



# Cabinet Social Wellbeing Committee

## Minute of Decision

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### Health System Reforms: Progress Update

Portfolio                      Health

On 7 June 2023, the Cabinet Social Wellbeing Committee:

- 1        **noted** that the New Zealand health system has been implementing the Government's health system reforms since 1 July 2022;
- 2        **noted** that in May 2022, the Cabinet Social Wellbeing Committee invited the Minister of Health to report quarterly to the Cabinet Government Administration and Expenditure Review Committee on progress with implementation of the health reforms [SWC-22-MIN-0089];
- 3        **noted** that the health system reform is an ambitious and complex large-scale change programme being completed in an environment of system and workforce pressure, and this presents some risk to service access and performance, reflected at the moment in under-delivery of planned care, delays in implementing Budget 2022 initiatives, and challenges communicating effectively with the health sector workforce;
- 4        **noted** that the transition to the system of three health entities: Te Whatu Ora, Te Aka Whai Ora, and Manatū Hauora came into effect successfully on 1 July 2022 with no reported disruption to health service delivery, which is a significant achievement;
- 5        **noted** that the Pae Ora legislation, interim Government Policy Statement on Health and the interim New Zealand Health Plan (Te Pae Tata) are in place as intended;
- 6        **noted** that organisational change and reforming is still underway for each of the three entities and achieving an understanding of respective roles and responsibilities;
- 7        **noted** that the regional arrangement proposed by Te Whatu Ora is by function and not by regional division as Cabinet originally envisaged, and further information has been requested on how this will work in practice;
- 8        **noted** that 12 locality areas have been established and 11 iwi-Māori partnership boards have been formally recognised with more work required on how localities will function;

- 9 **noted** that work is ongoing with entities to ensure:
- 9.1 development of a detailed reform implementation roadmap;
  - 9.2 monitoring and reporting mechanisms are in place for financial performance, system performance, and outcomes for Māori in particular;
  - 9.3 roles and responsibilities are clear including ensuring accountability documents meet legislative and Parliamentary requirements;
- 10 **noted** the reformed health system has made significant progress to date given its challenging operating environment, but some progress has been slower than anticipated and some performance issues are apparent, so continued momentum is required including more detailed planning and improved communication with the health workforce and between entities and monitors;
- 11 **invited** the Minister of Health to report-back to the Cabinet Government Administration and Expenditure Review Committee on system reform progress in September 2023 to help inform the decision to move to three-year health system funding.

Rachel Clarke  
Committee Secretary

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**Present:**

Hon Carmel Sepuloni (Chair)  
Hon Grant Robertson  
Hon Kelvin Davis  
Hon Dr Ayesha Verrall  
Hon Kiri Allan  
Hon Andrew Little  
Hon Peeni Henare  
Hon Priyanca Radhakrishnan  
Hon Willow-Jean Prime  
Hon Jo Luxton

**Officials present from:**

Office of the Prime Minister  
Office of the Chair  
Officials Committee for SWC