad range of skills and expertise to execute. As per the investment provided for the Transition Unit in Budget 21, the Transition Unit will reach nearly 100 FTEs at its peak. This central resource includes policy and implementation expertise, as well as lead advisory roles for Māori, Pacific and disability to ensyre that a focus on these popilations is embedded into the programme. Once the interim entities are established, the Transition Unit and the Ministry of Health will work with the Boards and leadership teams to support the transfer of functions, and have commenced planning for this. It is envisaged that some of the key flagship change projects, such as the New Zealand Health Plan, will transition when the new entities are ready to take them forward. The current leads on these projects in the Transition Unit will be available to support the interim entities.

Legislation timeline and upcoming policy decisions

5. These reforms will be underpinned by legislative changes, which will set up new entities, and confirm new roles, relationships, powers and obligations which are the foundations of the future health system. These will be achieved through a Health Reform Bill, which will repeal and replace the New Zealand Public Health and Disability Act 2000.

6. The timeline for the delivery of legislation, subject to Cabinet agreement, is:

   a. Parliamentary Counsel Office will prepare an initial draft Bill in July, and a final draft Bill by the end of August.

   b. The Bill will be introduced to the House in September.

   c. Select Committee will consider the Bill between October 2021 and March 2022.

   d. The Bill will return to the House, and receive Royal Assent, in April 2022.

   e. Legislation will take effect from 1 July 2022.

7. A draft Cabinet paper is currently subject to Ministerial consultation and seeks decisions for many of the policy issues to be resolved for inclusion in the Bill. Together with those decisions already made by Cabinet relating to future system structures, these will comprise a significant majority of the elements needed to instruct and draft the legislation. I welcome your feedback on this paper.

8. Over and above these matters, further Cabinet decisions will be required to confirm key settings relating to hauora Māori, including the structure and accountabilities of the Māori Health Authority and the powers of Iwi-Māori Partnership Boards. We will provide

Cabinet with further advice accompanying a draft Bill on these matters, reflecting input from Māori and the Steering Group chaired by Tā Mason Durie.

9. There will also be a range of ancillary matters relevant to the drafting of legislation, but which are not fundamental to the character of these reforms. This will include approaches to drafting specific sections or provisions, and the nuances of different entities' roles, functions and powers. We expect to bring decisions on these matters to the Minister of Health for agreement at first instance; and to this group of Ministers where the implications of decisions are likely to significantly affect the function of the future system.

10. There remain other areas where Cabinet and/or the Ministerial Oversight Group will receive further advice on reforms and changes which will strengthen the fundamentals of our future health system, but which will not require explicit legislative provision. For example, changes to funding and workforce systems may be desirable to ensure the future system operating model achieves its full potential. Advice on these reforms will be taken to Cabinet following agreement by the Minister of Health or the Ministerial Oversight Group, as appropriate.

Day 1 of the new system and three-year roadmap

11. As you are aware, these reforms will take some time to fully embed; and longer for the full benefits of reform to become evident. A key milestone in the transformation is when the new legislation is intended to come into effect on 1 July 2022. This is when the new entities will be legally established and DHBs, their subsidiaries and Te Hiringa Hauora / Health Promotion Agency will be disestablished. On this day:

    a. Health NZ will be a Crown entity, and will legally hold all of the staff, assets and liabilities of existing DHBs and their subsidiaries, including the Public Health Units;

    b. The Māori Health Authority will be established, subject to engagement and future decisions on the precise form of the entity; and

    c. Health NZ and the Māori Health Authority will assume their full range of statutory functions.

12. By this time, the Public Health Agency will be established as a branded business unit within the Ministry of Health. It is anticipated that the Agency will be set up in advance of 1 July 2022, in at least a temporary form. A system level view of implementation is presented in **Appendix A**.

Day 1 of the new system

13. In order to have a functioning system on day 1, there is a number of structures, functions and machinery of government artefacts that will need to be in place, along with transfers of staff to their new employers. A view of the key characteristics and critical path to day 1 has been developed, and is attached in **Appendix B**.

14. The day 1 view is based on the principles of paring back to activities and settings that must be in place to keep the overall system running as DHBs are disestablished and the new entities are established, while at the same time moving the system to deliver more equitable outcomes and lift overall performance. The attached diagram follows this logic, and represents our current view. It is based on a number of assumptions,

including matters that will need to be determined by the interim agencies, and therefore I expect it to continue to evolve over time.

15. There are four categories which capture the critical day 1 features of the system:

    a. Structures: the structural settings are in place for new entities to run initial arrangements at national, regional and local levels as relevant, including regional divisions, leaders and teams and district offices within Health NZ;

    b. Functions: entities have and are performing the critical functions to carry out their core operations, including performance monitoring and improvement;

    c. People: staff are transferred to their new employers, key leadership positions are in place, regional and local teams are established, and interim national and regional Boards are in place. This should include ensuring appropriate representation in those position from Day 1, such as Māori and Pacific leadership. For other roles, recruitment strategies have been developed for key positions and functions that are not yet fully operational or have permanent appointments in place;

    d. Machinery of government artefacts: the initial two-year Government Policy Statement and interim New Zealand Health Plan have been developed; two-year fixed budget are in place, s9(2)(f)(iv) requirements for individual entities are set through Letters of Expectations, Statements of Intents and Statements of Performance Expectations as necessary; the initial NZ Health Charter published; and necessary data and information for monitoring is specified.

16. In addition, I recommend that Health NZ and the Māori Health Authority prioritise developing a commissioning framework that seeks to address inequities and reorient primary and community care to improve access for vulnerable communities, such as Māori, Pacific and disabled peoples, and to work with providers to strengthen service models.

17. You have expressed an interest in identifying functions which could transfer early into the interim entities ahead of 1 July 2022 to assist their establishment and to support progress in key areas. The Transition Unit is commencing an exercise with the Ministry to identify which functions need to transfer from the Ministry into the interim entities, and planning the timing and sequencing of these transfers. Options and advice will be provided to you on this in due course, which will also consider the capacity of the interim entities to take on day-to-day operations, and the support that could be provided to these entities to demonstrate progress should they take on functions ahead of legislation. The period from July to September this year will be critical for developing the work programme and expectations of the interim entities to ensure they are set up to succeed, and meet the aspirations of reform.

18. Some of the future internal structures of Health NZ can be put in place in the interim entity ahead of 1 July 2022 to stand up functions and divisions early, and build capability. In particular, regional commissioning teams could be established informally under four regional commissioning directors ahead of 1 July 2022 to build capability. These teams could focus on developing the data and tools to drive a population health-based approach to planning and commissioning services, in line with population health and service strategies. An example could be for a region to progress Pacific health as a “go early” area for trialling a new commissioning approach. Similarly, a Pacific health

leader could be appointed, and the public health units could begin operating as a national public health service ahead of transferring into Health NZ.

19. Health NZ will need to be across the performance of DHBs before it legally takes on the operations for the health system. Before 1 July 2022, interim Health NZ will need to develop a dynamic view of operational performance indicators for all major service areas, along with indicators for hospital capacity across the country. Health NZ will need to rapidly set expectations and have a perspective of what good looks like for these key indicators, and establish benchmarking to understand existing variation and areas where performance improvement support will be rapidly required.

Three-year roadmap

20. We expect to make significant progress by 1 July 2022 – particularly on structural changes, key interim artefacts and ways of working. It will be necessary for the new entities to drive a culture and mind-shift across the sector to fully achieve the benefits of the reforms. While the structural changes present an important opportunity to do this, it will take time to embed a new culture across the system.

21. The first three years of the new system following day 1 will be critical for:

    a. Health NZ, the Māori Health Authority and the Ministry of Health to adapt to new ways of working, and reshape structures from today's health system (including DHB staff and structures, and current Ministry structures) to be fit for purpose for the future;

    b. future health agencies to have time to undertake detailed work to ensure quality planning, commissioning and strategy for our future health system, such as developing new tools, modelling and frameworks to manage hospital network demand, workforce pressures, and locality co-commissioning arrangements;

    c. designing and beginning delivery of key frontline initiatives in priority areas, as funded through Budget 22/23 and future budget cycles.

22. **Appendix C** sets out a broad roadmap for the three years from 1 July 2022, through to FY2024/25. By FY2024/25, it is expected that the system will more closely resemble the destination of the system that has been designed.

23. The three-year plan is under development, and an early version of this is presented for your feedback. The three-year plan encompasses four broad areas:

    a. System architecture: temporary system and organisational settings will need to continue to evolve towards full implementation of the system operating model. This will include moving from interim plans and budgets to fuller versions of these, and continuing to roll out and increase maturity of locality networks. Health NZ will also need to fully develop its internal operating model, and ensure that its organisational design reflects the required functions and ways of working.

    b. Services and models of care change: the design and provision of services transforms over time, and leverages early innovation. This will include work to embed regional hospital networks and identifying sustainable models of care and service levels in rural and provincial hospitals. It will provide opportunities to expand scope of primary and community service offerings, and to grow kaupapa Māori provider capacity and capability.

c. System enablers: planning and investment in critical system enablers continues to transform and align with the development of the full NZ Health Plan. This will include developing a full workforce plan based on demand and supply modelling, and early investments in data and digital to strengthen the foundations and shift to future-first investment over time.

d. Priority areas to achieve system shifts: standing up strengthened sub-system operating models for cross cutting areas, and developing mechanisms to identify and progress early priorities with vulnerable populations. This will include developing processes to connect public health across the system and integrate public health intelligence across primary and community care, as well across national, regional and local levels, embedding a seamless continuum of care for mental health, and making early shifts for hauora Māori, Pacific health and disability.

24. This plan is not final, and will continue to evolve as the reforms progress – particularly once interim and permanent health agencies are established. In particular, we highlight that:

a. anticipated activities beyond FY2021/22 are largely subject to future Budget decisions, including funding for the ongoing sustainability of the future health system; and

b. we expect the interim and permanent boards and chief executives of Health NZ and the Māori Health Authority to have strong views on reform priorities; their leadership of reforms will be vital to success, and we recommend they be given a measure of flexibility to shift the focus of work beyond 1 July 2022 to align to their own views of organisational and system priorities (within parameters set by the Government Policy Statement and New Zealand Health Plan, and subject to Transition Unit stewardship during the transition period).

25. Recent experience of establishing similar entities makes clear that capacity and capability tend to be constrained as organisations establish themselves. The Three-Year Plan recognises that by focusing initial activity on building foundational roles, relationships, functions and artefacts – with innovation and service improvement targeted at key areas of Ministerial and system interest. From FY2023/34 onwards, and as new entities and leadership become more comfortable with their functions, opportunities to improve care and shift practice on the frontlines will grow and the culture of innovating and scaling up innovation will grow. The current system is not effective at identifying and rolling out innovation at scale, and new capability will be required to do this at a system level. This capability will grow as entities begin to embed more prototypes and gain experience in taking things to scale.

26. FY2024/25 is particularly significant, as it represents the first 'full' year of the future health system's operation s9(2)(f)(iv) [redacted]

27. In addition to these activities, there will be significant opportunities to make progress improving system performance in specific, operational areas – such as workforce supply and mental health. Making progress in these areas will require Ministerial mandating during the transition period, agreement to reform goals aligned to system reforms, and funding to support operational improvements. We will provide you with advice over coming months in a series of tranches about where investments might

have greatest impact on outcomes for New Zealanders, and align to the wider goals of reform, and how these initiatives might be progress during and following the transition period.

DHB transition work programme

28. The consolidation of the 20 DHBs into Health NZ is a core component of the reform programme over the next 12 months. The success of how well these entities are disestablished and Health NZ established in its legal form will significantly affect people's perceptions in the success of the reforms overall, and is the area where there is most risk of disruption to day to day operations of the health system.

29. The programme to merge the DHBs into Health NZ will involve a large amount of technical work to consolidate functions and systems, change management and will require clear and consistent communications and expectations. There will need to be a shared understanding of the minimum viable products and processes required to ensure Health NZ can conduct business as usual operations, and most importantly service provision, as a single national entity from day 1.

30. The Transition Unit has established a DHB transition work programme, which is working through what needs to be consolidated on day 1 and the solutions that could be employed to do this. This work programme has been developed with the Chair of the DHB lead Chief Executives group. The DHB lead Chief Executives have nominated four regional lead Chief Executives to work with the Transition Unit on this programme.

31. In some cases, day 1 may only require a temporary solution or arrangements in order to operate, such as internal reporting or interoperability rather than a common digital platform. In other cases, there may be opportunities to leverage existing investment to move towards a solution that would support consolidation of existing systems and processes. The work programme includes:

    a. Finance: working towards a day 1 opening balance sheet for Health NZ, developing future internal budget setting, financial management and audit processes;

    b. Capital and asset management: working towards a single view of future requirements via demand based capital planning, current state of in-flight projects and building towards strategic asset management;

    c. People and human resources: ensuring employment agreements are in place and reporting lines clear in the temporary organisation structures;

    d. Corporate systems: necessary changes are made to existing finance, procurement, supply chain and payroll systems to enable Health NZ to operate as a single legal entity and employer;

    e. Data and digital: consolidation across systems and information where necessary to enable the interim operating model and go early areas, for example, a single view of performance, or integrated clinical and scheduling information where there are hospital functions that can be consolidated quickly across a regional network

    f. Contracts: transfer of DHB and national contracts into Health NZ, creating a reliable register of service commitments, due diligence checking, analysis of risk and variation across existing contracts; and

g. Procurement and supply chain: consolidation into a single national function, which could be an area where early benefits could be realised.

32. Each of the areas above is a very significant programme of work in their own right and is expected to evolve as the work progresses. The scope of work within each is broad, and ranges from strategic decisions about how transition occurs through to the operational detail of processes, system migration and standardising practice across DHB inputs. In addition, to ensure Ministers have visibility of the starting point of the new system, there will be analysis on the aggregate information and an assessment of immediate risks and issues. An example of the plan for one component of the finance work stream is attached in Appendix D.

33. Successful transition of the above functions requires a high degree of technical knowledge of existing arrangements and corporate systems. Existing DHB leaders are therefore fundamental to the success of the transition programme, and are already supporting the Transition Unit via seconding senior staff and nominating DHB CEs to lead particular portfolios within the transition.

Mental health in the new system

34. Mental health is an important priority for the Government, and an area where there is significant investment already underway that could result in early and material benefits for people.

35. Like public health, mental health will not fit solely in the remit of one entity in the future system. It is an area that will require all entities and layers of the system to contribute to a high performing mental health system, and to embed a culture of continuous improvement.

36. At a service level, mental health spans a continuum of care from wellness, promotion and self-care, through to high end specialist services such as forensic mental health services. A seamless continuum of care with integrated pathways between the different mental health services is critical for people's mental health outcomes. Therefore, the delivery of mental health services will need to be well integrated across the regional divisions of Health NZ to ensure seamless connection between primary and secondary care. At a local level, mental health providers and secondary services delivered in the community will need to be well integrated within localities to strengthen the connection between broader health and mental health. Achieving this will require a clear commissioning approach that incorporates Māori and Pacific world views, workforce and providers.

Early transfer into Health NZ

37. s9(2)(f)(iv) [redacted]

39. s9(2)(f)(iv) [redacted]

Next steps

44. Subject to your feedback, we will provide you with a further update by the end of July on:

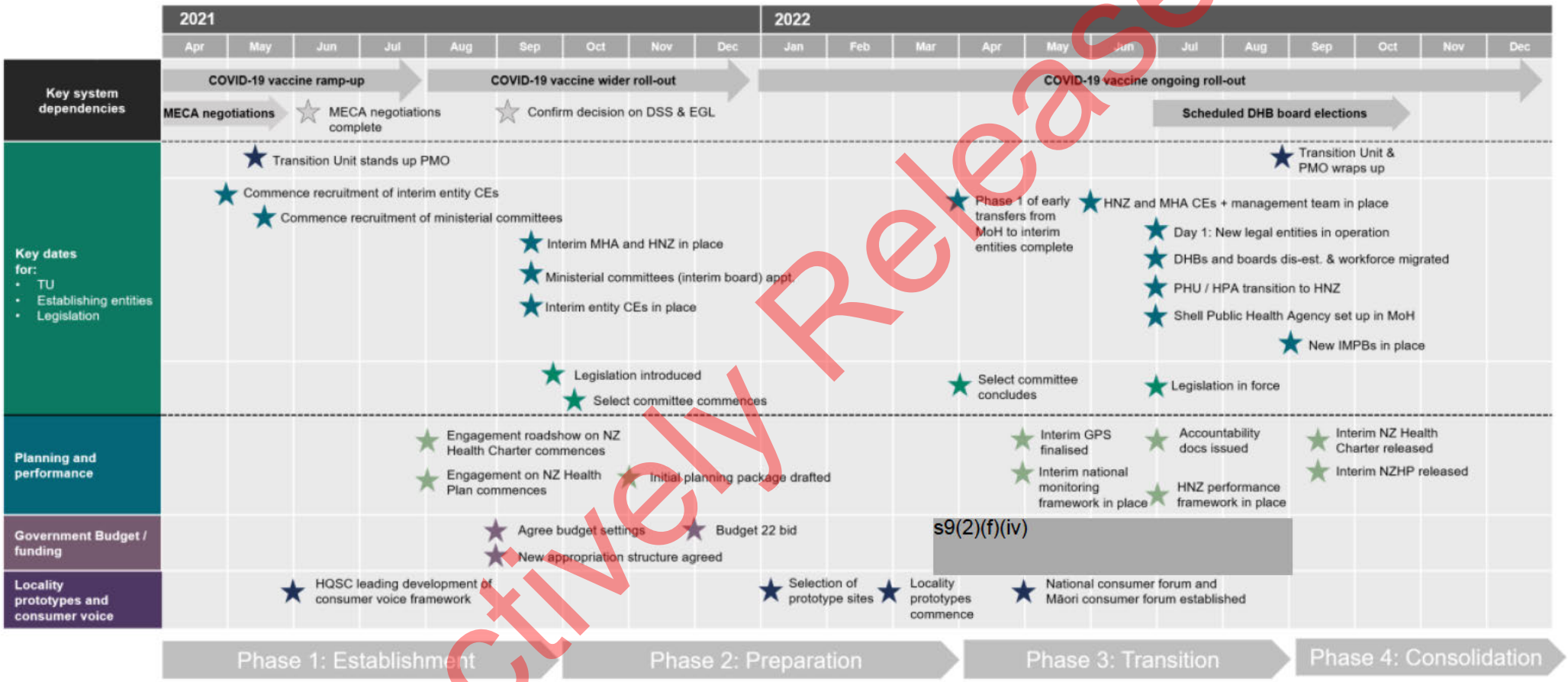
    a. the planned approach to make rapid progress in mental health, including options for an early transition of functions to Health NZ

b. an outline of when Ministry of Health functions might be considered for migration to new entities.

45. We anticipate providing further advice on draft expectations and work plans for interim agencies in August; and advice on key enablers (including workforce, digital services and infrastructure), and on consumer eligibility and access, by September.

Appendix:	
Appendix A:	System view of implementation
Appendix B:	Day 1 view
Appendix C:	Withheld in full under section 9(2)(f)(iv) of the Act
Appendix D:	Withheld in full under section 9(2)(f)(iv) of the Act

APPENDIX A: SYSTEM VIEW OF IMPLEMENTATION



APPENDIX B: DAY 1 VIEW

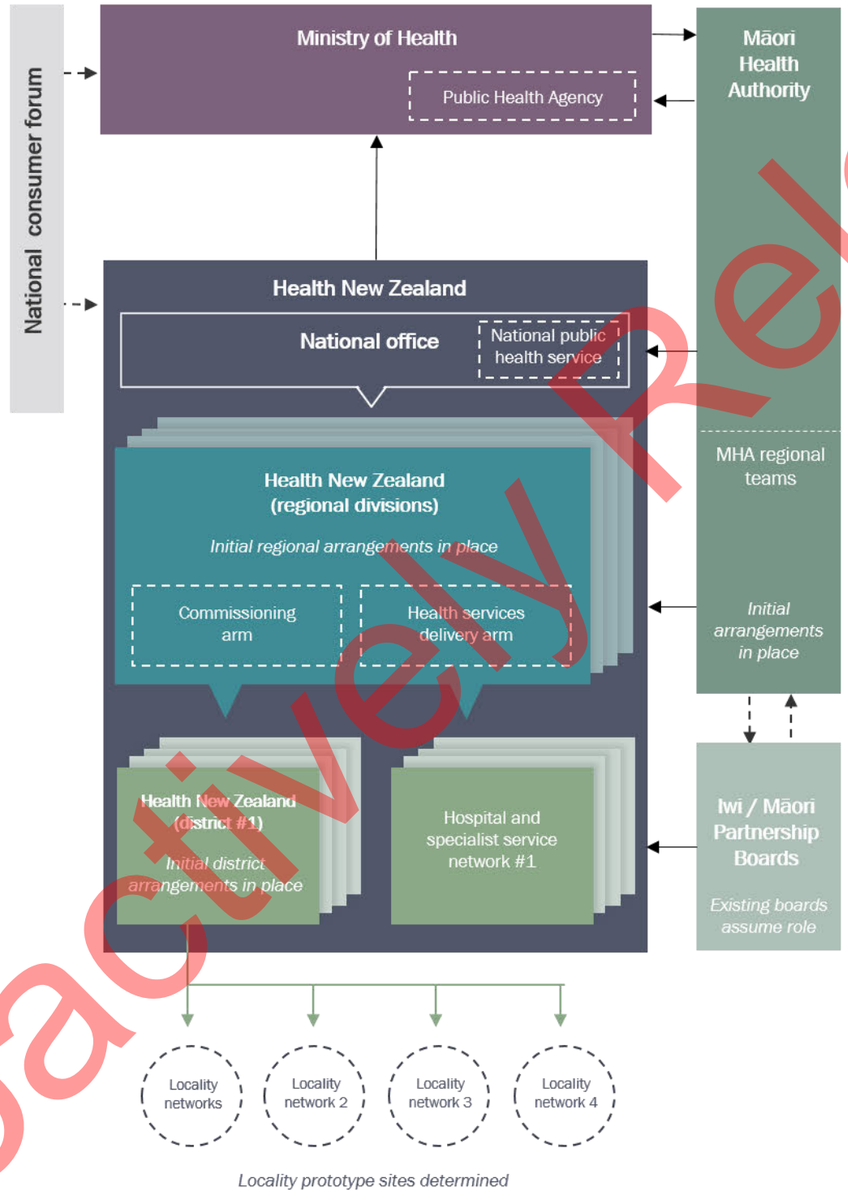
Legislation to reform the health and disability system is intended to come into effect on 1 July 2022. On this day, the new health system will be established in its initial form. This will include initial structural arrangements, design of functions and interim plans and frameworks. Each of these will be expected to be refined and evolved over time, with arrangements changing. To enable the system to be operational from day 1, there are things we need to do pre-1 July to prepare the system for change. For example, standing up key national and regional leadership positions, building internal views of performance and transferring some functions that provide opportunity to build capability and progress transformation will enable early progress against priorities.

Structures

- The **Ministry of Health** will adopt a new operating model for its refocused role
- **Health NZ** will be a Crown entity, with a core national office in place and DHBs disestablished
- Initial regional divisions of Health NZ will be established, based on the existing four regions
- Initial district offices of Health NZ will be confirmed, derived from and perhaps consolidating DHB boundaries
- Appropriations in place, along with internal HNZ allocations and delegations
- Early localities will be in place, based on prototype and early adopter sites (c.5-6 in total)
- The **Māori Health Authority** will be established, with a national office and initial regional teams that map to Health NZ arrangements
- Initial **iwi-Māori partnership boards** will be in place based on existing arrangements
- The **Public Health Agency** will be a distinct business unit of the Ministry of Health
- A **national consumer forum** will be in place to aggregate and champion consumer voice

Functions

- Health NZ and the Māori Health Authority will assume their **full range of statutory functions** – some functions may be delegated initially to other agencies or the Ministry of Health
- The Ministry will be the **lead monitor** and oversee a strengthened approach to monitoring of performance and outcomes
- Health NZ will lead **internal performance management and improvement** of services at all levels
- Health NZ the MHA will **commission and co-commission** health services at appropriate levels
- Health NZ and the MHA will have **critical corporate functions** in place: governance, business processes, IT, payroll – within Health NZ some may initially be adapted from DHB systems
- Health NZ and the MHA will have the **capability to understand health needs** for all populations and commission services to address inequities
- Health NZ and the MHA will **build capability to innovate and trial new approaches** for Māori, Pacific people, and other groups experiencing inequitable outcomes



Locality prototype sites determined

People

- All existing DHB staff will transfer and become employees of Health NZ
- Health NZ will have an appointed Board, CEO and national-level executives in key posts; with a recruitment strategy for other posts
- The national public health service will be established, comprising of employees transferred into Health NZ from the Health Promotion Agency and 12 PHUs
- Health NZ regional executives, key regional leadership roles and interim regional boards in place
- The Māori Health Authority will have a Board, CEO and national-level executives in key posts; with a recruitment strategy for other positions
- Initial MHA regional teams will be in place
- Existing members of iwi-Māori partnership boards will fulfil new functions until changes are made

Artefacts

- An initial two-year **Government Policy Statement** will be published to set system expectations
- This will be supported by a two-year fixed **budget**, and a three-year indicative budget
- Requirements for individual entities will be in place through **LoEs**, SOIs and SPEs as necessary
- The Ministry will also publish additional **system rules and regulations**, derived from the new Act, including a framework for delegations to agencies
- **National data and information requirements** for monitoring will be set in the GPS
- An initial **NZ Health Plan** will be ready for approval by the Health NZ and MHA Boards
- Health NZ will publish critical **initial guidance** to set the system approach: commissioning framework, performance management framework, digital plan
- Guidance will support initial locality plans, but these will not yet be developed
- An initial **NZ Health Charter** will be published, with plans for further consultation

Note: all artefacts will **reiterate the commitment to addressing inequities**