MINISTRY OF HEALTH
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[redacted]

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Ref: H202000135

Dear [redacted]

Response to your request for official information

Thank you for your request of 13 January 2020 to the Ministry of Health (the Ministry) under the Official Information Act 1982 (the Act) for:

> *"When Dr Bloomfield was appointed DG, was a briefing paper prepared for him. I recall seeing a reference to such a document, named the briefing for the incoming chief executive or something similar, in other MoH material. If it does exist, can a copy please be sent to me; or if it has already been made public, can you please direct me to where I might find it. My request is made under the Official Information Act."*

On 13 February 2020, the timeframe for responding to your request was extended under section 15A of the Act, as further consultation was required.

One document with nine appendices has been identified within scope of your request. These are itemised in Appendix 1 of this letter, and copies of the documents are enclosed. The table in Appendix 1 also lists the specific grounds under which I have decided to withhold information.

The document '*Briefing to the Incoming Director-General'* is a point-in-time document designed to give the Director-General an overview of the Ministry's current work programme and operating context when they join the organisation. The information in this briefing was correct at the time but does not necessarily reflect the current state of the Ministry. Please note that the following documents are refused under section 18(d) of the Act, as they are publicly available:

- The Ministry's 2017 Performance Improvement Framework review: https://www.health.govt.nz/about-ministry/what-we-do/performance-improvement-framework-pif-review
- The Ministry's Output Plan for 2018/2019: https://www.health.govt.nz/publication/ministry-health-output-plan-2018-19
- The Ministry's Work Programme for 2018/2019: https://www.health.govt.nz/about-ministry/what-we-do/work-programme-2019-20

As you may be aware, the Ministry commenced a wide-ranging change programme designed to ensure that the Ministry is organised and resourced to deliver better health and wellbeing outcomes for New Zealanders in 2018. Phase One (Executive Leadership) is now complete and Phase Two was implemented on 3 October 2019. You can read more about Phase One on the Ministry website at the following address: https://www.health.govt.nz/about-ministry/leadership-ministry/executive-leadership-team/changes-ministrys-second-tier-structure.

I trust this information fulfils your request. Under section 28 of the Act, you have the right to ask the Ombudsman to review any decisions made under this request.

Please note that this response, with your personal details removed, may be published on the Ministry website.

Yours sincerely

Sarah Turner
Deputy Director-General
Office of the Director-General

Appendix 1: List of documents for release

#	Date	Title	Decision on release
1	N/A	Briefing to the incoming Director-General	Released in full
1A	N/A	Overview for the New Zealand Health Strategy (NZHS) Outcome Tracking Framework	Released in full
1B	1 June 2018	Output Plan- 2018/19 (Draft)	Withheld in full under section 18(d) of the Act, as the information is publicly available: https://www.health.govt.nz/publication/ministry-health-output-plan-2018-19
1C	N/A	Ministry of Health 2018/19 Work Programme	Withheld in full under section 18(d) of the Act, as the information is publicly available: https://www.health.govt.nz/about-ministry/what-we-do/work-programme-2019-20
1D	April 2018	Core performance dashboard- quarter 3 2018	Released in full
1E	1 June 2018	Ministry's Government Health Priorities Status as at 1 June 2018	Released in full
1F	N/A	PIF response package: Part One: *'Performance Improvement Framework Review'* Part Two: '*The Ministry of Health's Response to the Performance Improvement Framework Review'* Part Three: *'Key Response Area Work Packages'*	Withheld Part One in full under section 18(d) of the Act, as the information is publicly available: https://www.health.govt.nz/about-ministry/what-we-do/performance-improvement-framework-pif-review Released Part Two and Three in full

1G	14 March 2018	Ministry of Health Business Unit and FTE Summary	Released in full
1H	5 June 2018	Workforce Strategy Current state analysis and environmental scan Executive Summary	Released in full
1I	N/A	Our Voice Survey Results Summary	Released in full

Briefing to the Incoming Director-General

Ministry of Health

Contents

Welcome

Dear Dr Bloomfield

On behalf of the Executive Leadership Team, welcome to the Ministry of Health and to your role as Director-General of Health.

This is an exciting time for the Ministry. The past few months has seen a great deal of progress made on reorienting effort and resourcing toward delivering against Government priorities. This also includes embedding a new way of working with our sector partners to tackle the longstanding and complex issues that face the Ministry. I have been impressed by the way that the Ministry has responded to my challenge to make immediate improvements and lift performance. I know that you will be well supported as you lead the Ministry.

This briefing provides an overview of the basis of the Ministry's work programme and how we will deliver the government's priorities for health. It also provides information about your role as Director-General and Chief Executive; as well as operational matters such as staffing and budget.

An ambitious programme of work is underway and the Ministry is committed to supporting it to completion. Decisions will need to made around the scale, pace and level of investment directed towards the activity set out in this briefing; as well as how you best deploy Ministry capacity and capability.

Ministry staff have prepared a comprehensive induction package for you. You will also be aware that the State Services Commissioner has asked me to continue to support you with a comprehensive handover period. I trust that this will help you to settle in to your new role.

I look for forward to working with you and welcome once again.

Yours sincerely,

Stephen McKernan QSO

Acting Director-General of Health

Our operating context

Strategic context

You will be aware of the strategic issues facing our health system – for example, a changing population, inequitable outcomes for certain population groups, financial sustainability and affordability, high-quality service integration, and infrastructure and IT constraints. We have identified five key system shifts, derived from the New Zealand Health Strategy, that are required to address these issues:

- **Health maintenance:** ensuring that New Zealanders are able to live longer in good health, and reducing the risk of experiencing poor health outcomes
- **Targeted early intervention:** preventing the escalation of ill health and mitigating the need for costly health care and time-consuming recovery
- **Lower acuity:** engaging with health services earlier in the illness pathway and addressing poor health before it gets worse
- **Equity:** achieving equity by reducing or eliminating disparity in outcomes for different populations and regions
- **Sustainability:** ensuring that the health and disability system is effective, efficient and delivers sustainable outcomes over the long term.

To achieve these system shifts the Ministry needs to demonstrate leadership across the health and disability system. This includes developing our stewardship role, making better use of available levers and taking a stronger intervention role when required. Possible interventions include:

- providing clearer and stronger direction to sector players about their role and our expectations of them
- providing clearer guidance on what the priorities should be and what good looks like
- thinking about a stronger planning and investment management role to ensure investments are well-targeted and on-track to deliver results
- investing in infrastructure to support strategy delivery, for example shared knowledge repositories and common capabilities such as analytics, methodologies and tools for projects.

The Ministry is developing a set of measures for health outcomes and equity of outcomes as part of a new outcomes and tracking framework. An A3 has been developed to provide an overview of the framework (Appendix 1).

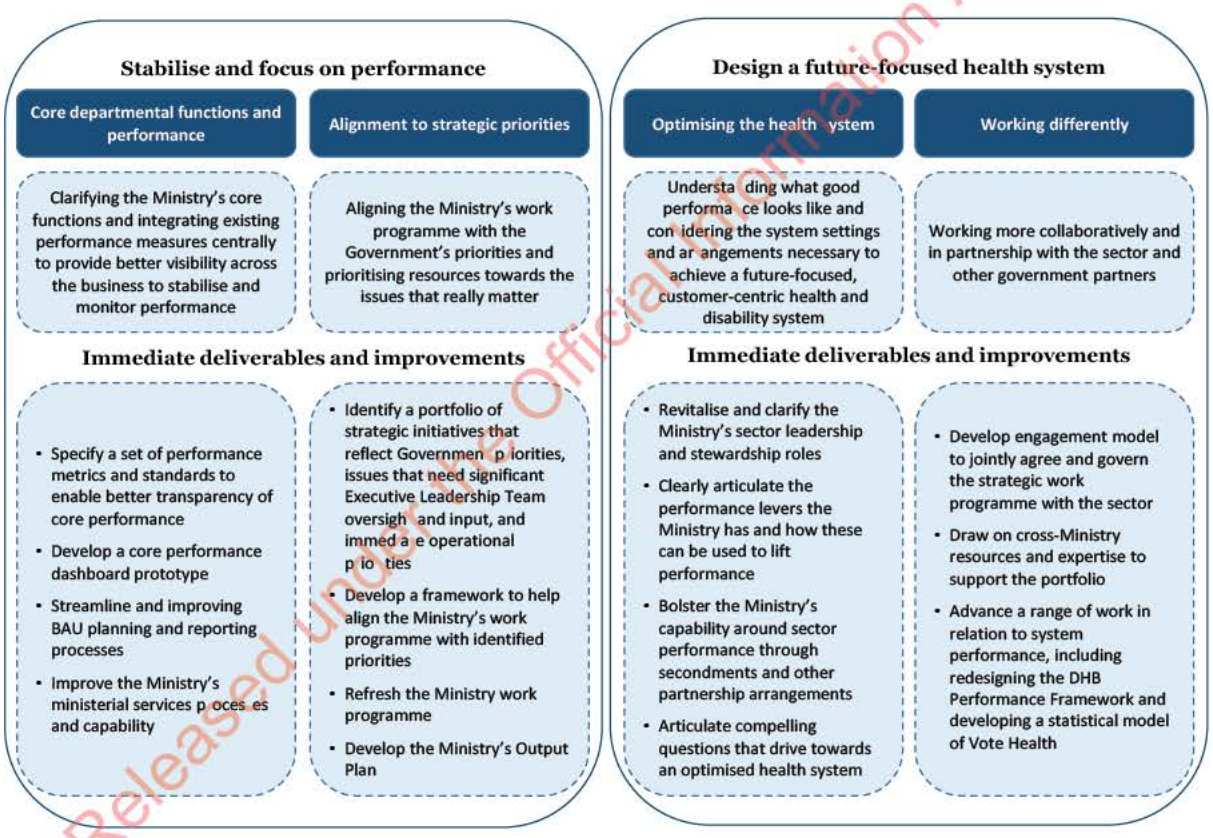
Specific work is underway to develop our stewardship role. For example, the Health System Stewardship Project (HSSP) is investigating how we can use medium-term policy settings to improve system performance by benchmarking New Zealand to international standards and best practice. The HSSP comprises representatives from the Ministry, industry experts, clinicians and academics. More information about how the Ministry is developing its leadership and stewardship role is set out in subsequent sections.

Working differently

The past few months have seen substantial changes to the way that the Ministry is organised to deliver government priorities; as well as to the way that we work internally and externally. Our initial efforts have focused on:

- stabilising the Ministry and focusing on the performance of core functions
- developing a portfolio approach to delivering priority work programmes (outlined in more detail in the "Oversight and governance" section below)
- trialling a new engagement model that allows for co-leadership with sector partners
- developing a 12-month work programme and focusing our resourcing around delivery of priority activities.

The graphic below summarises how we have approached this work:



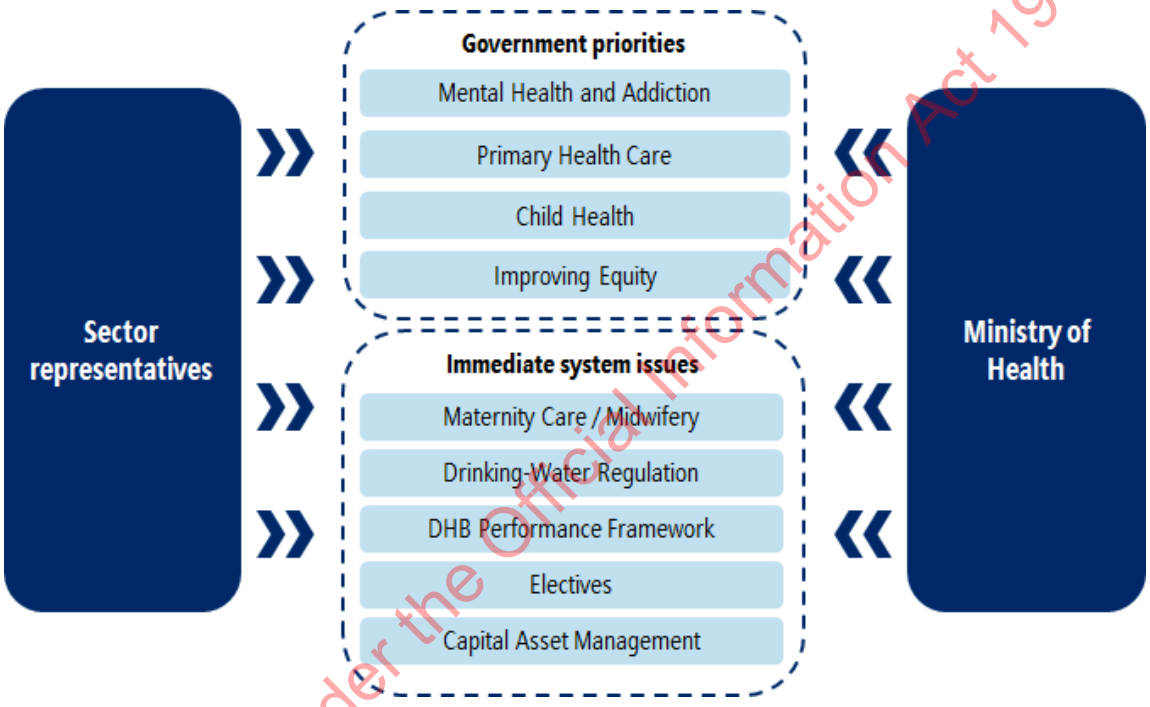
During this time we have also focused on developing a forward action plan to respond to the State Services Commission (SSC) Performance Improvement Framework (PIF) review, which was published in December 2017. You will already be familiar with our response; which sets out a roadmap for organisational transformation that mixes quick wins with longer-term improvement actions. The State Services Commissioner has welcomed this transformation plan and congratulated us on the clear performance improvements we have already made. More detail about the transformation plan is set out in the "PIF Response" section below.

Engaging with the sector

The Engagement Model

The Ministry is working hard to shift our interactions with the sector from transactional to relational. We are achieving this by implementing an engagement model that includes joint development and delivery on strategic initiatives; shared accountability across ELT; specific senior owners to drive delivery; and resourcing and expertise drawn from across the Minister and the wider sector. This new way of working, built on genuine and open partnerships, is already proving valuable and we are keen to embed this as our default way of working.

The engagement model is summarised as follows:



We are also focused on rebuilding our relationships with DHBs. The engagement model provides for DHB representatives to be involved in and help shape Ministry work programmes; and is bolstering our own capability.

Canterbury DHB: Special Relationship

Our relationship with Canterbury DHB requires special attention. We are engaging with CDHB through a partnership exercise designed to address a number of issues including:

- lessons learnt in relation to capital and operating funding policies, particularly in a post-disaster environment
- partnership arrangements around major capital asset builds
- specific policy considerations, recognising the unique situation the Canterbury DHB and region have faced since the 2010 and 2011 earthquakes.

Strong, collaborative sector relationships are crucial to our ability to tackle the longstanding and embedded barriers to improving outcomes. We are making progress in this regard and we look forward to embedding this way of working further.

The Ministerial Advisory Group for Health (MAG)

The Minister of Health appointed the Ministerial Advisory Group for Health (MAG) in December 2017. MAG provides the Minister with independent advice on the health and disability system. MAG's role also includes assisting the Ministry to build its system leadership capability. MAG members are:

- Sir Brian Roche
- Muriel Tūnoho
- Professor David Tipene-Leach
- Dr Karen Poutasi
- Dr Lester Levy.

We have been working closely with the MAG to identify where we can make changes and improvements in order to deliver on the Government's priorities and strengthen our leadership, capability and governance.

The MAG meets regularly (currently approximately once per month). The Ministry provides secretariat services for the MAG within the Office of the Director-General and ELT members attend meetings regularly as required.

Working with the wider government sector

The Government expects agencies that deliver social services to work together to deliver the best value for people. Health is a key enabler of better social outcomes. Positive health outcomes are a consequence of activities across the social sector, not just the health and disability system. We know that social determinants such as education, employment status, housing quality, sport and recreation, and accessible public transportation, all have an impact on the health and wellness of people and their families.

We are working with other government agencies to identify which groups have the greatest needs and which mix of services will result in the best outcomes and equality for New Zealanders in the long term. A key input for this work will be the Treasury's Living Standards Framework, which organises indicators of sustainable intergenerational wellbeing.

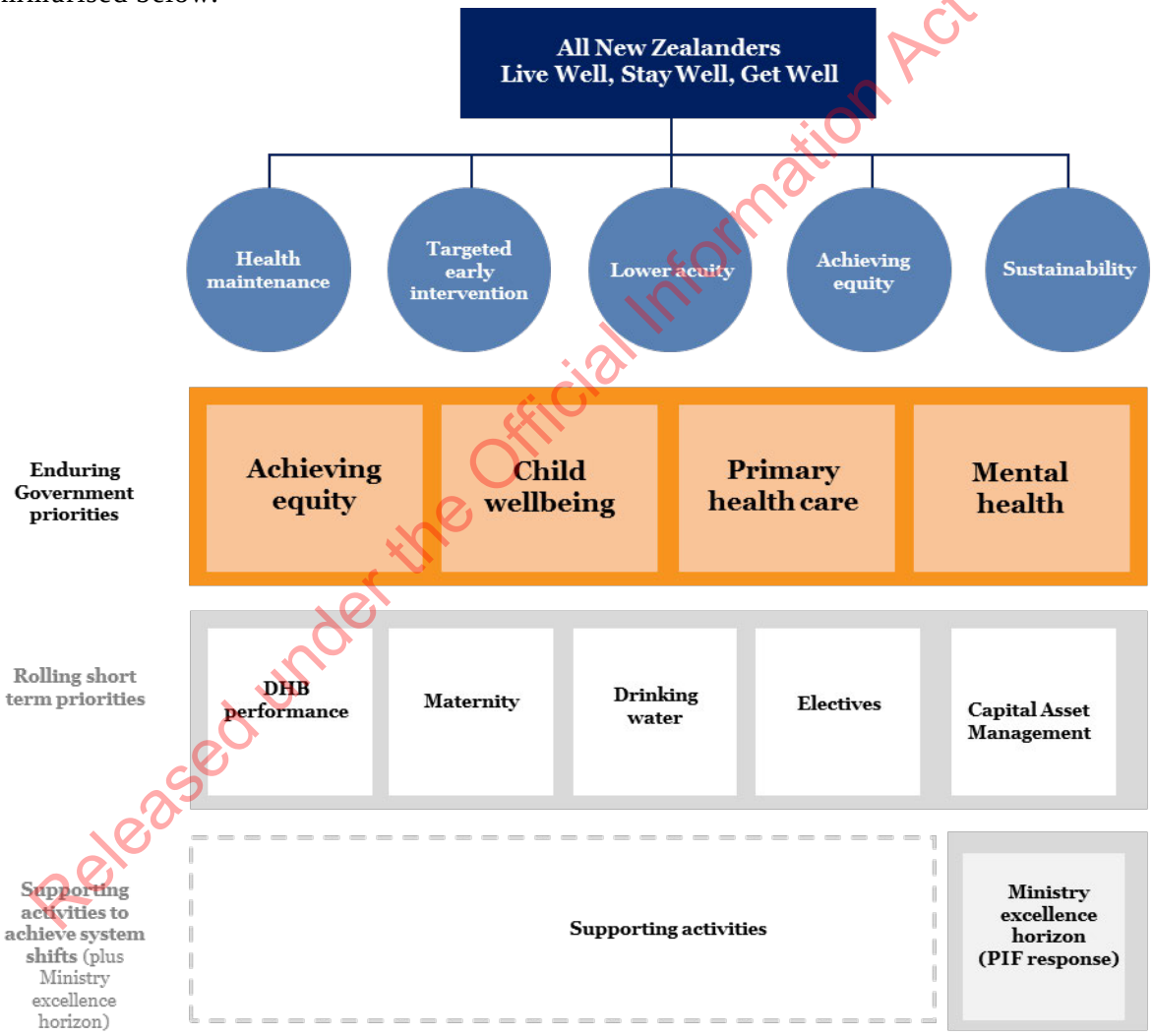
The Ministry is engaged in a number of cross-agency programmes of work, including supporting the Department of Internal Affairs (DIA) with the Inquiry into Mental Health and Addictions and work related to safe drinking water. More detail about this work is provided in the description of the Ministry's work programme later in this document.

Our work programme

Prioritising our work

Collectively, the information provided in the previous section form the basis of an ambitious but achievable work programme. As noted in your welcome letter, decisions will need to made around the scale, pace and level of investment directed towards the activities within the work programme. A summary of the work underway within the work programme is provided in the following section.

We use a "strategic architecture" to help us prioritise our work within this context, which is summarised below.



The strategic architecture assigns different activity classifications to ensure our efforts are focused in the right place. These are:

- **enduring Government priorities:** identified Government priorities across the parliamentary term with major work programmes (including cross-agency work)
- **rolling immediate system priorities:** a cycle of pressing system issues that require special attention from ELT - sometimes for a short period of time

- **Ministry capability:** our response to the 2017 Performance Improvement Framework (PIF) review; and how we are organised to deliver the work programme
- **supporting priorities:** key aspects of the Ministry's work programme, but that potentially do not require the same level of urgent attention as the immediate system priorities (i.e. our business as usual work).

Oversight and governance

As set out earlier in this briefing, we have established a portfolio approach to delivering priority work programmes. This is an approach which:

- balances the requirement for joint accountability and governance across ELT with clear responsibility for delivery in the form of Senior Responsible Owners (SROs)
- requires cross-Ministry, and in many instances cross-sector, teams to deliver upon. This is a deliberate approach to reinforce the need for the Ministry to build relationships and strong partnerships with the sector, as well as other agencies, in delivering our strategic priorities
- is supported by a small dedicated programme office which provides for a consistent approach to reporting and other project documentation.

Our accountabilities to the Minister are set out in the attached Output Plan (Appendix 2). A summary of the Ministry's Work Programme is provided in Appendix 3.

ELT receives regular performance reports on core functions. This provides visibility over the work programme and the opportunity to intervene to improve performance where required. The latest Core Performance Dashboard is attached as Appendix 4.

Enduring Government priorities

Achieving Equity

SRO: Alison Thom

This priority work area focuses on addressing inequities across the system including inequitable access, variable effectiveness of health services and poorer health outcomes in certain populatoins and geographic locations. A key aspect of this work programme involves increased use of analytics to develop a better understanding of exisitng inequities and how to combat them.

Interventions will vary depending on circumstances. Overall, we expect to see an increase in client insights and co-design principles being used to develop targeted solutions for high-need groups.

The next steps for this work include identifying data and information to clarify the current state; developing plans to engage with Ministers and DHBs to discuss equity priorities; securing resources and expertise to manage and implement the programme of work.

Child Wellbeing

SRO: Stephnie Roberts

We are focusing on improving the wellbeing of children to ensure all New Zealanders have a good start to life. As part of this work we will be strengthening our connections with the wider social sector and public sector social agencies to support joined-up services for children and families. DPMC have a key role as lead agency for this work.

Additional governance for this priority is provided by a Design Authority that includes senior Ministry staff, including clinicians; as well as a designated sector champion, Professor Hayden McRobbie.

The next steps for this work include finalising the terms of reference and preparing to engage with DHBs around outcome measures.

Primary health care

SRO: Jill Lane / Clare Perry

Accessible primary health care is an essential part of an effective health and disability system. It provides the opportunity to intervene early and prevent escalation of health issues. This is a key focus for the Ministry. There are several work streams under this priority:

- implementing the suite of initiatives approved through Budget 2018. More detail about these initiatives is provided in the "Supporting priorities" section below
- the proposed Primary Health Care review, which is proposed to take place in 2018/19
- the Wai 2575 Kaupapa Inquiry into Health and Wellbeing Outcomes being led by the Waitangi Tribunal. Stage 1 of the Inquiry concerns Primary Health Care.

The immediate next steps for this work include securing resourcing and expertise to carry the work forward.

Mental health

SRO: Dr John Crawshaw

We are focused on strengthening and increasing the provision of services for people with mild to moderate mental health and addiction needs; as well as improving services for people with higher needs. In the first instance, the system will focus on supporting the provision of mental health services through community care and ensuring secondary services and discharges are properly joined up.

You will be familiar with the Inquiry into Mental Health and Addiction that is being led by the Department of Internal Affairs. The Inquiry will report back in late 2018. We expect that it will identify unmet needs related to mental health and addiction, and develop recommendations for a cohesive mental health and addiction approach for New Zealand.

The Ministry is continuing work to address known issues while the Inquiry is carried out, and is establishing a working group to consider the implementation of the Inquiry's findings.

The next steps for this work include further work on the Ministry's submission to the Inquiry and continuing engagement with the sector.

Immediate system priorities

ELT receives regular reports on the progress of immediate system priorities. The most recent Status Report is attached as Appendix 5. As mentioned previously, the overall work programme includes a cycle of immediate pressing system issues that require a short burst of special attention.

Our current list of priorities and their status is set out below:

Priority	Status Update
Refreshing our approach to electives SRO: Jill Lane	We have had positive engagement with the sector through the Sector Advisory Group. A work programme will be delivered in the first half of 2018/19. New health targets to be announced by December 2018 and implemented December 2019.
Drinking water regulation SRO: Stewart Jessamine	A range of regulatory action is underway to respond to the findings of the Havelock North Drinking Water Inquiry, including: a cross-agency regulatory framework, legislative change (Part 2A of the Health Act 1956) and establishing the Drinking Water Advisory Committee.
Improving DHB performance SRO: Jill Lane	A range of work streams are underway, including: supporting DHBs to prepare robust 2018/19 annual plans, diagnostic work for high-risk DHBs and planning for engagement with DHBs in June 2018. DHB Chief Executives groups are highly engaged in this work.
Maternity SRO: Jill Lane	The immediate action plan for this priority is progressing as part of implementing Budget 2018 decisions. This area is receiving a high degree of public interest at the present time.
Capital Asset Management SRO: Michael Hundleby / Stephen O'Keefe	This is a programme of work to support DHBs to manage capital assets following a series of high-profile public issues (e.g. Middlemore Hospital). This work is in the early stages and will be likely to require additional resourcing.

Ministry capability

The Ministry has finalised its response the 2017 State Services Commission (SSC) Performance Improvement Framework (PIF) review, which sets out a range of priorities for improving the performance of the Ministry. Our response sets out seven key response areas, each of which are supported by high-level work programmes focused on a mixture of short-term 'quick wins' and longer-term improvement actions. The key response areas are:

- **governance, stewardship and leadership:** clarifying our leadership role and improving internal governance
- **relationships and ways of working:** rebuilding relationships and working collaboratively with sector partners
- **analytics, data and the voice of the customer:** using data, analytics and insights to inform policy and decision-making and respond to customers' needs

- **systems and processes:** upgrading, replacing or modifying systems and processes to improve performance
- **culture and capability:** building a culture that reflects our values and aspirations for the system
- **sustainable health system and performance story:** defining what 'good' looks like; and working with the sector toward a more sustainable system
- **clarity, execution and measurement of strategy:** improving the execution and measurement of our strategic objectives.

The related PIF response paper, including A3 summary and draft work packages for each key response area, is attached as Appendix 6.

Our response to the PIF review has been welcomed by Peter Hughes, who has congratulated us on the progress in a short amount of time. The key challenge now is to implement the response and bed in cultural change to ensure that this work is enduring.

Work is now underway to give effect to the improvement actions in each of the key response areas. As mentioned earlier in this briefing, the prioritisation of improvement activities will need to be considered carefully. We are preparing further detailed work planning for your review that will help you to do this.

Supporting priorities

The Ministry has a large number of critical work programmes that do not fall under the above categories but are nonetheless important pieces of work. Examples of this work include:

- **Obesity:** delivering a five-year roadmap for addressing child obesity
- **Bowel Screening Programme:** implementing the second stage of the programme in further DHBs
- **Pay equity and industrial relations:** including the extending pay equity to mental health workers.

The identified priority issues are set out in full in the Work Programme (Appendix 3). You will receive regular updates on supporting priorities.

Reviews and inquiries

The New Zealand Health and Disability System Review

The Minister of Health announced a wide-ranging review of the New Zealand health and disability system (the Review) on 29 May 2018. Ministry and Treasury staff are supporting the Chair of the review, Heather Simpson, to finalise a terms of reference for the Review. The final terms of reference will be delivered later in 2018. Once Cabinet has agreed to the terms of reference and the makeup of the panel, the Review will begin engaging with sector. An interim reporting will be provided to the Minister in 2019.

Other reviews and inquiries

The Review's findings will be supported by a range of other reviews and inquiries underway as set out in the graphic below. You will receive regular briefings on these reviews as they progress and we expect that these pieces of work will inform the overarching Review. These are:

Ministerial Advisory Group

The advisory group will consider the following:

- What good system performance looks like and how the current system and its component parts are tracking against this performance
- Aspects of system that need improvement and areas of focus
- Underlying causes for why the system is performing as it is
- System settings or levers that could be adjusted or improved to lift performance

Reviews and Inquiries Underway or Imminent

- Ministers review to future proof the health and disability system (work includes finalising Terms of Reference for presentation to Cabinet late 2018)
- Inquiry into Mental Health and Addiction
- Probable review of Primary Health Care, includes Maternity and Pharmacy (stage 1)
- Bowel Cancer Screening Review
- Wai 2575 Health Services and Outcomes Kaupapa inquiry (stage 1 Primary Health Care)
- Productivity Commission Inquiry
- Water regulation / 3 waters
- System performance monitoring
- Key capital projects e.g. Dunedin
- Reviews or work in other areas that affect the social determinants of health (e.g. equity, education, housing, employment and the environment)

Budget 2018 and 2019

The Budget 2018 process is nearing completion, with the full package announced on May 2018. While Budget 2018 provided the largest DHB allocation and DHB capital allocation in 10 years, pressures within Vote Health meant that not all proposed initiatives were included. The most prominent deferred initiative was the Government's promise for reducing the cost of all GP visits by $10.

Some of these pressures cannot be managed without additional funding prior to Budget 2019. The Ministry is currently undertaking a review of internal purchasing to yield options to reprioritise existing funding. This will cover both unfunded pressures on existing services, and unfunded new initiatives that will progress ahead of the Government's "wellbeing budget" planned for Budget 2019. Further advice on the Budget process will be provided in due course, including a list of funded and unfunded initiatives within Budget 2018.

Other matters

This section sets out a range of miscellaneous matters for your consideration, including the relevant next steps and actions. Further information about any of these pieces of work can be provided as required. Please note that this is not an exhaustive list.

Workforce issues

Health Workforce New Zealand (HWNZ) is the unit within the Ministry of Health responsible for national coordination and leadership on workforce issues. You will already be aware of many of the issues and challenges facing the health and disability workforce. HWNZ have provided you with a separate full briefing on workforce issues.

The Minister has approved the development of a national health workforce strategy. The strategy will be developed in conjunction with the sector and we have commenced working with the DHB Workforce Strategy Group.

Wai 2575 Health Services and Outcomes Kaupapa Inquiry

The Waitangi Tribunal is inquiring into grievances about health services provided to Māori, and Māori health outcomes. The inquiry is thematic and covers a range of issues including inequity, primary care, mental health and wider system issues. There are three stages to the inquiry, with stage one focusing on primary care. The Ministry is working closely with DHBs to prepare the Crown's response to the inquiry.

The Stage One discovery phase has highlighted a number of insights, which will be presented to ELT in due course. Stage two (including identifying priority areas) will be considered at a judicial conference on 11 June 2018. The Ministry will need assistance from other government agencies to form the Crown's response for this stage. We will therefore be seeking ELT support to request assistance from the agency Chief Executives.

Industrial relations

You will be aware of the current events and issues within industrial relations. You will continue to receive the Employment Relations Weekly Report as Director-General of Health and will receive regular updates from the Ministry's employment relations team.

2018 legislative programme

The following Health bills are included in the 2018 Legislation Programme.

Rank	Bill	Priority
1	Misuse of Drugs (Medicinal Cannabis) Amendment Bill	2 (to pass in 2018)
2	Care and Support and Other Workers (Pay Equity) Settlement Amendment Bill	3 (to pass if possible in 2018)
3	Therapeutic Products Bill	5 (to refer to Select Committee in 2018)
4	Health (Drinking-water) Amendment Bill	3
5	Health (Fluoridation of Drinking Water) Amendment Bill	3
6	New Zealand Public Health and Disability Amendment Bill	5
7	Health (Cervical Screening) Amendment Bill	2
8	Smoke-free Environments Amendment Bill	5
9	Health Practitioners Competence Assurance Amendment Bill	2

Gateway assessments

Changes are being planned for the Gateway programme, a three-way joint agency initiative led by Health, Education and Oranga Tamariki—Ministry for Children. This initiative identifies the needs of children in, at risk of, or entering Oranga Tamariki care.

A number of issues with the programme have been identified. Alison Thom (Māori Leadership) is working with Gráinne Moss (Oranga Tamariki) and Iona Holsted (Ministry of Education) to develop a cross-agency work programme to address the identified issues.

This work is aligned closely to key Government priorities (e.g. child wellbeing), and is led at Chief Executive level across the agencies involved. The Vulnerable Children's Board (VCB) also has an interest in this work.

You may wish to consider joining VCB meetings and associated three-way joint agency meetings with Health, Education and Oranga Tamariki.

The Ministry has also been working closely with Oranga Tamariki on the related Access to Services Trial. We see a number of opportunities to learn from this trial but we have a number of concerns. This includes that the trial is continuing, despite the Health and Disability Ethics Committee declining the trial's ethics application. Our understanding is that action to reapply has not been taken.

Further information about this work can be provided as you require.

IT activities and risk

An independent review of the Technology and Digital Services (T&DS) business unit was completed in late 2016. This review identified risks associated with a number of Ministry and sector-facing national systems. As there has been limited investment in infrastructure and IT within the health sector in recent times, the Ministry runs legacy systems that are either unsupported by their vendors, no longer fit for purpose or increasingly costly to maintain.

A transformation of T&DS, alongside steps to move to infrastructure as a service, has reduced our risk exposure. We continue to need longer-term plans for replacing legacy systems to support the future direction of health services.

The transformation of T&DS has been designed to support and champion the role that digital technologies and data should play, to support the New Zealand Health Strategy and to support the delivery of government priorities and services. With these objectives in mind, key projects include:

- the collaborative development of a Digital Health Strategy
- development of options for a national Electronic Health Record
- developing the Emerging Health technology agenda
- Data Stewardship and Open Data.

Other IT-related projects the Ministry is monitoring include the review of the National Oracle Solutions (NOS) with Finance & Performance.

About the Ministry

Section 2 of the Health Act 1956 specifies that the Chief Executive of the Ministry of Health is the Director-General of Health (the Director-General). In addition to their Chief Executive responsibilities, the Director-General of Health is the government's principal advisor on health matters and has a range of specific policy and regulatory responsibilities that they discharge on behalf of the Crown.

The role of Director-General of Health

Aside from their responsibilities as Chief Executive, the Director-General of Health holds the statutory office of Director-General of Health,[1] which involves a range of dedicated responsibilities.

The Ministry of Health administers 26 Acts plus a host of supporting regulations, orders, notices and assorted statutory instruments. Many of those include statutory responsibilities of the Director-General of Health, which may only be exercised by them or their delegates. Responsibilities include, but are not limited to the following:

- **Appointments:** Appointment of statutory offices including Director of Public Health, Medical Officers of Health and officers under the Medicines Act 1981.
- **Administration:** Statutory responsibilities to provide administrative support to specified statutory committees (such as committees established under the Human Assisted Reproductive Technology Act 2004).
- **Regulation:** Lead regulatory activities such as certification of health and disability service providers, issue pharmacy licences and licences under the Radiation Safety Act 2016, approval of new medicines and psychoactive substances.
- **Enforcement:** Investigation and referral of cases for prosecution of legislation administered by the Ministry (particularly relating to smoke-free legislation, unregistered health practitioners and medicines) plus fraud relating to the Ministry's sector claims processes.
- **Registry maintenance:** Ensuring provision of registries such as the Cancer Register and National Cervical Screening Programme Registry.
- **Public health and protection:** Oversight of activity under the Health Act 1956 and Epidemic Preparedness Act 2006, issue of notices under the Victims' Rights Act 2002.
- **Monitoring:** Ability to call for reports about activities of officers under the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003.
- **Standards and guidelines:** Ability to issue guidelines and standards of care and treatment under the Mental Health (Compulsory Assessment and Treatment) Act 1992.

In discharging these functions, the Director-General of Health acts as an independent statutory officer. While the Director-General may take advice from others, the statutory requirement is to exercise his decision-making authority independently and not act under direction from other persons. The Director-General of Health is also accountable for the exercise under delegation of any Director-General of Health powers by their staff or any other person acting under their delegated authority.

[1] Section 2 Health Act 1956; Section 5 New Zealand Public Health and Disability Act 2000.

The role of Chief Executive of the Ministry of Health

The Chief Executive is responsible to the appropriate Minister for:

- carrying out the functions and duties of the department (including those imposed by Act or by the policies of the Government)
- tendering of advice to the appropriate Minister and other Ministers of the Crown
- the general conduct of the department
- the efficient, effective, and economical management of the activities of the department.
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Function	Description	Comment
Advice	Provision of departmental advice	Responsibility and accountability for departmental advice provided to the government
Employment	Human resources responsibilities	Responsible for the appointment, and removal, of departmental employees, including acting, temporary or casual employees (s59 State Sector Act 1989 (SSA)) Chief executives must act independently in the appointment, promotion and disciplining of employees (s33 SSA) Responsibility for workplace safety under the Health and Safety at Work Act 2015 Human Resources, Finance and statutory delegations are through the Chief Executive
Finance	Financial responsibilities, including responsibilities under the Public Finance Act 1989	Responsible for financial management and financial performance of the department (s34 Public Finance Act 1989 (PFA)) Comply with lawful financial actions required by the Minister (s34 PFA) Must ensure the department complies with the reporting requirements imposed by both the PFA and any other legislation (s35 PFA)
Funding	Legal authority to enter into contracts and other commercial agreements on behalf of the Ministry	Can delegate powers in accordance with the SSA. Recent amendments to the SSA have extended the scope of the delegation power beyond persons in the public service to persons outside the public service, but only with Ministerial approval and being satisfied that any potential conflicts of interest can be managed(s41 SSA)
Co-ordination	Support joined up activity between the Ministry, other government departments and other agencies	Obligation of responsiveness on matters relating to the collective interests of government, including social sector and cross-government initiatives Important aspect of the 2013 amendments to the SSA, PFA and Crown Entities Act 2004

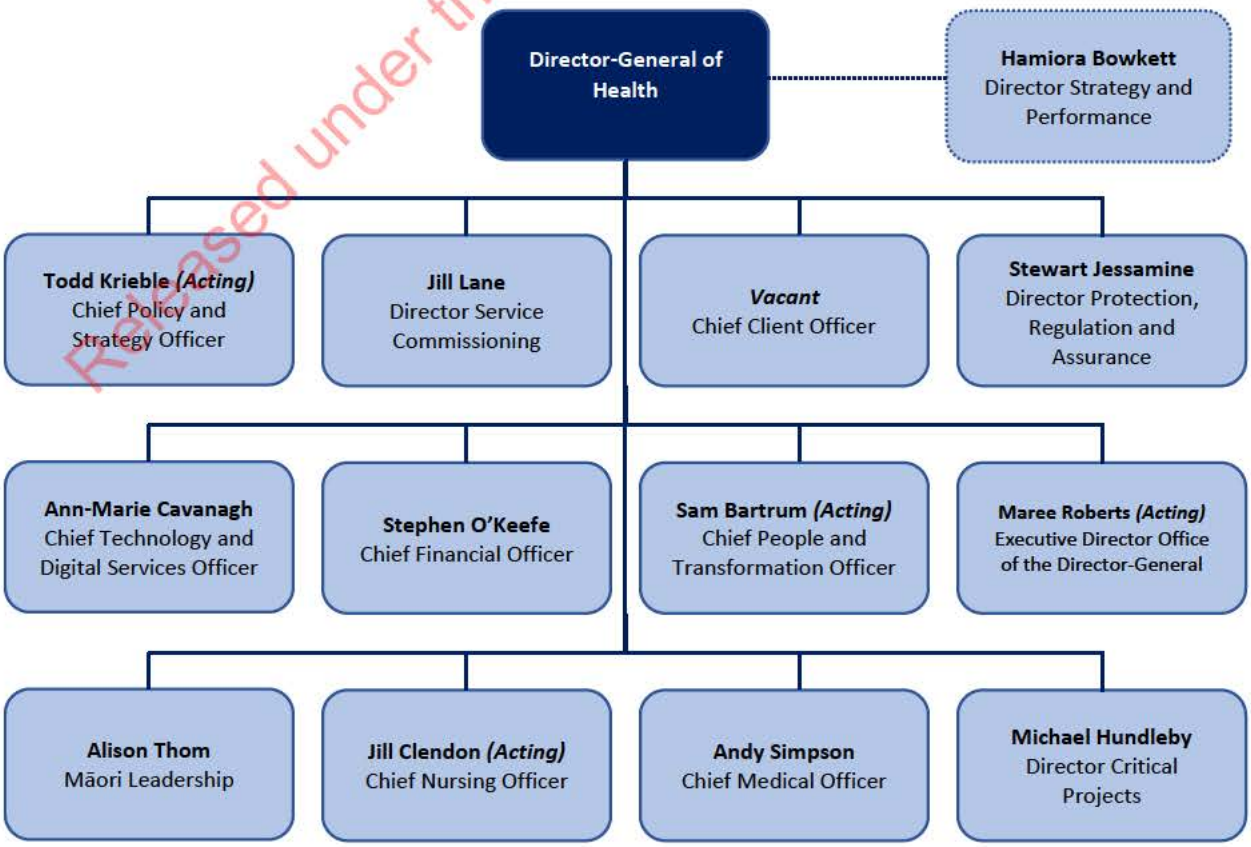
Function	Description	Comment
Regulatory and statutory functions	Exercise of statutory powers under legislation, including delegated powers from Ministers and independent decision-making functions	Includes both general authority under the SSA and authority under specific legislation (such as the Health Act 1956). Also includes Director-General of Health responsibilities.

Executive Leadership Team

You will be supported in your role by the Executive Leadership Team (ELT). ELT focuses on strategic management, corporate governance and organisational performance. It supports the Director-General by:

- setting our strategic direction and priorities within the context of the Government's policy objectives for the health and disability system
- ensuring that we deliver on our strategies and goals by allocating resources, including purchasing health and disability services, performance monitoring organisations and accounting for the use of publicly funded resources
- ensuring that we have the capacity and capability to meet the Government's objectives, including by having the people, information, structures, relationships, resources, culture and leadership to fulfil Government direction in the medium and long term
- supporting the Director-General's financial and operational delegations by providing advice on key matters of health and disability public policy and implementation.

ELT members and their areas of responsibility are set out in the figure below.



A number of ELT positions have recently changed:

- Hamiora Bowkett leaves his seconded role of Director Strategy and Performance on 21 June 2018
- Acting terms for Maree Roberts, Todd Krieble finish on 31 July 2018. Jill Clendon's acting role will continue until an appointment is made.
- Sam Bartrum is acting in the role Chief People and Transformation Officer until longer-term acing arrangements are finalised
- The Chief Client Officer is currently vacant.

Fortnightly ELT meetings are held on Tuesday mornings and focus on more in-depth discussions about sector strategy, operational matters, corporate strategy, financial matters and clinical matters. Meetings usually last approximately 3 ½ hours and are chaired by the Director-General or Executive Director, Office of the Director-General.

ELT also meet weekly on Friday mornings to discuss recruitment activity across the Ministry, ensuring a joined-up approach to managing personnel expenditure.

Ministerial Engagement

Weekly Reports are our main mechanism for highlighting upcoming activities, issues and risks to the Minister. You receive the draft Weekly Report on Thursday evening for review; with the report finalised and circulated to Ministers' Offices by early afternoon on Friday. Associate Ministers receive Weekly Reports tailored to their delegations but do not receive the Minister's report.

ELT meets weekly with the Minister on Monday mornings. The Weekly Report acts as the agenda for this meeting. A pre-meeting with the full ELT is held prior to this meeting; and a debrief meeting is held immediately afterward to capture actions and commission new work.

Engagement with Ministers' Offices usually occurs via the Ministry's ministerial servicing unit, but can also occur via responsible ELT members, Tier 3 and 4 leaders and Chief Advisors to the Director-General.

As Senior Private Secretary Health, John Hobbs is the Ministry's senior official in the Office of Hon Dr David Clark. His responsibilities include Budget 2018, capital allocations and hospital redevelopments, mental health, DHB accountability, electives and employment relations.

The table below sets out the key contacts for the Minister of Health and Associate Ministers of Health, as well as the Associate Ministers' delegations.

Minister	Key contacts in the office	Delegations
Hon Dr David Clark • Minister of Health • Associate Minister of Finance	John Hobbs Senior Health Private Secretary Sim Mead Private Secretary (Health) Justine Mecchia Private Secretary (Health) Catherine Graham Advisor Secretariat Support	N/A
Hon Jenny Salesa • Associate Minister of Health • Minister of Building and Construction • Minister for Ethnic Communities • Associate Minister of Education • Associate Minister of Housing and Urban Development	Kiri Dargaville Private Secretary (Health) Note: a second Private Secretary to support Minister Salesa is being sought due to the Minister recently receiving further delegations.	• Māori and Pacific health • Health Promotion Agency • Tobacco • Problem gambling • Healthy school environments • Health of older people • Family violence intervention training
Hon Julie Anne Genter • Associate Minister of Health • Minister for Women • Associate Minister for Transport	Sarah Webster Private Secretary (Health)	• Climate change and health • Population health (built environments) • Women's health (including breast and cervical screening) • Sexual health • Disability support services – MoH funded for under 65s Note: Minister Clark retains direct responsibility for abortion and wage settlements within the these areas

Ministry Operations

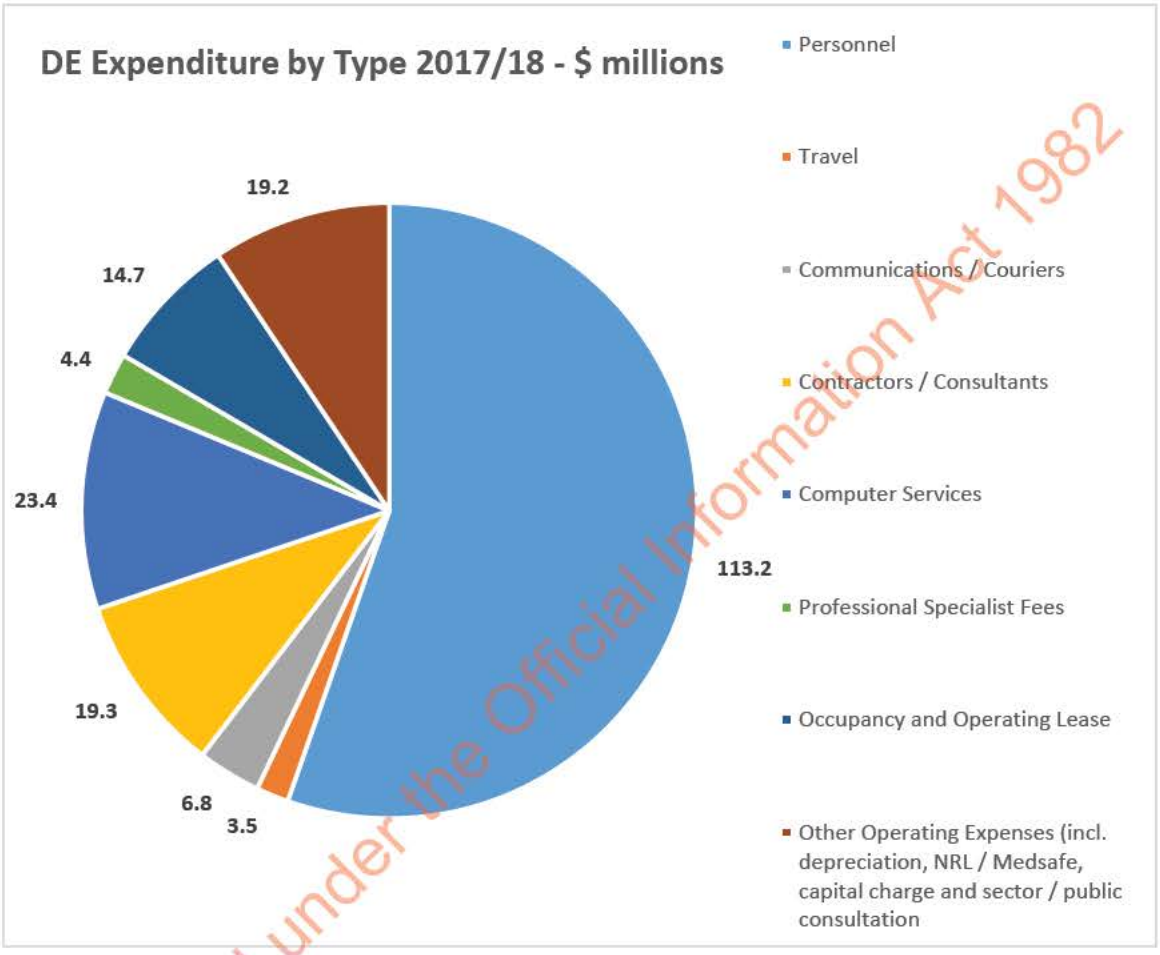
Business Units and Functions

The Ministry is made up of 1,101 FTE staff as at 30 April 2018, as set out in the table below. Appendix 8 provides a summary of the different groups / functions within each business unit. Please note that staffing numbers in the attachment may differ slightly as it was produced under a different reporting period.

Business Unit	30/04/2018
Service Commissioning	343.4
Finance and Performance	216.7
Protection, Regulation and Assurance	178.2
Technology and Digital Services	154.54
Strategy and Policy	87.1
People and Transformation	56.2
Office of the Director-General	51.2
Office of the Chief Medical Officer	9.5
Office of the Chief Nursing Officer	4.0
Māori Leadership	3.0
Critical Projects	2.0
Total	1,105.8

Departmental Expenditure

The Ministry has 2017/18 departmental funding of $203.3 million, with expenses categorised as per the figure below. Total authorised funding of $204.5 million differs from the departmental budget of $200.2 million. The difference of $4.3 million represents unallocated funding reserved for emerging priorities and requiring the Director-General's sign-off for use.



Workforce and engagement

An environmental scan and current state analysis of our workforce has recently been undertaken that has identified key workforce issues that are facing the Ministry. In particular:

- **High turnover:** The Ministry has an annual turnover rate of 16%. However, 21% of new starters leave within the first year and 38% leave within the first two years. The primary reason for leaving is due to lack of learning and career development opportunities, followed by leadership and management.
- **Talent supply shortage:** The Ministry has difficulty attracting and recruiting talent due to poor reputation, remuneration below the public sector median and lack of an employer value proposition. Global market conditions, such as senior professionals preferring contracting over permanent employment, are also impacting the Ministry.
- **Workforce composition:** The Ministry is forecast to spend $115m in personnel costs in 2017/18, $2m over the $113m budget. However, the Ministry is also forecast to spend

$21.6m on contractors and consultants in 2017/18, with approximately 70% of this spent on contractors who are filling a permanent or temporary 'role' within the Ministry.

Further information is provided in Appendix 8. This includes recommended areas of focus that will inform the development of a People Strategy.

The Ministry has recently run our first 'Our Voice' staff survey. We experienced a high rate of engagement with 82% of staff completing the survey. The Ministry's overall score was 52%, lower than the public sector average of 62%. High-level results were released to staff on 31 May 2018. A summary of these results is attached as Appendix 9.

Following consideration of the results, the ELT has identified three priorities for improvement:

- **Internal Communication**: 'The Executive Leadership Team shares information with me that enables me to do my job effectively';
- **Leadership**: 'People are confident that our Executive Leadership Team will implement our purpose, vision, principles and behaviours successfully'; and
- **Performance Development**: 'The Ministry has a culture of empowerment that maximises the performance of staff'.

ELT will be discussing the results of the survey in more detail at your first fortnightly ELT meeting on 12 June 2018; with an action plan to be drawn up to respond to the findings.

Statutory Functions and Delegations

Some Ministry roles (other than the Director-General) have statutory functions, as outlined in the table below:

Role	Statutory responsibilities
Director-General of Health	The Director-General of Health is the chief executive of the Ministry. In addition to responsibilities under the State Sector Act 1988, the Director-General has a number of other statutory powers and responsibilities under various pieces of health legislation. These include: • powers relating to the appointment and direction of statutory public health officers, oversight of the public health functions of local government and authorisation of the use of special powers for infectious disease control under the Health Act 1956 • powers to certify providers under the Health and Disability Services (Safety) Act 2001 • powers to issue guidelines under the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003 and other Acts. The Director-General is the Psychoactive Substances Regulatory Authority under the Psychoactive Substances Act 2013. This role is currently delegated to the Group Manager, Medsafe, and the Manager, Psychoactive Substances, Medsafe.

Role	Statutory responsibilities
Director of Mental Health Dr John Crawshaw	The Director of Mental Health is Dr John Crawshaw, and the Deputy Director of Mental Health is Dr Ian Soosay. The Mental Health (Compulsory Assessment and Treatment) Act 1992 provides for these two positions. The Director of Mental Health is responsible for the general administration of the Act, under the direction of the Minister and Director-General. The Director is also the Chief Advisor, Mental Health, and is responsible for advising the Minister on mental health issues. The Director's functions and powers under the Act allow the Ministry to provide guidance to mental health services, supporting the strategic direction provided in *Rising to the Challenge: The Mental Health and Addiction Service Development Plan 2012–2017* and taking a recovery-based approach to mental health. The Deputy Director of Mental Health is required to perform such duties as the Director may require. The Deputy Director is also the Ministry's Senior Advisor, Mental Health.
Director of Public Health Dr Caroline McElnay	The Director of Public Health is Dr Caroline McElnay, and the Deputy Director of Public Health is Dr Harriette Carr. The Health Act 1956 prescribes these two positions. The Director of Public Health has the authority to independently advise the Director-General and Minister on any matter relating to public health. The Director also provides national public health professional leadership and professional support and oversight for district medical officers of health. The Deputy Director of Public Health assists the Director of Public Health in carrying out both statutory and non-statutory responsibilities.
Chief Financial Officer Stephen O'Keefe	The Chief Financial Officer is Stephen O'Keefe. The Public Finance Act 1989 requires all departments to have a chief financial officer responsible for the quality and completeness of the department's statement of intent and annual accounts. The Chief Financial Officer ensures that internal controls are effective and efficient.
Director, Service Commissioning Jill Lane	The Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003 provides for the compulsory care and rehabilitation of individuals with intellectual disabilities that have been either found unfit to stand trial on, or convicted of, an imprisonable offence. The Director-General of Health has a number of statutory responsibilities under the Act, which have been delegated to the Director of Service Commissioning and others within Service Commissioning. These include designating compulsory care co ordinators, specialist assessors, medical consultants and district inspectors; issuing guidelines for use of seclusion and restraint, cultural assessment and enforced medical treatment; and authorising short-term leave for special care recipients.

Overview of Vote Health

Vote Health ($18,225 million in 2018/19) is the primary source of funding for New Zealand's health and disability system (ACC is the other major source of public funding). It is a significant investment for the Crown, typically making up around a fifth of government expenditure. The services funded are intended to support all New Zealanders to live well, stay well, and get well. The Vote comprises:

- $13,236 million (72.6% of the Vote) is provided to 20 district health boards for services to meet the needs of each district's population, taking into account regional considerations, government priorities, and the strategic direction set for the health sector. Among the many services provided or funded by DHBs are hospital care; most aged care, mental health, and primary care services; the combined pharmaceuticals budget; and some public health services.

- $2,926 million (16.1% of the Vote) funds health and disability services, funded at a national level, and managed by the Ministry of Health, comprising:
    - National Disability Support Services ($1,269 million or 7.0% of the Vote)
    - Public Health Service Purchasing ($423 million or 2.3% of the Vote)
    - National Elective Services ($364 million or 2.0% of the Vote)
    - Primary Health Care Strategy ($266 million or 1.5% of the Vote)
    - National Maternity Services ($181 million or 1.0% of the Vote)
    - National Emergency Services ($130 million or 0.7% of the Vote)
    - National Child Health Services ($89 million or 0.5% of the Vote)
    - National Personal Health Services ($78 million or 0.4% of the Vote)
    - National Mental Health Services ($68 million or 0.4% of the Vote)
    - Other national services ($58 million or 0.3% of the Vote).

- $819 million (4.5% of the Vote) is for the support, oversight, governance, and development of the health and disability sectors, comprising:
    - Ministry of Health operating costs ($207 million or 1.1% of the Vote) and capital investment ($9 million or 0.1% of the Vote)
    - Supporting Equitable Pay ($348 million or 1.9% of the Vote)
    - Health Workforce Training and Development ($187 million or 1.0% of the Vote)
    - Monitoring and Protecting Health and Disability Consumer Interests ($29 million or 0.2% of the Vote)
    - Provider Development ($24 million or 0.2% of the Vote)
    - Other expenses ($15 million or 0.1% of the Vote).

- $1,244 million (6.8% of the Vote) is for capital investment, comprising:
    - Sector capital investment ($1,090 million or 6.0% of the Vote),
    - Equity Support for DHBs ($139 million or 0.7% of the Vote)
    - Technical expenditure ($15 million or 0.1% of the Vote).

Appendices

Outcomes and Tracking Framework

Output Plan – 2018/19

12-month Work Programme

Core Performance Dashboard – Quarter 3 2018

Status Report – Priority Work Programmes (1 June 2018)

PIF Response Package

Summary of Ministry Business Units and Functions

Ministry Workforce Strategy Summary

Our Voice Survey Results Summary

MINISTRY OF HEALTH
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Overview for the NZHS Outcome Tracking Framework

New Zealand Health Strategy

Better Health Maintenance | Lower Acuity System | Targeted Investment | Greater Equity

Key System Shifts

People Powered

Outcomes

- Lower incidence and prevalence of chronic conditions
- Greater equality of outcomes
- Greater rates of access
- Greater rates of satisfaction with health services

Change Drivers

- Develop consumer insights
- Build Co-Design Capabilities
- More Consistent Experience
- Increase Awareness
- Encourage Positive Behaviours
- Improve Service Engagement

Closer to Home

Outcomes

- Lower per capita expenditure (in acute settings)
- Lower incidence & prevalence of chronic conditions
- Greater equality of outcomes
- Greater rates of access
- Greater rates of satisfaction with health services

Change Drivers

- Strengthen Commissioning
- Improve Infrastructure
- Reduce Barriers to Access
- Improve Service Integration
- Greater Scale and Reach through Standards
- Increase Early Intervention

Value and high performance

Outcomes

- Lower per capita expenditure and long term liability
- Lower incidence of "failure / adverse" events
- Greater equality of outcomes for target populations
- Greater rates of satisfaction with health services

Change Drivers

- Strengthen Accountability & Governance
- Align Risk Management Incentives
- Become a Learning System
- Increase Transparency
- Design for Quality and Safety
- Harness Evidence and Knowledge

One Team

Outcomes

- Greater productivity against long term outcomes
- Greater rates of satisfaction with health services
- Lower per capita expenditure and long term liability
- Greater workforce resilience and satisfaction

Change Drivers

- Increase Workforce Capacity and Capability
- Increase Flexibility, Diversity & Resilience in the Workforce
- Improve Team Integration
- Create Collaboration Incentives
- Increase Workforce Engagement

Smarter Systems

Outcomes

- Lower per capita expenditure and long term liability
- Greater resource utilisation
- Greater rates of access
- Greater rates of satisfaction with health services

Change Drivers

- Develop Informatics & Insight Capabilities
- Build High Performing Asset Portfolio
- Increase Design Thinking
- Harmonise Operating Models
- Strong Information Management
- Reduce Innovation Lag

MINISTRY OF HEALTH
MANATŪ HAUORA

Q3 Performance Report 2017/18

April 2018

CONTENTS

This report provides a summary of the Ministry's performance for quarter three of the 2017/18 financial year and details:

- key highlights and challenges
- progress against the measures included in the Vote Health – Estimates of Appropriations 2017/18
- financial performance
- key people metrics
- significant trends, risks or issues that will impact performance
- key activities we have planned for next quarter.

Throughout the report we use the following definitions to assess the status of performance:

Indicator	Definition
✓	On-track/achieved
-	Partially on track/being watched
!	Off-track/not achieved

KEY CONSIDERATIONS

The following have been identified as key areas for ELT consideration.

CORE DEPARTMENTAL

Ministerial Servicing (slide 5)
- The Ministerial Servicing Taskforce have successfully completed their work programme. To continue to improve the Ministry's compliance ratings, recommendations from the Ombudsman, the external review by the RDC Group, and the Ministry internal audit, are being reviewed for how to best implement efficiently and effectively.

Policy Advice and Legislative Programmes (slides 6-8)
- A twelve week Strategy and Performance Work programme designed to strengthen the Ministry's core functions and improve performance is underway.

Financial Performance (slide 11)
- The full year forecast is over budget by $1.0m.

Organisational Health (slide 12)
- There are 54 Ministry vacancies, which if filled will total 1,072 FTE against an SSC cap of 1,150 (without factoring in turnover).
- For the 12 months to March 2018 unplanned turnover was 13.74%, 21% of which were staff leaving the Ministry with less than one year of service.

Health of Ministry Projects (slides 16,17)
- The health of Ministry projects has declined from the Q2 report. Only 25% of Major Ministry led projects are on track. 78% of strategic priority and PIF programme projects are on-track, 50% of 'other' Ministry projects are on-track.

COMMISSIONING

Non-Departmental Financial Performance (slides 20, 21)
- From the 2017-18 MBU and budget changes that identified a $24.5m gap to fund, $5.2m remains unbudgeted across DSS, Public Health, Maternity and 'Other'.
- Ring Fenced and NDOE funding is forecasted to be $24.8m underspent to 30 June mainly due to Pay Equity forecast volume saving.
- Non-Ring Fenced Funding is forecasted to be $23.1m which will mainly be manged through Budget 2018.

Disability Support Services (slides 22,23)
- The Ministry is working with DHB's to increase capacity and manage pressures at the hospital bed level under the high and complex frameworks. This will continue with the development of the 2018-22 DSS Strategic Plan.
- Continued implementation of the new respite strategy 'Transforming Respite' is occurring with the refreshed 'Whaia te ao Marama ', and 'Community Residential Strategy' being published.

Primary Care (slide 25)
- Risks have been identified and flagged with the Minister relating to the implementation of the proposed primary care initiatives being sought through Budget 18. These relate to how the market may respond to the funding changes for the Very Low Cost Access scheme and to price pressures

SECTOR PERFORMANCE

DHB Financial Performance (slides 29, 30):
- DHB net financial results for the year to date 28 February 2018 show a sector wide unfavourable variance to budget of $27 million.
- Based on current financial performance, the overall DHB's sector financial forecast deficit is assessed to increase to approximately $209 million by 30 June 2018.
- Five DHBs achieved a breakeven (under $0.2 million unfavourable to budget) or better result to budget as at 28 February 2018.

Major Sector Projects (slide 31):
- 56% of major sector led projects reported to Treasury are on track, with one project the 'National Oracle Solution', reported as 'Off Track'.
- National Oracle Solution project continues to have a 'red' project health status. The Portfolio Support and Coordination Office are providing additional monitoring and oversight of the project as it readies for the initial Wave 1 deployment in July 2018.

MINISTRY OF HEALTH
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Core Departmental

MINISTERIAL SERVICING

A number of work programmes are in progress to improve the compliance rate for responding to OIAs and the quality and timeliness of Ministerial Servicing. The recommendations from the Ombudsman Review, the external review undertaken by the RDC Group, as well as the recent internal audit are currently being reviewed. Decisions will be made before the end of April 2018 on how bes to progress and implement the relevant recommendations

KEY HIGHLIGHTS

- **OIAs:** There has been a **steady improvement in quality and timeliness of OIAs** due to increasing the number of FTEs in this team, changing the team structure and implementing new processes
- The team now has a full time data and reporting analyst to provide and develop insights into OIA and Ministerials data
- **Ministerials: Over 150 Ministerials per week** are currently being responded to as a result of contracting additional experienced Ministerial staff and implementing additional system and quality control measures
- The Minister recently visited and personally thanked the Government Services team for the work they are doing

KEY CHALLENGES

- **OIAs**: As data and reporting is refined over time, the challenge in the short term will be to identify trends and respond quickly to any issues, including developing more meaningful outcomes focused performance measures
- **Ministerials:** Agreement will need to be reached with the Minister's Office and Ministry business units on key issues and topics to ensure consistent and cohesive messaging. This will enable timely and faster responses by the Ministerial Servicing team

FOCUS AHEAD

- **OIAs:** Implement the review and audit recommendations to embed a new way of working
- **Ministerials:** Continuous improvement efforts will be focused on grouping topics together and responding in a faster way with consistent messaging once agreement on key issues and topics has been reached
- **Investigating options to source a new data system** for tracking, managing and reporting OIAs and Minsterials to replace the current system in use

FIGURE 1: MINISTERIAL SERVICING PERFORMANCE SUMMARY Q3 2017/18 (EXCLUDES BACKLOG)

A Taskforce was set up on 12 February 2018 to manage a backlog of correspondence received from the Minister's office . This work has been managed in consultation with the Minister's office, with a view to completing the backlog as quickly as possible. This work was completed on 26 March 2018. The Taskforce dealt with 1264 items including 87 items which were transferred to the Taskforce on 8 March 2018. Figure 1 shows the completed Ministerials.

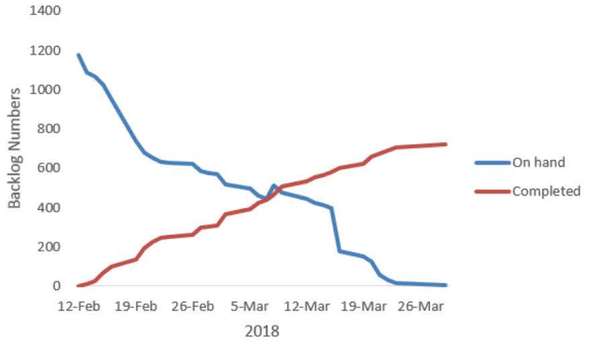


TABLE 1: MINISTERIAL SERVICING PERFORMANCE SUMMARY Q3 2017/18 (EXCLUDES BACKLOG)

ISE MEASURES	2017/18 TARGET	Q1 YTD	Q2 YTD	Q3 YTD	PROGRESS
The percentage of responses provided to the Minister within agreed timeframes; for written parliamentary questions and Ministerial letters	96%	79%	90%	91%	-
The percentage of responses provided to the Minister within agreed timeframes, for requested briefings	96%	93%	89%	94%	-
The percentage of Ministerial letters that required no revision	98%	99%	99%	93%	-
The percentage of responses to Official Information Act requests provided to the Minister within the agreed timeframe (for requests made to the Minister) or to the requestor within the statutory timeframe, including where extended in line with the Act (for requests made to the Ministry)	95%	68%	73%	81%	!

POLICY ADVICE AND LEGISLATIVE PROGRAMMES

transformation, and establishing a twelve week Strategy and Performance Work programme designed to strengthen the Ministry's core functions and improve performance.

KEY HIGHLIGHTS

Response to immediate legislative priorities:

- The Government has sought short-order material with a view to preparing three Bills for introduction: to prohibit direct-to-consumer advertising of prescription medicines, to enhance legislative arrangements for organ donation, and to respond to issues in respect of water regulation.

Progress on Government Response to the Havelock North Drinking Water Inquiry:

- On 29 March, Strategy and Policy, in collaboration with the Public Health Unit in Protection Regulation and Assurance, lodged a joint DIA/Health Cabinet paper update on the actions and next steps with respect to the Inquiry's recommendations. 14 actions have been completed, 12 will be completed by July. A significant programme of work is underway to provide advice in August on functions, forms and costs of a drinking-water regulator. The paper also seeks agreement to Amendments to the Heath Act to allow for more rapid updates to the drinking-standards.

Working with Oranga Tamariki to support children in care:

- On 13 March, CE representatives on the Vulnerable Children's Board for Health, Education and Oranga Tamariki agreed next steps for Gateway and ensuring all children in Oranga Tamariki's care have their health, education and general care needs assessed and planned for upon entering care. Of note, the CE's agreed targets for Gateway completion including referral to Gateway, completion of Health and Education Assessments, and completion of the Interagency Service Agreement at 100%. The work programme going forward will focus on improving Gateway operations and service delivery rather than strategic redesign. This has involved a significant amount of cross-agency work, with both Education and Oranga Tamariki.

Disability Support System transformation:

- On Wednesday 4 April 2018, the Cabinet Social Wellbeing Committee agreed to start the MidCentral prototype on 1 October 2018 and to draw down the tagged budget contingency. Strategy and Policy, in collaboration with Service Commissioning and Health Legal, have also provided a package of advice to the Minister of Health and Minister Genter on options to amend the Funded Family Care policy and legislation (Part 4A of the New Zealand Public Health and Disability Act 2000).

Progress on Budget 2018:

- In March we provided advice to the Minister to support a number of Budget decisions including PHARMAC reprioritisation, addition of late/ new initiatives and cost pressures, deferring and scaling initiative options, and DHB funding allocations.

Establishment of the Strategy and Performance Work Programme:

- At the end of February we established a 12 week Strategy and Performance Work Programme designed to strengthen the Ministry's core functions and improve performance. Work has included instituting regular reporting, articulating clear priorities for the Ministry, improving governance and leadership arrangements along with scoping and planning each priority programme e.g. four medium-term Government priorities: mental health, primary care, child wellbeing, equity; and addressing immediate system issues: maternity care, drinking-water regulation, DHB performance, electives, and DHB Capital Assessment Management as well as responding to the recent PIF review.

POLICY ADVICE AND LEGISLATIVE PROGRAMMES (CONT.)

KEY CHALLENGES	FOCUSAHEAD	
Ensuring coalition party consideration, understanding and support of Cabinet papers in a timely manner: • Recent discussions with cross-party ministers/MPs has highlighted challenges regarding their consideration and understanding of issues in Cabinet papers. In addition, there are political positions on issues that will need to be carefully managed to achieve agreement which fall outside the responsibilities of officials. This has emphasised the need for us to test with Ministers' offices whether there may be ways of engaging with cross-party ministers/MPs that can facilitate better understanding of issues, processes and outcomes being sought. **Consultation and engagement with stakeholders generally:** • The rapid progress for implementing new regulations has condensed and limited the scope of engagement on issues. Officials are wary of challenging discussions with stakeholders in limited time frames and what impacts that may have on advice and progress of Bills in due course. A programme of engagement for drinking-water is currently in development and the Minister will be briefed on this in April.	**Water regulation:** • The Ministry will be developing and progressing a stakeholder engagement plan for the drinking water regime over April - May 2018. Alongside this, Strategy and Policy will be providing advice on the function, form and costs for an independent drinking water regulator, with options and recommendations to be provided to Cabinet in August. **Primary Care:** • Providing ongoing advice to support the delivery of the Minister's primary health care package for a Budget 2018 announcement and implementation from 1 October 2018. Establishing a primary health care review that includes provision of support noting however the shape, scale and form of the review, and our support of it is still to be determined. There is also ongoing work to support Stage 1 of the Waitangi Tribunal Kaupapa Inquiry into Health Services and Outcomes (WAI2575) that is focused on primary care, working with DHBs on the Crown's response. **Systems Thinking:** • Strategy and Policy has commissioned a major project on Health System Stewardship. Deliverables will include a review of New Zealand's health system policy settings and assessment of the impact of factor markets on health sector performance by 30 June as well as assessment of health system choices for the future by September. **Child wellbeing:** • Continuation of input into the Child Wellbeing Strategy. To support our input and enable us to implement the Strategy in a timely manner we are also developing a programme with the initial aims of articulating a strategic approach to child wellbeing from a health system and sector perspective and identifying the shifts needed to deliver on the outcomes being identified in the Child Wellbeing strategy.	**Family Funded Care (FCC):** • Develop options to amend FFC policy and legislation including: extending eligibility for those receiving and providing care, a litigation strategy for current and future claims, and repeal or replacement of Part 4A of the Act. This work will be prepared to inform Budget 19 decisions. **Contributing to a new analytical operating model:** • As part of the Ministry's response to the PIF Review recommendations we will be contributing to the development of a new analytical operating model across the Ministry. **Publishing the Health and Independence Report 2017:** • The annual publication for the Health and Independence report is due in Q4. A complete draft of the report has been written and tested with a cross Ministry advisory group, and a revised draft will be provided to the Acting Director-General imminently. The report is being prepared with May 2018 in mind as the timeframes for reporting to the House of Representatives. **Budget 18:** • Supporting the Minister's post-Cabinet consideration / pre-Budget day announcement and finalising and completing a thorough quality assurance review on the Estimates and Supplementary Estimates documents in preparation for Budget Day on 17 May. **Strategy and Performance Work Programme:** • Finalising the PIF response report which will be submitted to the State Services Commission by early May, finalising the 12 month work programme for the Ministry covering the Government priorities, immediate system issues and organisational improvements required to respond to the PIF. Additional work will include producing the 4 Year Plan, Annual Plan and Output Plan and supporting a more strategic approach to annual business unit planning.

TABLE2: CURRENT LEGISLATIVE PROGRAMME

	BILL	DESCRIPTION	PROGRESS	COMMENTS	STATUS
Bills being drafted	Therapeutic Products Bill	Establishes a new regulatory regime for therapeutic products, (such as medicines (including cell and tissue based therapies) and medical devices) and associated activities (e.g. wholesaling, prescribing)	Drafting Exposure Draft	Introduction date after July 2018	✓
Bills in Policy Stages	Care and Support and Other Workers (Pay Equity) Settlements Amendment Bill	To amend the Care and Support Workers (Pay Equity) Settlement Act 2017 (principal Act) to confirm Settlement Agreements, settling equal pay claims, at the same minimum hourly rates of pay, for mental health support workers and vocational disability support workers	Awaiting policy decisions	Timing depends on the outcome of ongoing discussions and budget decisions. As a result, we are not now in a position to include an estimated date for introduction of this Bill	✓
	Health (Drinking-water) Amendment Bill	To make changes to Part 2A of the Health Act 1956 to protect public safety, pending further policy work to establish a new regulatory regime for drinking-water	Policy development completed. Awaiting authority to proceed	Expected introduction of the bill planned for June 2018	✓
	Organ Donation Bill	To create new roles and functions for an existing crown entity to enable the establishment of a national agency to oversee implementation of the organ donation strategy and; to make changes to the Compensation for Live Organ Donors Act 2016, to allow compensation to be paid to donors who return to work part-time, to make donors whose kidneys are used in overseas exchange programmes eligible for compensation, and to allow for other discretionary payments	Policy development completed. Awaiting authority to proceed	Current introduction date is planned for after July 2018	✓
	Smoke-free Environments Amendment Bill (No 1)	Enables e-cigarettes and e-liquid (vaping products) to be sold lawfully as consumer products and establishes a pre-market approval mechanism for smokeless tobacco and other nicotine-delivery products	Policy development completed. Pre-drafting underway	Introduction date after July 2018	✓
	Medicines Amendment Bill	Remove current provisions allowing Direct to Consumer Advertising of Medicines	Work has commenced. Awaiting authority to proceed	Scoping work required with Minister to determine possible timeframes	✓

THE FOLLOWING LEGISLATION HAS BEEN DRAFTED AND HAS BEEN REFERRED TO THE SELECT COMMITTEE:

- The Misuse of Drugs (Medicinal Cannabis) Amendment Bill
- Health (Fluoridation of Drinking Water) Amendment Bill – referred to the House for a second reading
- Health Practitioners Competence Assurance Amendment Bill – public submissions to be heard
- Health (Cervical Screening) Amendment Bill – public submissions to be heard

REGULATORY SERVICES

Water quality continues to be a significant area of focus and work continues to understand the impact of the urgent changes to drinking water standards that the Drinking Water Advisory Committee is currently considering. Further work is being undertaken to support the implementation of the proposed regulatory schemes for medicinal cannabis.

KEY HIGHLIGHTS

- A workshop was held with funeral directors at their annual conference to discuss **options for regulating the funeral sector**
- **The Substance Addiction (Compulsory Assessment and Treatment) Act** came into force on 21 February 2018 and sets a high threshold for compulsory treatment with the focus on restoring the individual's capacity to participate in voluntary treatment

KEY CHALLENGES

- The Drinking Water Advisory Committee is **considering urgent changes to drinking water standards that can be made without consultation** , and the Committee has tasked a specialist working group to review criteria, assessment and re-assessment processes for the use of untreated groundwater
- **Implementing and supporting the proposed regulatory schemes** for medicinal cannabis and e-cigarettes will be dependent on funding and suitable technology solutions
- Progressing the **relocation of the Christchurch radiation store**

FOCUS AHEAD

- Medsafe is continuing to work closely with policy to progress activites relating to the Government's priorities for **medicinal cannabis**, including the proposal to implement a regulatory scheme for **e-cigarettes and vaping products**
- HealthCERT will be preparing a business case and approach to **review health and disability standards**
- Following consultation and analysis of submissions received, work is underway to **prepare regulation of commercial sunbeds and solaria**
- Managing approximately twenty Ministerial appointments by mid-year for sitting **Ethics Committees**

Options for regulating the funeral sector are also being discussed following the review of the Burial and Cremation Act 1964.

TABLE3 REGULATORY SERVICES PERFORMANCE SUMMARY Q3 2017/18

ISE MEASURES	2017/18 TARGET	Q1 YTD	Q2 YTD	Q3 YTD	PROGRESS
The percentage of medium and high priority quality incident notifications relating to medicines and medical devices that undergo an initial review within 5 working days	90%	99%	99%	99%	✓
The percentage of all licences and authorities issued to providers under the Medicines Act 1981 and Misuse of Drugs Act 1975 within target timeframes	90%	82%	84%	85%	-
The percentage of all New Medicines Applications (for ministerial consent to market) that receive an initial assessment within 200 days	80%	88%	90%	87%	✓
The percentage of all Changed Medicines Notifications (for ministerial consent to market) responded to within 45 days	100%	100%	100%	100%	✓
The percentage of all certificates issued to providers under the Health and Disability Services (Safety) Act 2001 within target timeframes	90%	85%	82%	84%	-
Maintain the capability and capacity to respond to national emergencies and emerging health threats	Achieved	Achieved	Achieved	Achieved	✓
Mental health reviews and inquiries: The percentage of District Mental Health Inspectors' monthly reports, on their duties undertaken, sent to the Director of Mental Health within one month after completion	90%	79%	63%	80%[1]	-

[1] Work is underway to improve the timeliness of monthly reports.

WATER QUALITY

Following Cabinet's agreed two-phase approach in December 2017 to respond to the recommendations from the Havelock North Drinking Water Inquiry, work has progressed with DIA and other agencies to progress the urgent improvements that are required to the regulatory system to ensure that drinking water supplied by water suppliers is safe.

KEY HIGHLIGHTS

- A joint DIA/Health Cabinet paper was submitted on **9 April 2018** to update Cabinet on the actions already undertaken to implement the Inquiry's recommendations and provide them with information on the next steps to progress the recommendations further
- The Cabinet paper also seeks approval to amend the Health Act to allow for further rapid changes to drinking water standards

KEY CHALLENGES

- The rapid progress to implement new regulations has condensed and limited the scope and time frames for **engaging and consulting with stakeholders** which may result in some difficult stakeholder discussions
- A programme of engagement for drinking-water is currently in development and the Minister will be briefed on this in April
- Discussions will need to be had with the Minister to determine whether cross-party MPs and Ministers will seek ways of engaging with each other to obtain agreement where there are potential issues with high political risks
- The Drinking Water Advisory Committee is considering urgent changes to the drinking water standards that can be made without consultation

FOCUS AHEAD

- It is anticipated that the Prime Minister will make an announcement in the third week of April on Cabinet's recommendations following the Cabinet meeting. The focus will be to proceed with implementing Cabinet's recommendations and working with the other agencies who are leading responses (DIA and MfE)
- Once Ministers have been briefed, consultation with stakeholders will take place at a date still to be determined

TABLE 4: STATUS OF RESPONSES TO THE HAVELOCK NORTH DRINKING WATER INQUIRY

	NUMBER	PROGRESS
Recommendations already implemented (51 in total)	14	✓
Recommendations expected to be implemented by the end of July 2018	12	✓
Broader recommendations being addressed under work programmes	25	✓
A work programme is underway for completion in August to provide advice on the function, form and costs of a drinking-water regulator	N/A	✓

DE FINANCIAL PERFORMANCE - YTD MAR

YTD Actual vs Budget Variances

Total actual spend as at 31 Mar 2018 is $0.3m under the YTD budget

Total personnel costs including training and other associated costs are $1.6m overspent due to higher salary costs compared to budget and shortfalls in vacancy management. This has increased $1.4m since January mainly due to an increase in the total annual leave balance. Similarly, non-IT contractors and consultants are $0.9m overspent due to higher costs than originally budgeted. There are potential cost savings in other costs, particularly computer services.

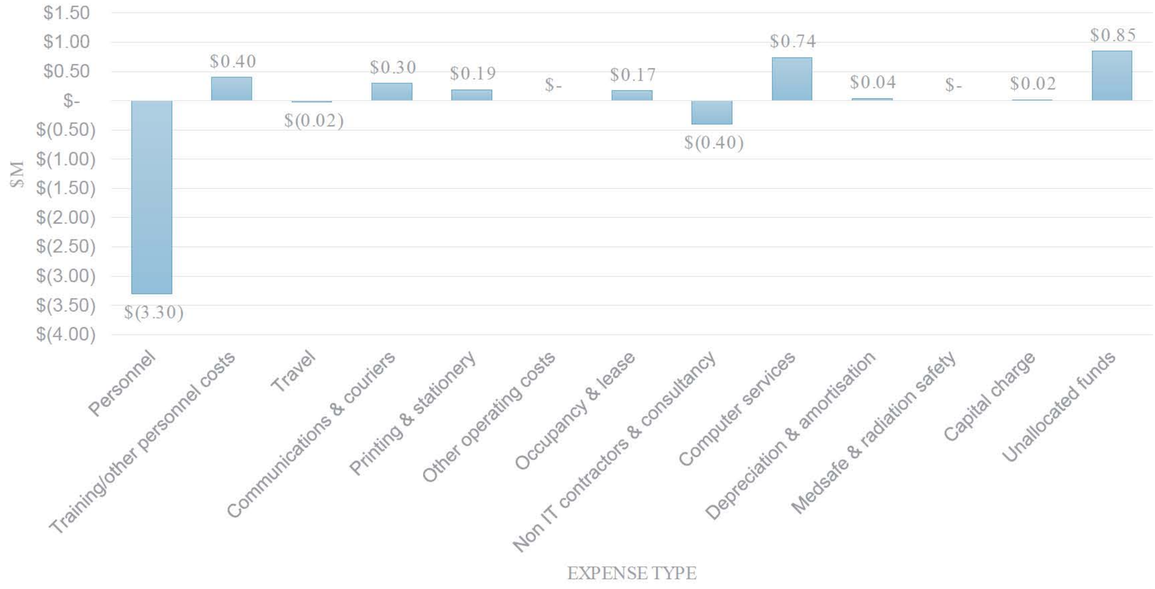
FIGURE 2: YTD ACTUAL vs BUDGET

Full Year Forecast vs Budget Variances

The full year forecast is over budget by $1.0m

The full year forecast is over budget mainly due to personnel $2.9m, contractors and consultants $0.4m offset by underspend across a range of cost areas. An ELT Design Review Group has been established to ensure a robust and transparent decision making process is followed for the appointment of all positions, including contractors. Ongoing prudence and scrutiny by ELT and budget centre managers will be required to ensure we remain within our DE budgets and do not breach our appropriations.

FIGURE 3: FULL YEAR FORECAST vs BUDGET



ORGANISATIONAL HEALTH

As at 31 March the Ministry was recruiting for 54 roles. Based on the current FTE count of 1,092, and assuming the appointments are completed with no turnover, this will result in an FTE count of 1,146. This is within the State Services Commission cap of 1,150 FTE but continues to sit above the Ministry's budgeted FTE count of 1,072.

The "Our Voice" employee experience survey will see staff invited to complete an online survey on 7 May. Along with measuring engagement, the survey will also provide important insights into other aspects of Ministry performance such as strategic direction, leadership, continuous improvement, communications, stakeholder engagement and business processes.

NUMBER OF STAFF

We are currently recruiting for 54 roles as at 31 March. Combining this with our current **FTE of 1,092** will take us to 1,146 FTE if appointed, and turnover is not factored in. The State Services Commission's cap is 1,150 FTE, and the Ministry's budget provides for 1,072 FTE. A recruitment process has been implemented to manage resourcing from early April through to 1 July.

TURNOVER

Between March 2017 and March 2018 we had 269 new starters and 242 leavers. This represents a turnover rate of 15.7% with unplanned turnover at 13.74%.
The **average tenure of our leavers is five years but 21% of the staff who left the Ministry over the last 12 months had completed less than one year of service**.
In addition, 17% of staff who left the Ministry in the last 12 months had completed between 12 and 24 months service.

LEAVE AND ABSENTEEISM

The average number of days sick leave taken by Ministry staff is 8.84 days per annum (previous 12 months: 8.73 days). This is comparable to, but slightly above, the Public Service average of 8.6 days per annum. In March 2018, less staff held leave balances exceeding five days than in March 2017 (2018: 4.6%, 2017: 5.3%).
Our leave liability as at 31 March 2018 was valued at $6,047,415.52 (March 2017: $4,829,243.00). The liability includes outstanding annual, long service, retiring and resigning leave. We are actively working to reduce leave liability costs. (Note: The current total value is higher than last year with more senior staff holding high leave balances).

HEALTH AND SAFETY

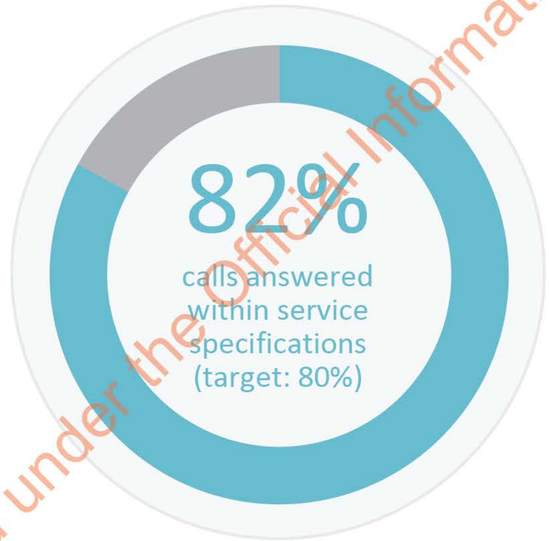
During the period January 2018 – March 2018 there were eight reported incidents of pain and discomfort. These were low level, ergonomic issues that were followed up with desktop assessments and interventions where appropriate. No serious harm incidents were reported for the period.
A 'Principal Advisor, Health & Safety' role has been established and filled within the People & Transformation business unit. The Principal Advisor will work closely with the Group Manager, Operations, and the Health & Safety committees to develop, implement, and champion health and safety outcomes across the Ministry.

SECTOR PAYMENT SERVICES

Sector Operations manages approximately $8.5 billion payments on behalf of the health and disability sector. Since the start of the financial year the team has processed more than 83 million transactions – 4.4 million more transactions than for the same period last year. Sector Operations are in the planning phase of a transformational systems change programme to strengthen the payment services systems and processes.

Audit and Compliance completed two significant investigations during February and March. Based on legal advice, and the Solicitor-General's Prosecution Guidelines, civil recovery is being pursued in relation to one of th cases investigated

100% of **claims** have been paid on time, 99% were processed accurately, 82% **draft agreements** have been prepared for funders within target timeframes, 100% of **agreements** have been prepared accurately



82% of **calls to contact centers** are answered within service specifications for timeliness (20 seconds), 3% are abandoned by callers prior to being answered by the contact centre, 96% of **enquiries** are resolved in under 10 working days

100% of **Health Integrity Line complaints** are evaluated within 10 working days of the complaint being received

[1] Payment services consists of Sector Operations and Audit and Compliance.

We continue to monitor risks across a number of areas including core departmental functions, risks to strategic priorities, risks to major projects and risk to operational and key initiatives. Table 4 provides a summary of the risk to core departmental functions.

TABLE 4: RISKS TO CORE DEPARTMENTAL FUNCTIONS

#	Risk	ELT Risk Owner	Overall Risk Rating (Mar-18)	Key Response
1	**Financial sustainability** The current and predicted financial position of the Ministry and the sector may not be sustainable.	Stephen O'Keefe		• DHB Performance identified as an immediate system issue • Development of DHB Performance Framework • Cost Pressure funding via Government Budget process • Enhanced capital and operating process
2	**Emergency response to health threats** The Ministry may not adequately lead or coordinate the health sector or may lack critical capacity and capability to respond to emerging health threats caused by a natural disaster such as an earthquake or public health event caused by an outbreak of flu, pandemic or water contamination.	Stewart Jessamine	TBC	• All of Government Pandemic Exercise Programme • Civil Defence & Emergency Management Framework
3	**Business continuity** The Ministry and/or sector's systems, processes and people be affected by events preventing critical functions being provided.	Ann-Marie Cavanagh & Stewart Jessamine	TBC	• Business Continuity Plans
4	**Information security** The Ministry and the NZ health and disability sector may not be able to protect and maintain availability of information, which impedes the ability to make informed decisions and maintain public trust.	Ann-Marie Cavanagh		• Information Security Framework • Replacement systems investment roadmap
5	**Service capacity and capability** The Ministry may not be able to meet the demand for current and future services or build and retain sufficient capability and capacity in the sector and the Ministry.	Jill Lane & Stephen Barclay		• People & Workforce Plans
6	**Clinical/Quality standards of care** A decline in clinical/quality standards may not be identified and mitigated on a timely basis due to a lack of early engagement.	Andrew Simpson & Jill Clendon		• Monitoring Intervention Framework
7	**Prioritisation of commissioning decisions** The Ministry may make sub-optimal commissioning decisions resulting in not achieving desired health outcomes.	Jill Lane		• Long-term Commissioning Cycle Plan
8	NEW **Condition of existing sector assets** The existing assets in the health sector may not meet current standards required due to issues such as seismic strength, water tightness, asbestos, unreliable power supply or may not meet demand.	Michael Hundleby	TBC	• National Asset Management Plan under development by December 2019 • Capital Asset Management flagged as an immediate system issue

COMMUNICATIONS

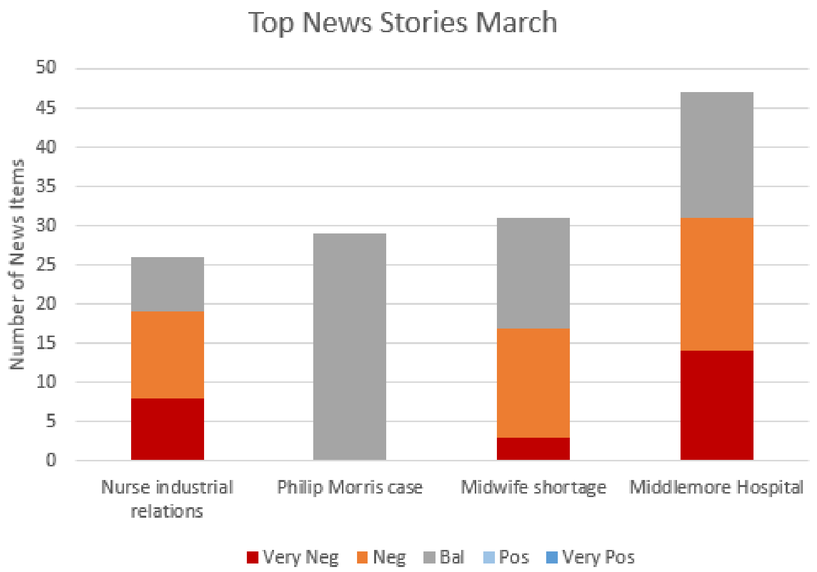
The Ministry's Communications Strategy 2017-2019 launched in 2017 and has seven strategic objectives. The purpose of the strategy is to ensure that a proactive approach to communications is taken while managing the continuous need for sound reputation and issues management advice.

The communications function provides support to drive the delivery of the Ministry's strategic priorities both internally and externally. Reporting for this quarter focuses on performance against five strategic objectives from the strategy and covers the period January to February 2018.

TABLE5: SNAPSHOT OF PROGRESS AGAINST FIVE COMMUNICATIONS OBJECTIVES

PROGRESS AGAINST FIVE STRATEGIC OBJECTIVES	ACTIONS	PROGRESS
Protect and enhance the Ministry's reputation	15 proactive news releases and 117 tweets posted in response to top news stories	3.5% increase in Twitter followers during this period
Guide people to credible health and wellbeing information	1,473,461 visits to the Ministry's website for the period Jan – Mar 2018	10% increase in visitor numbers compared to the same period in 2017. The webpages with the biggest increase in use compared to the previous quarter are HPV, Māori Health Scholarships 2018 , Annual Update of Key Results 2016/17: New Zealand Health Survey, bee and wasp times, spider bites, eligibility for publicly funded health services and Cardiovascular Disease Risk Assessment
Upskill the Ministry to anticipate and manage communications risk	There is ongoing formal media training for staff and media coaching to enable staff to respond to a range of issues that receive media coverage	A total of 22 staff received media training over this period
Build trust with priority stakeholders	A stakeholder prioritisation approach was developed for the seven priority programmes identified	The first external stakeholder session on Primary Care was held during this quarter with further sessions to be rolled out in the next three months
Staff first approach to communication	Over the last quarter, the internal communications team focused on developing, organising and running a number of staff sessions including running a Leaders workshop	Over the last quarter there has been an increase in the number of stories viewed on our internal intranet

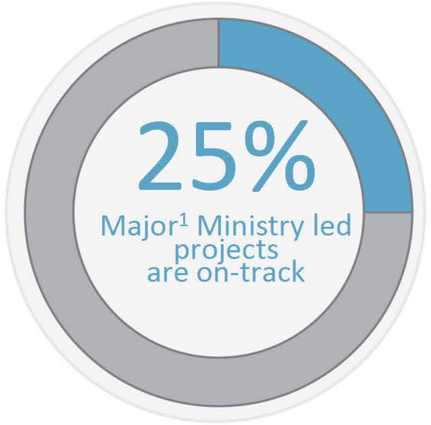
FIGURE 4: TOP NEWS STORIES FOR MARCH 2018



HEALTH OF MINISTRY PROJECTS

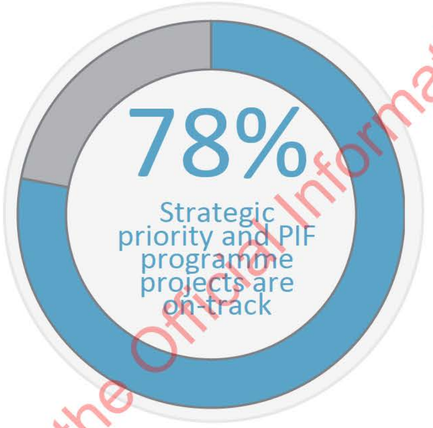
The overall health of the Ministry's projects has deteriorated since quarter two. As shown below, the Greymouth Base Hospital and Integrated Family Health Centre and Business Intelligence and Analytical Toolset Improvement projects each have 'red' overall project assessment ratings.The Portfolio Support and Coordination Office is working with the PIF programme and 4+5 project streams to establish and embed a tailored project management framework focussed on stabilising project management practice.

Further information, about the major Ministry led projects can be found on the following slide, with more detailed reporting on 'other' Ministry projects and strategic and PIF programme projects in Appendix 1.



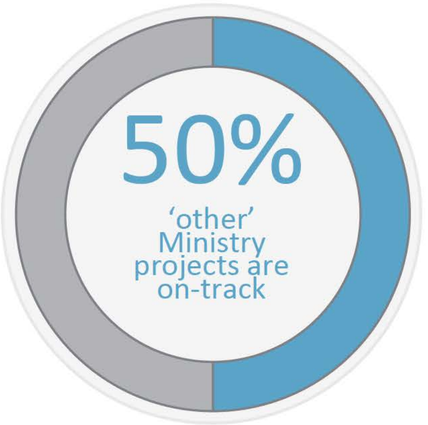
OVERALLPROJECT STATUS

✓	• Christchurch Energy Centre • National Electronic Heath Record
-	• Christchurch Hospital Redevelopment (Outpatients) • Christchurch Hospital Redevelopment (Acute Services Building) • Dunedin Hospital Redevelopment • HPV Screening • National Bowel Screening Programme
!	• Greymouth Base Hospital and Integrated Family Health Centre



OVERALLPROJECT STATUS

✓	• Equity • Child Wellbeing • Primary Care • Mental Health • Drinking Water • Maternity • DHB Performance
-	• PIF Response • Annual Planning, Four Year Plan, Performance Measurement Framework



OVERALLPROJECT STATUS

✓	• Disability support system transformation • Office 365 Email Migration Project • Pay Equity Settlement– Mental Health • Pay Equity Settlement– Care and Support Workers Implementation
-	• FMIS upgrade • Residential Pricing Model • Sector Operations Continuous Improvement Programme
!	• Business Intelligenceand Analytical Toolset Improvement

[1] As defined by Treasury.

STATUS OF MAJOR MINISTRY PROJECTS

Project	Project Sponsor	Position in lifecycle/delivery stage	Project Health Status			Comments
			Overall	Time	Cost	
Greymouth Base Hospital and Integrated Family Heath Centre *Development of new Hospital and Integrated Family Health Centre to replace the existing facility*	Michael Hundleby	In construction	!	!	!	The ability of Fletcher to deliver the project on time and budget with limited leverage over subcontractors due to its announced exit from the market.
Christchurch Hospital Redevelopment (Outpatients) *Co-location of outpatient services from disparate and in some case inadequate accommodation into a new purpose built facility*	Michael Hundleby	In construction	-	✓	✓	Programme delivery with competing demand for workforce.
Christchurch Hospital Redevelopment (Acute Services Building) *Establishment of a new 413 bed acute services building incorporating acute services.*	Michael Hundleby	In construction	-	✓	✓	Programme delivery with competing demand for workforce.
Christchurch Energy Centre *Replace the existing Boiler House for Christchurch Hospital campus due to earthquake damage.*	Michael Hundleby	In design	✓	✓	✓	
Dunedin Hospital Redevelopment *Alternative site options need exploration as the current site is constrained and does not have sufficient space available for a major hospital rebuild.*	John Hazeldine	Detailed Business Case	-	-	-	Delivering a detailed business case by June 2018.
HPV Screening *Implementation of a new approach for cervical screening replacing cytology with a primary HPV test and the development of a new IT solution to replace the current register.*	Jill Lane	Start-up	-	-	-	Implementation is reliant on a successful budget bid and delivery of IT.
National Bowel Screening Programme *National bowel screening for those aged 60-74 aims to reduce the number of people who develop and die from bowel cancer.*	Jill Lane	Implement	-	✓	-	• Funding not being available for DHB operational costs and therefore could not be a rollout (DHB operational costs are subject to annual budget bids). • Delivery of IT in the required timeframe and DHB readiness to implement.
National Electronic Health Record *National electronic health record to connect health information from sector systems, for access by consumers, providers and decision makers. It will support care delivery and decision making for current and future requirements to use health information as a basis for making change to the delivery of Health Care in New Zealand.*	Ann-Marie Cavanagh	Start-up	✓	✓	✓	

[1] As defined by Treasury.

TECHNOLOGY, CORE ANALYTICS AND INSIGHTS

The Ministry both leads and supports the health sector to harness digital and emerging technology. A digitally-enabled sector will transform health care delivery, empowering people to better manage their own health and wellbeing, improving health care for all New Zealanders.

SECTOR TECHNOLOGY

Online Death Certification

The first version of the online service for medical and nurse practitioners to complete medical certificates for cause of death and cremation forms went live 1 March 2018. Future releases in 2018 will provide greater functionality and integration with other systems including the Health Practitioner Index and National Health Index.

Sector (including the Ministry) CyberSecurity incident response plan

The draft plan has been reviewed internally within MOH. It is currently undergoing consultation with identified central government agencies who will be meeting with MOH in May 2018.

National Allied Health Data Standards

Completion and publication of the national Allied Health Data Standards. Initial implementation is currently underway via the Allied Health teams in Canterbury.

MINISTRY TECHNOLOGY

Migration to Infrastructure as a Service (IaaS)

The IaaS Project is on schedule to complete at the end of May. The remaining work involves completing the decommissioning of equipment in Unisys' Auckland and Wellington service centers and the implementation of the new historical archives service solution.

TABLE 7: TECHNOLOGY, CORE ANALYTICS AND INSIGHTS PERFORMANCE SUMMARY Q3 2017/18

ISE MEASURES	2017/18 TARGET	Q1 YTD	Q2 YTD	Q3 YTD	PROGRESS
Percentage of published Tier 1 statistics meet Statistics New Zealand standards within agreed timetable	100%	Not available	100%	100%	✓
Respondent satisfaction with how the Health Survey is conducted is greater than	90%	N/A - annual	N/A - annual	N/A - annual	-
The percentage of time for which key sector- and public-facing systems are available	99%	99.95%	99.76%	99.91	✓
Number of security breach incidents	0%	0%	0%	0%	✓

MINISTRY OF HEALTH
MANATŪ HAUORA

Commissioning

NDE FINANCIAL PERFORMANCE - MARCH YTD

Total YTD March NDE expenses are underspent by $12.59m mainly due to an underspend in ring-fenced Pay Equity $33.93m offsetting overspends in non ring-fenced areas. In particular, demand pressures for Disability Support Services continues to put this area at risk of exceeding budget at year end. Reductions in discretionary spending across other areas is required to address the forecast year end short-fall of $5.2m.

Ministry of Health Total NDE funding

$12.59m Underspent YTD

YTD Budget ($m) $11,972.90
YTD Actuals ($m) $11,960.30

$1.63m Forecasted Underspend

Full Year Budget ($m) $15,975.16
Full Year Forecast ($m) $15,973.52

The current underspend of $12.59m is largely attributable to a $33.93m underspend in Pay Equity, offset by higher non ring-fenced areas including higher demand for Maternity Section 88 services ($5.4m) and Disability Support Services ($12.3m).

Current forecast outturns* have been set against submitted MBU budgets. Some residual risks exist even after allowing for Budget 18 changes, especially in DSS.

Ongoing discipline around discretionary spend towards the end of the year is required with a need for some final adjustments as part of the s 26A process in late May.

Non-Ring Fenced Funding

$14.55m Overspent YTD

YTD Budget ($m) $2,164.27
YTD Actuals ($m) $2,178.82

$23.17m Forecasted Overspend

Full Year Budget ($m) $2,900.94
Full Year Forecast ($m) $2,924.10

Ring Fenced & NDOE Funding

$38.2m Underspent YTD

YTD Budget ($m) $286.30
YTD Actuals ($m) $248.01

$24.8m Forecasted underspend

Full Year Budget ($m) $357.07
Full Year Forecast ($m) $332.27

Ring-Fenced & NDOE funding is currently $38.2m underspent driven by a $33.93m Pay Equity underspend due to the YTD being affected by budget timing differences for payments made to DHB's and is expected to wash out over the next three months.

The full year forecast of $24.8m underspent mainly relates to Pay Equity and reflects forecast volume savings (~$7 m), lower than forecast leave liability wash-ups (~$5 m), and $12.5m for the recovery of 2.2% paid to funders that was advanced earlier in the year.

DHB Funding

$11.15m Overspent YTD

YTD Budget ($m) $9,522.33
YTD Actuals ($m) $9,533.47

$0m Variance Forecasted

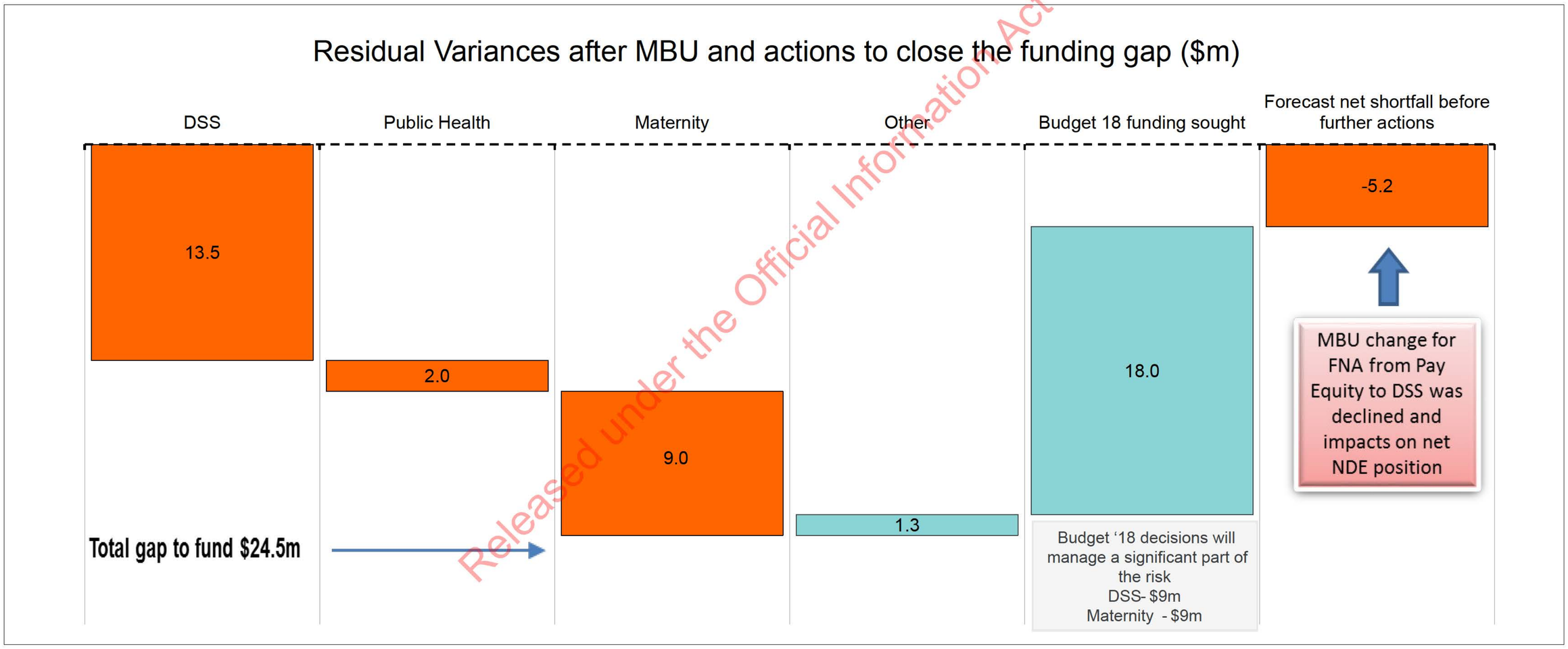
Full Year Budget ($m) $12,717.15
Full Year Forecast ($m) $12,717.15

DHB Funding is currently $11.15m overspent due to payments being made in advance of the phased budget and is expected to break even by year end.

* The forecast outturn assumes that the IPETs sought and agreed in MBU will be fully realised at year end.

Final MBU and budget changes will leave a forecast residual risk at 30 June 18 that needs to be managed.

Ongoing discipline around discretionary spend towards the end of the year is required. Final adjustments will be required as part of the transferring of funds between appropriations (PFA s26A)process in late May.



DISABILITY SUPPORT SERVICES

Continued implementation of the new respite strategy 'Transforming Respite' is underway. Two key documents have been published Whaia te ao Marama– our refreshed Māori Disability Action Plan and the revised Community Residential Strategy.

Significant cost pressures within Disability Support Services (DSS) persist, as do pressures at the hospital bed level under the high and complex frameworks.

KEY HIGHLIGHTS

- Implementation of the new Respite Strategy **Transforming Respite**'. A market analysis has been developed by region. This will be shared with providers in order for them to consider innovative options to meet the diverse needs of families whose full time carer needs a break from their caring responsibilities
- Publication of the refresh of **Whaia te ao Marama** – our Māori Disability Action Plan
- Publication of the revised **Community Residential Strategy**
- Continued work with the **Pay Equity** Implementation team to ensure the successful payment of settlement funds to providers, including working through the complexities of funding people using Individualised funding and the work on annual leave liability
- Assisting the Disability Systems Transformation project team on the **MidCentral 2018 -2020 pilot** cabinet paper

KEY CHALLENGES

- DSS continues to monitor and manage its financial position. **Significant cost pressures** within DSS includes In Between Travel (higher uptake of exceptional travel funding than expected). In addition equipment spend continues to grow due to technological advances and greater numbers (i.e. ageing population)
- Ongoing political and media interest in the **Funded Family Care Scheme**
- Developing short term and long term solutions to **critical 'crisis' care issues arising**
- Work is underway with a small provider testing group to further develop a **nationally consistent residential pricing model** . Using a testing group on a significant piece of pricing work is a new initiative for DSS and it has been challenging to manage expectations
- DSS continues to experience **pressure at hospital bed level** under the high and complex framework. These beds are delivered by five DHBs to care recipients and need to be available for court directed placements. We are working with the DHBs to increase capacity
- Significant activity in the **OIA and Ministerial** s space
- **Maintaining service delivery** in tandem with system redesign under transformation

FOCUS AHEAD

- Seeking agreement for the **DSS 2018-19 Budget contractual spend** (through the SC Funding Board)
- Development of the 2018-2012 **DSS Strategic Plan**
- Working with the SC Funding Board over DSS'2018-2022 **Group Purchasing Plan**
- Continuing **development of flexible service** options under the Respite Strategy
- Implementation of actions under the **Community Residential Strategy**
- Implementation of actions under **Whāia te ao Mārama** and **Faiva Ora** plans
- Progressing work on the **Residential Pricing Model**
- Continuing to manage the pressure under the **High and Complex Framework**
- Focus on **financial forecast** for year end and **options to manage within appropriation**
- Moving **pay equity funding** into contracts for 1 July 2018

DISABILITY SUPPORT SERVICES (CONT.)

TABLE 8: DSS PERFORMANCE SUMMARY Q3 2017/18

ISE MEASURES	2017/18 TARGET	Q1 YTD	Q2 YTD	Q3 YTD	PROGRESS
The percentage of complaints in regards to Disability Support Services (DSS) that receive either a resolution notification or progress update within 20 days of DSS receiving the complaint	95%	100%	100%	100%	✓
All new eligible Disability Support Services clients are assessed within 20 days of referral is equal to or greater than	80%	87%	84%	82%	✓
All new clients assessed as being eligible for Ministry funded support are provided with their support options within 20 days of assessment is equal to or greater than	85%	91%	90%	89%	✓
The percentage of self-directed funding arrangements to improve the person's choice, control and flexibility, within the total client population is greater than or equal to	10%	13%	15%	16%	✓
The percentage of people engaged in early intervention by completing Behaviour Support Treatment Programme to prevent inappropriate behaviour from becoming permanent is greater than or equal to	75%	84%	84%	84%	✓
Percentage of Disability Support Service clients moving from mainstream residential service to community support services increases over time so that the percentage receiving community support services is greater than or equal to	77%	77%	80%	79%	✓
The percentage of equipment available and supplied from the Ministry of Health's standardised equipment list to ensure value for money is greater than or equal to	75%	79%	79%	82%	✓
The percentage of services that have implemented audit/evaluation requirements within the time required by the auditor	90%	N/A – new measure	N/A – new measure	75%[1]	-
Percentage of stakeholders surveyed assess the engagement and content of the DSS external forums (eg Consumer Consortium, Provider Forums etc.) as meeting expectations or above	80%	Not available	85%	85%	✓

PUBLIC HEALTH

The Ministry has supported a number of responses for environmental and borde health and continues to manage a number of localised and national outbreaks c communicable diseases such as mumps and pertussis in the North Island and measles in the South Island.

KEY HIGHLIGHTS

- Supporting the responseby the Auckland Regional Public Health Service and Auckland Airport to the detection of **yellow fever mosquito** at Auckland Airport
- Supporting the Ministry of Primary Industries to respond to the incursion of the ***Culex Sitiens*** **mosquito** (which may vector diseases such as the Ross River virus)
- Working with the Ministry of Education and Sport New Zealand to look at ways of **improving physical activity in schools** and preparing complementary advice **about improving food environments in schools and Early Childhood Centres**
- The **Sit Less, Move More, Sleep Well** physical activity guideline resources for under fives have been prepared for use in Māori settings
- Deploying elements of NZMAT to support the response to **Tropical Cycle Gita** in Tonga
- Supporting a number of responses across the health sector following the widespread impact of **ex-Tropical Cyclone Gita** in New Zealand
- Southern DHB is on track to join the **NBSP** at the end of April 2018 and Counties Manakau DHB in June 2018

KEY CHALLENGES

- The **Independent Assurance Review of the NBSP** announced by the Minister of Health
- **Supporting the Government's response to contamination of groundwater** arising from Defence sites and providing advice and responses at multiple sites
- Providing clinical leadership and advice, communicating, managing and monitoring localised and national outbreaks of **communicable diseases** including monitoring and reporting on increased syphilis cases and providing advice to the public and health sector on prevention of transmission

FOCUS AHEAD

- **Climate change**: the draft **Health Planning Guide** is due to be consulted on with the health sector and local government which will guide and inform the Ministry's climate change work
- **NBSP:** Commencing the discovery and design phase of the National Screening Solution
- **Pandemic Influenza Plans:** work continues with central government agencies to review their pandemic influenza plans via the Inter-Agency Pandemic Group including developing options to respond to the Ministerial Review of Emergency Management

TABLE 9: PUBLIC HEALTH PERFORMANCE SUMMARY Q3 2017/18

ISE MEASURES	2017/18 TARGET	Q1 YTD	Q2 YTD	Q3 YTD	PROGRESS
Maintain emergency management capability and capacity in DHBs	Achieved	Achieved	Achieved	Achieved	✓
Contracted providers for the maintenance of the national reserve supply of pandemic stock deliver milestones, in accordance with contractual requirements	95%	100%	95%	95%	✓
All 11 District Health Boards (DHBs) with a high incidence of rheumatic fever continue to reduce or maintain their rheumatic fever incidence rates from previous year	100%	Off track	Data not available	Data not available[1]	-
The proportion of infants exclusively and fully breastfeeding at six weeks	75%	73%	Data not available	Data not available[1]	-
The proportion of infants exclusively and fully breastfeeding at three months	57%	59%	Data not available	Data not available[1]	-
National Screening Unit National Cervical Screening Programme (NCSP) eligible women to be screened every three years: **The number of women screened within the last three years, as a proportion of the eligible population (women aged 25 - 69 hysterectomy adjusted)**	**80%**	75%	75%	Data not available[1]	-
National Screening Unit Breast Screen Aotearoa (BSA) eligible women to be screened every two years: Women screened within the last two years, as a proportion of the eligible population (women aged 45-69 years)	70%	72%	75%	Data not available[1]	-

[1] Rheumatic fever incidence rates are only able to be reported at the end of the financial year due to timing of the information from DHBs. The data for breastfeeding is not available at the time of reporting as there is a six month lag in availability. Data for the national screening programme will only be available at the end of April 2018.

PRIMARY CARE

Work continues to progress the review into primary health care and planning for implementing new primary care health initiatives to be announced by the Minister of Health as part of Budget 18.

KEY HIGHLIGHTS

- Preparing for the upcoming national **rural health conference** in April to present on the **Mobility Action Programme** (MAP) to implement community based, evidence informed multi-disciplinary care for people with musculoskeletal conditions

KEY CHALLENGES

- The deadline for responding to discovery questions from claimants of the **Wai2575 Kaupapa inquiry** into health services and outcomes (primary care phase one) is the end of April 2018 and significant resource is required to meet the deadline
- Risks have been identified and flagged with the Minister relating to the implementation of the proposed primary care initiatives being sought through Budget 18. These relate to how the market may respond to the funding changes for the Very Low Cost Access scheme and to price pressures

FOCUS AHEAD

- Work continues to support the **primary care health review** including planning for implementing the new primary care initiatives from 1 October 2018
- Preparation for the upcoming **National Rural Health Conference** to be held from in April

TABLE: 10 PRIMARY CARE PERFORMANCE SUMMARY Q3 2017/18

ISE MEASURES	TARGET 2017/18	Q1 YTD	Q2 YTD	Q3 YTD	PROGRESS
Access to affordable primary health care services The number of high needs patients in Very Low Cost Access (VLCA) practices	785,000	791,807	794,810	800,340	✓
Access to affordable primary health care services: The percentage of New Zealand children who receive free access to Under 13 services during day time and after hours	98%	98%	99%	99% D/T 97% A/H	✓
Access to affordable primary health care services The number of patients receiving a long term conditions (LTC) service in pharmacies nationally	133,638	131,316	132,748	TBC[1]	-
Access to affordable primary health care services :Rural retention and locum support	Achieved	Achieved	Achieved	Achieved	✓

NON-DEVOLVED PERSONAL HEALTH SERVICES

Non-devolved personal health services refers to health services where the Ministry of Health enters into contracts with health providers to deliver a particular service to ensure that people are supported with the identification, treatment and management of personal health conditions. The focus for this reporting period relates to performance in the areas of long term conditions and national electives initiative discharges, bariatric surgery discharges, the delivery of contracted orthopaedic and general surgery initiatives, and mobile surgical services.

How long term conditions are managed directly impacts acute demand. The majority of the key performance indicators for electives initiative discharges are on track, however, there are challenges relating to performance in the orthopaedic and general surgery initiatives as DHBs are struggling to balance competing demands on resources and capacity which are impacting on wait time expectations.

KEY HIGHLIGHTS

- **Mobile surgical services, national electives discharges and bariatric surgery discharges** are on track to achieve national contracted volumes and annual professional development requirements

KEY CHALLENGES

- Working with DHBs to manage **elective waiting time expectations** where DHBs are struggling to meet contracted volumes for orthopaedic and general surgery initiative due to demands on resources and capacity
- Collectively long term conditions represent 88% of NZ's disease burden and 81% of those facing the end of life in 2018 would benefit from palliative care and with a growing and aging population, managing and supporting people with long term conditions requires ongoing focus, prioritisation and effort to manage the impact on acute demand

FOCUS AHEAD

- The Ministry will work in partnership with a sector working group to give thought to a refreshed approach to **supporting patient access to elective care** and will consider policy, performance and funding frameworks and strengthening the ability of DHBs to provide improved access, timeliness and quality care for patients
- Progressing the **Living Well with Diabetes strategy**
- Scoping work related to Pharmac's introduction of new **Hepatitis C medication**
- **FAST campaign** for stroke detection and management
- Progress against the **Palliative Care Action Plan** and application for shortfall funding while building a case for a future budget bid
- Developing an approach to longer term management of **Acute Demand** including the publication of 10 tips for Acute Demand and the Acute Demand Toolkit
- Building relationships through attending **national GP conferences** to increase visibility in the sector

NON-DEVOLVED PERSONAL HEALTH SERVICES (CONT.)

TABLE11: NON-DEVOLVED PERSONAL HEALTH SERVICES PERFORMANCE SUMMARY Q3 2017/18

ISEMEASURES	2017/18 TARGET	Q1 YTD	Q2 YTD	Q3 YTD	PROGRESS
Percent of enrolled infants (0-12 months) who receive all core WCTO contacts	85%	77%	Data not available	73%	-
Percentage of the population delivered B4SCs	90%	21%	54%	78%[1]	-
DHBs achieve contracted Orthopaedic and General Surgery Initiative volumes	100%	On track	On track	Off track	!
[Mobility Action Programme] Programmes achieve targeted outcomes	100%	On track	On track	On track	✓
Total Electives Initiative Discharges	47,744	On track	On track	On track	✓
All 20 DHBs deliver the total volume of bariatric surgery procedures required	20	On track	On track	On track	✓
All 20 DHBs deliver quality initiatives that support improved access and timeliness of elective services	20	On track	On track	On track	✓
Mobile Surgical Services achieved contracted volumes	100%	On track	On track	On track	✓
Mobile Surgical Services deliver rural health professional development according to contractual requirements	100%	On track	On track	On track	✓

ISEMEASURES	2017/18 TARGET	Q1 YTD	Q2 YTD	Q3 YTD	PROGRESS
Women giving birth in the year who receive primary maternity services through the section 88 Primary Maternity Services Notice: Percentage of women registered within the first trimester	73%	74%	73%	Data not available[2]	-
Women giving birth in the year who receive primary maternity services through the section 88 Primary Maternity Services Notice: Total percentage of women	93%	91%	92%	Data not available[2]	-
Women giving birth in the year who receive primary maternity services through the section 88 Primary Maternity Services Notice: Total number of women based on birth data for the year	55,000	13,348	Data not available	Data not available[2]	-

On-track to meet year end targets. Current shortfall is due to timing.

MINISTRY OF HEALTH
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Sector Performance

TABLE 12: DHB SECTOR AGGREGATE FINANCIAL PERFORMANCE YTD FEBRUARY[1]

	Year to Date February 2018				Previous Year to Date	Full Year
	Actual	Budget	*Variance*		Actual	Budget
	$M	$M	*$M*	*%*	$M	$M
TOTAL REVENUE	**10,774**	**10,753**	**20**	**0.2%**	**10,294**	**16,136**
Total Personnel Costs	(4,199)	(4,193)	(7)	(0.2%)	(4,005)	(6,352)
Outsourced Services	(339)	(335)	(4)	(1.1%)	(302)	(503)
Clinical Supplies	(969)	(929)	(40)	(4.3%)	(900)	(1,407)
Infrastructure/Other Supplies	(993)	(977)	(15)	(1.6%)	(942)	(1,459)
Total Operating Costs	(6,500)	(6,434)	(66)	(1.0%)	(6,149)	(9,722)
Total Payments to Other Providers	(4,347)	(4,365)	18	0.4%	(4,157)	(6,558)
TOTAL EXPENDITURE	**(10,847)**	**(10,799)**	**(48)**	**(0.4%)**	**(10,306)**	**(16,280)**
NET RESULT	**(73)**	**(46)**	**(27)**	**(59.5%)**	**(12)**	**(144)**
Average Accrued FTEs year to date	**64,192**	**64,613**	**421**	**0.7%**	**62,226**	**64,891**

DHB net financial results for the year to date 28 February 2018 show a sector wide unfavourable variance to budget of $27 million. This is made up of unfavourable variances in outsourced personnel costs, outsourced services costs, clinical supplies costs and infrastructure costs. These are offset by favourable variances in revenue and personnel costs and payments to other providers.

Accrued FTEs are 421 below budget, the funds have been applied to outsourced personnel. However, YTD FTEs are 1,966 higher compared to the previous year as at 28 February 2017.

The Ministry continues to closely monitor DHBs with unfavourable financial results and/or unfavourable trends and is working with them to improve financial performance.

Update on DHB Deficits

Based on current financial performance, the overall DHB's sector financial forecast deficit is assessed to increase to approximately $209 million by 30 June 2018. In addition, the new nurses MECA settlement proposal could, if accepted, also impact on DHBs' financial results with an additional $16 million proposed to be incurred in 2017/18 further increasing the forecast for 2017/18 to a sector deficit of $225 million.

[1] March financial was not available at the time of reporting.

TABLE 13: DHB FINANCIAL PERFORMANCE YTD FEBRUARY

District Health Board	Year To Date Result 2017/18	Unfavourable/ favorable to budget - February 2018	Variance from previous month	2017/18 Plan Approved	Budgeted Result 2017/18 *	Forecast YE Result as at February 2018
Auckland	$12.711	($0.596)	$0.292	Yes	Breakeven	Breakeven
Bay of Plenty	($4.567)	($3.275)	($0.611)	Yes	($2.739)	($8.870)
Canterbury	($25.739)	($2.757)	($1.845)	No	($53.644)	($58.582)
Capital & Coast	($11.248)	$1.911	$1.665	No	($21.000)	($21.000)
Counties Manukau	($8.581)	$0.454	($0.154)	No	($20.013)	($20.042)
Hawke's Bay	($2.717)	($1.688)	($0.252)	Yes	$1.500	($0.653)
Hutt Valley	($3.985)	($1.497)	($0.645)	Yes	($2.103)	($5.619)
Lakes	($0.942)	($0.043)	($0.731)	Yes	($3.751)	($3.751)
MidCentral	($3.410)	($2.021)	($0.273)	Yes	($3.796)	($5.374)
Nelson Marlborough	$1.0170	($1.259)	$0.049	Yes	$3.500	$2.500
Northland	($1.916)	($0.552)	$0.952	Yes	($8.403)	($7.075)
South Canterbury	$0.327	$0.354	($0.045)	Yes	$0.011	$0.011
Southern	($9.710)	($4.919)	($0.520)	No	($14.000)	($17.484)
Tairawhiti	($3.104)	($3.751)	($0.425)	No	Breakeven	($5.505)
Taranaki	($4.065)	($3.254)	($0.976)	Yes	($2.000)	($5.890)
Waikato	($3.783)	($2.214)	($1.338)	No	($10.000)	($21.800)
Wairarapa	($2.805)	($1.044)	($0.162)	Yes	($3.159)	($4.902)
Waitemata	($1.991)	($0.556)	$0.202	Yes	Breakeven	Breakeven
West Coast	($1.252)	($0.093)	($0.082)	Yes	($2.041)	($2.844)
Whanganui	($1.379)	($0.520)	($0.253)	Yes	($1.899)	($2.599)
Total	($73.156)	($27.284)	($5.152)		($143.538)	($189.478M)

Five DHBs achieved a breakeven (under $0.2 million unfavourable to budget) or better result to budget as at 28 February 2018.

Key drivers for some DHB's deteriorating forecast are due to higher than budgeted costs for outsourced personnel, outsourced clinical services, clinical supplies and infrastructure costs. These are predominately driven by higher than expected demand

The Ministry continues to work with DHBs to improve their financial performance.

DHB System Performance information can be found in Appendix 2.

[1] March financial was not available at the time of reporting.

HEALTH OF MAJOR SECTOR PROJECTS

As shown below the National Oracle Solution project continues to have a 'red' project health status. The Portfolio Support and Coordination Office are providing additional monitoring and oversight of the project as it readies for the initial Wave 1 deployment in July 2018.

Project	Project Sponsor	Lifecycle/ delivery stage	Project Health Status			Comments
			Overall	Time	Cost	
Buller Integrated Family Health Centre *Design and development of a new family centre*	Michael Hundleby	Initiate	✓	✓	✓	
Nelson Hospital *Investment in service and facility redesign at the Nelson Hospital site.*	Cathy O'Malley	Pre-project	-	-	-	
Christchurch Hospital Redevelopment (Parkside)	Michael Hundleby	Initiate	-	-	-	
Respond to metal health concerns at an earlier stage (Earlier Mental Health Response)	Jill Lane	Initiate				Ongoing attention is required regarding call volumes and continued implementation of one component of the service, the Expert Advice Line. Work is underway to integrate EAL into the Education setting.
Extend intensive alcohol and drug support for pregnant women *The Pregnancy and parenting support service (PPS) is an intensive assertive outreach case coordination service for parents of children under three years old and pregnant women who are experiencing problems with alcohol and other drugs, and are poorly connected to health and social services.*	Jill Lane	Implement	-	-	✓	Pregnancy and parenting services have been established at all three pilot sites and all services are seeing clients. The pilot DHBs, along with Waitemata DHB's PPS service (on which the pilot was based), will attend a workshop in May to share early experiences of the services and work collectively to enhance the services.
Health services for Syrian refugees *Provision of a range of services in DHBs of settlement*	Jill Lane	Implement	✓	✓	✓	-
Healthy Homes Initiatives for vulnerable children *To reduce household crowding and household transmission of strep throat bacteria*	Jill Lane	Implement	✓	✓	✓	-
National Oracle Solution (NoS) *NOS is a sector-designed, single Oracle system that will replace the finance, procurement and supply chain systems of all 20 DHBs.*	Megan Main (NZHP)	Implement	!	!	!	In late 2017 NZ Health Partnerships was advised that Cabinet approval was required to use the additional funding approved by DHBs as part of a change control process. To inform Cabinet's decision, the Ministry of Health is leading an independent review of the NOS programme. With the review ongoing the programme's health status is red.
E Space *This will deliver the Midland clinical portal (MCP) creating one, consistent and accurate view of patient and clinical information for all Midland DHBs.*	Maureen Chrystal	Implement	✓	✓	✓	The Governance Board for eSPACE has accepted a Ministry recommendation to: (a) adopt the eSPACE Programme business case documentation as a strategic description of the IT outcomes sought by the Midland Region, and (b) reposition the eSPACE Programme as a series of projects for "agile" delivery in accordance with established approval processes for project business cases in the health ecosystem. Treasury has been consulted and agrees with the recommendation offered by the Ministry. eSPACE, as a Major Project, will be removed from the major projects reporting process.
Northern Region Datacentre and Telephony as a Service (DTaaS) *DTaaS will evaluate, then where relevant, migrate the region to All of Government IaaS and TaaS services..*	Wayne Pohe	In Design	-	-	-	Time - IaaS regional business case approval is critical path, additional approval steps required being quantified to confirm timeline impact and steps to address.Note - programme name has changed from DCaaS to DTaaS with the inclusion of additional TaaS towers in a planned secondary procurement process.

[1] As defined by Treasury for GPP reporting purposes.

HEALTH WORKFORCE NEW ZEALAND

Health Workforce New Zealand (HWNZ) has been focusing on developing relationships internally within the Ministry. The HWNZ Group Manager is now a member of the governance groups for Primary Care, Maternity and Mental Health. This means that workforce issues and planning are better considered within Ministry strategic priorities.

KEY HIGHLIGHTS

- Health Reports recommending **Paramedic and Chinese Medicine** regulation and **Evaluation** of **midwifery** first year of practice programme provided to Minister
- HWNZ is now **on governance groups** for **Primary Care, Maternity and Mental Health**
- Working group involving HWNZ, the Midwifery Council, NZCOM and DHBs established to co-design an educational support programme for **Australian graduate midwives** working in New Zealand
- **Needs based workforce planning,** first prototype developed (primary care)

KEY CHALLENGES

- **HWNZ resourcing** to meet its obligations under its terms of reference (DE)
- **NDE funding** to address immediate vulnerable workforce pressures
- **CTA database no longer fit for purpose**, risks loss of DHB HWNZ workforce data and the confidence of the sector, reporting is unwieldy
- Registrations for **Voluntary Bonding Scheme**(hard to staff and professions) exceed available resources (particularly for nursing and midwifery)

FOCUS AHEAD

- Health report on **Medical Vocational Pipeline into primary care** (entry, exit, retention, distribution).
- Review of **GP training** programme administration
- **Midwifery** co-design of educational support programme
- Developing terms of reference for consultation on **rural health workforce development**
- Hosting **International Workforce conference** , and sector workshops (vocational pipeline, retention)
- **Finalising Vocational (Innovation) Fund** and next steps

TABLE14: HEALTH WORKFORCE PERFORMANCE SUMMARY

Initiative	Status
National Health and Disability Workforce Plan (strategy)	Partially on track
Vulnerable Workforce Initiatives	Partially on track
Improving rural attraction, retention, distribution of health practitioners	Partially on track
Mental Health and Addiction Workforce	Largely on track
Primary Care Innovation and Development	Partially on track
Sector Engagement and relationships	Partially on track
Development of investment model (innovation fund)	Largely on track
Data forecasting for supply and demand	Largely on track
Workforce development and training initiatives implemented ($185 million per annum)	Largely on track

HEALTH WORKFORCE NEW ZEALAND (CONT.)

TABLE12: HEALTH WORKFORCE PERFORMANCE SUMMARY Q3 2017/18

ISE MEASURES	2017/18 BUDGET STANDARD	Q1 (YTD)	Q2 (YTD)	Q3 (YTD)	PROGRESS
MEDICINE WORKFORCE					
The number of first year general practitioner trainees supported by the Ministry of Health funding is equal to or greater than	180	185	185	185	✓
Percentage of vocationally registered general practitioners trained in New Zealand with support from Ministry of Health funding who are still practising in New Zealand after two years is equal to greater than	80%	92%	92%	92%	✓
Percentage of vocationally registered general practitioners trained in New Zealand with support from Ministry of Health funding who are still practising in New Zealand after five years is equal to greater than	80%	78%	78%	78%	-
The number of training units for vocational registrars (excluding general practitioners) supported by Ministry of Health funding is equal to or greater than	1,206	1,206	1,206	1,206	✓
Percentage of vocationally registered specialist doctors (excluding general practitioners) trained in New Zealand with support from Ministry of Health funding who are still practising in New Zealand after two years is equal to or greater than	70%	82%	82%	82%	✓
Percentage of vocationally registered specialist doctors (excluding general practitioners) trained in New Zealand with support from Ministry of Health funding who are still practising in New Zealand after five years is equal to or greater than	80%	80%	80%	80%	✓
The number of post-graduate year one trainees supported by Ministry of Health funding is equal to or greater than	490	490	490	490	✓
Percentage of post-graduate year one trainees trained in New Zealand with support from Ministry of Health funding who were still practising in New Zealand after two years is equal to or greater than	90%	91%	91%	91%	✓
Percentage of post-graduate year one trainees trained in New Zealand with support from Ministry of Health funding who were still practising in New Zealand after five years is equal to or greater than	85%	90%	90%	90%	✓

ISE MEASURES	2017/18 BUDGET STANDARD	Q1 (YTD)	Q2 (YTD)	Q3 (YTD)	PROGRESS
NURSING WORKFORCE					
The number of Nursing Entry to Practice (NETP) trainees supported by Ministry of Health funding is equal to or greater than	1,135	1,131	1,131	1,131	✓
The number of New Entry to Specialty Practice (NESP) nurse trainees supported by Ministry of Health funding is equal to or greater than	163	158	158	158	✓
MIDWIFERY WORKFORCE					
The number of midwifery first year of practice trainees supported by Ministry of Health funding is equal to or greater than	161	N/a	161	161	✓
MENTAL HEALTH WORKFORCE					
Percentage of workers supported by the Ministry of Health development funding who achieve a mental health and addiction specific qualification	100%	N/A	100%	100%	✓
DISABILITY SUPPORT WORKERS					
Percentage of disability support workers supported by the Ministry of Health development funding who achieved competency at NZQA qualification levels	100%	N/A	100%	100%	✓
MĀORI AND PACIFIC MULTI-DISCIPLINARY WORKFORCE					
Percentage of eligible Māori workforce accessing support provided by the Ministry of Health who successfully complete their training programme	100%	N/a - annual	N/a - annual	N/a – annual	-
Percentage of eligible Pacific workforce accessing support provided by the Ministry of Health who successfully complete their training programme	100%	N/a - annual	N/a - annual	N/a – annual	-
VOLUNTARY BONDING SCHEME (VBS)					
People are being retained in the scheme: The percentage of registrants who applied for payment in the previous year who applied for payment in the current academic year, where this is allowable under the terms of the scheme	75%	70%	76%	76%	✓

MINISTRY OF HEALTH
MANATŪ HAUORA

Appendix 1

HEALTH OF MINISTRY STRATEGIC PRIORITIES AND PIF PROGRAMME

Project	Project Sponsor	Lifecycle/ delivery stage	Project Health Status			Comments
			Overall	Time	Cost	
PiF response *Establishing a work programme of continuous improvement to respond to the 2017 PiF review*	Hamiora Bowkett	Start-up	-	-	-	Two key challenges are impacting the overall project health. The first is enabling the Ministry to keep pace with ,and buy-into, the proposed work programme. Secondly it is resourcing the current project phase- scoping and planning–to prepare a clear and detailed work programme.
Annual Planning , Four Year Plan, Performance Management Framework – Workstream 3 *This workstream incorporates the Four Year Plan, Annual Planning (including the Ministry's Output Plan), and the Ministry's Performance Management Framework*	Stephen O'Keefe / Hamiora Bowkett	Initiate	-	-	✓	The overall status of the work stream is amber due to key processes commencing later than originally intended (e.g. Annual Planning, development of strategic architecture etc.) and delays in embedding the resources needed to support the work programme. These delays have now compressed the projects timeline. Adjustments to the projects schedule have been made and successful delivery of the project is currently feasible.
Equity	Alison Thom	Start up	✓	✓	-	SRO is now in place. Initial planning and start up meetings undertaken. Funding yet to be definec
Child Wellbeing	Steph Roberts	Start up	✓	✓	!	SRO is now in place. Discussions held with recently appointed design authority members. Initial planning and function of design authority being established. Urgent project/ travel funding required to support establishment.
Primary Care	Jill Lane	Initiate	✓	✓	-	SRO is now in place. Project structures in place, external engagement well underway. Funding for initial work streams identified and being sought.
Mental Health	John Crawshaw	Start up	✓	✓	-	SRO is now in place. Scope, governance and programme of work being planned.
Drinking Water	Stewart Jessamine	Start up	✓	✓	!	SRO is now in place. Required funding for implementation is not yet secured.
Maternity	TBA	Start up	✓	✓	-	SRO yet to be identified.
DHB Performance	TBA	Start up	✓	✓	-	SRO yet to be identified

HEALTH OF 'OTHER' MINISTRY PROJECTS

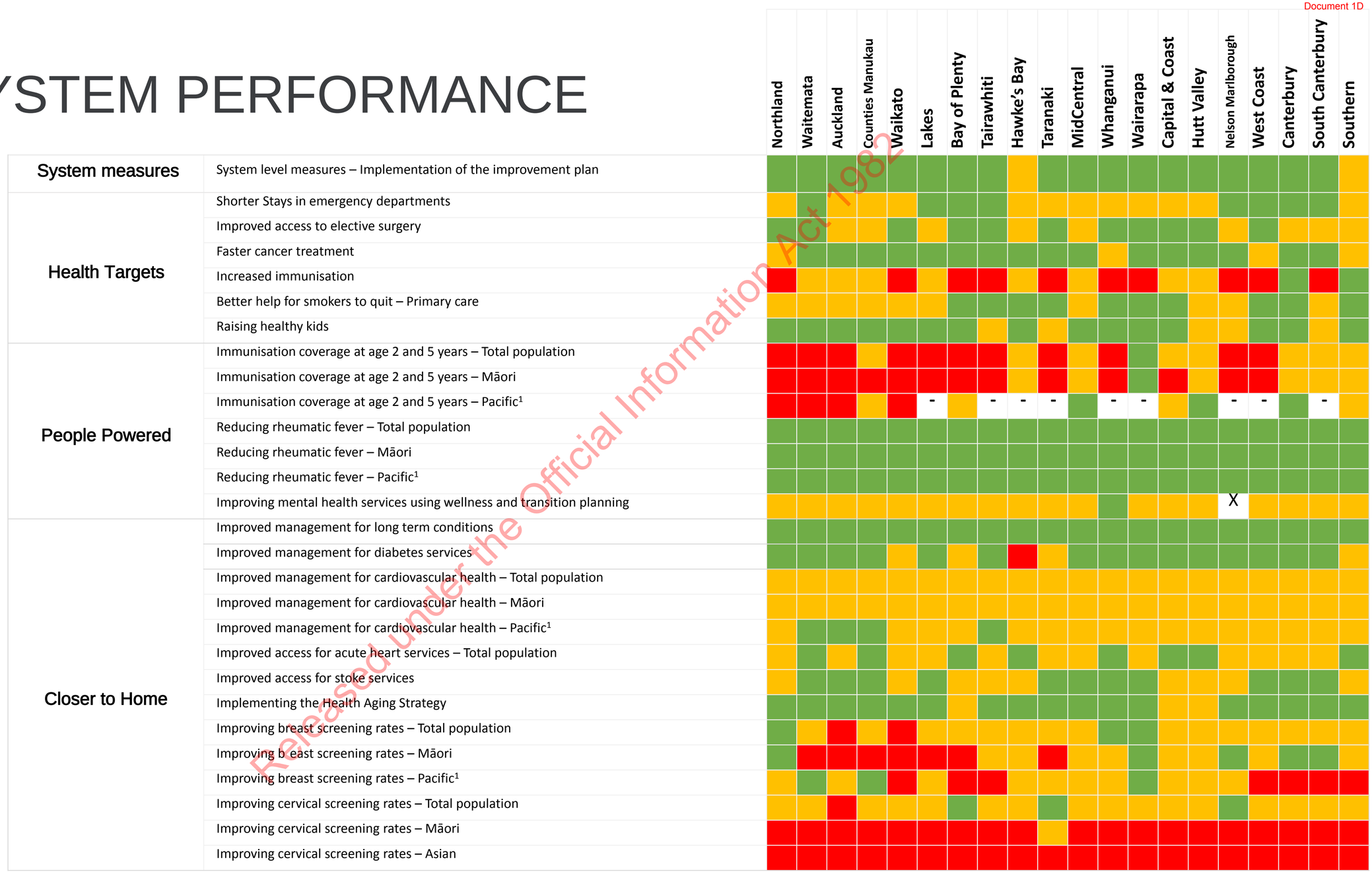
This is the first time these select 'other' projects have been reported as part of the quarterly performance report. This now allows a baseline to continue to report against and understand the delivery confidence trend of these projects.

Project	Project Sponsor	Lifecycle/ delivery stage	Project Health Status			Comments
			Overall	Time	Cost	
Business Intelligence and Analytical Toolset Improvement *Implementation of QlikSense.*	Ann-Marie Cavanagh	Build/Installs	!	-	-	Delay of 14 days to the QlikSense software installations on the Ministry (Rivera) servers. The application does the certificate creation and validation, the certificate is being created but the application cannot do the validation. A structured process of elimination trying combinations of access permissions/rules /environments and log monitoring will continue to find the root cause . Impact of delay on budget.
Disability support system transformation *Detailed co-design and implementation of a prototype Disability Support System based on the Enabling Good Lives vision and principles to be rolled out in the MidCentral District Health Board region from 1 October 2018.*	Jill Lane	Implementation	✓	✓	✓	On 9 April 2018, Cabinet agreed to rollout the prototype. We are now moving into a detailed implementation phase including establishing a cross-MoH project team to test and support operational details.
FMIS Upgrade *Upgrade of FMIS system and implementation of Adaptive Insights our new Budgeting, Forecasting and Reporting tool.*	Fergus Welsh	Delivery	-	-	✓	ERP go-live has been delayed due to data migration and integration issues. The new go live has now been moved to July to avoid financial year end and to allow for a major point release of the cloud software to be bought into scope. Adaptive Insights has been decoupled from ERP go live and will be used for FY18/19 budgeting from April.
Office 365 Email Migration Project *This project is the first phase of migrating from the Ministry's Lotus Notes platform.*	Stephen Barclay	Manage	✓	-	✓	The Lotus Notes Email Migration Project has completed its scoping and design stages and is completing its pre-implementation stage activities. An indicative business case has now been approved with an indicative financial investment of $1.16M approved and recruitment of a Senior Technical Project Manager completed. The next step will be to undertake detailed implementation planning.
Pay Equity Settlement - Mental Health Settlement Negotiations	Stephen Barclay	In design	✓	✓	✓	It remains likely that agreement on a settlement to the mental health legal claim will be reached in coming weeks (subject to Cabinet approval and the ratification processes). Agreement in principle has been reached on a number of points and the parties are working through the drafting process
Pay Equity Settlement - Care and Support Workers Implementation *Implementing the 2017 pay equity settlement to be phased in over 5 years.*	Jill Lane	Implementation	✓	✓	-	Cost in out years is off track based on current operating model. However, an automated process is being developed to bring costs down. Complexity & scale of the work are significant challenges especially with mental health care and support workers being included in the work programme.
Residential Pricing Model *The Ministry intends to move to a single, more consistent and transparent pricing model for funding residential services. The model will build in existing sleepover settlement and pay equity obligations.*	Jill Lane	Manage	-	-	-	We are openly consulting and have shared the model with the sector through a NZDSN Testing group. The Group continues to raise concern around the model recognising full cost of service an lack of an explicit margin. We are modelling their feedback testing the cost implications
Sector Operations Continuous Improvement Programme *This project is a four year programme of work that will implement improvements across the Sector Operations systems and processes.*	Bradley Young	Delivery (Y1) Planning (Y2)	-	-	-	Trajectory to initiate work streams for the first financial year delivery has been slower than planned so this will see some delivery continue into FY18/19

MINISTRY OF HEALTH
MANATŪ HAUORA

Appendix 2

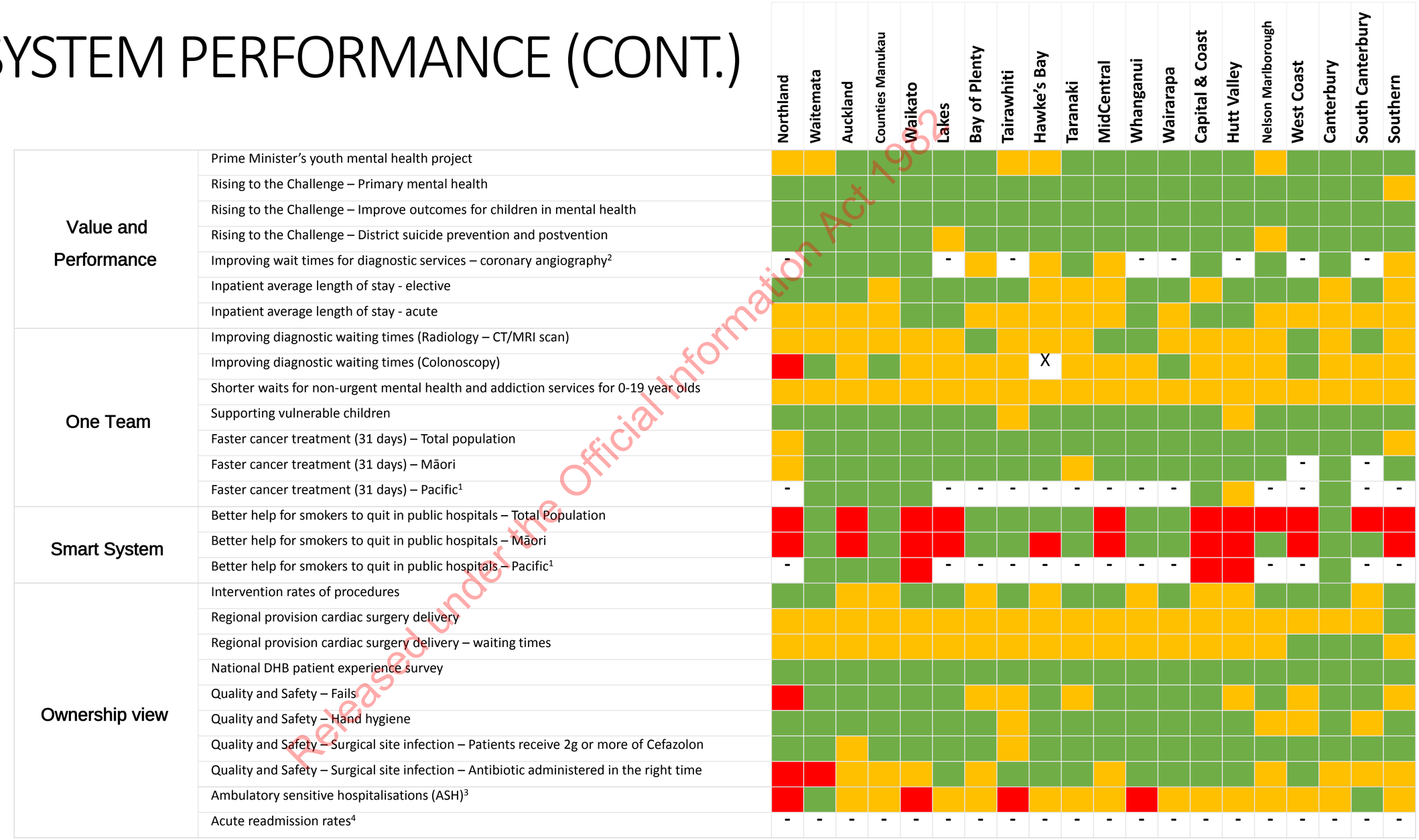
DHB SYSTEM PERFORMANCE



Key	
On track	
Partially on track	
Not on track	
Not reported	-
Not applicable	X

[1] Coronary angiography services are provided by 12 DHBs

DHB SYSTEM PERFORMANCE (CONT.)



[1] Coronary angiography services are provided by 12 DHBs [2]Rating are not applicable due to low population numbers [3]ASH are presented as time period trend in this quarter and 'traffic light' indicators are not applied

[4]Acute readmission rates are presented as time period trend in this quarter and 'traffic light' indicators are not applied.

MINISTRY'S GOVERNMENT HEALTH PRIORITIES STATUS AS @ 1 JUNE 2018

RAG Status Key

✓	Things are going well	!	Things are not going well we need support to resolve challenges
-	Things could be better, we are managing challenges		No rating provided or N/A

Government Health Priorities		Overall Key Messages	Progress Status					RAG Commentary
			Scope	Time	Cost	People	Risk	
Equity	ELT Lead & SRO: Alison Thom	• Strategic planning has been completed to guide the first phase of the programme. • We are working with data and analytical teams across the Ministry. We have identified initial data and information goals to clarify the current state. This will be a critical starting point to understanding the equity gap at a national and regional level. This will help prioritise areas for action. • The programme has taken a strong collaborative approach and through engagements with key stakeholders, there is broad support for the strategic framework and areas for action in the equity work programme. • Planning is underway to engage with Ministers and DHBs to discuss equity priorities. • The broad timeframes have been developed in phases. The initial phase to June includes consolidating the building blocks that will support a sustained approach to equity. • Securing resources and expertise to manage and implement the programme and provide quality equity health data and information remains an urgent priority.	✓	✓	-	!	TBD	Note no change this week. People: Consolidate resources for a successful work programme
Child Wellbeing	ELT Lead: Todd Krieble SRO: Stephnie Roberts	• Meeting of 28 May discussed a second draft of the Terms of Reference (TOR) which will be sent out for further consideration by Friday 8 June, and discussed the key communication messages • Work is underway on two of the first deliverables – a stocktake of current activity across the MoH to enable the Design Authority to provide the incoming DG with advice regarding prioritisation; and a narrative setting out the role and responsibilities of the Health Sector in regard to child wellbeing / infant, child and youth health and development	-	-	-	-	TBD	People: Resourcing issues are impacting on the overall status of the priority.
Mental Health and addiction	ELT Lead: Stewart Jessamine SRO: Dr John Crawshaw	• John Crawshaw is in the process of setting up the governance structure which includes cross-agency leadership as well as confirming the health programme of work. • John is working with Ron Dunham (DHB CE rep) to set up the Health Sector Leadership Group and continues to engage with external stakeholders about the make-up of this group. • The Ministry is working on its submission to the Inquiry into Mental Health and Addiction • MoH submission to the Inquiry into Mental Health and Addiction finalised and submitted.	-	✓	-	!	TBD	Scope: Working through with internal governance group to clearly define scope of the programme and how existing and new work will be included. Cost: Cost is dependent on scope. People: There is limited allocated resource to the programme and we are juggling the demands of setting up the programme while responding to urgent tasks. Finalising our submission to the Inquiry has been delayed due to resource issues.
Primary Health Care	ELT Lead: Jill Lane SROs (across multiple programme's): Clare Perry, Keriana Brooking, Caroline Flora, Ana Bidois	**Implementation of Budget 2018 Primary Health Care new initiatives (SRO: Clare Perry)** • Fortnightly Governance Group meetings and weekly cross-Ministry implementation team meetings are in place. • ELT has approved key resources (IT Business Analyst, T P oject Manager, Programme Manager extension). • The Minister attended the PSAAP meeting 30 May to discuss the review of the health and disability sector. Risks / Issues: • The NDE to negotiate package with sector could be tight.	✓	-	✓	✓	TBD	Time: Tight timeframes for negotiations and IT changes to support the policies. Cost: DE for implementation secured. NDE to negotiate package with sector could be tight.
		Proposed Primary Health Care Review (SRO: Keriana Brooking/Caroline Flora) • The Government has signalled that a review of the health system will be undertaken from July 2018 with an interim report in July 2019, and a final report in January 2020. • Draft Terms of reference are being developed and will be put to Cabinet, along with the appointments of the panel members in July. • The review will be chaired by Heather Simpson and it is expected that the panel will be small (5-6) with relevant reference groups set up in support (e.g. primary health care). • The review will prioritise primary health care as the Minister has stated that the review will prioritise discussion about PHC due to its ability to make a difference for achieving equity.					TBD	RAG status N/A at this stage

		Wai2575 (Stage 1 Inquiry into Primary Health Care) (SRO: Ana Bidois) • The Waitangi Tribunal's Kaupapa Inquiry into Health Services and Outcomes is proceeding with stage one, which is focused on primary care. • The Ministry will work with DHBs on the Crown's response to Wai2575. • The Ministry is undertaking foundational work to inform the Crown evidence that needs to be filed by 30 August 2018. Risks/issues: • Managing our collegial relationship with our sector partners (DHBs) to ensure the Crowns response is an accurate account of Māori health and primary care. • The Crown's evidence and the narrative produced by the Ministry and DHBs is contradictory.	✓	✓	-	-	TBD	Cost: The team is seeking central DE/NDE budget for this work in 2018/19 People: The Ministry is finalising the staffing approach for Stage 1 of the Inquiry.

STATUS THE MINISTRY'S IMMEDIATE SYSTEM PRIORITIES AS @ 1 JUNE 2018

Immediate System Priorities		Overall Key Messages	Progress Status					RAG Commentary
			Scope	Time	Cost	People	Risk	
Electives	ELT Lead & SRO: Jill Lane	• Positive engagement with Sector Advisory Group • Work programme to be delivered during first half of 2018/19, with key workstreams led by Ministry, DHBs or other sector stakeholders • New health target to be announced by December 18, with implementation from Jan 19 . Immediate transition steps for 2018/19 at risk, with decision from Minister unlikely within necessary timeframe. Escalated via DG for decision.	✓	!	✓	-	TBD	Time: Relates to decisions required for 2018/19 Electives Funding Advice. People: sufficient for current activity phase, however dedicated programme management required to manage next phase of development. Wider team resource contribution to be confirmed following workshop and workstream meeting in June.
Drinking water regulation	ELT Leads & SROs: Stewart Jessamine/Todd Krible	• Amendment Bill has been updated ready to lodge on 7 June to go to LEG on 14 June. • Work programme is being reshaped to better delineate between adjustments to (and management of) the current drinking water regulatory regime, vs the design and build of a future DW regulatory regime. • Health report on the DWAC advice re urgent and immediate changes to the DWSNZ is progressing through Public Health for the DG to review	-	-	-	-	TBD	Scope: Scope has been widened from the initial HNI response to include public health impacts on drinking water from source to consumer and emergency response. The work programme to include this wider scope is being worked through in the next few weeks. Time: Due to the complexity of the system, the need to engage with a wide range of stakeholders, and the depth of research and policy work that needs to be completed, it is likely that the Cabinet Paper will be moved from August to October. This to be confirmed and agreed with the Minister if this change is required. Cost: The Budget Bid for this work did not proceed. ELT is considering reprioritisation funding. People: As the work programme is reshaped, we are also looking at the capacity and capability needed to complete the work. A report on this will be provided to Tier 2 in June. In addition, the current Project Manager (Veronika Munro) has resigned - last day on the project will be Wednesday 13 June. We will be seeking approval to appoint a new Project support person. To be discussed with Steering Group on Wednesday 13 June.
Improving DHB performance	ELT Lead & SRO: Jill Lane	• Work on the priority workstream supporting the development of robust 2018/19 annual plans, is progressing with June workshops with DHBs nearly all arranged and performance analysis and insights work to inform the discussion being checked with the working group before being sent to DHBs Key issues • Co-ordination with 2x DHB CE groups takes time due to limited availability	-	-	-	-	TBD	Scope: Wider programme scope is established. Individual workstream scoping is still in progress for some workstreams. Time: Priority workstream is on schedule. Slow progress on other workstreams due to project teams still being established and external co-ordination requirements. Cost: External support not yet fully identified, need project management support, ELT have been advised. People: Identifying and securing appropriate resources for the programme is underway.

Maternity	ELT Lead & SRO: Jill Lane	• The immediate action plan is progressing to the timelines of the 2018 budget. • The programme has been established and is working towards a stakeholder engagement workshop with the sector on 4 July; to further develop the vision, outcomes and key outcome measures.	✓	-	-	✓	TBD	
Capital asset management	ELT Lead & SRO: Michael Hundleby	• High level planning is progressing. • Programme will need a high level of resource and without commitment to this the plan cannot be delivered. • The current Ministry structure would fit new roles in at tier 5 or below. This has made it very difficult in the past to offer attractive salaries or seniority to people with skill in the capital/asset management /health planning.					TBD	NOT SUBMITTED Email update provided noting resource paper has been sent to ELT seeking capital resourcing.

The Ministry of Health's Response to the Performance Improvement Framework Review

MINISTRY OF HEALTH
MANATŪ HAUORA

OUR GOALS

Stabilise the Ministry by improving the performance of our core business

Align work programmes to the Government's priorities and work constructively with the sector

Provide a foundation for the incoming Director-General of Health to develop a future-focused system

The Ministry has taken stock of the performance challenges facing the organisation and has identified the following key response areas. This overview accompanies a detailed report on our response to the PIF Review, and we continue to develop the next level of planning and prioritisation of this work.

Sustainable Health System and Performance Story

As system steward, the Ministry plays a key role in ensuring the performance and sustainability of the sector. The Ministry is reviewing how sector performance is measured, where system pressures are, and how we can best plan for the future.

- DHB performance is a key focus area, as we look to take a more active role in supporting DHBs and developing a DHB performance framework. We are also defining what good looks like for the Ministry through re-establishing Output Plans and improving the annual planning process.
- We have established a Stewardship and System Performance Working Group to test current system settings and to consider how to lift system performance through a medium-term strategic policy agenda. We are also continuing to develop the Digital Health Strategy, which sets out a plan and timeline to move us towards a digitally-enabled health and disability system.
- The Ministerial Advisory Group is developing a programme of work to consider system-level changes that could make the system fairer, more equitable and more sustainable. In order to achieve more coordinated, sustainable health care, we will be further developing the use of digital services to support clinical workflows through the care continuum.

Governance, Leadership and Stewardship & Relationships and Ways of Working

The Ministry is clarifying its leadership role, with a focus on becoming a more active system steward and using our performance levers more effectively to guide the sector. We are also committed to working more collaboratively and constructively, both internally and with our sector partners.

- We are applying a portfolio approach to our strategic initiatives and improving performance monitoring of our core functions while also taking initial steps to strengthen our stewardship role and support DHB performance. We are also testing an engagement model with the sector to deliver on Government's priorities and respond to system issues.
- We will continue to develop the tools to support a more active stewardship role and will embed project disciplines across the Ministry. We will also embed new ways of working, both internally and externally.
- Taking a more active stewardship role includes developing our regulatory stewardship and supporting system capability and performance through improved induction, performance development and implementation support.

Analytics, Insights and Voice of the Customer

The Ministry needs to develop the Ministry's analytical capability and to use customer insights to inform decision-making.

- We will leverage a cross-functional, virtual team to provide analytical support for delivering on the Government's priorities. We are also introducing the voice of our customers into the delivery of the Government's priorities by working with people who have interacted with the system to incorporate the user experience into our responses.
- We are also rolling out tools to support business intelligence, easier access to data and improved analytics.
- Growing capability and producing reusable products and models will be a key focus of the ongoing work programme for analytics and insights.

Culture and Capability

Having the right organisational culture, values and behaviours is essential for the Ministry to deliver against the other areas identified in the PIF and to effectively lead the sector. The People Plan was approved by the Executive Leadership Team in October 2017 and is being progressed.

- We have refreshed a plan of activities for our organisational behaviours to support a shift in culture. We will also run an engagement survey in May 2018.
- A Leadership Framework has been developed, which identifies the type of leadership required to enable success. This includes development interventions, starting with a Development Programme ready for implementation.
- Following the quick wins, we will continue to execute our People Plan to develop our leadership, culture, capabilities and people excellence.

Systems and Processes

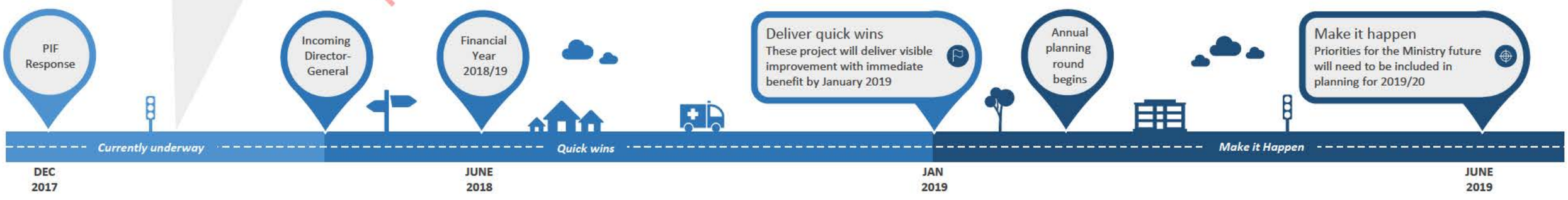
The PIF Review highlights the need to upgrade the Ministry's legacy systems and processes to support more efficient operations.

- The Financial Management System is currently being upgraded, and we have focused on improving our core function performance.
- To support long-term sustainability, we will review our critical systems and develop a Long Term Investment Plan and Information System Strategic Plan.
- Fit-for-purpose, well-functioning technology and digital architecture is a crucial enabler for our ability to steward and our analytical capability, and is needed to create a more sustainable, high-performing and digitally-enabled health system.

Clarity, Execution and Measurement of our Strategy

The Ministry intends to take a more active role in implementing strategy and defining what is expected of the sector. We have articulated the outcomes sought as system shifts, which include better health maintenance; targeted investment; lower acuity in the system; greater equity; and sustainability.

- The Ministry has started engaging with the Ministry Advisory Group, building an Outcomes and Tracking Framework to measure our impact on the system shifts.
- We are also commencing work to address the Government's priorities in a systematic way and in collaboration with the sector and partner agencies.
- Our longer-term focus will be on developing an execution plan and prioritising how we will implement strategy moving forward.



Section 4: Key Response Area Work Packages

Performance Improvement Framework Review:

Ministry of Health response

Work Package for Governance, Leadership and Stewardship & Relationships and Ways of Working

Governance, Leadership and Stewardship
Relationships and Ways of working

Currently Underway
(Action we are taking now)

Establish Portfolio Approach:
- Identify key priorities to guide our portfolio approach
- Identify Senior Responsible Owners for each project
- Identify urgent projects and quick wins
- Assess and prioritise for inclusion in the broader portfolio of work packages
- Consolidate work programmes under key initiatives to establish the portfolio
- Plan for long-term strategic change and advancing key priorities such as primary care and mental health

Improve Performance Monitoring:
- Establish monthly performance reporting for Ministry core functions
- Investigate new health targets
- Review current ways we measure DHB performance
- Continue development of preliminary DHB framework with DHBs

Clarify Stewardship Role:
- Identify stewardship levers
- Create guiding principles for how the Ministry will utilise the stewardship levers and engage with the sector
- Design System Levers Framework and dashboard to analyse how successfully we are using stewardship levers in different areas

Support System Performance:
- Establish Health System Stewardship Project, including Ministry Stewardship and System Performance Working Group, to critique system settings and optimise performance
- Establish DHB Performance Working Group to stabilise performance and respond to existing pressures

Quick Wins
(Within 6 Months)

Set up Portfolio, Programme and Project Governance:
- Establish Investment Board
- Establish Programme Governance Boards for priority areas
- Establish standard processes, reporting approaches and stage gates

Develop and Utilise Stewardship Role:
- Articulate stewardship levers and incentives within key areas, e.g. health targets regime
- Develop our Stewardship Dashboard across key areas of focus (Funding, Structure, Commissioning, Policy and Regulation)
- Develop medium-term stewardship capability, including basis for a medium-term strategic policy agenda (led by Ministry stewardship and system performance working group)

New Ways of Working:
Pilot cross- functional way of working in two areas:
- Virtual analytics team
- Delivery of the Government's priorities

Based on testing sector engagement model:
- Develop optimal sector engagement model/approach
- Define the Ministry's engagement framework and approach

Make it Happen
(Within 12 Months)

Develop Regulatory Stewardship Role:
- Build on existing regulatory stocktake
- Develop a Regulatory Strategy
- Develop a mechanism to closely monitor key issues as they arise, e.g. water safety
- Continue response to Havelock North Drinking-Water Inquiry

Strengthen Support for System Capability and Performance:
- Provide better induction and performance development support
- Deploy national clinical 'champions' to promote best practice and innovation and support national system-level targets
- Establish an improvement function to work closely with the sector to evaluate and disseminate best practice to other parts of the system in order to strengthen support for developing capabilities in the sector

Improve Sector Relationships:
- Develop targeted engagement programmes led by designated 'Stakeholder Owners' in the Ministry
- Develop targeted engagement plan for non-DHB Crown Entities
- Develop standard view of engagement behaviours and performance expectations
- Develop/acquire a common survey tool for stakeholder engagement and collate the data for analysis

Monitor Performance:
- Track the KPIs and performance of individual business units as they execute their improvement initiatives
- Track the Portfolio and progress of initiatives as the work packages are executed

Excellence Horizon
(Beyond 12 months)

Build Collaboration Capabilities:
- Develop a collaboration handbook for service design and commissioning
- Introduce 'three voices' (expert, clients, service owners) fundamentals
- Define policy around sector partnership design, including when to deploy
- Set up a collaborative governance model with feedback loops on design decisions taken by the Ministry and the sector

Improve Communication Channels:
- Deliver better web content through fewer channels
- Leverage mobile/smartphone channels more effectively
- Tailor e-mails and general communications
- Run integrated communications campaigns (using Customer Relationship Management system)

Encourage Online Collaboration:
- Establish a fully-featured portal, including two-way collaboration, social media management and bulletin boards
- Leverage live-streaming and other services for active collaboration
- Start to use crowd-sourcing

Measure Engagement Performance:
- Measure the effectiveness of engagement activity as part of a robust performance measurement system

Work Package for Governance, Leadership and Stewardship & Relationships and Ways of Working

Governance, Leadership and Stewardship
Relationships and Ways of working

Currently Underway
(Action we are taking now)

Test New Sector Engagement Model:
- Establish working groups for strategic initiatives and engaging with DHB leadership
- Agree high level engagement model with DHB leadership
- Test best ways of working

Identify Residual Policy Gaps and Work Packages for Areas Outside Government Priorities and Current Immediate System Issues:
- Identify other focus areas of Ministry work (e.g. Aged Care, Obesity, Medicinal Cannabis, Car-T cell therapy)
- Clarify problem definitions
- Clarify outcomes and intervention logic
- Identify status of work (e.g. defined, funded) and next steps for prioritisation

Quick Wins
(Within 6 Months)

Establish Systematic Approach to Implementation and Governance:
- Identify a Senior Responsible Owner for key capabilities (people, process, technology and information)
- Establish a Ministry Design Authority with the mandate to set the right balance across these four dimensions as they come up for review
- Include the Design Authority in the formal PMO governance and sign-off paths (e.g. at key stage gates)
- Guide the project delivery and implementation journey

Collaborate with Other Government Agencies:
- Identify opportunities for collaboration with other agencies (particularly around Government priorities)
- Consider other interagency collaboration models
- Assess where we collaborate well with our partners and design a process for how to engage
- Identify key relationship managers

Conduct Communication Stocktake:
- Identify the most common and frequent channels of communications
- Build an inventory of external facing websites/e-mailed notices, reports or other electronic communications
- Create a common stakeholder taxonomy and classification scheme
- Identify how many Customer Relationship Management systems/customer or contract databases there are

Make it Happen
(Within 12 Months)

Improve Coordination of Communications:
- Reduce duplicative channels/double-ups or conflicts around communications
- Identify an 'owner' for each stakeholder group inside the Ministry
- Consolidate electronic channels by collapsing Websites and/or emailed notices and reports
- Ensure sector engagement activities are planned and effective, outward-focused and open, and collaborative in the way that we go about our work

Assemble a Sector-Facing Portfolio View:
- Set up a sector-facing PMO dashboard that summarises what the Ministry and Government collectively ask of the sector
- Collate national initiatives and plans into a cohesive sector-facing picture
- Identify issues or areas that warrant reconciliation (e.g. alignment with Long Term Investment Plans, Four Year Plan alignment, alignment with strategic system shifts)

Embed Portfolio, Programme and Project Management Maturity Model (P3M3) Disciplines:
Link PMO governance to other management functions:
- Annual Budgeting and Planning processes
- Asset Management Plans
- Long Term Investment Plans
- Four Year Plan
- Strategy Implementation
- Government Priorities
- DHB Funding and Performance Management

Excellence Horizon
(Beyond 12 months)

DRAFT

Work Package for Analytics, Insights and the Voice of the Customer

Document 1F Part Three

Analytics, Insights and the Voice of the Customer

Currently Underway
(Action we are taking now)

Phase One of QlikSense Installation:
- Gather requirements
- Design security framework
- Provision hardware
- Deliver training

Develop Analytics Vision:
- Consult on business demands
- Consider sector needs and capabilities
- Draft analytics vision
- Consider implications on how we organise and carry out our analytics functions
- Business Intelligence (BI) tools consolidation project
- BI Data Warehouse project

Undertake Initial Population-Based Analytics and Modelling for the Sector:
- Develop a statistical model that simulates health service cost and health loss to demonstrate likely trajectory for health outcomes and spending
- Run simulations to test the impact of different scenarios (e.g. interventions, epidemiological trends)
- Use outputs to compare outcomes and spending for different population groups

Establish Virtual Analytics Team:
- Establish a virtual analytics team
- Test new ways of integrating analytics in work on Improving Equity, Child Wellbeing and DHB Performance

Quick Wins
(Within 6 Months)

Phase Two of QlikSense User Delivery:
- Roll out wider application
- Onboard and train business users

Implement Virtual Analytics Team and Incorporate Voice of the Customer to Respond to Government Priorities:
- Pool data assets that pertain to Government priorities
- Prioritise data/analytics gaps
- Provide available insights to priority work streams
- Include user experience to inform delivery of Government priorities

Build on Virtual Analytics Team to develop an Insights Centre of Excellence:
- Review lessons learnt from virtual analytics team
- Define ideal model/approach for data analytics and associated reporting
- Define SLAs and service delivery model
- Acquire talent/co-source/build the necessary capabilities

Assess Analytics Baseline:
- Complete KPI inventory and stocktake
- Survey BI systems landscape
- Collate an analytics model inventory

Conduct an Information Management Maturity Assessment:
- Use the All of Government/DIA Information Management Maturity Assessment tool (or consider other approaches, e.g. seeking support from Statistics New Zealand) to identify and prioritise gaps

Develop Data Insights Strategy:
- Commence work on developing data strategy with the sector that ensures we capture both Ministry and sector data
- Review Chief Data Steward role

Make it Happen
(Within 12 Months)

Develop a Statistical Model for Vote Health:
Define model purpose, (e.g. 'Value of Vote Health to NZ'):
- Define the macro-determinants of Health-Model overall NZ Inc./societal benefits of health
- Model overall costs of health
- Create a Health Economical Investment Model
- Support trade-off calculations (e.g. investment in Justice vs. Health)

Continue to Develop Capabilities in Population Based Analytics and Modelling:
- Integrate with cost pressure model being developed in Finance
- Develop/acquire an epidemiological forecast model
- Build/acquire a demand forecasting model that can model commissioning choices
- Build/acquire a value-based management model to model DHB performance
- Align model metrics to agreed tracking KPIs and socialise with sector

Extend Analytics Vision and Data Insights Strategy:
- Define best practice, preferred platforms/tools and processes for the sector
- Based on the appropriate steward lever, disseminate this information and incentives adoption of preferred products and process

Improve Knowledge Management and Collaboration:
Develop a Knowledge Management Strategy:
- Content management
- Document management
- Web content
- Knowledge Champions
- SME and collaboration cultures

Excellence Horizon
(Beyond 12 months)

Automate Information Management:
- Automate KPI reporting with Extract, Transform, Load Tools throughout the information supply chain (e.g. Patient Flow or Health Target tracking)
- Automate Master Data Management and data administration around chances in reference data and/or the information supply chain
- Deploy new finance tool (Adaptive Insights) to support

Build Insights Capability:
- Create an Analytics Community of Interest with peer review and governance
- Tune, test and validate models to ensure they are fit-for-purpose
- Embed the models into forecasting processes
- Re-calibrate as necessary (e.g. every 3-6 months or following changes)

Build Voice of the Customer Capability:
- Implement insights from Centre of Excellence operating principles
- Prioritise customer segments and business needs
- Collate available segment data (on target architecture)
- Build 360 view(s) to support Relationship Managers
- Iteratively refine and extend, based on priorities

Work Package for Analytics, Insights and the Voice of the Customer

Analytics, Insights and the Voice of the Customer

Currently Underway
(Action we are taking now)

Quick Wins
(Within 6 Months)

Improve Sector Reporting:
- Agree financial tracking taxonomy and flows
- Define Ministry's role and approach
- Establish sector data governance
- Define sector/DHB KPIs (collaboratively)
- Collate missing KPIs and remediate data quality issues where necessary
- Agree systems of record ('source of truth')

Improve Ministry Performance Reporting:
- Review All of Government Enterprise Support Services Model and KPIs
- Define Ministry internal performance KPIs
- Collate missing KPIs and remediate data quality issues where necessary
- Set up Ministry (internal) data governance
- Agree systems of record ('source of truth')

Make it Happen
(Within 12 Months)

Improve National Collections:
- Review and assess NHI and HPI issues and design upgrade path for remediation
- Review National Collections and define upgrade paths and remediation activities in line with Government priorities and sector priorities
- Introduce a common middleware layer and Application Programming Interfaces for external access

Establish Social Balance Sheet Analysis:
- Agree scope for intermediaries and third parties (from customer taxonomy)
- Agree length of 'lifetime' value (health economics and planning horizon)
- Identify available data assets (e.g. SIDU, OpenData Hub, etc.)
- Review available models (e.g. Oranga Tamariki, MSD and ACC actuarial models)
- Define and prioritise health problem statements
- Refine/adjust/collaborate on models

Design and Develop Analytics Models for Commissioning:
- Demand forecasting
- Commissioning scenarios
- Workforce planning
- Model companies for DHB, PHOs, Aged Care and other key sector entities

Enhance Performance Dashboards:
- Bolster data governance, in particular data ownership and stewardship
- Publish revised and/or newly defined KPIs as they come on-stream
- Publish metadata on data quality and create incentives to improve

Excellence Horizon
(Beyond 12 months)

National Analytics Approach/Playbook:
- Develop and implement a whole-of-system data collection strategy with our sector partners
- Potential priorities include:
  - Health System cost pressure model(s)
  - Health System demand forecasting model(s)
  - Strategy/Financial Performance Measures
  - Social Investment modelling
  - Patient Flow/360

Evidence-Based Practice:
- Build a joined-up knowledge base of evidence
- Introduce stage-gates and review processes for advice
- Refine the models to test advice/run simulations (e.g. commissioning scenarios)
- Encourage managers and leaders to 'follow the facts'

Work Package for Systems and Processes

Systems and Processes

Currently Underway
(Action we are taking now)

Regular reporting to ELT on Ministry's Core Functions:
- Continue to refine report contents

Financial Systems Upgrade:
- Upgrade Financial Management Information System to an Oracle Cloud solution
- Install new planning and budgeting tool (Adaptive Insights)

Output Plan and Annual Planning Process:
- Develop Ministry's strategic architecture and prioritisation framework to inform annual planning and budgeting
- Conduct workshops with senior leadership teams to apply the tools
- Develop Business Unit annual plans and budgets, reflecting prioritised allocation of resources
- Develop Ministry Annual Plan, Budget and Output Plan
- Develop performance reporting framework and artefacts to track progress against plans

Address Issues with Official Correspondence:
- Establish taskforce to address backlog of ministerial correspondence following change of government
- Revise Official Information Act response performance and processes

Quick Wins
(Within 6 Months)

Establish Portfolio Management Team:
- Set up a portfolio management team with supporting tools and expertise across benefit management, risk and issues, resourcing, scheduling, governance and change
- Develop/acquire a portfolio tracking, reporting and management framework

Review Critical Systems in preparation for Long Term Investment Plan and Information System Strategic Plan:
- National Oracle Solution (NOS); National Payments Systems; National Health Index/National Provider Identifier and National Collections; Screening Platforms; Maternity (System, Processes and Pay); National Pricing Model
- Payroll/Holiday Act/Pay Equity Settlements and Wage Rounds/Negotiations
- Hospital re-builds/remediation

Governance of Customer Information:
- Consolidate (where applicable) the Customer Relationship Management systems/customer or contact databases
- Agree the 'system of record' for each stakeholder type and cluster
- Appoint the stakeholder 'owner' as data steward for respective contact lists

Budgeting, Planning and Forecasting Cycle:
Develop a robust process for the budgeting cycle with clear deadlines and owners for:
- Four Year Plan
- Ministry Annual Plan, Budget and Output Plan
- DHB Annual Plans

Make it Happen
(Within 12 Months)

Develop Ministry Information System Strategic Plan and IT Service Model:
- Complete an ICT Risk Assessment
- Ensure technology matches user needs and is financially sustainable
- Improve (Ministry and national) system investment and governance
- Develop prioritised investment roadmap for Ministry systems, including automating manual process within Sector Ops and National Collections

Plan for System Builds and Upgrades:
- Investigate enhancements to system integration and health identity services, changes to Application Programming Interface models and fit-for-purpose Customer Relationship Management systems
- Consider investment in fit-for-purpose interoperability and integration capability to support analytics through Business Intelligence (BI) tools and combine datasets into BI Data Warehouse
- Upgrade the Ministry to Office 365 to increase mobility and collaboration
- Develop strategy for modernising the Ministry's internal technology

Optimise Organisation and Operations:
- Review 2015 optimal organisational/operating design
- Test against PIF recommendations
- Develop L2/L3 process models to develop model using All of Government best practice
- Develop processes for inter-business unit collaboration (e.g. budgeting processes)
- Streamline process flows for frequent/high-value sector interactions
- Implement new Digital governance boards

Continual Improvement:
- Continue incremental improvement disciplines
- Establish continual improvement capability, using an agile approach to iteratively improve

Excellence Horizon
(Beyond 12 months)

Link PMO Governance to other Management Functions:
- Annual Budgeting and Planning processes, Asset Management Plans, Long Term Investment Plans, Four Year Plan, Government Priorities, DHB Funding and Performance Management

Automate Budgeting Planning and Forecasting:
- Introduce 'drill-through' financial management, accounting and controlling
- Automate links between provider and Ministry of Health systems
- Develop a collaborative workflow for sector-wide planning with DHBs

Facilitate Development of DHB/Regional Information System Strategic Plans:
- Define target state and guidance on standards and expectations for DHBs
- Support consideration of regional demands and pressures
- Ensure alignment of DHB/regional Information System Strategic Plans with Digital Health Strategy and Digital Health sector investment guidance

Upgrade Customer/Stakeholder Systems and Support:
- Introduce an enterprise-wide Customer Relationship Management system
- Build a 360-View of customers and corresponding data mart/warehouse
- Build descriptive and predictive customer models (including actuarial forecasts)
- Review sector data collection mechanisms to consolidate and automate where practical
- Standardise and automate performance reporting dashboards

Continual Improvement:
- Continue planning/implementing system builds and upgrades
- Continue incremental improvement disciplines

DRAFT

Work Package for Culture and Capability

Document 1F Part Three

Culture and Capability

Currently Underway
(Action we are taking now)

People Plan Implementation:
- People Plan, endorsed by ELT in August 2017, implementation of prioritised programmes

Great Leadership:
- **Development Programme** ("Growing our Leaders" – SSC aligned) – finalising content, develop comms plan, timing for rollout to be confirmed
- **Leadership Framework** – confirm budget and prioritise programmes
- **Succession planning** – first cut succession plans developed and Ministry Career Board Charter drafted, waiting for approval

Engaging Culture:
- **Behaviours** – plan refresh, update Leaders on refresh of plan and responsibilities (at Leaders Forum 17 April)
- **Engagement survey** – plan, comms planning, toolkit development
- **Responsiveness to Māori** – identify Te Reo provider

Right Capability:
- **Induction programme refresh** – quick wins delivered (including Moh@wk updates)
- **Admin review** – report with options delivered
- **Performance and Remuneration Frameworks** – drafted, waiting for approval
- **LearningSpace** - upgrade to commence
- **LearnOnline review** – confirmation of ownership and finalise draft plan
- **"Sector Approach" to Leadership and Talent Management development** (SSC) – finalise draft approach for further discussion with DHB GM HRs

People Excellence:
- **CPM Analytics Tool** testing
- **People Technologies Roadmap** – consultation and feedback
- **Tier 0 (self service)** – completion of updates to Moh@wk people pages
- **Recruitment process review** – report with recommendations completed

Quick Wins
(Within 6 Months)

Great Leadership:
- **Development Programme** – roll out commencing at Tier 3, development plans in place for all Tier 3s
- **Leadership Framework** – identify providers, develop content for "Collective Leadership", relationship management training, Manager basics designed
- **Succession planning** –Ministry Career Board to discuss first cut succession plans, key roles and key people at other layers, and link to development programme (individual development plans), "4 Square" discussion

Engaging Culture:
- **Behaviours** – integrate into Insight Out and induction, develop recognition framework
- **Diversity and Inclusion** (SSC aligned) – update plan with Diversity as recommendations, update gender pay plan
- **Responsiveness to Māori** – implementation of Te Reo workshop
- **Engagement survey** – run survey (7-18 May), review results (and "PIF measures") and action planning commencement

Right Capability:
- **Induction programme** – implement e-learning modules, review onboarding and exit processes
- **Admin review** – commence implementation of preferred option
- **Performance and Remuneration Frameworks** – consultation and implementation
- **LearningSpace** - upgrade completed
- **LearnOnline** - plan implementation
- **"Sector Approach" to Leadership and Talent Management development** – commence plan implementation
- **Workforce planning** – develop approach
- **Mentoring programme** – design
- **L+D Strategy** – development
- **Career Pathways** – design and collateral

People Excellence:
- **CPM Analytics Tool** – dashboards and reporting built
- **People Technologies Roadmap** – needs analysis
- **Recruitment process review** – implementation of improvements

Make it Happen
(Within 12 Months)

Great Leadership:
- **Leadership Framework** – ongoing programmes, story telling, design thinking workshops, Manager basics rolled out, peer learning groups programme underway
- **Development programme** - Tier 3s complete assessments (subject to budget), development plans updated, roll out to Tier 4's
- **Ministry Talent Management Maturity Development plan** (based on SSC model) - integration of talent management expectations in Exec performance expectations from 1 July 2018 (shared objectives)
- **Succession planning** - Ministry Career Board meetings - quarterly

Engaging Culture:
- **Behaviours** – update plan with actions from Engagement survey results, Design and write the **Behaviour explorer** (self paced e-learning module), our "Why", implement recognition framework
- **Diversity and Inclusion** – unconscious bias training, governance structure set up, plan implementation
- **Responsiveness to Māori** – further Te Reo workshops, commence implementation of Tikanga framework
- **Engagement** – ongoing action planning and pulse checks on progress, including PIF slice
- **Wellbeing** – develop strategy and roll out wellbeing programme

Right Capability:
- **Induction programme** – implement improvements to onboarding and exit processes
- **Admin review** – complete implementation
- **Performance and Remuneration Frameworks** – complete implementation
- **"Sector Approach" to Leadership and Talent Management development** – ongoing plan implementation
- **Workforce planning** – implementation
- **Mentoring programme** – pilot and rollout
- **L+D Strategy** – implementation
- **Career Pathways** – roll out

People Excellence:
- **People Technologies Roadmap** – business case

Excellence Horizon
(Beyond 12 months)

People Plan review:
- Review each year to ensure relevant, focused on Ministry's priorities, and budget available.
- **Review measures** in plan to identify value/progress.

Great Leadership:
- **Leadership Framework** - review progress and refresh framework – implement to step up capability
- **Development programme** - Tier 4s complete assessments (subject to budget), development plans updated, roll out to further Tiers
- **Ministry Talent Management Maturity Development plan** (based on SSC model) – review plan progress and update
- **Succession planning** - Ministry Career Board meetings - quarterly

Engaging Culture:
- **Behaviours** – ongoing activities and comms (to keep behaviours alive)
- **Diversity and Inclusion** – inclusive leadership training, ongoing implementation
- **Responsiveness to Māori** – further Te Reo workshops, framework implementation
- **Engagement** –run survey, PIF slice, ongoing action planning
- **Wellbeing** – ongoing activities

Right Capability:
- **Performance and Remuneration Frameworks** – review to measure impact on productivity and performance
- **"Sector Approach" to Leadership and Talent Management development** – ongoing plan implementation
- **Workforce planning** – implementation
- **L+D Strategy** – refresh and ongoing implementation

People Excellence:
- **People Technologies Roadmap** – business case implementation

Work Package for Sustainable Health System and Performance Story

Sustainable Health System and Performance

Currently Underway
(Action we are taking now)

Establish DHB Performance Working Group:
- Engage with DHB leadership to diagnose areas of pressure and understand clinical and fiscal challenges
- Support priority DHBs to develop recovery plans and deliver robust 2018/19 annual plans
- Review and expand performance indicators and incentives for DHBs

Develop DHB Performance Framework:
- Review current ways we measure DHB performance
- Continue development of preliminary DHB framework with DHBs
- Investigate new health targets

Investigate Medium to Long-Term System Performance Improvements:
- Establish Health System Stewardship Project, including Ministry Stewardship and System Performance Working Group, to critique system settings and optimise performance
- Ministerial Advisory Group to examine current system design and identify opportunities to optimise system settings

Improve Ministry Performance Management:
- Work with Ministerial Advisory Group to improve internal performance management
- Re-establish output plans and review annual planning and reporting processes

Develop Digital Health Strategy:
- Continue to develop Digital Health Strategy, which sets out a plan and timeline to move us towards a digitally-enabled health and disability system

Quick Wins
(Within 6 Months)

Develop Basis for Medium-Term Strategic Policy Agenda (Stewardship and System Performance Working Group):
- Map current system arrangements
- Test against international best-practice
- Identify areas of system performance and system settings for improvement
- Investigate how to use medium-term policy settings to improve performance

Undertake Digital Health Maturity Assessment and Develop Sector Guidance:
- Assess maturity of the sector's use of clinical information/electronic accessibility using the Electronic Medical Record Adoption Model
- Assess maturity of the sector's use of clinical workflows using the Continuity of Care Maturity Model
- Update interoperability architecture and standards and develop roadmap
- Develop Digital Health sector investment guidance

Commence Sector Communications:
- Commence development of performance story narrative to support sector communications

Agree Reporting Implementation:
- Develop reporting dashboards and metrics
- Agree implementation priorities
- Pilot approach in priority area, e.g.
  - Primary Health Care funding flows
  - Mental Health funding flows
  - Maternity funding flows

Monitor Performance:
- Establish regular tracking/KPIs for business units as they execute their improvement initiatives
- Track the strategic portfolio and progress of initiatives as the work packages are executed
- Introduce and monitor benefit tracking and realisation as a core portfolio discipline across all work packages

Make it Happen
(Within 12 Months)

Improve DHB Performance Measurement:
- Incrementally align KPIs and measurement approaches to overarching outcomes and tracking framework
- Coordinate reporting and feedback cycles
- Streamline data exchanges and handling (e.g. using Adaptive Insights tool)
- Streamline annual planning and forecasting processes

Optimise System a d Workforce Settings:
- Support the Ministerial Advisory Group to consider system settings and optimisation
- Demand forecasting based on analysis of immigration/emigration trends, tertiary education graduates, etc.

Introduce Collaborative Budgeting Planning and Forecasting:
- Adopt a Quadruple AIM or equivalent balanced scorecard to include non-financial metrics
- Design a collaborative financial planning and budgeting workflow with sector participants
- Embed KPI planning and forecasting in the annual and quarterly review processes, including updates to CFIS

Excellence Horizon
(Beyond 12 months)

Digitally Supporting Clinical Workflows:
- Address the barriers to access and use of digital services
- Reduce the fragmentation and complexity of technology and digital systems
- Apply international standards from the Continuity of Care Maturity Model to lift DHBs' coordination of care capabilities
- Establish normalised patient records using structural interoperability between all levels of care
- Apply international standards from Electronic Medical Record Adoption Model to lift DHB capabilities to enable clinical information to be accessible electronically across inpatient services

Strengthen Sector Balance Sheet:
- Extend the traditional balance sheet to take into account the "social balance sheet" e.g. Workforce Retention, Training and Engagement, Technology Risk and Fit, Health Informatics and Clinical Equipment, Building Assets and Infrastructure and Social Assets (e.g. Caregiver Goodwill)

Ongoing Forecasting:
- Ongoing forecasting of future system demand and workforce requirements to anticipate and respond to needs
- Disseminate information to the sector
- Consider locality and care setting in service design, e.g. demand/need, cost of provision, scope and cost of management

Establish Accelerator:
- Build and nurture a health innovation network
- Develop Accelerator framework
- Hold events/establish forums to support ideas and solutions to move quickly through to the design of products and services, working with providers, researchers and businesses

Work Package for Clarity, execution and measurement of our strategy

Systems and Processes

Currently Underway
(Action we are taking now)

Build the Outcomes and Tracking Framework:
- Define the system shifts to be achieved – better health maintenance, targeted investment, lower acuity in the system, achieving equity
- Incorporate Government priorities
- Align outcomes sought across priorities and strategic themes
- Build a repository of measures
- Develop initial intervention logic

Refresh the Four Year Plan:
- Structural planning for Four Year Plans impact on the annual planning round
- Commitment for DHBs to report quarterly on their progress

Complete Implementation Framework:
This framework includes:
- Engagement
- Governance and Steering
- Monitoring and Evaluation
- Annual Refresh of the Roadmap
- Ministry Implementation Planning
- Sector Business Planning

Quick Wins
(Within 6 Months)

Address Government Priorities:
For each priority area:
- Agree problem statement and integrate into overall outcomes framework and strategy
- Review available data from virtual analytics team
- Review available KPIs and identify target metrics
- Define desired outcomes and align with strategy
- Define interventions and align with strategy

Embed Tracking and Monitoring:
After validation with central agencies and DHBs:
- Refactor Four Year Plan for Ministry
- Align Sector Four Year Outlook (Capital Intentions etc.)
- Refactor sector Long Term Investment Plan/Four Year Plan
- Embed in portfolio tracking for Ministry PMO
- Embed in DHB programme tracking
- Embed in DHB performance management and planning

Validate the Outcomes Tracking Framework:
- Complete Value Drivers and Levers
- Validate KPIs for System Shifts
- Validate KPIs for sub-areas
- Validate with ELT and Minister
- Validate KPIs for government priority areas
- Build "proof of concept" dashboards
- Socialise with Central Agencies and DHBs
- Refine

Signal Changes to the Sector:
- Utilise stewardship levers to define what good looks like across the health sector
- Make this meaningful through defining clear expectations and targets for different areas of the sector

Make it Happen
(Within 12 Months)

Publish and Automate the Tracking Framework:
After validation with central agencies and DHBs:
- Publish Tracking Framework
- Socialise through Roadshow
- Publish Summary KPIs on Web
- Iteratively extend the Score Card and update

Update the Four Year Plan for next Financial Year:
- Review the effectiveness of previous years process and adapt
- Measure success of initiatives and overall contribution to achieving our strategy
- Refresh the Four Year Plan to input into budget cycle (due Jan 2019)

Develop Execution Plan:
Noting that Priority Areas are a sub-component of the overall plan:
- Review work in progress (WIP)
- Align with agreed interventions
- Refine work packages (cost, time, resources)
- Align with broader PMO portfolio, and incorporate for ongoing progress tracking and coordination
- Establish responsibilities for delivery
- Determine funding mechanisms
- Prioritise and get funding approvals
- Develop and update execution plan

Excellence Horizon
(Beyond 12 months)

Apply "Living Strategy" Disciplines to Maintain Strategy and Progress:
- Define optimum strategy development and management model/approach
- Identify capabilities and process impacts, including sector impacts
- Establish team, including sector linkages and engagement

Respond to Evolving Government Priorities:
- Regular engagement with MAG and Government
- Develop proactive ideas on strategic direction and Government targets
- Implement refinements and changes to strategy

Document 1G

Ministry of Health

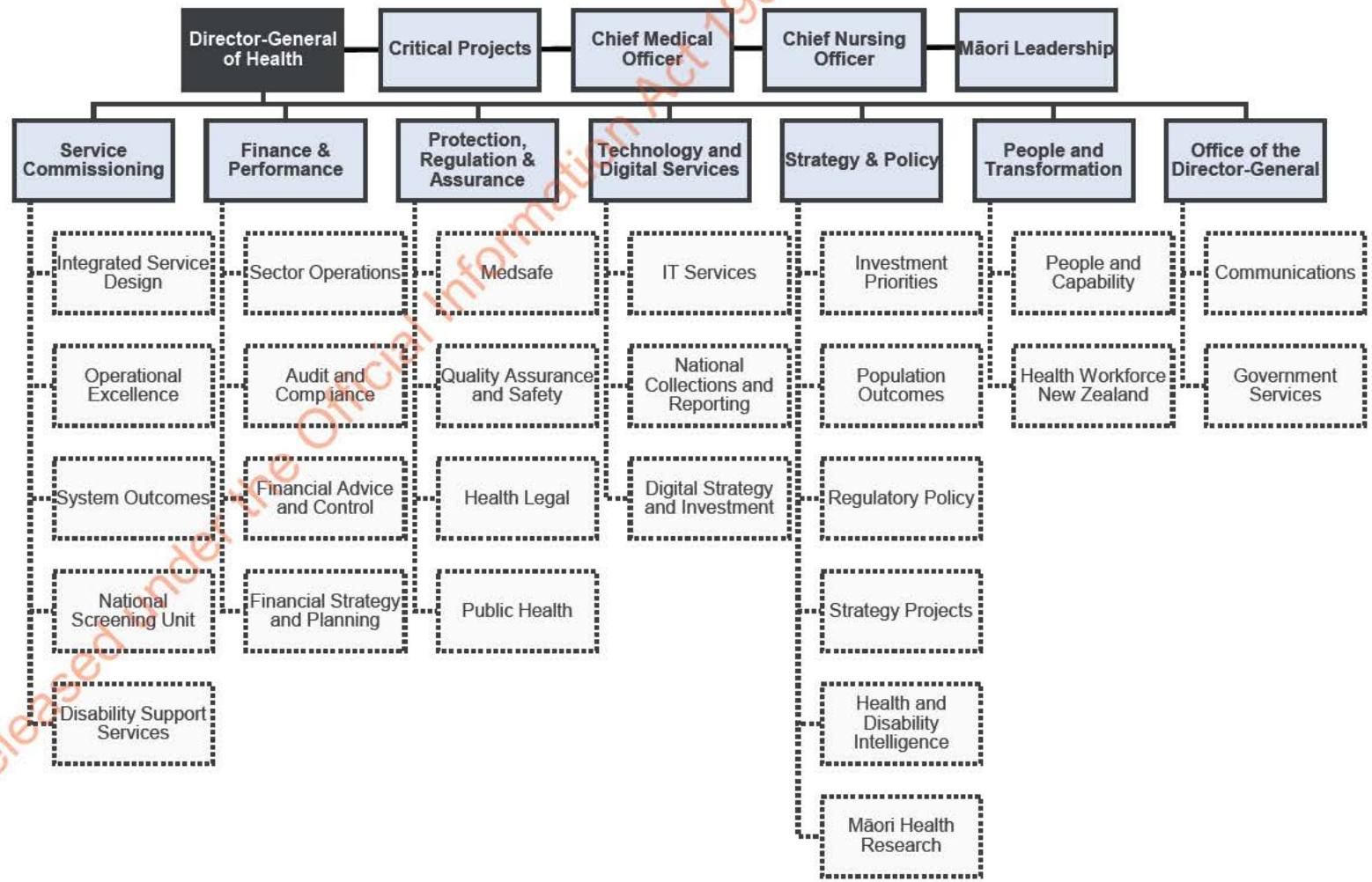
Business Unit and FTE Summary

V0.1 14 March 2018

This slide pack provides an overview of the Ministry of Health broken down by Business Unit (Tier 2), Group (Tier 3) and Teams and Functions (Tier 4).

The diagram opposite provides an overview of business units and groups. Detailed information about each business unit (incuding FTE allocations) are provided in the slide pack.

The structure and FTE allocations presented here is indicative only. It represents the Ministry's records but there will be some variation due to some staff being deployed into different areas or projects. We have also encountered various errors within the data due to miscoding and have addressed this where possible. The result is the most Complete picture of FTE allocations based on available data.



Teams and Functions

Integrated Service Design 72.6 FTE	Operational Excellence 54.9 FTE	System Outcomes 84.3 FTE	National Screening Unit 38.5 FTE	Disability Support Services 46.9 FTE
• Cancer Services – 6.0 FTE • Child and Family Investment – 7 FTE • Child and Family Programmes – 6.1 FTE • Community and Ambulance – 9 FTE • CVD Diabetes / Long Term Conditions – 10.2 FTE • Electives and National Services – 4.5 FTE • Electives Service Improvement – 6 FTE • Funding and Monitoring – 4 FTE • Healthy Ageing – 2 FTE • Primary Care – 8.4 FTE • Oral Health 3.6 FTE • Other (incl. support functions) – 5.8 FTE	• Accountability – 9.1 FTE • Chronic Disease Prevention – 1 F TE • Contract Support – 6 FTE • DHB Relations – 1 FTE • Disability Strategy and Contracts – 1 FTE • Infrastructure – 6.8 FTE • Māori Health Development – 3 FT E • Māori Health Service Improvement – 6 FTE • Procurement and Contracts - 6 FTE • Service Analysis and Modelling – 10 FTE • Other (incl. support functions) – 5 FTE	• Addictions – 11 FTE • Antenatal and Newborn Screening – 0.8 FTE • Breast Screening Aotearoa – 1 FTE • Cancer Services – 1 FTE • Chronic Disease Prevention – 9.5 FTE • Communicable Disease and Healthy Environment – 8.8 FTE • DHB Funding – 4 FTE • DHB Funding and Capital – 9.7 FTE • DHB Relations – 4.8 FTE • Health Families NZ – 4 FTE • Immunisation – 5.2 FTE • Mental Health – 8.6 FTE • Monitoring – 8 FTE • System Outcomes – 1.9 FTE • Tobacco Control – 5 FTE • Other (incl. support functions) – 1 FTE	Ambulance – 1.1 FTE • Antenatal and Newborn Screening – 7.4 FTE • Breast Screening Aotearoa – 4 FTE • Clinicians Screening – 1 FTE • CVD Diabetes / Long Term Conditions – 1 FTE • Information, Quality and Equity – 2.8 FTE • Monitoring and Reporting – 4.8 FTE • National Bowel Screening Programme – 2 FTE • National Cervical Screening Programme – 4.7 FTE • National Screening Unit – 3 FTE • Other (incl. support functions) – 6.8 FTE	• Community Living – 8 FTE • Disability Information and Advice – 6 FTE • Intellectual Disability (Compulsory Care and Rehabilitation) – 2 FTE • Family and Community – 7.8 FTE • Quality – 2.6 FTE • Service Access – 7.8 FTE • Service Analysis and Modelling – 1 FTE • System Transformation Team – 8.7 FTE • Other (incl. support functions) – 1 FTE

Other Work Areas (e.g. corporate and support functions, analytics and project work)

39.4 FTE

Teams and Functions

Sector Operations 131.1 FTE	Audit and Compliance 30.2 FTE	Financial Advice and Control 24.7 FTE	Financial Strategy and Planning 12.8 FTE	Other Functions 16.0 FTE
• Payments, Customer Services and Contact Centre – 109.1 FTE [note this FTE spans multiple teams including the contact centre] • Operations Support – 9 FTE • Other Contact Centre – 3 FTE • Other Payment Services – 5 FTE • Sector Support and Operations – 3 FTE • Other support functions – 3 FTE	• Financial and Governance – 5.8 FTE • Audit and Compliance – 6.9 FTE • Investigations – 1 FTE • Risk and Intelligence – 5.7 FTE • Regional Teams (North Island, South Island and Whanganui) – 10 .8 FTE	• Finance and Systems – 10 FTE • Financial Performance – National Services – 6.8 FTE • Financial Management Information System (FMIS) Transformation Project – 2.9 FTE • Business Advice – 3 FTE • Other Advice and Support – 2 FTE	• Strategic Investment Planning – 6 FTE • Planning and Performance Reporting – 4.8 FTE • Financial Strategy and Planning – 2 FTE	• Facilities and Business Services – 3 FTE • Other Finance and Performance – 6 FTE • Chief Economist – 1 FTE • People and Capability – 1 FTE • Risk and Assurance – 5 FTE

Teams and Functions

Medsafe 54.4 FTE	Quality Assurance and Safety 33.0 FTE	Health Legal 26.4 FTE	Public Health 26.7 FTE	Other Support Functions 36.6 FTE
• Clinical Risk Management – 10.8 FTE • Committee and Support Services – 2.8 FTE • Communicable Disease – 1 FTE • Investigation and Enforcement – 3 FTE • Medicines Assessment – 13 FTE • Regulatory Practice and Analysis – 7 FTE • Radiation Safety – 2.8 FTE • Product Safety – 8 FTE • Product Regulation Branch – 1 FTE • Prevention - 1 FTE • Compliance Management – 1 FTE • Other (incl. support functions) – 3 FTE	• Ethics – 6 FTE • Ethics Committee Support – 2 FTE • Health Cert – 8.4 FTE • Medicines Control – 12 FTE • Quality Assurance and Safety – 3 FTE • Other (incl. support functions) – 1.6 FTE	• Health Legal – 9.2 FTE • Knowledge Services – 3 FYE • Library Services – 6.7 FTE • Records Support – 7.5 FTE	• Clinical Expertise – 4.3 FTE • Communicable Disease – 5 FTE • Environmental and Border Health – 5.6 • Pubic Health and Capability – 5.5 FTE • Wellness – Nutrition and Activity – 3.8 FTE • Office of the Director of Public Health – 1.5 FTE	• Emergency Management – 8.7 FTE • Audit and Compliance – 1 FTE • Financial Advice and Control – 1 FTE • Office of the Director of Mental Health – 8.9 FTE • Population Outcomes – 2.8 FTE • System Outcomes – 2.9 FTE • Other (incl. corporate and support functions) – 11.3 FTE

Teams and Functions

IT Services 75.9 FTE	National Collections and Reporting 57.1 FTE	Digital Strategy and Investment 12.8 FTE	Other Support Functions 6 FTE
• Application Services – 18.1 FTE • Service Portfolio – 11 FTE • Infrastructure Shared Services – 8 FTE • Database Shared Services – 7 FTE • Identity and Eligibility – 7 FTE • National Digital Services – 5 FTE • Service Desk – 5 FTE • Service Delivery – 4 FTE • Ministry ICT – 3.8 FTE • Emerging Health Technologies – 3 FTE • Business Performance 2 FTE	• Analytical Services – 11.2 FTE • Data Management – 10 FTE • Cancer Registry – 8.9 FTE • Business Intelligence / Data Warehousing – 7 FTE • Mortality – 7 FTE • Classification and Terminology – 4 FTE • Private Hospitals – 4 FTE • Other support functions – 1FTE	• Architecture and Standards – 5 FTE • Digital Portfolio – 4.8 FTE • Digital Strategy and Investment – 3 FTE	• Business Performance – 3 FTE • Other corporate and support functions – 3 FTE

Teams and Functions

Investment Priorities 17.5 FTE	Population Outcomes 16.6 FTE	Regulatory Policy 16.6 FTE	Strategy Projects 10.1 FTE	Operations 7.8 FTE
• Healthy Ageing – 5.6 FTE • Long-term Priorities – 5 FTE • System Strategy and Investment - 6.9 FTE	• Pacific Health – 6 FTE • Disability Policy – 4 FTE • Community Wellbeing – 3 FTE • Population Outcomes – 2 FTE • Māori Health Policy – 1.6 FTE	• Safety and Access – 7 FTE • Prevention – 4.6 FTE • Regulatory Policy – 3 FTE • Community Wellbeing – 2 FTE	• Strategy Projects – 7 FTE • Other functions (incl. Office of the Deputy Chief Strategy and Policy Officer) – 3.1 FTE	• Support functions (including corporate and business support) – 7.8 FTE

Health and Disability Intelligence 14.0 FTE	Māori Health Research 4.4 FTE
• Analytical Projects – 6 FTE • Health Survey – 8 FTE	• Māori Health Research – 4.4 FTE

Teams and Functions

People and Capability 22.0 FTE	Health Workforce New Zealand 14.5 FTE	Other Advice and Support 18.4 FTE
• People Development – 6 FTE • HR Information Services – 5 FTE • People Advice and Support – 4 FTE • People and Capability – 4 FTE • Employment Relations and Remuneration – 3 FTE	• Workforce Strategy and Policy – 5.7 FTE • Operations – 3 FTE • Health Workforce New Zealand – 2 FTE • Analytics – 2 FTE	• Facilities and Business Services – 6.6 FTE • Employment Relations – 4 FTE • Ministry on the Move – 3 FTE • People and Transformation – 4.8 FTE

Teams and Functions

Communications 21.7 FTE	Government Services 21.9 FTE	Other Advice and Support 9.6 FTE
• Internal Comms and Stakeholder Engagement – 6 FTE • Digital Communications – 8.9 FTE • Media – 6 FTE • Communications - .8 FTE	• Ministerial Services – 7 FTE • Government and Executive Advisory – 5.9 FTE • ODG Support Services – 6 FTE • Government Services – 2 FTE	• Ministers Offices – 5.6 FTE • Director-General's Office – 4 FTE

Office of the Chief Medical Officer

9.5 FTE

- Chief Medical Officer – 1 FTE
- Office of the CMO – 5.5 FTE
- Child and Youth Health – 3 FTE

Office of the Chief Nursing Officer

4 FTE

- Chief Nursing Officer – 1 FTE
- Office of the CNO – 3 FTE

Māori Leadership

3 FTE

- Māori Leadership – 1 FTE
- Office of Māori Leadership – 2 FTE

Critical Projects

2 FTE

- Director Critical Projects – 1 FTE
- Office of Critical Projects – 1 FTE

MINISTRY OF HEALTH
MANATŪ HAUORA

Workforce Strategy

Current state analysis & environmental scan

Executive Summary

Purpose of the Workforce Strategy

Identifying how we can achieve the Ministry's outcomes through our people

Our strategic focus

The Ministry's Work Programme has identified our focus as an organisation, to ensure we deliver on the Government's priorities, immediate sector priorities, the NZ Health Strategy and how we address the Performance Improvement Framework review.

Our behaviours identify the ways of working that underpin successful delivery of these priorities.

Achieving our strategic priorities through our people

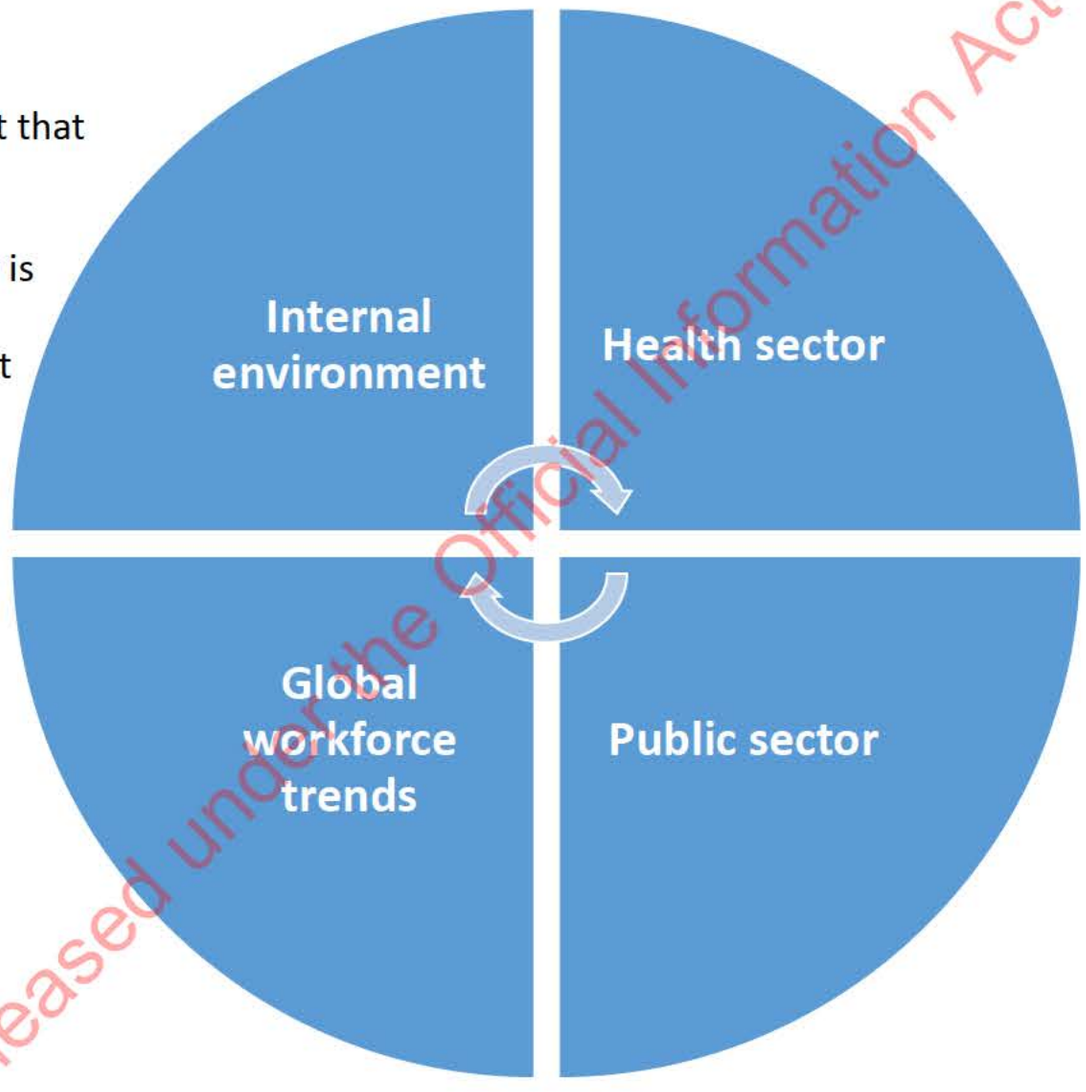
By undertaking a current state analysis of our workforce, we can understand how well positioned our workforce is to be able to deliver on the Ministry's priorities. It enables us to identify issues with our workforce that will hinder achieving the Ministry's priorities, along with strengths we can leverage.

How we will use the Workforce Strategy

The current state analysis and subsequent recommendations will help us to identify where we need to focus our efforts with building the workforce we need to deliver on the Ministry's priorities. The findings will inform the development of a People Strategy, that will be delivered through annual People Plans.

What's influencing our workforce?

- Structural changes are still being embedded.
- People feel more change is coming, but that the Ministry is currently in a 'holding pattern'.
- Lack of investment in people capability is driving high turnover.
- It is difficult to attract and recruit talent to the Ministry.



- Changes in the health sector are changing the capability and capacity we need in our workforce to respond to new and disruptive technologies and changing public expectations regarding more personal, flexible care.

- Rise in self-employment, contracting and gig working for senior professionals makes it difficult to recruit for permanent roles.
- There is a shift away from traditional structures to agile, or collaborative, networked structures that enable rapid innovation and responsiveness to change.
- Rise in millennials, who seek constant experiences, development and reinvention requires changes to the way we develop and retain the workforce.

- Changing Government priorities, have resulted in an increase in demand for some specialist skills (i.e. mental health) and a decrease in demand for others (tobacco). It's highlighted a need to develop more flexible, generalist capability that can be picked up and moved across multiple projects, in response to changing priorities.
- SSC expectations influence how we manage employee relations, remuneration, leadership, talent and diversity.

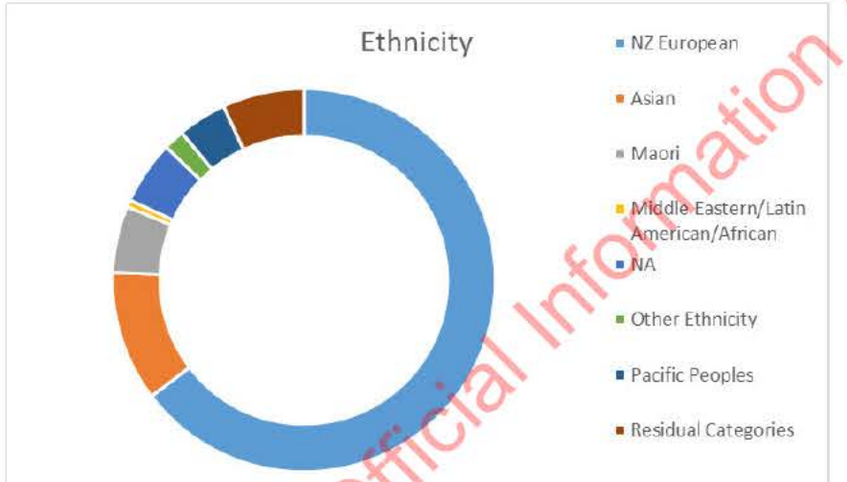
What our data is telling us:
Demographics

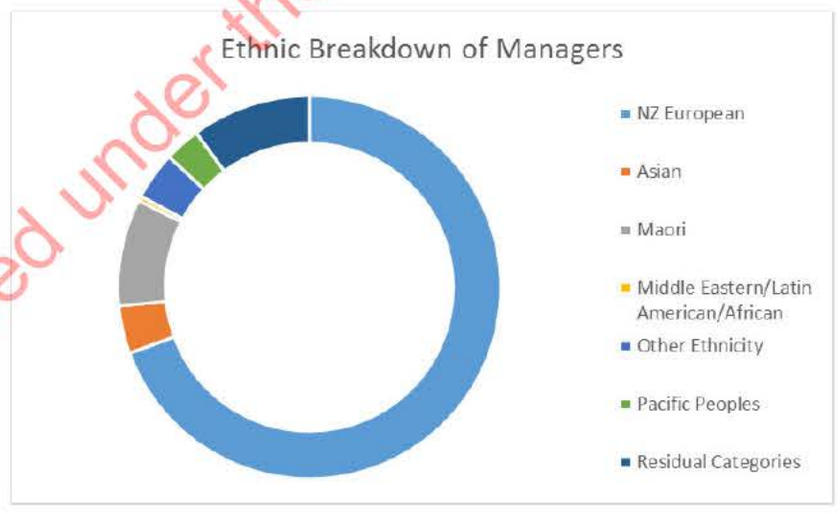
Gender
68% female
32% male

Gender by management
63% female
37% male

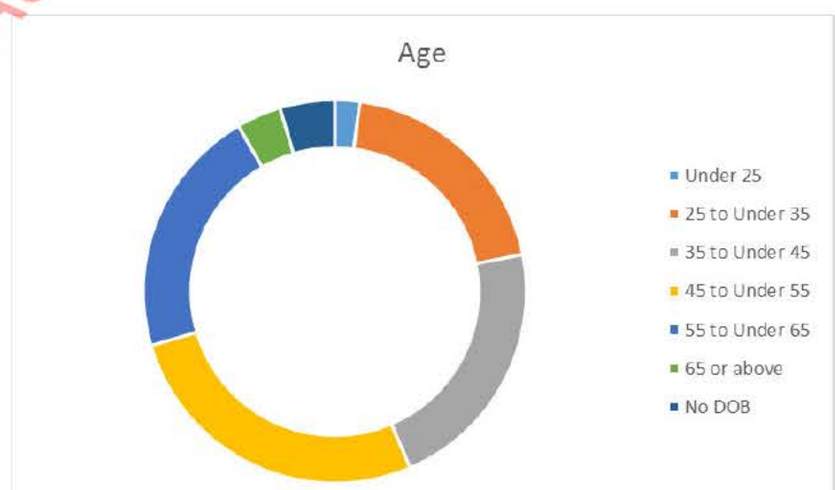
11%
of people identify as LGBTQI

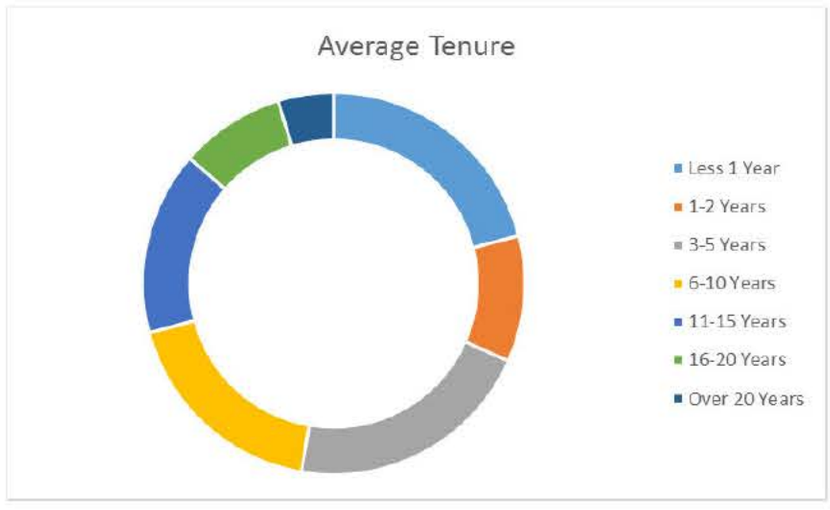
Ethnicity





Age & Tenure





What our data is telling us

Turnover

242
Leavers

269
New starters

5 Years
Average tenure

55
Internal movements since 1 January 2017 (excl. change)

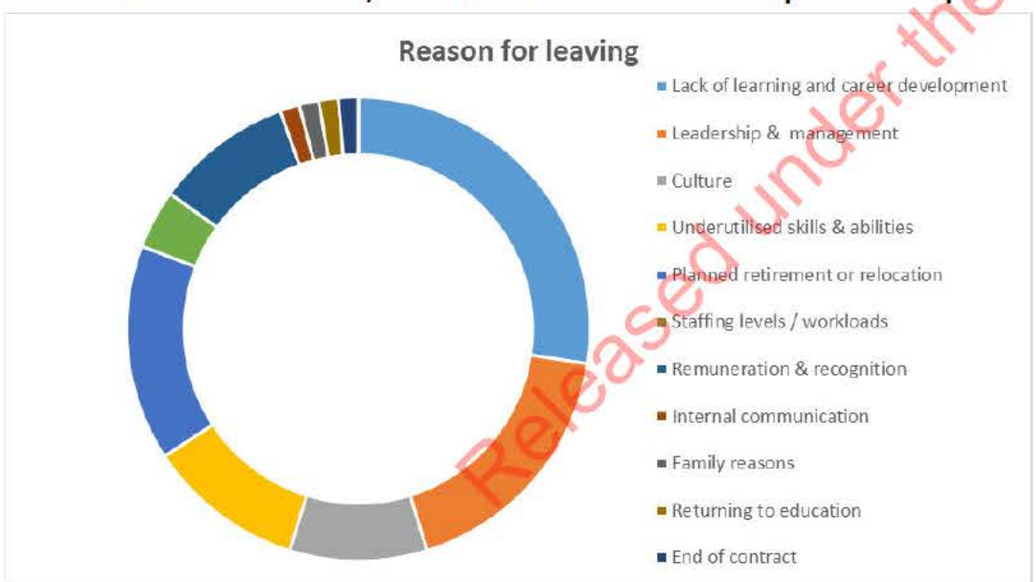
16%
Turnover rate

12%
Unplanned turnover rate

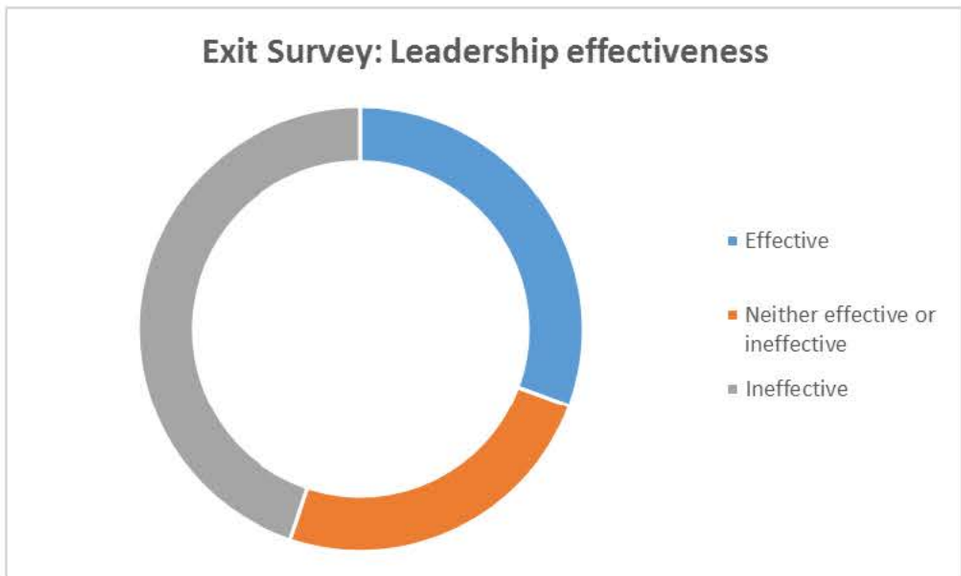
21%
Leave within the first year

38%
Leave within the first two years

The primary reason for people leaving the Ministry is due to lack of learning and career development opportunities. 65% of our retention issues could be addressed through investment in L&D, culture and leadership development



The secondary reason is due to leadership and management. The majority of leavers rated leadership as 'ineffective' or 'neither effective nor ineffective'.



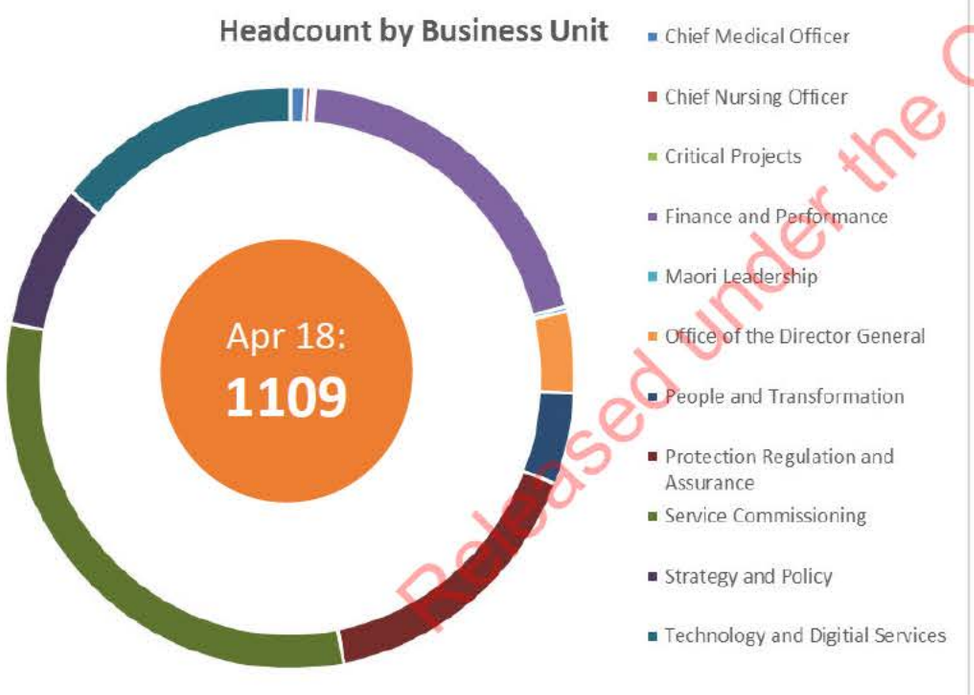
What our data is telling us:
FTE and Contractors

$113m

2017/18 budget for personnel costs (including salary)

$115m

2017/18 forecast spend for personnel costs



$21.6m

Forecast spend on contractors / consultants in 2017/18

Approx 70%

of this is spent on contractors, who are filling a 'role' within the Ministry.

86

Contractors at the Ministry as at 31 March 2018

Contractor risks:

- Lack of engagement / career progression with Ministry employees.
- Perception that contractors are given more interesting work
- 'Buying' short-term capability rather than 'building' long-term capability in-house for the Ministry (i.e. design thinking capability)

Talent supply: Hard to fill roles

Attracting and retaining high-calibre talent to the Ministry is critical to ensuring the Ministry has the right capability and capacity to deliver on better health outcomes for New Zealanders.

Over the past year the Ministry has recruited 269 permanent or part time employees. However, there are concerns about the Ministry's ability to attract the right level of talent, along with issues with the supply of talent in senior professional and healthcare roles that need to be addressed.

What prevents MoH from attracting talent?

- Reputation and employer brand
- Low remuneration comparative to the market
- Lack of employer value proposition
- Lack of learning and career development opportunities
- Global market conditions – i.e. senior professionals preferring contracting over employment.

Hard to fill roles	Supply issues
Corporate roles (IT, finance, EPMO, procurement)	Ministry's reputation, continuous restructures and remuneration make it difficult to attract high calibre talent. Difficult to compete with growing contractor market.
Healthcare professionals	Salaries are typically lower within the Ministry compared to external roles (i.e. within DHB's). Roles therefore tend to attract a smaller pool of candidates who are willing to sacrifice salary to work for the 'good of the NZ population'.
Analysts	Difficult to attract Principal and Senior Advisor level analysts within both Policy & Strategy and Service Commissioning. A 'grow your own' approach is in place within Policy that supports graduate development and career development in to Senior Advisor level roles.
Senior strategy specialists	Competing with people within consulting firms, or contractors.
Statutory roles	Significant issues with feeder roles to statutory roles (i.e. the recruitment for the Deputy Director Mental Health took almost 18 months due to difficulty finding the right expertise).

Our core people frameworks

How well do we engage and enable our people to achieve results for the Ministry?

	Performance	Development	Remuneration
Current state	• Less than 50% of people in the Ministry have a performance and development plan in place. • Current system doesn't recognise or reward high performance • 2 people received 'does not meets' rating in 16/17, yet there were 120 escalated employment issues in the year to Feb 18.	• Lack of learning and career development primary reason why people are leaving the Ministry. • Lack of L&D opportunities makes it difficult to attract talent. • Current L&D budgets and travel budgets make it difficult to support the continued professional development of healthcare experts, where they hold the most senior level of expertise for NZ and need to travel to world health forums to remain current in their field. This is noted on the risk register.	• Remuneration framework currently below market (the gap increases as bands increase). • Remuneration makes it difficult to attract talent. • 18% unadjusted gender pay gap (although only 1% when comparing like for like roles).
'Our Voice' survey results	• **32%** - Poor performance is managed effectively in the Ministry (lowest score) • **40% -** The Ministry has a culture of empowerment that maximises the performance of staff (bottom 10)	• **40%** - We have effective training that enhances the performance and development of individuals (bottom 10) • **53%** - The Ministry provides opportunities for me to develop my skills and competencies and actively encourages career development	• **38%** - Our remuneration framework is appropriate relevant to the market (bottom 10)

How this is currently being addressed

Work is underway to address these people frameworks through the 2017/18 People Plan and the development of a longer-term People Strategy. An increase in the budget for 2018/19 has been requested, that will enable the Ministry to start reinvesting in people and leadership capability. A paper regarding a separate budget for CME is pending approval by the incoming Director General.

Leadership

Current state of leadership

- Leadership and management has been identified as the second highest retention issue.
- There are variable results regarding leadership and management within the 'Our Voice survey'.
- Data relating to performance management, induction, development planning and escalated employment issues suggest we need to prioritise building foundational management capability, to ensure we get the basics right.
- There is a need to more strongly align Ministry leadership and talent initiatives with SSC expectations for public sector agencies, including roll-out of the SSC Leadership Success Profile as the Ministry's single leadership framework.

Current investment in leadership

- There is one enterprise-wide leadership development programme, Insight Out, on offer for aspiring leaders.
- People who are promoted in to people leadership roles, or more senior leadership roles, often have to learn on-the-job.
- There is no enhanced recruitment process or psychometric testing to ensure the Ministry is bringing in the right leadership capability, over and above the standard recruitment process.

Leadership capabilities required for the future

Capability	Outcome
People leadership	Core interpersonal and people leadership skills.
Adaptive leadership	Change leadership, working in ambiguity, strategic thinking and decision making
Client focussed & credible	Shifting mind-sets to enable customer centricity, strong relationship management and design thinking.
Management fundamentals	Developing foundational management skills in people leaders, such as the ability to have good performance and development conversations

Where we need to focus our efforts

Great Leadership

Leadership development
- Developing and implementing a leadership development framework.
- Deliberately recruiting and developing leadership and management capability required by the Ministry (People leadership, adaptive leadership, client focussed & credible).
- Alignment of the Ministry wit SSC Leadership & Talent initiatives.

Right Capability

Learning & development
- Prioritising investment in building capability for the Ministry.
- Developing and implementing Ministry-wide approach to learning and career development.
- Implement request for CME budget.

Remuneration
- Aligning the Ministry's remuneration structure with Public Sector market rates.
- Review the Ministry's remuneration structure for healthcare professionals.

Recruitment
- Developing the Ministry's employer value proposition.
- Enhancing recruitment practices to ensure we are recruiting capabilities required to support the Ministry's priorities.

Performance management
- Developing and implementing a performance. management framework that people engage in and that recognises high performance.

Workforce planning
- Modelling of capability and capacity needs to team level across the Ministry
- Predicting the capability and capacity required to deliver on the Ministry's priorities at a team level as part of the annual planning process

Engaging Culture

Engaging & energising our people
- Engaging people in the 'why' – our purpose and how people contribute to the bigger picture.
- Understanding what will create a more empowering and engaging culture for our people.
- Developing people processes and policies that enable our people to have a great experience working at the Ministry.
- Embedding the Ministry's behaviours & LSP

Agile, networked structures
- For future organisation design and operating models, consider a more agile, networked/team-based structure that can rapidly respond to change.

AskYourTeam Report

For: Ministry of Health

Survey Name: Our Voice

Survey Start Date: 07 May 2018

Survey End Date: 18 May 2018

Report created by: Leahna Hardie

ORGANISATION SUCCESS FACTORS

Resul s of he survey are organised by Organisa ion Success Fac or Use he il ers above o refine he resul s A score of 'N/A' indica es he minimum response hreshold o provide a resul was no me

Overall score:
52%

Success Factors	Average Score	Lowest Score	Highest Score
Leadership	54%	38%	73%
Culture	56%	43%	68%
Performance Development	48%	32%	68%
Strategy	51%	42%	61%
Project Processes	48%	41%	59%
mplementation	51%	48%	54%
Review	45%	42%	48%
nternal Communication	48%	37%	55%
Technology	45%	34%	55%
Operational Processes	58%	47%	79%
Organisation Performance	49%	43%	64%
Client Focus	50%	48%	51%
External Providers	61%	56%	63%
Stakeholder Relationships	57%	55%	59%

ASSERTION SUMMARIES

The asser ion summary repor s show he 10 highes and 10 lowes scores for he survey The highes scores can iden ify areas o celebra e success The lowes scores can iden ify areas o focus follow up ac ion plans

Highest Scores

#	Success Factors	Assertion	Score
1	Operational Processes	understand clearly how the things do affect the ability of others in my team to do their job	79%
2	Leadership	My immediate manager handles stressful situations well	73%
3	Leadership	My immediate manager makes and delivers hard decisions in an effective way	70%
4	Performance Development	My own performance targets are aligned with the priorities of the Ministry	68%
5	Culture	enjoy working for the Ministry	68%
6	Performance Development	have regular and effective feedback and performance reviews	64%
7	Organisation Performance	am proud of the beneficial impact the Ministry has for our clients (external)	64%
8	Culture	We celebrate achievements as a team	64%
9	Operational Processes	have the autonomy to make decisions with matters am responsible for	63%
10	External Providers	Our external providers make a positive contribution to the Ministry's performance	63%

Lowest Scores

#	Success Factors	Assertion	Score
1	Performance Development	Poor performance is managed effectively in the Ministry	32%
2	Technology	We have the technology to effectively support our processes	34%
3	Technology	We can quickly obtain customised reports from our information systems	37%
4	nternal Communication	am motivated by the effective way our Executive eadership Team communicates	37%
5	Performance Development	Our remuneration structure is appropriate re ative to the market	38%
6	Leadership	People are confident that our Executive Leadership Team will implement our purpose vision principles and behaviours successfully	38%
7	Performance Development	We have effective training that enhances the performance and development of individuals	40%
8	Performance Development	The Ministry has a culture of empowerment that maximises the performance of staff	40%
9	Project Processes	There are e fective planning processes in the Ministry	41%
10	Strategy	The Ministry is good at looking at future demands and opportunities	42%

All Assertions

Success Factors	Assertion	Score
Leadership	My immediate manager handles stressful situations well	73%
Leadership	My immediate manager makes and delivers hard decisions in an effective way	70%
Leadership	The purpose vision principles and behaviours for the Ministry are clearly understood	55%
Leadership	feel safe to tell the truth even when it is unpopular	51%
Leadership	The Executive Leadership Team treat people the way they ask us to treat others	47%
Leadership	The actions of our Executive Leadership Team are consistent with the Ministry's behaviours	46%
Leadership	People are confident that our Executive Leadership Team will implement our purpose vision principles and behaviours successfully	38%
Culture	enjoy working for the Ministry	68%
Culture	We celebrate achievements as a team	64%
Culture	The Ministry is a great place to work	61%
Culture	The contributions of individuals are recognised in my business unit	61%
Culture	There is a strong focus on how we can work together better as a team	51%
Culture	Honesty and directness are valued in the Ministry	47%
Culture	We have clear and effective systems for dealing with intimidating behaviour and workplace bullying which are applied equally to everyone	43%
Performance Development	My own performance targets are aligned with the priorities of the Ministry	68%
Performance Development	have regular and effective feedback and performance reviews	64%
Performance Development	The Ministry provides opportunities for me to develop my skills and competencies and actively encourages career development	53%
Performance Development	Each person in the Ministry has clearly defined roles and responsibilities which they understand	50%
Performance Development	The Ministry has a culture of empowerment that maximises he performance of staff	40%
Performance Development	We have effective training that enhances the performance and development of individuals	40%
Performance Development	Our remuneration structure is appropriate relative to the market	38%
Performance Development	Poor performance is managed effectively in the Ministry	32%
Strategy	Social responsibility is appropriately reflected in the Ministry's purpose vision principles and behaviours	61%
Strategy	Everything we do is consistent with the M nistry's purpose vision principles and behaviours	55%
Strategy	The impact on the environment is appropriately reflected in the Ministry's purpose vision principles and behaviours	52%
Strategy	All business units have objectives that are aligned with those of other business units	43%
Strategy	The Ministry is good at looking at future demands and opportunities	42%
Project Processes	There is effective communication to inform what is required of me	59%
Project Processes	nitiatives and projects are researched and planned effectively	47%
Project Processes	Effective consultation occurs before changes are made that affect others	43%
Project Processes	There are effective planning processes in the Ministry	41%
mplementation	Everyone involved in implementing a project understands what needs to be done and by whom	54%
mplementation	People are held accountable for hitting their deadlines	53%
mplementation	Changes to plans or deadlines are effectively communicated to all those affected	49%
mplementation	We use effective project management techniques for implementing projects	48%
Review	The measurements we use show clearly whether or not we are on target with our strategy and projects	48%
Review	nformation and results from projects are analysed and effectively acted upon	44%
Review	Projects are reviewed thoroughly to see how well the actual outcome reflected the forecast outcome	42%

nternal Communication	Our business unit's results are provided in a clear understandable way	55%
nternal Communication	The Ministry ensures understand why workplace changes are made	53%
nternal Communication	We are provided with meaningful updates on how the Ministry is performing	50%
nternal Communication	The Executive Leadership Team shares information with me that enables me to do my job effectively	43%
nternal Communication	am motivated by the effective way our Executive Leadership Team communicates	37%
Technology	have access to the right information which enables me to make effective decisions	55%
Technology	have the information need to do my job as effectively as possible	53%
Technology	We can quickly obtain customised reports from our information systems	37%
Technology	We have the technology to effectively support our processes	34%
Operational Processes	understand clearly how the things do affect the ability of others in my team to do their job	79%
Operational Processes	have the autonomy to make decisions with matters am responsible for	63%
Operational Processes	The health safety and wellbeing of people in the Ministry is appropriately reflected in our systems processes and work environment	58%
Operational Processes	When receive work from other business units it is fit for purpose	57%
Operational Processes	Meetings are generally an effective use of time	53%
Operational Processes	We regularly review processes and identify possible improvements	48%
Operational Processes	We effectively identify and realise opportunities to reduce costs	47%
Organisation Performance	am proud of the beneficial impact the Ministry has for our clients (external)	64%
Organisation Performance	The Ministry supports people who come forward with new ideas	50%
Organisation Performance	We keep up with best practice in other relevant organisations	46%
Organisation Performance	People are regularly asked for feedback on how to improve the Ministry	45%
Organisation Performance	Responding quickly to changes in policy is one of our strengths	45%
Organisation Performance	The performance of the Ministry is better than that of similar organisations	43%
Client Focus	We place enough emphasis on the importance of our client's (external) needs in how we work	51%
Client Focus	We gather feedback actively from clients external) and use this to improve our services to them	50%
Client Focus	Everyone in the Ministry is clear on he role they play to deliver what our clients (external) need	48%
External Providers	Our external providers make a positive contribution to the Ministry's performance	63%
External Providers	We have external providers who are responsive to our feedback	63%
External Providers	Our external p oviders provide excellent value	56%
Stakeholder Relationships	We operate effectively in delivering value in our sector	59%
Stakeholder Relationships	We collaborate effectively with other relevant organisations	58%
Stakeholder Relationships	We consult effectively with stakeholders	55%
Stakeholder Relationships	The Ministry has a good reputation for providing quality advice and services to Ministers	55%