



Hon Grant Robertson  
Parliament Buildings  
WELLINGTON

Dear Minister,

I made a submission for my portfolio for consideration as part of the Budget 2019 process in a letter dated 19 December 2018. A further Mental Wellbeing package was submitted on 18 January 2019. This submission amalgamates those two submissions so that there is a single comprehensive document for your consideration.

Vote Health represents a significant proportion of the annual Government Budget package. It contributes directly to the wellbeing of all New Zealanders, and helps New Zealanders live longer, healthier and more independent lives. A strong and sustainable health system is a key contributor to a more equitable society, as good health contributes to better education and employment outcomes, greater participation in communities, and sense of belonging in society.

The Vote Health portfolio budget package is firmly focused on delivering the Government's priority outcome: Support healthier, safer and more connected communities, as well as making a strong contribution towards two additional priority outcomes: Make New Zealand the best place in the world to be a child, and ensure everyone who is able is earning, learning, caring and volunteering.

Accordingly the bids support ensuring the Health portfolio delivers on its role to achieve these, specifically through initiatives supporting:

- our response to the He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction
- contributing to address the workforce, infrastructure and service delivery issues we have identified in the health system
- contributing to the Child Wellbeing strategy; and
- improving equity through access to affordable, quality health care.

Furthermore, as outlined in the Budget Policy Statement five priorities were identified as part of addressing the challenges in the Wellbeing Outlook in Budget 2019. Vote Health's contribution and focus through this suite of budget initiatives specifically contributes to:

- Supporting mental wellbeing for all New Zealanders, with a specific focus on under 24 year-olds
- Reducing child poverty and improving child wellbeing, including addressing family violence; and
- Lifting Māori and Pacific Incomes, skills and opportunities, with Health's contribution focusing specifically on pathways to ongoing employment for Māori and Pacific,

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increased investment in Māori and Pacific Health Innovation funds, initiatives to get to Smokefree 2025 and reducing the incidence and the improving the management of rheumatic fever and rheumatic heart disease amongst Māori and Pacific.

The proposed initiatives for Vote Health also respond to significant external drivers. The population is expected to increase by a further 75,000 New Zealanders over the coming year. The number of people aged over 65 will increase by 27,475, which leads to pressure for additional services. Economic factors, such as CPI and LCI, increase pressure on costs, but the largest is remuneration pressure from the DHB employed workforce.

While investment is required to respond to these pressures and rebuild New Zealand's health system after a period of neglect, Vote Health is also at a critical stage of reform. He Ara Oranga, the report of the Inquiry into Mental Health and Addiction, provides the foundation for transformation of mental health services. Vote Health is supporting critical cross-Government work to improve child wellbeing and address family violence. In addition, a number of initiatives are designed to improve access to primary health care – the front door of the health system – in order to lift health outcomes and improve equity.

These external pressures and progress toward system change, combine to a large package of budget proposals for Vote Health. I look forward to considering them against priorities in other areas of Government priority.

Furthermore, in response to your request to identify two packages of Health initiatives as part of the final budget submission, I have attached the "Funding Scenarios and Potential Budget Packages". These are based on hypothetical scenarios of 30 percent and 50 percent of the operating allowance for Budget 2019. A third scenario of 40 percent has been added as previously discussed. The potential impact on the submitted bids based on these hypothetical options is detailed in the attachment.

## Mental Wellbeing

The Government has announced mental wellbeing as a priority for this Budget, and there are high expectations for action in response to the He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction. The mental wellbeing package I have proposed will demonstrate this Government's commitment to transforming New Zealand's approach to mental health and wellbeing, and will build momentum for our response to the Inquiry. I have proposed a comprehensive and integrated package of initiatives to expand access and choice of primary and community mental health and addiction responses for New Zealanders with mild to moderate needs, a known gap in our continuum of care highlighted by the Inquiry. The package anticipates national roll-out of this system build phased over s 9(2)(f)(iv) reflecting long-term commitment to transformation. This is accompanied by investment in acute and forensic responses to continue to support those with more severe needs, as well as funding for the establishment of a potential Mental Health Commission to strengthen leadership of a transformed approach. Vote Health investment sits within a cross-sector mental wellbeing package that collectively spans the continuum of care and the life course; begins to address New Zealanders' complex needs to support wellbeing; and includes targeted support to deliver outcomes for Māori, young people and other groups who continue to experience inequitable outcomes.



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## Expanding access and choice of primary and community mental health and addiction responses

This funding will provide for national expansion of access and choice of primary and community mental health and addiction responses for New Zealanders. The package includes expansion and enhancement of responses for those with mild to moderate needs, including s 9(2)(f)(iv) suicide prevention, digital service options, primary and community mental health and addiction responses, School Based Health Services,

| Funding Sought (\$m)                              | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 & outyrs | Total |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|-------|
| Expansion of School-Based Health Services         |       |       |       |       |       |       |       |       |       |                |       |
| Enhancing primary mental health and AOD responses |       |       |       |       |       |       |       |       |       |                |       |
|   |       |       |       |       |       |       |       |       |       |                |       |
| Suicide prevention package                        |       |       |       |       |       |       |       |       |       |                |       |
|   |       |       |       |       |       |       |       |       |       |                |       |
| Digital and telehealth service options            |       |       |       |       |       |       |       |       |       |                |       |
| Operating   |       |       |       |       |       |       |       |       |       |                |       |

| Funding Sought (\$m) | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 & outyrs | TOTAL |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|-------|
| Capital              | -     | -     | -     | -     | -     | -     | -     | -     | -     | -              | -     |

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### ***Responding to pressures on AOD addiction services, including the Substance Addiction (Compulsory Assessment and Treatment) Act 2017***

This funding will respond to cost pressures and gaps in the existing model of care for Alcohol and Other Drug (AOD) addiction treatment, ensuring adequate and immediate services are available, supporting a [REDACTED] to care as people move from community to residential and back again, and providing for an increase in capacity.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         |         |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       |         |         |         |         |                    |         |         |         |       |

### ***Te Ara Oranga Methamphetamine Harm Reduction Programme in the Northland Region***

This funding will be used to continue and expand the methamphetamine reduction programme called Te Ara Oranga. The programme supports a population with complex health and social needs, integrating health and justice sectors. The scope of the programme includes methamphetamine and other drugs.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears | TOTAL   |         |         |       |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         |         |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -     |



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### *Forensic mental health services for young people*

This funding will provide for an increase in forensic mental health services for young people in response to the legislative change increasing the youth justice age to 18 years, including s 9(2)(f)(iv) as well as workforce development and expansion.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         |         |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -     |

### *Forensic mental health services for adults*

This funding will provide for additional investment in forensic mental health services for adults, to ensure safe and secure services are available for those who need them.

Investment includes increased funding for prison in-reach services

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         |       | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|-------|
| Operating            |         |         |         |         |         |         |                    |         |         |         |       |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |       |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -     |       |

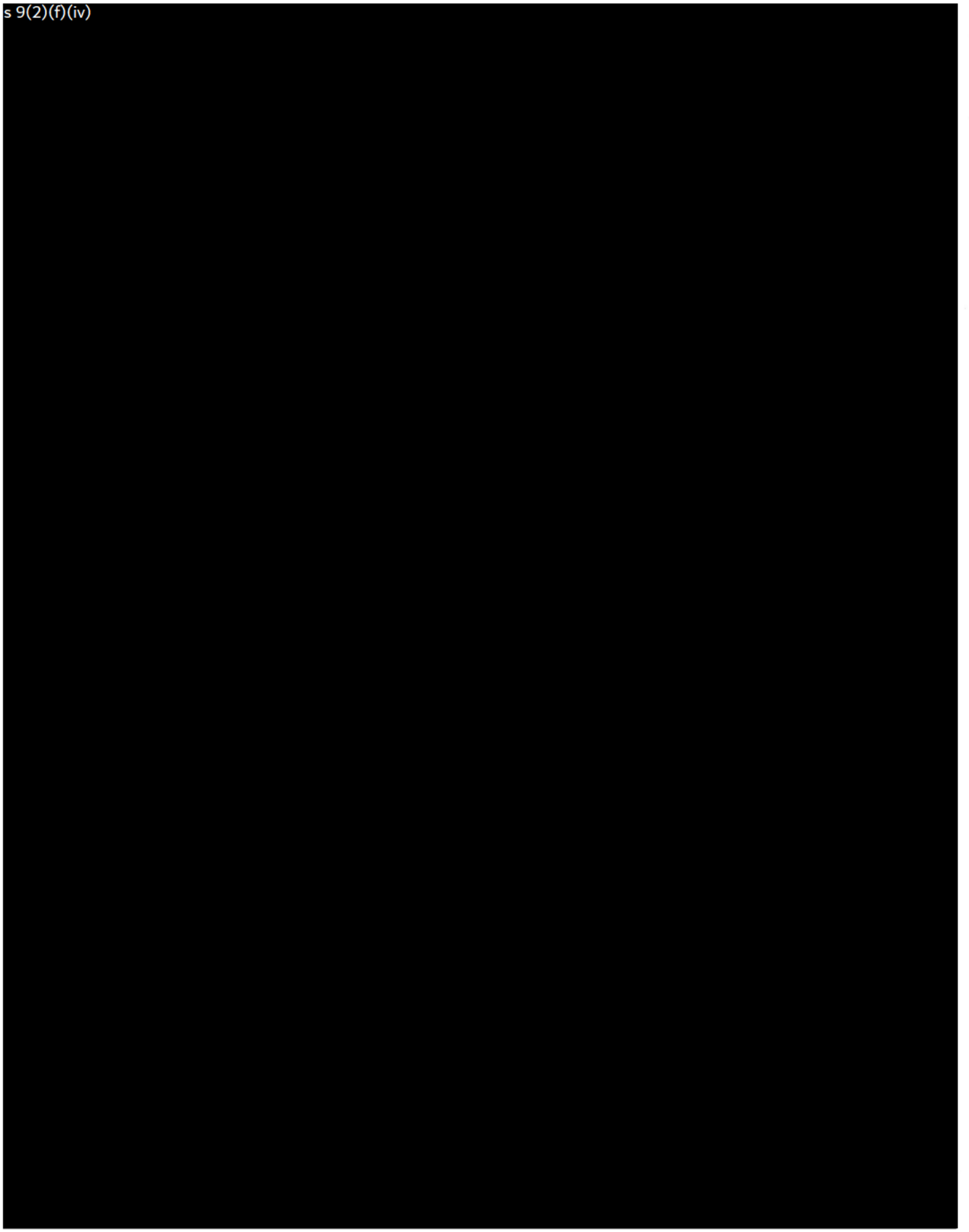
### *Establishing a new Mental Health Commission*

This funding will provide for the establishment and operation of a potential new Mental Health Commission, an entity that would be responsible for providing leadership and oversight of mental health and addiction in New Zealand to ensure there is sustained, transformational change.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 |         | 2021/22 | 2022/23 & outyears |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|-------|
| Operating            |         |         |         |         |         |         |         |                    |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26            | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       |         |         |         |         |         |         |                    |         |         |       |

Child Wellbeing

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### ***Intensive parenting support***

This bid seeks to expand Pregnancy and Parenting Services (PPS) [REDACTED] PPS is an intensive outreach service that provides case co-ordination and services for pregnant women and parents with children under 3 years of age who are experiencing problems with alcohol and other drugs and are poorly connected to health and social services. It aims to reduce harm and improve wellbeing of children by addressing the needs of parents whilst working to strengthen the family environment.

This initiative aligns with the Government priority areas of "Reducing child poverty and improving child wellbeing, including addressing family violence". It also contributes to Child Wellbeing Budget priority: Investment in preventative and early interventions to support children in early years (0-6) and their parents, families and whānau [Cab 18 Min 0449.01 refers].

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears | TOTAL   |         |         |       |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

### ***Family Violence Services (cross agency bid process Lead Agency Ministry of Justice)***

As part of the Joint Venture on Family Violence and Sexual Violence the Ministry has been participating in a cross-agency Budget process. The agreed package focuses on prevention and the national roll-out of integrated community responses to family violence and sexual violence. The split of funding between participating agencies has not yet been finalised. Through this process the Ministry has sought funding for the Violence Intervention Programme which builds the capability of front line health professionals to screen for family violence and sexual violence and intervene to support victims. The Ministry has also sought funding [REDACTED]

### ***Improving wellbeing in schools and early childhood settings through quality physical activity and nutrition***

Schools and early learning services will be supported to create healthy food environments through guidelines, curriculum resources, and nutrition health promoters including supporting the adoption and implementation of healthy food, and water-only (and plain milk) policies and the enhanced delivery of the Health and Physical Education curriculum. A physical activity workforce will support approximately [REDACTED] to deliver active school environments by enhancing teacher practice, confidence and support for school leadership generally and in relation to the curriculum.

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| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 |  | 2020/21 |         | 2021/22 | 2022/23 & outyears |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|--|---------|---------|---------|--------------------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |  |         |         |         |                    |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 |  | 2022/23 | 2023/24 | 2024/25 | 2025/26            | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       |  | -       | -       | -       | -                  | -       | -       | -     |

### ***Increase access to and modernise Child Development Services***

This funding will be used to modernise and increase access to child development services. Child development services support children who are not meeting their developmental milestones and have additional needs. These needs may be due to neurodisabilities such as autism, physical or sensory impairments.

This funding will improve the outcomes of those children. It will enable them to receive intervention that better responds to their needs in environments where it is most likely to be effective (such as in the home).

This initiative will help reducing child poverty and improving child wellbeing, including addressing family violence.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

### **Investment in equity of access and wellbeing outcomes**

#### ***Māori health workforce development package - Pathways to ongoing employment to enable equitable health outcomes***

A programme of new initiatives and expanding current programmes across the training and development pipeline targeting future Māori health professionals to incentivise, support and provide wrap-around services, from students/low paid workers into paid health employment. Initiatives cover the whole training and development pipeline so shortages don't occur.

This initiative aligns with Budget 2019 Priorities:

- Lifting Māori and Pacific incomes, skills and opportunities
- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders, with special a special focus on under 24s



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- Investing in the health and wellbeing of all New Zealanders, to improve equity and outcomes.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

### *Increasing Te Ao Auahatanga Hauora Māori: Māori Health Innovation Fund*

Te Ao Auahatanga Hauora Māori: Māori Health Innovation Fund (the Innovation Fund) supports Māori health providers to design, develop, deliver, evaluate and spread innovative health services that work towards achieving pae ora (healthy futures for Māori).

This Budget initiative will increase the value of the Innovation Fund to support more Māori health providers, at a greater level, to trial and evaluate innovative models of health care. Increasing the Innovation Fund will also enable the spread and scaling of more Māori health innovations with evidence of effectiveness.

This initiative aligns with the following three Government priorities:

- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s
- Lifting Māori and Pacific incomes, skills and opportunities.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         | TOTAL   |       |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

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| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

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| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Capital              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -     |

## ***Reducing the incidence and improving the management of rheumatic fever and rheumatic heart disease amongst Māori and Pacific***

This funding will be used for rheumatic fever and rheumatic heart disease prevention and management in the Auckland region (Auckland, Waitemata, and Counties Manukau DHBs), and includes a set of initiatives to:

- Develop, implement and evaluate community-led and whanau-driven innovative strategies in the Auckland region for Māori, Tongan and Samoan ethnic groups to improve access to primary care for sore throat management

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It will also be used to:

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- Implement the key recommendations from the process evaluation on the delivery of the Healthy Homes Initiatives (HHI)

This initiative aligns with the following priorities:

- Achieving equity
- Reducing child poverty and improving child wellbeing, including addressing family violence

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

### Increased investment in Pacific Innovation Funds

The Government has mandated the Ministry of Health to take a bold approach to addressing healthy inequities that delivers tangible changes to health system behaviour, with measurable results over a three to five year horizon. This funding will support the development of innovative Pacific models of care, initiatives/programmes that are targeted towards improving Pacific health outcomes.

The increase in funding purchases greater flexibility and resources for the Ministry to plan, drive and assess community innovation including establishing a virtual and centralised innovation hub across health and Pacific agencies' for evidence-based Pacific approaches/models of care (cultural, spiritual and family-focused approaches).

This initiative aligns with:

- Lifting Māori and Pacific incomes, skills and opportunities
- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | -       | 0.900   | 1.936   | 2.964   | 3.968              |         |         |         | 9.768 |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -     |

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### ***Increasing the Pacific Provider and Workforce Development Fund (PPWDF) to support a Pacific workforce pipeline***

This increased PPWDF funding seeks to develop a suite of initiatives to support a strong and sustainable Pacific workforce. This funding seeks to strengthen a Pacific pipeline approach from secondary school, to tertiary study, work experience and placements in Pacific providers to additional postgraduate study to support Pacific leadership in the health sector.

This initiative contributes to the Government priority “Lifting Māori and Pacific incomes, skills and opportunities”.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

### ***Wraparound support programme for Pacific students to successfully complete a nursing/midwifery undergraduate degree***

This initiative seeks funding to provide a wraparound support programme for Pacific students embarking on a health career, to support them through the completion of the nursing/midwifery undergraduate degree. It will provide financial support to Pacific students during the course of study, cultural and clinical support and advice (mentorship/pastoral care), a learning environment that endorses and supports Māori and Pacific values and beliefs, and increased support networks and liaison services.

This initiative aligns with Budget 2019 Priorities:

- Lifting Māori and Pacific incomes, skills and opportunities
- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders, with special a special focus on under 24s
- Investing in the health and wellbeing of all New Zealanders, to improve equity and outcomes

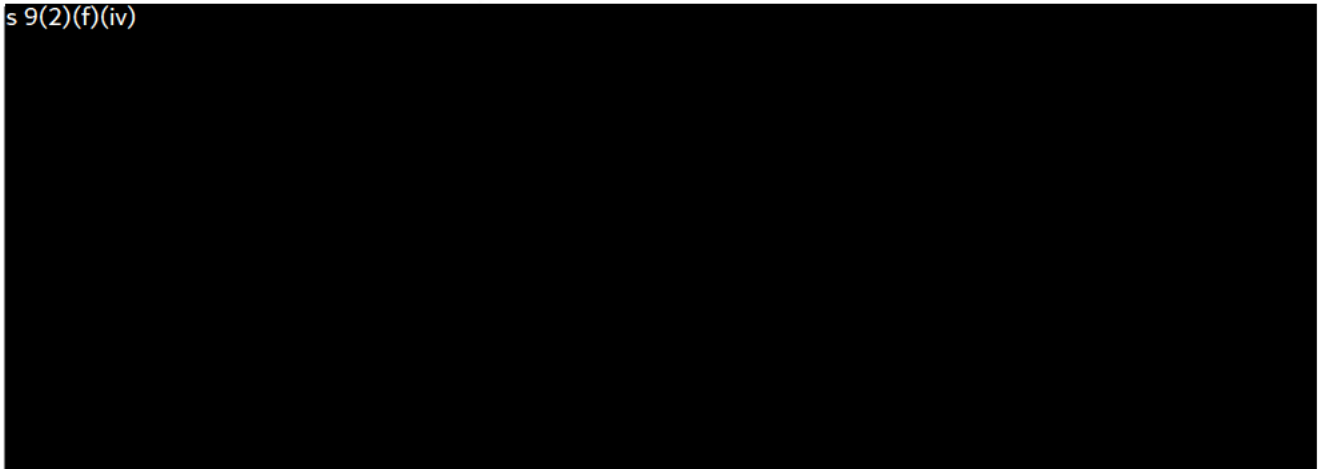
| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | -       | 0.465   | 0.930   | 1.395   | 1.545              |         |         |         | 4.335 |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -     |



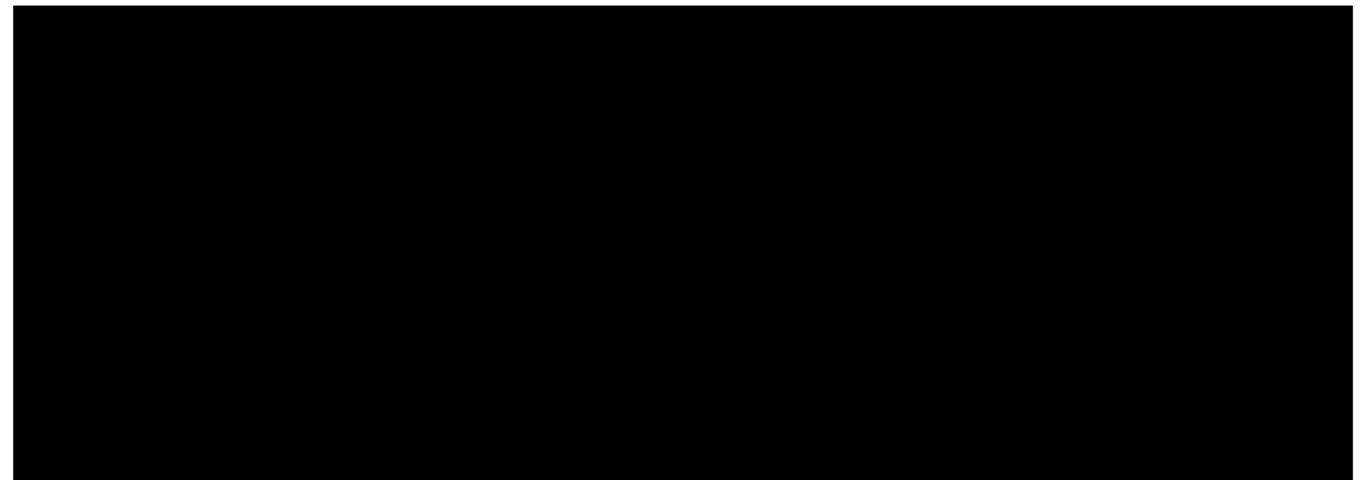
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## Investment to improve access to affordable primary health services

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| Funding Sought (\$m)         |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears | TOTAL   |         |         |       |
|------------------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating Vote Health        |         |         |         |         |         |         |                    |         |         |         |       |
| Operating Vote Labour Market |         |         |         |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m)         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital                      | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -     |



| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         |         |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -     |

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| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Capital              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -     |

### Maintaining sustainable health and disability services

#### *District Health Boards – Additional Support*

This funding will be provided to the 20 DHBs so they can provide health services for New Zealand's growing and changing population and maintain services in the face of price and wage inflation.

DHBs have a legislated responsibility to improve, promote, and protect the health of all New Zealanders. They do this through services like hospitals, mental health and maternity care, medicines, primary care, and supports for older people.

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If DHBs are not funded for these services then they will not be able to meet their legislated responsibilities.

This initiative aligns with the Budget priorities:

- Supporting mental wellbeing for all New Zealanders – DHBs are a key provider of specialist mental health services and funder of primary mental health services.
- Supporting child wellbeing – DHBs are core providers of child and maternity services (including, neo-natal, secondary maternity care, paediatrics, and child development services)
- Improving equity through access to affordable quality health care – core primary care services are funded by DHBs.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         |       | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |       |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |       |

### *Enhancing the Ministry of Health's Capability to Support Government Priorities*

The Government is committed to improving outcomes in the Health Sector and identifying opportunities to do so. The Ministry of Health's capability to support these developments has declined over time as a result of a flat DE funding profile relative to increased NDE spend and growing complexity of environmental and policy issues. This initiative is intended to enhance the Ministry's capability ensuring it is able to respond effectively and on a timely basis to government requirements and the needs of the Health Sector.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

### *Enhancing the Ministry's Capital Management and Infrastructure Development Capabilities*

This funding will support the Ministry of Health to implement the findings of the Treasury review of the Health Sector Investment Management System and includes a placeholder estimate of the costs of establishing a health infrastructure delivery unit.



## BUDGET SENSITIVE

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | 0.800   | -             | -       | -       | -       | -                  | -       | -       | -       | 0.800 |

### ***Disability Support Services (DSS) – Support Service Funding***

This funding will meet the Ministry's annual demand driven volume, price and complexity cost pressures to maintain the existing support services delivered to disabled people that support their ongoing good health and well-being outcomes.

This initiative directly aligns with the Budget priority areas of:

- Improving child wellbeing
- Supporting mental wellbeing for all New Zealanders, with a special focus on disabled persons.

Additionally, this initiative has indirect/positive flow on impacts to the priority areas of lifting Māori and Pacific incomes, skills and opportunities.

| Funding Sought (\$m)                     | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears | TOTAL |
|--|---------------|---------|---------|---------|--------------------|-------|
| *Operating (Gross Bid)                   | s 9(2)(f)(iv) |         |         |         |                    |       |
| Efficiency                               |               |         |         |         |                    |       |
| **Add back reprioritisation from B18 bid |               |         |         |         |                    |       |
| Operating (Net Bid)                      |               |         |         |         |                    |       |

\*This level of investment reflects the current growth curve faced by Disability as identified by financial modelling.

\*\*When the Budget 18 bid was finalised a decision was made by the Ministry to reprioritise a total of [REDACTED] across the years 2019/20 to 2021/22 from the Disability baseline.

| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Capital              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -     |

### ***Nursing Workforce Accord - Workforce training and development – Nurse Entry to Practice programmes for registered and enrolled nurses (additional places)***

This initiative arises from commitments made in the Accord which was signed by The New Zealand Nurses Organisation (NZNO), District Health Boards (DHBs) and the Director-General of Health on 30 July 2018. The Accord commits parties to emphasise and reinforce the commitment to implement safer nursing staffing in public hospitals, and explore options for the employment of all new graduates and the recruitment and retention of the nursing workforce.

## BUDGET SENSITIVE

This funding will provide additional funding to support investment in training and development of the health and disability workforce. This supports increasing the volume of new graduate nurses, midwives transitioning into the workforce in their first year of practice and improve retention.

This initiative aligns with Budget 2019 Priorities:

- Lifting Māori and Pacific incomes, skills and opportunities.
- Reducing child poverty and improving child wellbeing, including addressing family violence.
- Supporting mental wellbeing for all New Zealanders, with special a special focus on under 24s.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

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## BUDGET SENSITIVE

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

### ***National Community Maternity Services – Additional Support***

This funding will provide for [REDACTED] and an increase in the number of women using primary community maternity services), increased service delivery costs, [REDACTED]

This initiative aligns with the Government priority areas of:

- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         |         |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -     |

### ***Planned Care (formerly electives) – Cost Pressure***

This funding will maintain Planned Care (electives) surgical activity in line with 2018/19 contracted volumes at new national pricing levels.

This initiative directly aligns with the Budget priority areas of:

- Reducing child poverty and improving child wellbeing
- Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s.

Additionally, this initiative has indirect/positive flow on impacts to the priority areas of:

- Lifting Māori and Pacific incomes, skills and opportunities
- Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy.



## BUDGET SENSITIVE

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 |         | 2020/21 |         | 2021/22 | 2022/23 & outyears |         |       | TOTAL  |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------|---------|-------|--------|
| Operating            |         |         | -       | 16.700  |         | 16.700  |         | 16.700  | 16.700             |         |       | 66.800 |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27            | 2027/28 | TOTAL |        |
| Capital              | -       | -       | -       | -       | -       | -       | -       | -       | -                  | -       | -     |        |

### Planned Care – Volume

This funding will purchase [REDACTED] Planned Care Interventions to improve access to Planned Care in line with population growth and aging.

This initiative directly aligns with the Budget priority areas of:

- Reducing child poverty and improving child wellbeing
- Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s.

Additionally, this initiative has indirect/positive flow on impacts to the priority areas of:

- Lifting Māori and Pacific incomes, skills and opportunities
- Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

### Funding the impact of expected minimum wage increases

This funding will ensure DHBs and the Ministry of Health Disability Directorate have sufficient funding to meet obligations under the Home and Community Support (Payment for Travel Between Clients) Settlement Act 2016 (the Act) ensuring care and support workers are fairly recompensed for the travel time involved in completing their roles. Increases in minimum wage have a direct impact on in-between travel costs as travel time is paid at the minimum wage. Additional budget is needed to meet this legislative requirement.

This initiative contributes to the Government priority “*Lifting Māori and Pacific incomes, skills and opportunities*” – a significant proportion of the workforce is of Māori or Pasifika descent.

| Funding Sought (\$m) | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears | TOTAL |
|----------------------|---------------|---------|---------|---------|--------------------|-------|
| Operating            | s 9(2)(f)(iv) |         |         |         |                    |       |

## BUDGET SENSITIVE

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[illegible]

*Addressing the shortfall to the Disability Directorate appropriation resulting from significant over-expenditure on in-between travel*

This funding will ensure that there is an appropriation sufficient to meet the costs associated with implementing the In-Between Travel Settlement. The growth of in-between travel and guaranteed hours costs has exceeded initial estimates resulting in insufficient budget. An inability to control the escalating costs is creating significant exposure for the Ministry, and placing pressure on the Disability Directorate.

This initiative contributes to the Government priority “*Lifting Māori and Pacific incomes, skills and opportunities*” – a significant proportion of the workforce is of Māori or Pasifika descent.

[illegible]

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***Contracted Price and Volume pressures in emergency ambulance services***

This funding will provide for price and volume pressures in emergency ambulance services, including ambulance communications centres.

This funding will achieve the following:

- a) Address financial sustainability issues for emergency road ambulance services and ambulance communications centres while meeting the third year obligations (of a four year contract term) entered into from 1 July 2017 by the Ministry of Health and Accident Compensation Corporation.
- b) Maintain performance, capacity and capability of emergency ambulance services to accommodate significant year-on-year demand increases driven by aging population, socioeconomic factors, cost of clinical pathways, introduction of the dispatch protocols, and increasing long-term conditions.

This initiative aligns and supports the following priorities:

- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s
- Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy
- Supporting a thriving nation in the digital age through innovation, social and economic opportunities.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL  |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|--------|
| Operating            |         |         | -       | 4.301   | 4.301   | 4.301   | 4.301              |         |         |         | 17.204 |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL  |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -      |

## BUDGET SENSITIVE

### ***Funded Family Care - removing exclusions on eligibility for payment and increasing pay rates***

This funding will remove exclusions to allow excluded groups under the Funded Family Care (FFC) policy to be paid to provide an eligible person's allocated care package. Pay rates will also increase for family carers receiving the minimum wage under FFC (all subject to Cabinet approval in April 2019 and the legislative framework for FFC being repealed). This initiative removes discriminatory aspects of the current FFC policy, mitigates legal and fiscal risk and better supports disabled people, families and family carers.

This initiative contributes to the following:

Budget 19 priorities:

- Lifting Māori and Pacific incomes, skills and opportunities
- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s.

Part 4A Coalition Government's long-term plan: 2018 initiative

- "Improving the Wellbeing of New Zealanders and their families" by "Ensure everyone who is able to is earning, learning, caring and volunteering".

Government announcement:

- On 27 September 2018, the Government announced plans to change the FFC policy, including its intention to repeal Part 4A of the NZPHD Act.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         |       | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |       |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |       |

### ***Primary Health Care Cost and Volume Pressures***

This funding is essential to retaining reduced patient co-payments for high need populations to address inequitable primary care access. It funds increased cost pressures and service volumes due to growth in the number of people enrolled in PHOs for the following initiatives:

- Care Plus
- Very Low Cost Access ( VLCA) practices
- zero fees visits for children under 14
- Community Service Card (CSC) holders reduced co-payments
- System Level Measures



## BUDGET SENSITIVE

The funding addresses the constrained ability of primary health care organisations to raise revenue by increasing prices, and will support practices to meet the expected downstream costs of the DHB Nurses MECA settlement for primary care employed nurses, as signalled in the settlement. Funding cost and volume pressures is essential to continuing to improve access to primary care by maintaining reduced patient co-payments for high need populations.

It directly aligns with the Budget 19 priorities of:

- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s.

It also contributes to 'Supporting a thriving nation in the digital age through innovation, social and economic opportunities', by assisting primary health care services to keep pace with technological change and introduce system improvements.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL  |
|----------------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|--------|
| Operating            |         |         | -       | 16.800  | 16.800  | 16.800  | 16.800             |         |         |         | 67.200 |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL  |
| Capital              | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -       | -      |

### **Workforce Training and Development (including postgraduate medical internships)**

This funding will provide additional funding to support investment for training and development of the health and disability workforce.

subsidises the costs of vocational (specialist) training for doctors including general practice trainees.

This initiative aligns with Budget 2019 priorities:

- Lifting Māori and Pacific incomes, skills and opportunities
- Reducing child poverty and improving child wellbeing, including addressing family violence
- Supporting mental wellbeing for all New Zealanders with a special focus on under 24s.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

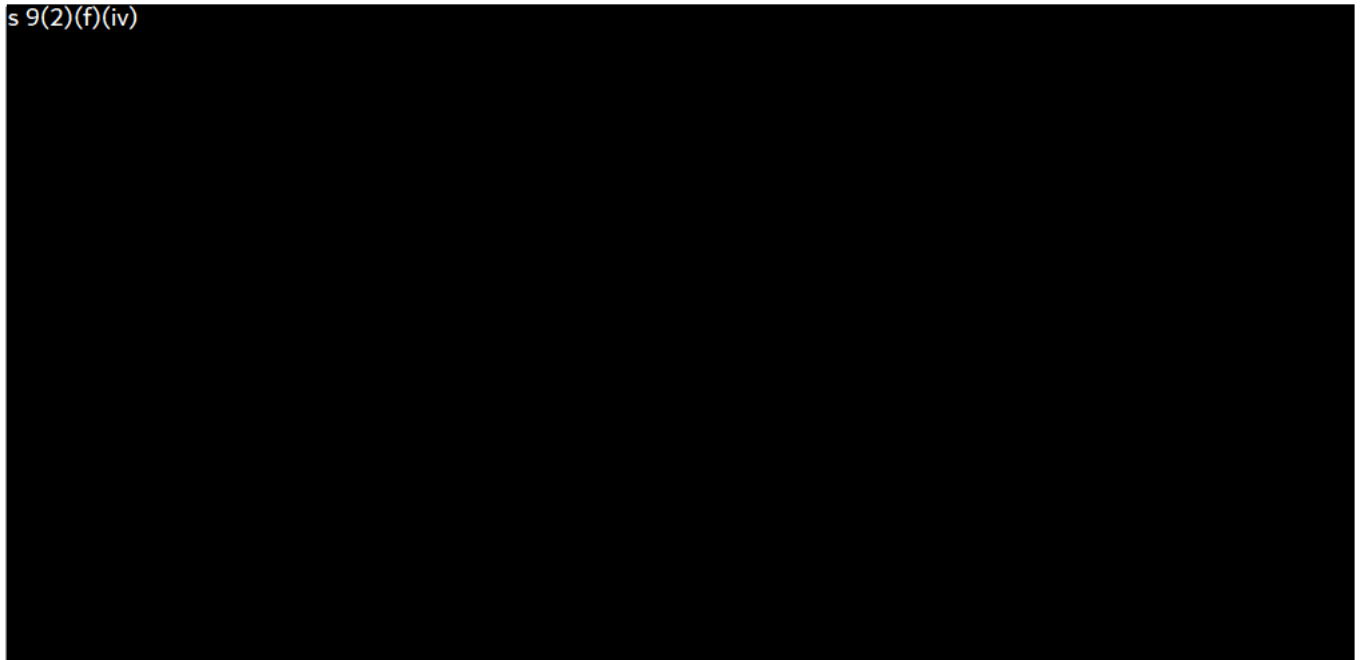
## BUDGET SENSITIVE

### *Increasing the Combined Pharmaceutical Budget*

This funding will increase the Combined Pharmaceutical Budget for \$10 million to allow for more publically funded pharmaceuticals.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 |         | 2020/21 | 2021/22 | 2022/23 & outyears |         |         | TOTAL  |
|----------------------|---------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|--------|
| Operating            |         |         | -       | 10.000  |         | 10.000  | 10.000  | 10.000             |         |         | 40.000 |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26            | 2026/27 | 2027/28 | TOTAL  |
| Capital              | -       | -       | -       | -       | -       | -       | -       | -                  | -       | -       | -      |

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| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Capital              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -     |

### *National Bowel Screening Programme Implementation Year 3*

This funding for the National Bowel Screening Programme (NBSP) will enable a further [REDACTED] DHBs to implement the NBSP and fund the associated costs relating to the [REDACTED] DHBs in the National Coordination Centre, laboratory testing, diagnostic and surveillance colonoscopies and bowel screening regional centres.

Bowel screening will reduce bowel cancer mortality, increase the proportion of bowel cancers detected at an early stage, reduce treatment costs, and increase five year relative survival rates for bowel cancer.

This bid contributes to these priority areas:



## BUDGET SENSITIVE

- Supporting a thriving nation in the digital age through innovation, social and economic opportunities
- Lifting Māori and Pacific incomes, skills and opportunities
- Reducing child poverty and improving child wellbeing, including addressing family violence.

| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 |         | 2021/22 | 2022/23 & outyears |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|---------|--------------------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |         |                    |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26            | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -       | -                  | -       | -       | -     |

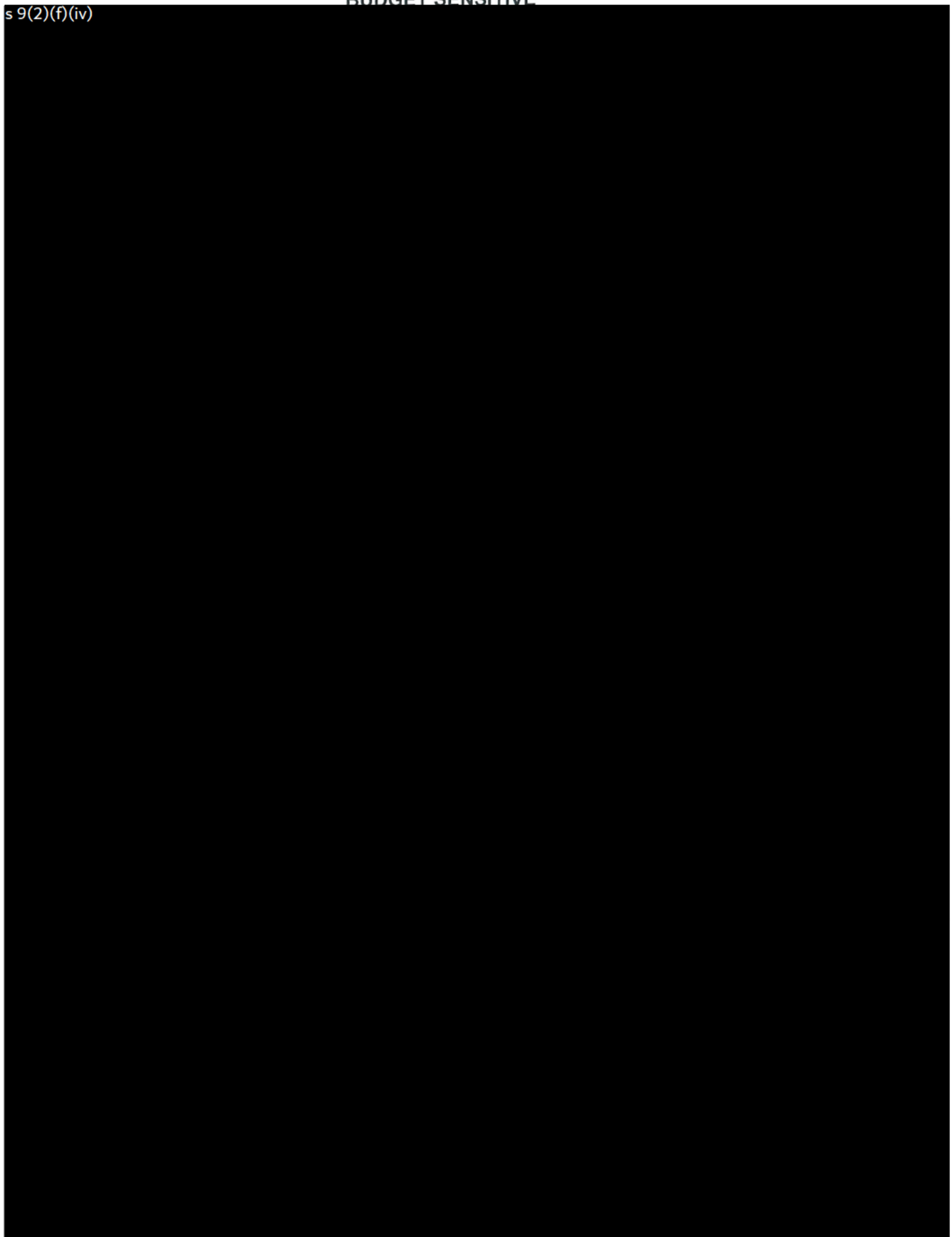
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| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Capital              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -     |

### Other operating initiatives

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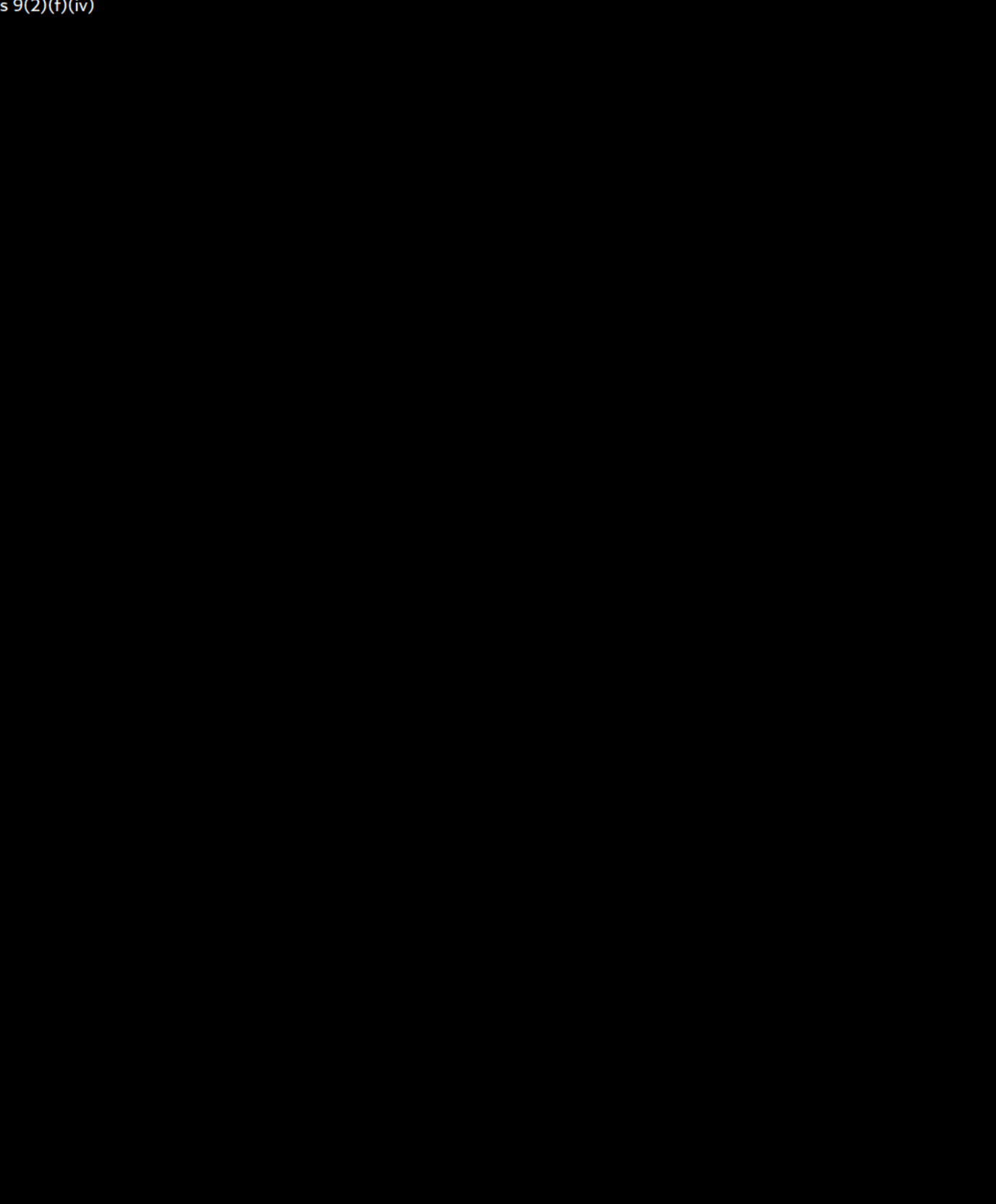
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## BUDGET SENSITIVE

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| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Capital              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -     |

### ***Improving gender-affirming care, and increasing the level of gender affirmation surgery provided***

This funding is to increase the number of gender affirming genital reconstruction surgeries provided each year from [REDACTED] responding to a 50 year waiting list for surgery (120 people), and growing demand. As part of this budget bid, we are also looking to establish a coordination function in a DHB.



## BUDGET SENSITIVE

The funding sought will also be used to improve gender affirming care generally, by establishing [REDACTED] to improve accessibility and support for people seeking gender affirming care, and growing the health sector's capability in transgender healthcare.

This initiative is long overdue, and an important commitment to improving outcomes for the rainbow community. This initiative aligns with "Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s."

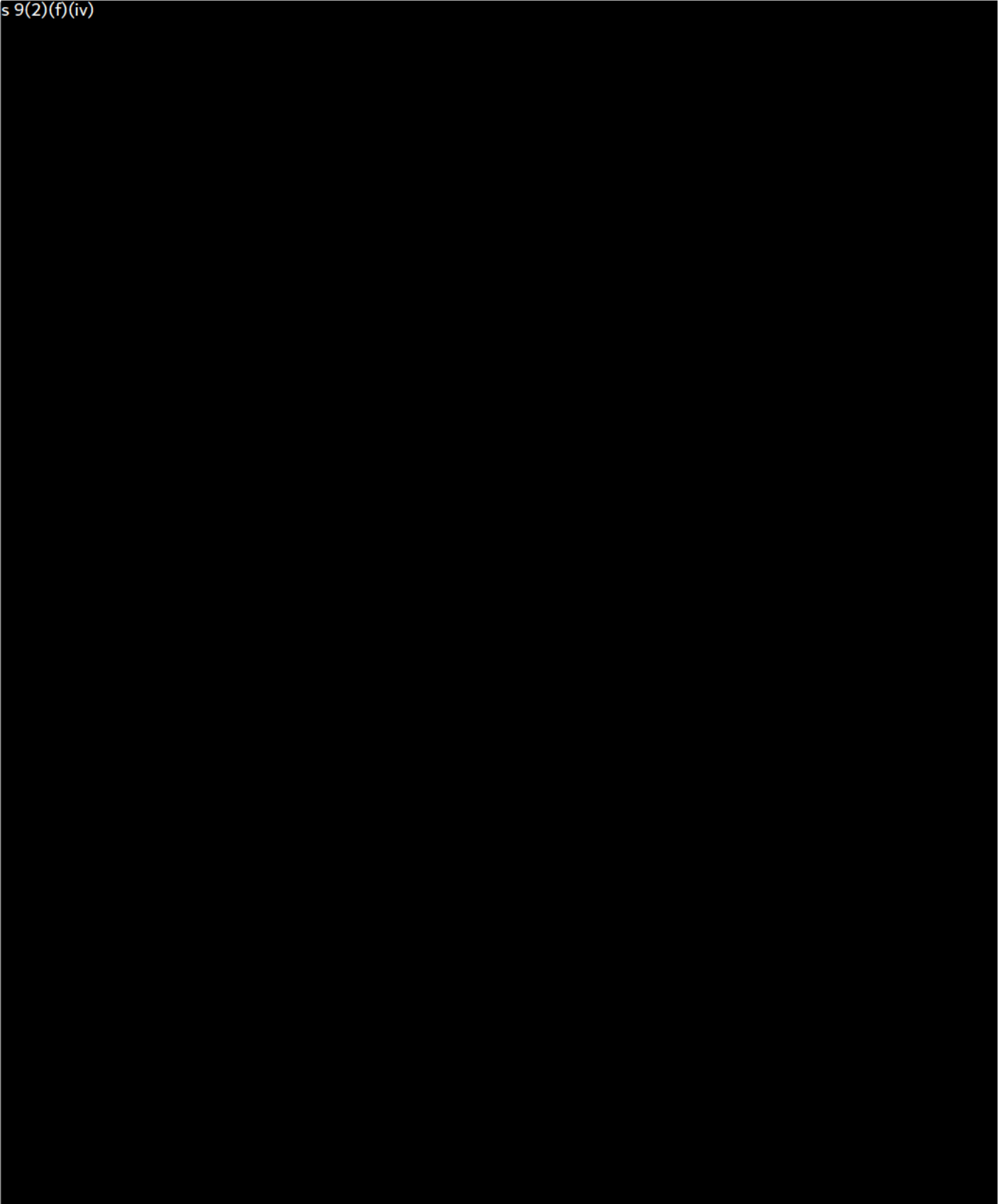
| Funding Sought (\$m) |         |         | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         | TOTAL |
|----------------------|---------|---------|---------------|---------|---------|---------|--------------------|---------|---------|---------|-------|
| Operating            |         |         | s 9(2)(f)(iv) |         |         |         |                    |         |         |         |       |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21       | 2021/22 | 2022/23 | 2023/24 | 2024/25            | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | -       | -             | -       | -       | -       | -                  | -       | -       | -       | -     |

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| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Capital              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -     |

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BUDGET SENSITIVE

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| Funding<br>Sought<br>(\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Capital                    | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -     |

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## BUDGET SENSITIVE

### Capital Investment initiatives

#### Capital initiative 1:

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#### Capital initiative 2: District Health Boards' Capital Investment

This funding will support a wide range of District Health Board capital investments to expand service capacity and replace sub-standard facilities, and in the process improve patient experience and outcomes. It includes funding for mental health facilities and information technology projects.

| Funding Sought (\$m) |         | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|--------------------|---------|---------|---------|---------|-------|
| Operating            |         | -       | -       | -       | -       | -                  |         |         |         |         | -     |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24            | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | -       | 850     | 850     |         |         | -                  | -       | -       | -       | -       | 3,400 |

#### Capital initiative 3: Dunedin Hospital redevelopment

This funding will replace the current end of life buildings on the current Dunedin hospital site (Clinical Service Building, Ward Block and energy centre). It is a significant opportunity to introduce transformational change to hospital service delivery for the Dunedin public.

| Funding Sought (\$m) |               | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 & outyears |         |         |         |         | TOTAL |
|----------------------|---------------|---------|---------|---------|---------|--------------------|---------|---------|---------|---------|-------|
| Operating            |               | -       | -       | -       | -       | -                  |         |         |         |         | -     |
| Funding Sought (\$m) | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24            | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
| Capital              | s 9(2)(f)(iv) |         |         |         |         |                    |         |         |         |         |       |

## BUDGET SENSITIVE

### ***Capital initiative 4: DHB Deficit Support***

This bid requests equity support for District Health Boards (DHBs) arising from deficits. Cumulative operating deficits over several years have given rise to significant pressures on working capital must be addressed the DHBs do not become insolvent. A number of DHBs have negative earnings before depreciation, therefore ongoing Crown support for both working capital and capital expenditure will be needed. Some smaller DHBs in particular require ongoing equity support to keep them solvent until wider action may be taken following the Health and Disability System review.

As a result of cumulative deficits over recent years several DHBs have very weak balance sheets requiring equity support to maintain the necessary levels of working capital to meet immediate operating costs.

Sector cash balances are becoming a challenging issue. Cash balances have been reducing over time limiting the sector liquidity necessary to fund DHB overdrafts through the DHB Sector joint banking arrangement. The requested equity payments in this bid will provide some alleviation of the current pressures on cash for individual DHBs and the sector as a whole.

Current high level analysis indicates that a further [REDACTED] million in equity support may be needed for 2018/19 to address all cash liquidity issues. The Ministry's approach to Budget 2019 is predicated on the need for the sector to return to a sustainable path as soon as possible. Therefore a bid of [REDACTED] million per annum is sought.

| Funding Sought (\$m) |         |         | 2018/19 | 2019/20 | 2020/21 |         | 2021/22 | 2022/23 & outyears |         |         | TOTAL |
|----------------------|---------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|-------|
| Operating            |         |         | -       | -       | -       |         | -       | -                  |         |         | -     |
| Funding Sought (\$m) | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26            | 2026/27 | 2027/28 | TOTAL |

s 9(2)(f)(iv)

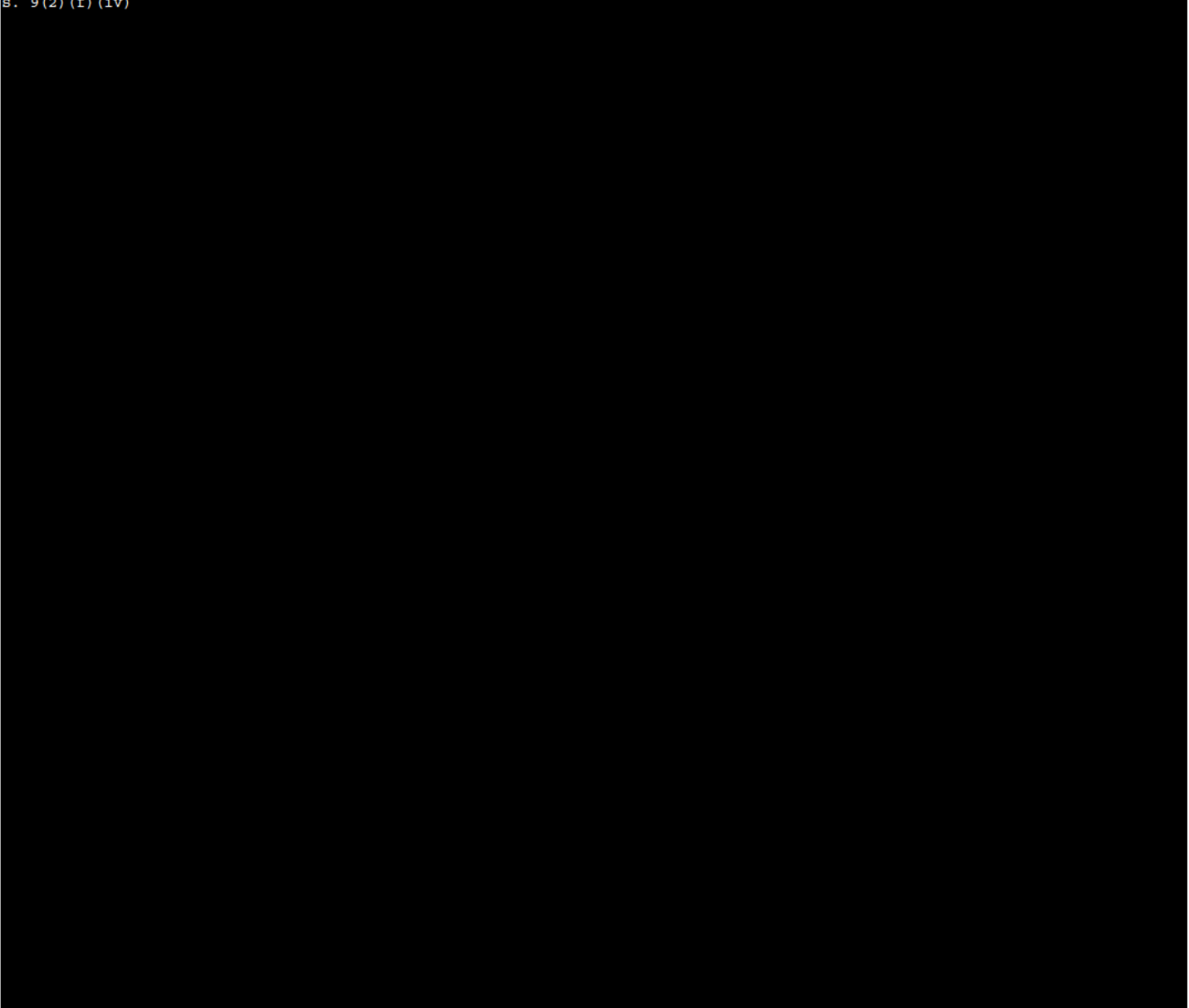


# BUDGET SENSITIVE

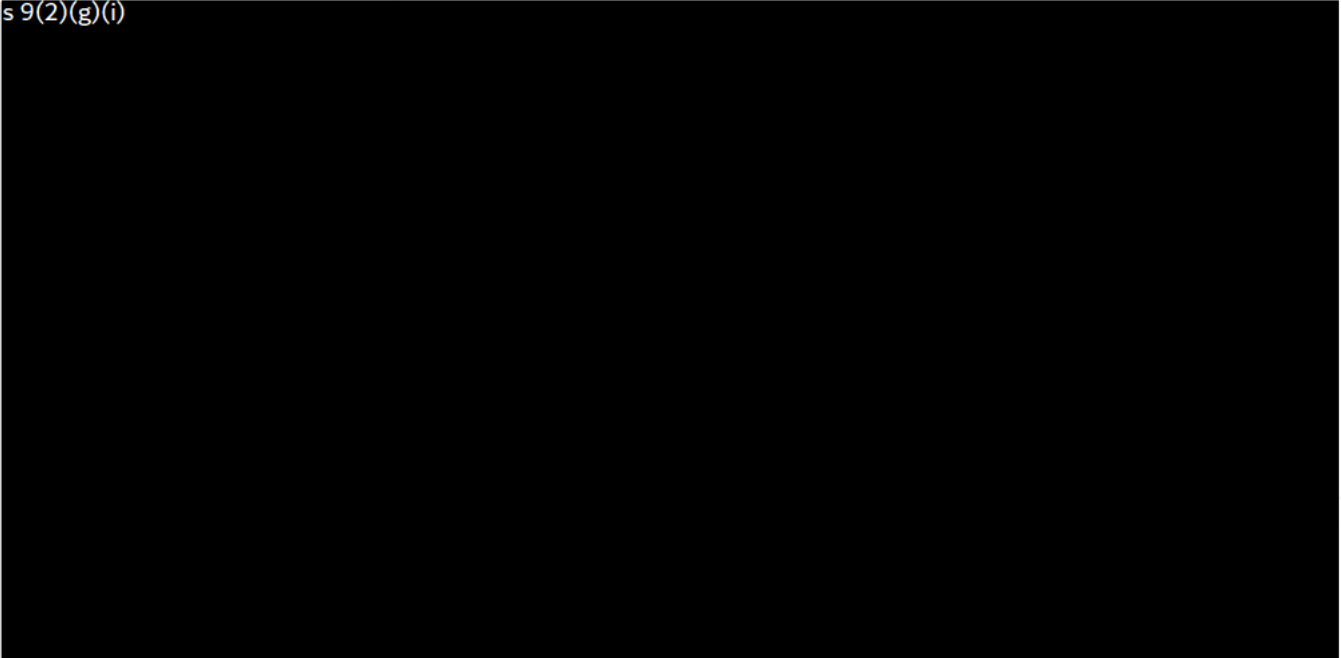
| Funding Sought (\$m) |               |         | 2018/19 | 2019/20 | 2020/21 |         | 2021/22 | 2022/23 & outyears |         |         | TOTAL |
|----------------------|---------------|---------|---------|---------|---------|---------|---------|--------------------|---------|---------|-------|
| Operating            |               |         | -       | -       | -       |         | -       | -                  |         |         | -     |
| Funding Sought (\$m) | 2018/19       | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26            | 2026/27 | 2027/28 | TOTAL |
| Capital              | s 9(2)(f)(iv) |         |         |         |         |         |         |                    |         |         |       |

s. 9(2) (f) (iv)


s. 9(2)(f)(iv)



s 9(2)(g)(i)



s 9(2)(g)(i)



These are indicative estimates only and more detailed work will need to be undertaken to fully and accurately cost and risk assess any potential savings.

I look forward to discussing these matters with you further.

Yours sincerely,

Hon Dr David Clark  
Minister of Health