

Hon Peeni Henare

MP for Tāmaki Makaurau

Minister for ACC

Minister of Tourism

Minister for Whānau Ora

Associate Minister for the Environment

Associate Minister of Health (Māori Health)



27 March 2023

Fiona Pimm
Chair
New Zealand Blood and Organ Service
BoardChair@nzblood.co.nz

Tēnā koe Fiona

Letter of Expectations 2023/24 for the New Zealand Blood and Organ Service | Te Ratonga Toto o Aotearoa (NZBOS)

As Minister of Health, and your shareholding Minister, I want to thank you for your commitment over the past year to delivering your agreed objectives during a period of significant change in the health system. This letter sets out my expectations to you as Chair for your organisation for 2023/24.

I am confident your organisation will deliver on these expectations as part of the reformed health system. The roles and functions of your entity are well-established and unchanged under the Pae Ora (Healthy Futures) Act 2022. I expect you to continue to maintain and improve your good performance of those functions, in keeping with the aspirations of the reforms. You have an important role to support the health system to meet the obligations under Te Tiriti o Waitangi, achieve equitable health outcomes, and be accessible, cohesive and whānau-centred. Approaches that are focused on quality, learning and continuous improvement will support improved health outcomes.

While Te Whatu Ora and Te Aka Whai Ora are primarily responsible for the interim Government Policy Statement (iGPS), NZBOS should also consider how it can contribute to the iGPS priorities of:

1. achieving equity in health outcomes
2. embedding Te Tiriti o Waitangi across the health sector
3. keeping people well in their communities
4. developing the health workforce of the future
5. ensuring a financially sustainable health sector, and
6. laying the foundations for the ongoing success of the health sector.

Further detail is available on the iGPS at: www.health.govt.nz/publication/interim-government-policy-statement-health-2022-2024

It will be important for you to think about the valuable insights into wider system performance that your organisation could provide. In the spirit of the reforms, I expect you to identify and pursue any opportunities to work collaboratively and collectively with other entities where this will result in health gains. It will be important to monitor the efficiency of the health system following the reforms.

I expect that your reporting, and the monitoring undertaken by Manatū Hauora, will enable me to assess both the performance of your entity, and how you are contributing and collaborating with others towards overall system performance. Manatū Hauora will engage with you further on the proposed approach to monitoring collective and system performance as work in these areas develops.

The free flow of information between parties is a core principle of monitoring that I expect both your organisation and Manatū Hauora to follow. It is critical that the advice I receive from Manatū Hauora about your Board and entity's performance is well informed. Please continue collaborating and sharing

information with Manatū Hauora so that it has the information it needs to assess your financial and non-financial performance.

As part of that sharing of information, I am requesting that you now provide copies of Board meeting agendas, minutes, and associated papers as agreed with Manatū Hauora. This will ensure Manatū Hauora, as my agent, has an understanding of the quality of information the Board is receiving and can see how risks are effectively identified, managed and reported to the Board. This requirement will be reflected in your 2023/24 Output Agreement.

As you will be aware, for the first time, Budget 22 provided two years (2022/23 and 2023/24) of funding for Vote Health. From Budget 24 onwards, future health budgets will move to three-year funding cycles. Multi-year health budgets are fixed. What this means is that there will not be a Budget 23 process for new spending initiatives or new cost pressures for Vote Health.

In Budget 2022, Government was able to provide additional resources to help advance the 2017 organ donation and transplantation strategy, with \$2.0 million available from 1 July 2023. I look forward to seeing your plans for using this money, preferably by June 2023.

For NZBOS your relationship with Te Whatu Ora as your primary customer is of course critical to your ongoing funding.

The code of expectations for health entities' engagement with consumers and whānau was approved in August 2022. The Pae Ora (Healthy Futures) Act requires you to act in accordance with the code when engaging with consumers and whānau, it also requires you to report annually on how you have given effect to the code. I look forward to seeing your progress in this area, including how you have embedded Te Tiriti into your engagement.

NZBOS-specific expectations

I am very pleased that Government was able to provide \$60 million in equity to remove the need for a similar amount of additional borrowing by NZBOS to fund critical infrastructure projects and your need to increase inventories of plasma products. I am pleased that we were able to significantly reduce your borrowing risk, but conscious that there is considerable cost risk still attached to the second stage of Highbrook, as well as your general operating environment. It will be important that these risks are managed well and that you report to Manatū Hauora on your progress with these projects.

We have now reached the point in the accountability cycle where your Statement of Intent needs to be refreshed. Accordingly, I ask you to provide a draft Statement of Intent for the period 2023/24 to 2026/27, alongside a Statement of Performance Expectations for 2023/24.

Drafts of both documents should be provided to Manatū Hauora no later than 30 April 2023 in line with the requirements of the Crown Entities Act.

Thank you for your dedication to working together to support our reformed health system in meeting its goals.

Nāku noa, nā



Hon Peeni Henare
Associate Minister of Health (Māori Health)

cc Hon Dr Ayesha Verrall, Minister of Health
cc Ms Sam Cliffe, Chief Executive Officer, New Zealand Blood Service | Te Ratonga Toto o Aotearoa