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 October 2021 to January 2022

The following documents have been included in this release:

Title of paper: Health Reforms: Realising the Digital Shift for the Health System

Title of paper: Development of the Interim Government Policy Statement for the Reformed Health and Disability System

Title of paper: Further advice on the Interim Government Policy Statement - Priorities for Inclusion

Title of paper: Health Reform: Choices to Expand the Public Offer

Title of paper: Health Reforms: Public Health Transformation

Title of paper: Health Reforms: Addressing Workforce Supply and Demand

Title of paper: Localities: Setting a Narrative, and Updating on Rollout and Prototypes

Title of paper: Further Advice on the Interim Government Policy Statement – High Level Approach to Priorities

Title of paper: Monitoring Arrangements for the New Health System

Title of paper: Restructure of Vote Health Appropriations to Support Health Reforms

Title of paper: Health Reform – Progress Update and Assurance Framework

Title of paper: Update on the Pae Ora Bill: Select Committee Progress and Further Policy Decisions

Title of paper: Pae Ora Bill: Key Policy Decisions for Recommendation in the Departmental Report

Title of paper: Allocation of Commissioning Budgets Across Future Health Entities

Title of paper: Health Reform: Transfer of Functions from Ministry of Health to New Entities

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.

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

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MINISTRY OF HEALTH
MANATŪ HAUORA

Joint Briefing

HEALTH REFORMS: PUBLIC HEALTH TRANSFORMATION

To Hon Andrew Little, Minister of Health Cc: Hon Ayesha Verrall, Associate Minister of Health, Hon Peeni Henare, Associate Minister of Health			
Date	5/11/2021	**Priority**	Routine
Deadline	12/11/2021	**Briefing Number**	DPMC-2021/22-639 HR20212428

Purpose

This briefing provides advice, and seeks your decisions on, key outstanding features of the future health system focused on public health. These decisions will inform:

a) further development of the public health target operating model;

b) the detailed design and establishment of the Public Health Agency and the National Public Health Service, including the development of Budget initiatives; and

c) functions transfer from the Ministry of Health and Te Hiringa Hauora/Health Promotion Agency into new entities.

Recommendations

1. **Agree in principle** to the proposed public health target operating model and provide any feedback to the Ministry of Health and Transition Unit **YES / NO**
2. **Agree in principle** to the early appointment of interim public health leadership in the new entities by the Health New Zealand and Māori Health Authority Boards **YES / NO**
3. **Note** that Budget 2022 investment proposals for establishing the Public Health Agency and the National Public Health Service and implementing the public health target operating model are informed by the distribution of functions and roles described here
4. **Note** that the Māori Health Authority has a key role in the public health ecosystem and will need public health capability and capacity and resources to engage with Health New Zealand and the Ministry of Health

5. **Note** that the Ministry of Health and Transition Unit will report back to you by the end of February 2022 on further progress in developing the public health target operating model and public health function transfer to the new public health entities.

pp Stephen McKernan **Director, Transition Unit**	Hon Andrew Little **Minister of Health**
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Dr Ashley Bloomfield **Director-General of Health**
05 / 11 / 21

Contact for telephone discussion if required:

Name	Position	Telephone	1st contact
Stephen McKernan	Director, Transition Unit	s9(2)(a)	
Dr Ashley Bloomfield	Director-General and Chief Executive, Ministry of Health	s9(2)(a)	
Bex Sullivan	Senior Manager, Transition Unit	s9(2)(a)	√
Don Matheson	Deputy Director-General Public Health and Primary Care Transformation	s9(2)(a)	√

Minister's office comments:

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

HEALTH REFORMS: PUBLIC HEALTH TRANSFORMATION

Executive Summary

1. The health and disability system reforms signal the Government's intent to reorient the health and disability system towards prevention and equity. This is the biggest change in the health and disability system in a generation, and the difficulty and complexity of this challenge cannot be under-estimated. Alignment of every lever will be required.

2. Strengthened population and public health is at the heart of the reforms, with the new Public Health Agency (PHA) leading the population and public health response with the Māori Health Authority (MHA) and the National Public Health Service (NPHS).

3. The Ministry of Health (the Ministry) and the Transition Unit have developed a joint public health reform work programme to deliver on decisions made by Cabinet. The priority has been describing how public health will work in the future system through a public health target operating model. This model supports and drives the rest of the programme, with a focus on embedding Te Tiriti o Waitangi principles, equity, and a population health approach.

4. This briefing provides an overview of the draft public health target operating model which is now being further developed with the sector. It outlines the draft functions, roles and responsibilities for the key agencies (the PHA, MHA and NPHS) and how they will work together as part of one cohesive system.

5. The response to COVID-19 is changing the public health system and as it evolves is creating a legacy of system enhancements. It is intended that the reforms and the experience gained in the COVID-19 response will come together as the foundation of a world class public health system.

6. Next steps for further developing the model are set out in this briefing, including key issues requiring additional work. The system enablers and investments to develop and sustain the operating model (which will be sought through Budget 2022) are noted.

7. We are seeking your agreement in principle to the model that will be further refined as the Ministry and Transition Unit engage with the sector and new entities as they are established.

8. The Ministry and Transition Unit will report back to you by the end of February 2022 on further progress in developing the public health target operating model and public health function transfer to the new public health entities.

9. Separate advice will be provided to you on functions transfers from the Ministry into interim entities, including public health functions.

Context

Transformation of the public health system is needed to achieve pae ora for everyone

10. Despite New Zealanders' health and wellbeing continuing to improve, much of the burden of disease (morbidity and mortality) in New Zealand is preventable, and some populations experience significant inequity. In particular, the special relationship under Te Tiriti o Waitangi has not been fulfilled. Māori, Pasifika, disabled people and other populations continue to experience significant inequity across a range of health access and outcome indicators. This has happened while New Zealand's investment in prevention (public health – see **Attachment A)** has been declining in real terms, while costs for treatment services have been increasing.

11. The health and disability system reforms signal the Government's intent to reorient the health and disability system towards prevention and equity. This is the biggest change in the health and disability system in a generation.

12. The difficulty and complexity of this challenge cannot be under-estimated. Alignment of every lever – strategy, policy, legislation, resourcing, data and knowledge, surveillance, technology, workforce, services - will be essential to build a sustainable system capable of delivering health gain and health equity.

13. The reforms come at a time of unprecedented awareness and understanding of public health, and new ways of health and social service delivery generated by the COVID-19 response. These include the ground-breaking role being played by Māori and Pasifika providers, innovative approaches to reaching marginalised communities, and a step change in the configuration of the technical public health response.

14. Strengthened population and public health is at the heart of the reforms and presents the best opportunity to achieve "pae ora/healthy futures for all people, where people live longer in good health, have improved quality of life, and there is equity between all groups" [CAB-21-MIN-0092 refers].

15. The new PHA will lead the public and population health response with the MHA and Health New Zealand (Health NZ), including the NPHS. The approach involves understanding the distribution of health outcomes within and between populations as well as the factors and determinants that contribute to these outcomes, and then responding to the aspirations, strengths and needs of whānau, hapū, iwi and communities. Stronger system enablers, reprioritisation of resources and reorientation of services are essential in forming the culture change required for the reforms to succeed.

Health system reform principles are key for developing the public health target operating model

16. The public health target operating model is an integral part of the whole health system working towards the vision of 'pae ora', the priority outcomes and the five key system shifts. Therefore, the development of the public health target operating model is underpinned by the same principles of the broader system and settings, reinforcing the drivers and changes that the reformed system is aiming to achieve. Important reform principles in the context of public health are:

    a) one cohesive system with clear roles and responsibilities, working partnerships, integration across the public health sector;

b) population health approach as the system driver, includes recognising that people's health and wellbeing is largely determined beyond health care services so public health needs to collaborate cross-sectorally to address these determinants in order to improve outcomes;

c) focus on people, whānau and communities, with their aspirations at the centre;

d) Te Tiriti o Waitangi and hauora Māori, ensuring that public health reinforces Te Tiriti principles and obligations; and

e) achieving health equity, for Māori, Pasifika, disabled people, and other population groups experiencing inequity.

The experience of COVID-19 is strongly influencing the public health system of the future

17. New Zealand's COVID-19 response is world leading in many respects and provides insights into how current and future public health threats could be better managed. Elements such as the whole of government and whole of society response, the rapid interpretation and application of scientific findings to action on the ground, leveraging new IT and vaccine technologies – these all have relevance to the Public Health service of the future.

18. The COVID-19 response is providing a legacy of system enhancements within the public health system, including leadership, national coordination, resourcing, infrastructure and technology, intelligence and surveillance, workforce capability and capacity. It continues to evolve and is a positive force in reshaping the public health system.

19. In response to the current outbreak, we are rapidly reconfiguring the Ministry's COVID-19 directorate activities and the PHUs into a seamless national response effort. This reconfiguration will continue to evolve in the coming months and will be the core of the NPHS once it is formed.

20. At the community level, there has been a step change in recognition and support of the Māori and Pasifika providers playing a leading role in the public-facing public health response. In addition, innovation and rapid learning is occurring across the Public Health Units (PHUs) about how to mount an effective public health response inside marginalised communities, in relation to contract tracing and vaccination. These innovations hold the key to addressing equity and will help shape the future system design beyond the current COVID-19 pandemic.

21. The response to date has also highlighted the need for a dedicated, multi-disciplinary workforce to plan for and manage outbreaks. The Ministry is undertaking further work to document the lessons learned and these are being used to develop the operating model further.

22. The COVID-19 Directorate, alongside district health boards (DHBs), is currently focused on responding to the August 2021 outbreak. The Ministry's intention is that the Directorate in its current configuration will continue until at least June 2022, and then the functionality will transition to the appropriate parts of the reformed public health system at the appropriate time. For example, the science and insights capability is likely to be part of the PHA knowledge and surveillance function.

23. The reform process is working alongside the COVID-19 response to prepare for a future where COVID-19 management will become business as usual rather than

emergency/pandemic response. Models the response is currently building will form part of the NPHS.

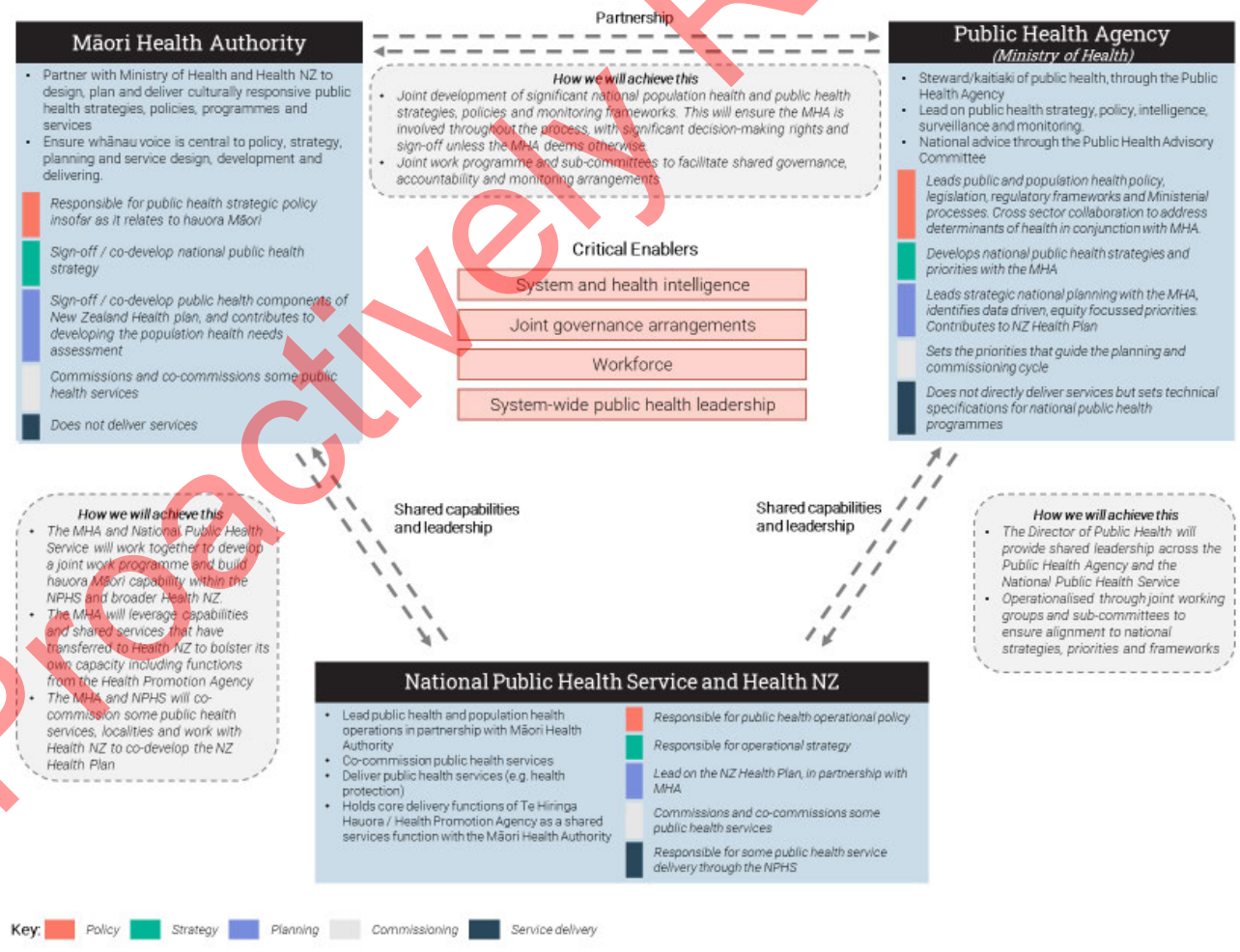
24. In managing the reform process and as the new entities are being established, further development of design and processes will build on the successes and strengths of New Zealand's COVID-19 response. This is especially relevant to the strong public health science and nationally driven nature of the response as well as what works in terms of emergency management, and the successful elements of the community level response. The reform and COVID-19 experience will come together as the foundation of a world class public health system.

Draft public health target operating model

The draft model provides a blueprint for the detailed design and implementation of a new integrated public health system and will be refined further as we work with the sector

25. Cabinet's decisions around the system operating model for the future health and disability system established the core principles for the high-level distribution of functions among the system entities. The key Cabinet decisions and text relating to public health are attached as **Attachment B**.

Figure One: Public health features of the system operating model



26. This model provides a blueprint for the detailed design and implementation of the new system entities, and the processes, governance, machinery of government artefacts and ways of working that will support cohesion across the entities. **Figure One** provides an outline of the public health features of the system operating model and the interface between them, focused on the PHA, MHA and NPHS. Further detail about the functions, roles and responsibilities from a public health perspective of each of the four central entities (Ministry, PHA, Health NZ and MHA) is attached in the working draft **(Attachment C).**

The Public Health Agency is the heart of the public health strategic direction within the Ministry of Health's strengthened kaitiaki and stewardship role

27. In March 2021, Cabinet agreed to establish a PHA as a branded unit within the Ministry to lead on public health and population health policy, strategy, regulatory, intelligence, surveillance and monitoring functions.

28. In line with that decision, the PHA is being developed as a distinct, branded unit "at the heart of" the Ministry. In conjunction with the MHA, the PHA will lead on population and public health policy, strategy, regulatory, intelligence, surveillance and monitoring. This will include establishing a public health strategy and policy framework which will help set priorities for public health in the New Zealand Health Plan. The PHA will have a leadership role across the sector for public health knowledge and surveillance.

29. The head of the PHA will report directly to the Director-General of Health and be a member of the Ministry's Executive Leadership Team. The Director of Public Health will be based in the PHA and will provide direct leadership to the NPHS within Health NZ.

30. The Ministry stood up an Interim PHA in August 2021 to commence the design and build of the agency with an expectation it will be operational by 1 July 2021. A Director of PHA Establishment was appointed to work with the Ministry and Transition Unit. A small implementation team has been established to drive a programme of work through to July 2022 including seconding sector expertise.

31. The current focus of the team is on confirming the strategic intent, vision, functions and operating model of the Interim Agency. The planning aligns with the wider system reform including the public health target operating model, and the Ministry's internal change programme.

32. The process to appoint the PHA lead has begun, and we recommend early appointment of interim public health leadership in the NPHS and MHA to provide certainty to the sector and to build stronger momentum in the transition

33. Future work is focused on confirming the capability and capacity that will be required to discharge the core functions of the Agency, the operating or organising model to do so and the structure under which the future PHA will operate.

The Māori Health Authority will work in partnership with the Public Health Agency and Health New Zealand to ensure mana motuhake becomes core to public health, and that aspirations of whānau, hapū and iwi shape the way services are delivered

34. Population health and public health are crucial for hauora Māori. The MHA will have a key role in helping ensure that mana motuhake becomes core to population health and public health, and that the aspirations of whānau, hapū, and iwi shape the way both kaupapa Māori and whole-of-population public health are delivered.

35. The MHA will work with the other public health entities to ensure the system becomes more responsive to whānau and communities through locality networks and also in strategy, policy, and planning functions. This means recognising and connecting to the strengths of whānau and communities, some of whom have sustained a focus on population health and have worked to deliver public health outcomes for their people.

36. Public health transformation involves incorporation of te ao, tikanga, and mātauranga Māori. Public health that reinforces Te Tiriti principles and obligations looks like:

    a) tino rangatiratanga − Māori are enabled to self-determine the design, delivery and monitoring of essential public health functions to meet the needs of their population and communities they serve;

    b) equity − The public health ecosystem commits to achieving equitable health outcomes for Māori, including clear lines of responsibility and accountability;

    c) active protection – The Ministry, Health NZ and the MHA act effectively to achieve equitable health outcomes for Māori, including fit-for-purpose public health knowledge system and established channels for whānau, hapū, iwi engagement;

    d) options − The Ministry, Health NZ, and the MHA are to provide for and properly resource kaupapa Māori public health action, and to implement all public health policy, programmes and services in a supportive and culturally responsive way; and

    e) partnership − The Ministry and Health NZ work in partnership with the MHA in the governance, design, delivery and monitoring of public health strategy, policy, programmes, and services. This contributes to a shared responsibility for achieving health equity for Māori. Partnership should also extend to Iwi-Māori Partnership Boards, iwi and hapū.

37. The public health target operating model will ensure material change for people where on-the-ground differences will be visible. This includes for Māori, and other populations where appropriate:

    a) Māori self-determination: Māori have a say in the design and delivery of public health services;

    b) equity: People's opportunities to live, work and play in healthy environments and to manage and develop their own health and wellbeing are not determined by their post code or aspects of their identity;

    c) focus on wellbeing: Health and wellbeing promotion, protection and prevention investment, policy and services support people, whānau and communities to stay well longer;

    d) wai ora: people can depend on clean air, clean water, safe food, healthy housing, and protection from infectious disease;

    e) agency and control: individual, whānau and communities are enabled to meet their needs and aspirations, through partnership in planning and delivery of public health services; in taking action on their local environments; and with information, tools and resources to manage their own health and wellbeing; and

    f) seeing themselves: in a public health workforce that reflects the communities it serves, is culturally responsive and enabling.

38. Key enablers of this role will include strong public health capability and capacity in the MHA, resources including funding and leadership, building strong internal capability and capacity for hauora Māori in the PHA and NPHS, and joint development and planning of work programmes.

The National Public Health Service within Health New Zealand, with the Māori Health Authority and the Director of Public Health, will lead national public health operations

39. In March 2021, Cabinet agreed to establish a NPHS within Health NZ to strengthen public health operations. The NPHS will be a distinct unit within Health NZ that closely connects public health to commissioning, primary and community care, and hospital and specialist services. It will bring together the 12 existing public health units, expertise and service delivery resources from Te Hiringa Hauora, consolidating public health functions currently distributed across the system.

40. The NPHS will be responsible for operationalising the core public health functions with and for communities in line with the strategic direction and priorities set by the PHA and MHA, and will be planned and commissioned through the New Zealand Health Plan. This will include implementing public health regulations, developing nationally consistent operational policy and innovative delivery models, and bringing technical public health expertise to inform commissioning and locality plans, and evaluating public health services.

41. The NPHS will work closely with the PHA and MHA as the cornerstones of the reformed public health "one system", alongside whānau, hapū, iwi and communities – nationally, regionally and locally. The Director of Public Health will play a critical role connecting the PHA and NPHS.

42. The NPHS will continue the momentum built by Te Hiringa Hauora/Health Promotion Agency to drive new approaches to health promotion and intergenerational wellbeing. Effective health promotion to address intergenerational issues requires a continued focus on public policy and supporting healthy environments, working closely with other parts of government and across sectors. The NPHS will support this focus at regional and local levels.

43. While demonstrating the value of a strong national public health response, the COVID-19 pandemic has also shown that public health has not been configured to anticipate adequately and respond appropriately and effectively to the needs of Māori or Pasifika peoples. The same is likely to be true for disabled people. Building on learnings from the COVID-19 response, the NPHS will therefore prioritise a targeted focus on anticipating and meeting the needs of populations experiencing significant and avoidable health burden – beginning with Māori and extending to Pasifika peoples and disabled people.

44. Establishing a NPHS means transitioning from 12 distinct PHU operating models, plus a variety of operating models for nationally-led population health programmes (e.g. Healthy Families NZ), to a single operating model with shared standards and frameworks, operational policy, and nationally consistent standard operating procedures where appropriate, as well as the ability to tailor these to best meet the needs of local populations. This will require support above what will be needed to maintain business as usual. Data and digital support is also required to update and streamline the technology, systems and platforms NPHS staff will use in their daily work.

45. We are working with the sector on detailed design of the NPHS. This includes defining optimal regional and local structures and arrangements for the NPHS. For example, the Public Health Clinical Network has provided their advice on an integrated public health service including indicative national, regional and local functions by entity. The current

engagement work (covered below) builds on this work. Detailed work has commenced on the role of the NPHS in the planning and commissioning process, in the knowledge and surveillance system, in emergency preparedness planning, and engagement with whānau, hapū, iwi and communities. We will provide further advice on this work.

46. The effective operation of a NPHS in the system will be supported by several structural considerations:

    a) the head of NPHS will be a sufficiently senior role (e.g. tier 2) to connect and collaborate with leadership across Health NZ and the whole system.

    b) the NPHS executive leadership should include strong hauora Māori and Pacific health capability, which could be joint appointments with other entities.

    c) regional public health leadership should be co-located with regional commissioning leadership and share functions and processes that enable joint prioritisation and planning.

47. With your agreement in principle, the Transition Unit and the Ministry will work with the boards of the interim entities to progress at pace with the final design and transition plans for Day One.

The Public Health Advisory Committee will provide independent public health advice to Ministers

48. Cabinet also noted that the Ministry is developing advice on an expert advisory committee on public health. The response to COVID-19 has demonstrated the value of expert advice for Ministers regarding public health.

49. On 29 October 2021, you received a health report [HR 20212153 refers] on the Public Health Advisory Committee with a proposal for its establishment. Once established this committee will be able to provide independent public health advice to ministers. Ministers will be able to appoint committee members from different backgrounds with a range of expertise (broader than COVID-19) and thereby gain access to more comprehensive and independent advice on public health matters. The committee will be supported by the PHA within the Ministry.

Early appointment of interim public health leadership to the new entities will provide certainty to the sector and build string momentum in the transition to the new operating model

50. The March 2021 Cabinet paper advised Cabinet to retain the Director-General's public health role in the Ministry and its associated statutory powers, including the appointment of Health Protection Officers and Medical Officers of Health. The Pae Ora (Healthy Futures) Bill does not change these powers. The Bill amends the Health Act 1956 to clarify the Director-General's power to revoke these designations in consultation with the Director of Public Health. As noted, the Director of Public Health will be based in the PHA and will provide direct leadership to the NPHS.

51. Therefore, the Director of Public Health will continue as a statutory role inside the Ministry and will have a key leadership role in both the PHA and the NPHS within Health NZ. The duties of this role will include improving alignment among Medical Officers of Health and the Director of Public Health, with support from Māori public health leadership. The Pae Ora (Healthy Futures) Bill gives the Director of Public Health the functions of a medical

officer of health and the power to exercise them in any part of New Zealand if they are a medical practitioner specialising in public health.

52. We recommend that there is an early appointment of interim public health leadership, including senior Te Tiriti/hauora Māori public health leadership, in the new entities to provide certainty to the sector and build stronger momentum in the transition.

53. As noted above, the process to appoint the PHA lead has commenced. With your agreement in principle, the Transition Unit and the Ministry will work with the interim Boards on the early appointment process to progress at pace with the final design and transition for Day One.

Some population and public health functions and enablers will span the new entities, helping to deliver one integrated, consistent system

54. Some functions will be needed in all public health entities, albeit for a different purpose, or with a different focus. An integrated approach will ensure consistency and a clear line of sight, from strategic priorities to planning, commissioning and service delivery in all settings.

55. The public health target operating model is one component of the broader health and disability system. For example, hospital and specialist services are settings for delivery of some public health services such as emergency department based screening and brief intervention for violence or alcohol or drug related harm. Hospitals are key partners for important public health issues such as anti-microbial resistance, infectious disease control, and public health emergency planning and response.

56. The functions spanning all entities include:

    a) strategy and policy – while the PHA will lead this with the MHA, Health NZ/the NPHS will contribute;

    b) commissioning - involves system planning, implementation and review, and will be led by Health NZ and the MHA, to deliver on national plans and the technical specifications developed by the PHA;

    c) public health knowledge and intelligence – it is a cornerstone of the PHA functions (e.g. strategy, surveillance and monitoring); of co-commissioning through Health NZ and MHA; of the operational functions of the NPHS, and of locality plans;

    d) monitoring and reporting – the PHA, MHA and Health NZ will all have monitoring roles, including (respectively) monitoring strategy and policy, system responses and hauora Māori outcomes, and service delivery; and

    e) health promotion - as outlined in the March Cabinet paper [CAB-21-MIN-0092 refers], health promotion will be strengthened and will continue to be delivered nationally, regionally and locally. This will build on the work of Te Hiringa Hauora on new approaches to wellbeing promotion and the early successes and innovation through the Ministry such as Healthy Families NZ and Healthy Homes Initiatives.

57. Detailed work is underway to map functions (refer to Attachment C) to entities and describe how these will work nationally, regionally and locally. This includes mapping Te Hiringa Hauora, COVID-19 Directorate and other public health functions currently undertaken by the Ministry capability and resources across to the PHA, Health NZ/NPHS and MHA.

58. To function effectively and sustainably, the enablers or foundations will be strengthened in line with the wider system. The PHA will play a key system oversight role. Resourcing (investment) is a key enabler and is addressed below. Other key enablers include:

a) Leadership

It is critical that public health leadership is embedded across entities at national, regional and local levels, in positions with sufficient seniority, and networked or connected with leadership in other system settings.

Leadership capabilities will be built to enable high-functioning public health functions, including:

- application of Te Tiriti principles to public health practice;
- leading for equity, with an urgent need to begin by strengthening capability in hauora; Māori / Māori health equity, Pacific health, and health equity for disabled people;
- whānau and community centred leadership (trusting and valuing community voices and enabling community action); and
- scientific and technical public health expertise.

b) Governance and partnerships

Partnership mechanisms will support coordination and collaboration across the PHA, Health NZ and the MHA. A strong focus on Te Tiriti o Waitangi principles and Māori health equity will mean the PHA and NPHS work in partnership with the MHA and Iwi-Māori Partnership Boards, and through them, whānau, hapū and iwi. At a minimum, the MHA will be at the table with decision-making power when policy, strategy, plans, frameworks and standards significant to hauora Māori are being developed, as well as having sign-off rights. The PHA or Health NZ/NPHS may have a lead role in these areas, but the expectation is that the work will be done in partnership with the MHA unless the MHA says it is not necessary.

Options that are being considered support informed, collective decision making on strategy, commissioning and delivery. This includes joint steering or advisory groups across governance and executive leadership, and the development of joint plans and programmes.

c) *National planning and accountability*

In the future system this will be characterised by system-wide priorities and direction setting, a framework outlining planning roles and responsibilities, plans aligned to budget decisions and long-term system shifts, and regular oversight of system priorities.

National public health priorities will be set in conjunction with the MHA through the Government Policy Statement and reflected in the national health strategies, including a national public health/investment strategy and legislation. National priorities will be translated by Health NZ and the MHA into action through the New Zealand Health Plan. The NPHS will be planned and commissioned via the New Zealand Health Plan.

To support one system, it is expected that national priorities will be reflected in regional and local plans and balanced with local priorities. It is also anticipated that beginning from 2024, if not before, national priorities and plans will be informed by and reflect local priorities. It is also expected that national planning will connect with and reflect other points of the system and partners that contribute to public health. This includes those agencies and groups that have levers to address the

determinants of health such as other government agencies or have a critical role in planning and delivering public health activities such as local government.

As outlined in our previous advice on the accountability framework for the future health system (DPMC-2021/22-292), there could be additional accountability mechanisms put in place for certain system priorities including public health. This could include a national plan for public health services and specific monitoring and reporting requirements that are integrated with the wider and higher-order planning, monitoring and reporting approaches. This will be a decision for the new entities in considering how to best ensure effective delivery of population and public health services.

d) *Public health knowledge and surveillance*

The public health knowledge and surveillance system involves collecting and curating data, analysing and interpreting information, disseminating intelligence and applying knowledge to inform decision-making and action, including surveillance. It is a critical enabler of all core population and public health functions from health needs assessment, to strategy development, policy advice, cross-sectoral engagement, commissioning, service delivery and monitoring, reporting and evaluation.

Public health requires a fit-for-purpose and sustainable knowledge system that is founded on accurate, timely and complete data from a range of sources including mātauranga Māori and community engagement. It requires effective governance and leadership, oversight and coordination, infrastructure and technology, and a capable workforce.

In addition to ongoing work to enhance knowledge and surveillance, the COVID-19 response has established significant platforms and processes that can be further developed to support wider public health functions related to communicable and non-communicable diseases.

Further work is being undertaken to determine what knowledge and surveillance functions sit where in entities, who collects, manages and uses information and how across the whole system – to optimise use and avoid duplication.

e) *Workforce capabilities and capacity*

Intentional efforts are required to grow, support, and further develop the Māori and Pasifika workforce within public health. More generally workforce development will need to focus on a core set of public health competencies across the system including application of Te Tiriti of Waitangi principles as above, access to training and development, non-clinical career pathways and mechanisms for cross entity learning and development.

Distributed leadership and a learning and development culture can be supported by the establishment of centres of excellence established as hubs for specialist public health functions that aggregate technical expertise and provide national advice and support.

Investments to enable the public health target operating model

59. Significant investments are required to build and sustain the public health target operating model, which form the foundation for the future health system's renewed focus on public health, enabling population health and the shift to promoting wellbeing and preventing

disease. This investment is especially critical and requires careful consideration to rebalance the system in light of the historic underinvestment in public health.

60. The historic underinvestment has meant decreased capability and capacity across the public health spectrum in the system – in the infrastructure, workforce and systems (e.g. health intelligence). One-off Crown funding provided a temporary boost in the response to COVID-19, but the sustainability of the public health system remains an issue, particularly in the context of the future system where population and public health will be central to how the system operates.

61. Initial investment proposals for public health focus on:

    a) establishing the entities and the necessary capacity and capability for the public health operating model – more details are provided below; and

    b) population and public health initiatives for hauora Māori and Pasifika which includes uplift in funding for Māori and Pasifika providers, services and community-based initiatives to promote wellbeing and tackle non-communicable diseases.

62. Investment components to enable the public health operating model include:

    a) costs to establish the PHA within the Ministry and the NPHS within Health NZ. These are new entities in the system and will require additional capability as they are largely both undertaking new functions in the system. The costs of establishment includes capability and capacity for these new functions and for change management and process improvement support. Costs relating to public health were not part of entity establishment costs provided for in Budget 2021.

    b) workforce development – to grow the public health workforce and provide development opportunities for the existing workforce. The targeted growth will be for both the clinical and non-clinical workforce, acknowledging the shift towards promotion and prevention. There will be additional focus to develop Māori and Pasifika public health workforce.

    c) data & digital & health intelligence capability and infrastructure for the NPHS to deliver the regulatory and contractual functions of Public Health Units and for enhanced surveillance and intelligence for the PHA and the NPHS to undertake assessment, planning, commissioning and service delivery.

63. The approach to Budget 2022 for public health will require balancing investments to establish the infrastructure and foundations for the public health target operating model and investments that will drive key shifts in health outcomes through targeted programmes and services, particularly for our under-served populations. The Transition Unit and the Ministry are working to submit a coherent investment package that provides an integrated approach across a spectrum of care that incorporates public health.

Sector Engagement

64. Sector engagement is an opportunity to articulate a compelling vision for the future of public health in New Zealand, and to align stakeholders and the wider community to a common purpose. Engagement will also build momentum for change with greater awareness, understanding and support for the reform objectives and the gains it will bring. It provides an opportunity to create a new public health system that builds on the strengths in the current system and draws on the experience and insights of stakeholders.

65. Accordingly, engagement is a significant and ongoing part of the work programme, involving a wide range of sector groups, and whānau, hapū, iwi and communities as the reforms progress. The process is also an opportunity to demonstrate commitment to the reform outcomes such as partnership, equity and person and whānau-centred care.

66. The initial focus is on the target operating model and its components. A series of public health sector hui began in October with public health leaders from DHBs, PHUs and māori and pasifika public health stakeholders. The participants signalled their strong desire to be involved. They want to see tangible progress focused on the health and wellbeing of whānau and communities, with action on the determinants of health.

67. A platform for ongoing engagement will be established, connecting to a widening range of stakeholders such as NGOs and those who connect directly with whānau and communities. This platform will then be continued by the new entities as they develop to support their activities such as locality planning with whānau, communities and the Iwi Māori Partnership Boards.

68. Sector experiences and lessons from the response to COVID-19 also provide valuable insights, although it is important to note that engagement with this group is challenging while many public health staff continue to play critical roles in the response.

Next Steps

69. As the interim Boards begin to establish the new entities, and the PHA takes shape within the Ministry, development of the public health target operating model will continue, as will further detailed design of the PHA and NPHS.

70. Sector engagement on the public health target operating model and related issues and entities will continue, with sector hui planned in November and December. The draft public health target operating model will be further refined by this engagement.

71. Future issues to be considered by the Ministry and Transition Unit, working with the sector as appropriate include:

    a) further detail on handover points between PHA and NPHS, including how the role of the Director of Public Health operates in practice with the NPHS;

    b) further detail about the role, structure and functions of the NPHS in Health NZ, building on the current COVID-19 response;

    c) regional arrangements for the NPHS;

    d) transition of functions, resources and capability from Te Hiringa Hauora, and the COVID-19 Directorate, and other public health functions currently undertaken by the Ministry;

    e) distribution of the public health knowledge and surveillance system functions across the public health entities;

    f) partnership mechanism such as joint steering groups or advisory groups across governance and executive leadership; development of joint plans, work programmes, frameworks and relationships;

    g) the roles of non-government organisations (NGOs), Māori and Pacific providers, and others in the public health ecosystem; and

h) options for Day One configuration of the NPHS and sequencing for the related change processes. Decisions about Day One configuration will need to balance the need for transformational change with the toll of ongoing COVID-19 response and planning on the workforce, and its impact on capacity to manage change.

72. The Ministry and Transition Unit will report back to you by the end of February 2022 on further progress in developing the public health target operating model and public health function transfer to the new public health entities.

Attachments:	
Attachment A:	Essential Public Health Functions
Attachment B:	Key Cabinet decisions/text
Attachment C:	Draft summary of public health functions by actor

ATTACHMENT A

Essential public health functions

1. Essential public health functions include:

   a) **Health needs assessment, intelligence and surveillance—**understanding health status, health determinants, and disease distribution, drawing on insights and evaluation.

   b) **Health promotion—**enabling people to increase control over, and improve, their health.

   c) **Health protection and emergency preparedness—**protecting communities from public health threats.

   d) **Preventive interventions—**delivering population health programmes to reduce disease and injury for example screening and immunisation.

   e) **Public health capacity development—**enhancing public health system enablers e.g. workforce development.

   f) **Community engagement and action—**ensuring people's and communities' aspirations, strengths, needs and preferences are understood and reflected in the design, delivery and improvement of population health and public health interventions; enabling communities to take action to improve health.

ATTACHMENT B

Key Cabinet decisions/text

In March 2021, Cabinet agreed to, or the Cabinet paper included, a range of measures to strengthen public health (CAB-21-MIN-0092 refers). These included:

a) establishment of a Public Health Agency as a branded unit within the Ministry of Health to lead on public health and population health policy, strategy, regulatory, intelligence, surveillance and monitoring functions.

b) establishment of a national public health service within Health New Zealand to strengthen public health operations. This will bring together the existing 12 public health units to provide more centralised and coordinated public health operations functions. National Public Health Service will, alongside the Māori Health Authority, determine and evaluate public health programmes, such as Well Child Tamariki Ora, based on specifications provided by the Public Health Agency.

c) retention of Director-General role in the Ministry of Health and its associated statutory powers, including the appointment of Health Protection Officers and Medical Officers of Health. The Director of Public Health will continue as a statutory role inside the Ministry of Health and will have a key leadership role in both the Public Health Agency and the national public health service within Health New Zealand.

d) continued national, regional and local delivery of health promotion as a core component of public health operations. This will be strengthened by bringing in the culture and capability in health promotion of Te Hiringa Hauora, as a shared resource for Health New Zealand and the Māori Health Authority, with some functions and capabilities transferring to the Public Health Agency.

e) Establishment of an expert advisory committee on public health, which will be supported by the Public Health Agency within the Ministry. The response to COVID-19 has demonstrated the value of expert advice for Ministers regarding public health.

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

MINISTRY OF HEALTH
MANATŪ HAUORA

Attachment C: Draft summary of functions by actor (four central entities)

	Whānau & community experience & engagement	System and Public Health Intelligence	Strategy	Planning	Commissioning	Service Delivery	Monitoring
Ministry of Health (MoH)	Set national priorities for consumer engagement and monitors progress against these		Develops NZ Health Strategy, Pacific Health Strategy, advises on development of Government Policy Statement	Advises HNZ in development of NZ Health Plan	Sets strategy and priorities for commissioning cycle	Leads sector in whole-of-government response to public health threats and opportunities	As the chief steward of the system, it will monitor and report on the performance of the overall health and disability system
Public Health Agency (PHA)	Ensures whānau and community voice/insights/aspirations inform policy and strategy development	Leads design and oversight of public health intelligence system, incl. surveillance, determinants, population health outcomes, and elements that are important for Iwi/Māori communities. Analyses intelligence to inform strategy and priorities. Analyses and monitors equity and national/international trends. Ongoing assessment of risk and environmental threats. Supports Māori and Pacific data sovereignty.	Develops national public health and population health strategy and sets national public/pop health priorities in line with NZ Health Strategy and GPS. Develops health security frameworks, including preparedness and response. Develops strategy for laboratories' public health services. National strategies jointly agreed with and signed off by MHA.	Identifies data-driven, equity-focussed priorities for national public health planning. Contributes to development of the NZ Health Plan. Leads strategic planning for national priorities, with MHA.	Sets national public health strategy and priorities that guide planning and commissioning cycle.	Sets guidelines and technical specifications for national public health services	Monitors system performance for population health equity and proposes remedies
Health New Zealand including National Public Health Service, Shared support function of Te Hiringa Hauora	Ensures whānau and community voice/insights/aspirations inform planning and service design, development and delivery. Builds regional and local cross-sector partnership capabilities. Works with HDC on remediation of complaints. Engages with whānau and community, in conjunction with MHA, to obtain voice/insights/aspirations.	Co-designs public health intelligence system with PHA, MHA. Responsible for operational surveillance and intelligence, data collection and analysis, health needs assessment. Health informatics and population health analytics capabilities to inform commissioning. Advanced surveillance and analysis, including GIS. Ongoing assessment of risk and environmental threats. Supports locality health assessment. Maintains the National Health Information System and leads data collection and analysis for the health system (incl. financial audits) Provides analytical and intelligence capability in partnership with MHA. Conducts programme and/or project evaluation.	Contributes to public health strategy and prioritisation. Develops operational strategy.	Jointly develops NZ Health Plan (including population health and public health content) with MHA. Develops Pacific Health action plan and national/regional priority action plans. Responsible for public health emergency preparedness/ response planning. Sets national frameworks for some services (e.g. immunisations, screening). Leads health improvement and cross-sector planning (with MHA and PHA). Supports development of locality plans. Significant plans and frameworks are jointly developed and agreed with MHA.	Commissions or co-commissions public health and population health services	Delivers national public health service. Designs and delivers wellbeing, health promotion, and health literacy interventions. Leads and coordinates operational implementation of responses to public health threats. Sets SOPs. Develops public health practice clinical guidelines for health practitioners. Coordinates public health laboratory services.	
Māori Health Authority (MHA)	Ensures whānau voice is central to informing policy, strategy and plans (local, regional and national) and service design, development and delivery Sets framework for HNZ and MOH engagement and determines how whānau and community voice is sought (e.g. via Iwi Māori Partnership Boards)	Co-designs public health intelligence system with PHA. Advances Māori Data Sovereignty. Provides analytical and intelligence capability to support Iwi/Māori Partnership Boards.	Sets Māori health priorities, strategy, for the system. Co-develops and signs off national public health strategies with PHA	Jointly develops and signs off NZ Health Plan with HNZ. Jointly develops and signs off pandemic/public health emergency response plans with HNZ.	Commissions or co-commissions health services for Māori, including kaupapa Māori services, health promotion and population health initiatives that have significant impact on Māori health outcomes		Report on overall system performance for Māori. Evaluates public and population health programmes and services with Health NZ.

	Policy	Regulation	Workforce	Innovation	Ministerial and Executive service	Crown entity oversight
Ministry of Health (MoH)	Sets overall system strategic policy and internal operational policy.	Leads regulation of the health sector. Upholds international obligations. DG statutory powers.	Sets priorities and provides advice to Ministers regarding industrial relations. Leads strategy for overall health system workforce.	Conducts research (horizon scanning) and priority setting	Manages budget process and provides government services (correspondence, briefings, parliamentary questions, speeches)	Develops performance standards and monitors crown entities
Public Health Agency (PHA)	Leads on public and population health policy, legislation, Cabinet and parliamentary processes. Leads on healthy public policy and cross-sector collaboration to address the social, commercial, environmental determinants of health. Develops standards for national public health programmes. Key policy functions enacted in conjunction with MHA.	Plans and implements regulatory systems/ frameworks. Director of Public Health statutory powers. Supports DG to appoint statutory officers. Oversees enforcement of public health legislation. Upholds international obligations (International Health Regulations and the Framework Convention on Tobacco Control)	Sets public health workforce strategy with MHA.	Supports pilots and supports and facilitates inter-sectoral innovation to tackle wider determinants of health.	Secretariat for public health expert advisory committee	Develops performance standards and monitors crown entities' public health and population health performance
Health New Zealand including National Public Health Service, Shared support function of Te Hiringa Hauora	Policy analysis and advice to support national policy making, regional and local government, esp. on determinants of health. Sets operational policy for national programmes, registers and information systems. Conducts health impact assessment.	Enforces public health legislation. Regulates complaints, investigation and enforcement processes?	Leads and coordinates workforce capacity/capability development, including cultural safety and surge planning.	Researches and invests in innovation prototyping and dissemination of new models of public health and population health service delivery. Develops tools and technology that enable improvement and innovation. Commissions pilots		Reports on performance standards, indicators and outcome measures
Māori Health Authority (MHA)	Leads on Hauora Māori policy. Jointly develops public health policy of significance to Māori with Ministry/PHA and signs off		Leads the development of a strengthened Māori workforce. Supports MoH and HNZ to build cultural capability. Co-develops public health workforce strategy with PHA.	Research and invests in innovation prototyping and dissemination for kaupapa Māori services	Supports government and executive advisory activities as they related to Māori health	Set performance standards and monitor HNZ performance regarding Māori health