



## Minister of Health

Cabinet and briefing material: Disestablishment of the Māori Health Authority

27 February 2024

These documents have been proactively released by the Ministry of Health on behalf of the Minister of Health, Hon Dr Shane Reti.

### **Title of Cabinet paper:**

Disestablishment of the Māori Health Authority

### **Titles of minutes:**

- Report of the Cabinet 100-Day Plan Committee: Period Ended 19 January 2024 (CAB-24-MIN-0002)
- Disestablishment of the Māori Health Authority (100-24-MIN-0001)
- Report of the Cabinet 100-Day Plan Committee: Period Ended 22 December 2023 (CAB-24-MIN-0001)
- Oral Item: Disestablishing the Māori Health Authority - Progress Update (100-23-MIN-0015)

### **Titles of briefing documents:**

- Issues and opportunities for Hauora Māori (H2023032865)
- Advice on disestablishing the Māori Health Authority (H2023032885)
- Options for future arrangements for Te Aka Whai Ora - Māori Health Authority functions (MHA33202)
- Draft Cabinet paper for the disestablishment of the Māori Health Authority (H2023034250)
- Options for Māori health structures (H2023034256)
- Aide mémoire: Cabinet paper for the disestablishment of the Māori Health Authority (H2024034917)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it. Some information has been withheld as it is out of scope of this proactive release.

### **Key to redaction codes:**

- S 9(2)(a) to protect the privacy of natural persons.
- S 9(2)(f)(iv) to maintain the constitutional conventions that protect the confidentiality of advice tendered by Ministers and officials.



# Cabinet 100-Day Plan Committee

## Minute of Decision

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### Oral Item: Disestablishing the Māori Health Authority - Progress Update

**Portfolio**                      **Health**

On 20 December 2023, the Cabinet 100-Day Plan Committee:

- 1        **noted** the update from the Minister of Health on the work to disestablish the Māori Health Authority, and that the Minister intends to circulate a Cabinet paper for consultation in January 2024.

Jenny Vickers  
Committee Secretary

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**Present:**

Rt Hon Winston Peters (Chair)  
Hon David Seymour  
Hon Dr Shane Reti  
Hon Brooke van Velden  
Hon Shane Jones  
Hon Simeon Brown  
Hon Erica Stanford  
Hon Paul Goldsmith  
Hon Judith Collins

**Officials present from:**

Department of the Prime Minister and Cabinet



# Cabinet

## Minute of Decision

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### Report of the Cabinet 100-Day Plan Committee: Period Ended 22 December 2023

On 23 January 2024, Cabinet made the following decisions on the work of the Cabinet 100-Day Plan Committee for the period ended 22 December 2023:

Out of scope

100-23-MIN-0015 **Oral Item: Disestablishing the Māori Health Authority - Progress Update** CONFIRMED  
Portfolio: Health

Rachel Hayward  
Secretary of the Cabinet



# Cabinet 100-Day Plan Committee

## Minute of Decision

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### Disestablishment of the Māori Health Authority

Portfolio                      Health

On 17 January 2024, the Cabinet 100-Day Plan Committee:

#### Background

- 1        **noted** that introducing legislation to disestablish the Māori Health Authority is an action in the Government's 100-Day Action Plan;
- 2        **noted** that legislation must be introduced by 8 March 2024 to meet the 100-Day plan commitment;
- 3        **noted** that improving health outcomes for all New Zealanders, including Māori, remains a priority for the Government and the publicly funded health sector;

#### Māori Health Authority functions

- 4        **agreed** to disestablish the Māori Health Authority and redistribute its functions within the publicly funded health system;
- 5        **agreed** that Health New Zealand will take over the operational functions of the Māori Health Authority;
- 6        **noted** that the Ministry of Health will continue to provide policy and strategy advice, and monitor the performance of the health sector for Māori;
- 7        **noted** that formal disestablishment should happen on 30 June 2024 to coincide with the financial year;
- 8        **noted** that the Minister of Health (the Minister) intends to reassign functions and staff from the Māori Health Authority, as far as feasible, in advance of formal disestablishment;
- 9        **noted** that employees will transfer on their existing terms and conditions using the provisions in the Health Sector (Transfers) Act 1993;

#### Primary and community service design and delivery

- 10       **noted** that the locality planning provisions in the Pae Ora (Healthy Futures) Act 2022 provide for joint decision-making between Health New Zealand, the Māori Health Authority, and iwi-Māori partnership boards;

- 11 **noted** that the disestablishment of the Māori Health Authority will require the locality provisions to be reconsidered;
- 12 **agreed** to stop work on localities to allow time to reconsider how best to support community involvement in service design and delivery;
- 13 **noted** that there will continue to be a role for iwi-Māori partnership boards in determining local priorities for the health system;

### Hauora Māori Advisory Committee

- 14 **noted** that the Minister intends to have the Hauora Māori Advisory Committee focus on improving Māori health outcomes at the local and regional level;

### Approach to legislation and next steps

- 15 **noted** that a bid will be submitted for the 2024 Legislation Programme for a category two priority (must be passed by the end of 2024) for the amendment bill to give effect to the disestablishment;
- 16 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above decisions;
- 17 **noted** that other issues may warrant consideration of further statutory change, such as the status and functions of other health entities, and the Minister will bring proposals to Cabinet as required.

Jenny Vickers  
Committee Secretary

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#### Present:

Rt Hon Christopher Luxon (Chair)  
Rt Hon Winston Peters  
Hon David Seymour  
Hon Nicola Willis  
Hon Chris Bishop  
Hon Dr Shane Reti  
Hon Brooke van Velden  
Hon Shane Jones  
Hon Simeon Brown  
Hon Erica Stanford  
Hon Paul Goldsmith  
Hon Judith Collins

#### Officials present from:

Office of the Prime Minister  
Department of the Prime Minister and Cabinet



# Cabinet

## Minute of Decision

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### Report of the Cabinet 100-Day Plan Committee: Period Ended 19 January 2024

On 23 January 2024, Cabinet made the following decisions on the work of the Cabinet 100-Day Plan Committee for the period ended 19 January 2024:

Out of scope

100-24-MIN-0001

**Disestablishment of the Māori Health Authority**  
Portfolio: Health

CONFIRMED

Rachel Hayward  
Secretary of the Cabinet

**Staff: Sensitive**

Office of the Minister of Health

Cabinet 100 Day Committee

**Disestablishment of the Māori Health Authority**

**Proposal**

- 1 This paper outlines my proposed approach to disestablishing the Māori Health Authority.

**Relation to government priorities**

- 2 This paper gives effect to our 100-day plan commitment to disestablish the Māori Health Authority.

**Executive Summary**

- 3 The Government has committed in its 100-day plan to disestablish the Māori Health Authority. Cabinet directed me to report back in mid-January with legislative options. This paper sets out my proposed approach to disestablishing the Authority.
- 4 I propose to disestablish the Māori Health Authority, and redistribute its functions, within the public health system. The joint decision-making provisions will be repealed, in keeping with our commitments relating to co-governance. This means there will not be co-commissioning of health services, nor will plans require agreement from multiple parties. Other functions will continue, such as the commissioning of kaupapa Māori services, which will become a responsibility of Health New Zealand.
- 5 Regardless of organisational form, there will remain a need to address Māori health outcomes which are persistently poorer than those of the general population. This government is committed to improving health outcomes for all New Zealanders, including Māori. We recognise that communities know best what works for them, and will continue to work with Māori, and other population groups, to improve outcomes. The disestablishment will also require rethinking the locality planning provisions. I intend to cease work on localities while further considering the future provisions for robust community involvement in health service planning.
- 6 I intend to introduce legislation in late February to meet our commitment to introduce such legislation by 8 March 2024. While legislation is going through the House, reform work can begin using an existing statute allowing the transfer of functions and employees between health agencies. Work on

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planning transfers is underway, with the Māori Health Authority well engaged with Health New Zealand and the Ministry of Health.

### Background

- 7 Cabinet invited me to report to Cabinet by mid-January on options for disestablishing the Māori Health Authority (CAB-23-MIN-0468).
- 8 The government has committed to improving outcomes for all New Zealanders, while leading a unified and confident country.
- 9 My overall direction for the health system may be summarised as:
  - 9.1 a “one-system” approach that works for the whole population
  - 9.2 minimise administrative complexity, bureaucracy and inefficiency
  - 9.3 robust accountability to ministers for effective use of public money
  - 9.4 encourage local solutions for local circumstances.

### Māori have poorer health outcomes and poorer experience of services

- 10 Mortality rates for Māori are higher than for non-Māori. Māori also experience higher rates of morbidity, at a younger age, than other ethnic groups. Much of the underlying causes of these issues are outside the health sector, but Māori also report worse experience of health services, which is a contributor to later treatment and worse outcomes. For example, Health New Zealand figures show the Māori breast screening rate of 60% over the two years to October 2023 compares to a rate of 67% for the general population, with flow on effects in later diagnosis, and later and less effective treatment.
- 11 Services are often not designed or delivered in a way that works for those who use them, including Māori. For primary and community services, this is an area where localism has great potential to make a real difference. For services to be effective and meet the needs to local populations it is important to maintain and develop expertise within the system which can include understanding and connection to specific population groups.

### We need a changed approach that acknowledges communities' expertise

- 12 There is no question that we need to improve Māori health outcomes. I intend to do this by improving outcomes, and creating more accountability for that improvement, rather than through additional national-level advisory bodies. I intend to shift decision-making closer to communities to allow the people who know their whānau and community best to guide service design and commissioning.
- 13 The solutions that will work for Māori will come from Māori. I expect the Ministry of Health and Health New Zealand to find opportunities for communities, including whānau, hapū, and iwi, to contribute to the design of



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services and activities that work for them to promote and protect their health. There are also opportunities for non-government organisations to innovate, and the potential for Government support, as with the Mental Health Innovation Fund.

- 14 Māori involvement in the design and delivery of services for Māori is likely to mean more effective services, reaching more people who need them. For instance, in 2020 a modest amount of money (just under \$7 million) was used to fund a Māori influenza vaccine programme. This resulted in a significant increase in influenza vaccine rates for Māori. The decisive factors were providers going into communities, taking a whānau-centric approach and building Māori workforce capability.

### The Pae Ora Act

- 15 The Pae Ora (Healthy Futures) Act 2022 enabled wide ranging structural reform including the disestablishment of District Health Boards and centralised decision making. Disestablishing the Māori Health Authority removes a third national bureaucracy and ensures a dedicated focus on the functions can be matched with robust accountability for outcomes closer to the home and closer to the hapu. In doing this, we can ensure we retain within the system the expertise needed to improve health outcomes for all New Zealanders, including Māori.
- 16 The statutory functions of the Māori Health Authority are summarised below, with proposed reallocations for each identified.
  - 16.1 **Policy and strategy for Māori health** is a longstanding function of the Ministry of Health. This has been shared with the Māori Health Authority since July 2022 and is proposed to be reconsolidated within the Ministry.
  - 16.2 **Monitoring and public reporting** on system performance and outcomes for Māori is also currently shared with the Ministry and has some overlap with other system monitoring functions (e.g., that of Te Puni Kōkiri). Under new legislation this function will remain with the Ministry of Health. I consider that the Hauora Māori Advisory Committee should have a continued role in monitoring system performance at the local and regional level alongside the Ministry.
  - 16.3 **Planning and commissioning Māori health services** is currently shared with Health New Zealand. Under new legislation planning and commissioning functions currently within the Māori Health Authority will be consolidated within Health New Zealand.
  - 16.4 **Planning and commissioning other health services** to ensure they are effective for Māori, including the requirement for joint agreement to the New Zealand Health Plan, and co-commissioning of services is a current feature of Pae Ora. Under new legislation co-commissioning will no longer be a feature of the health system and Health New

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Zealand will be responsible for ensuring the health of all New Zealanders.

- 16.5 **Supporting the iwi-Māori partnership boards** will remain important for facilitating a continuing role in determining local priorities for the health system. This oversight will be transferred to Health New Zealand.
- 17 Consolidation of policy and monitoring functions will allow the Ministry to focus on improving outcomes, without needing to coordinate across multiple agencies. Consolidation within Health New Zealand of operational functions including responsibility of design and delivery of the health system for the whole population will ensure the full range of perspectives can be considered in developing effective services that respond to the needs of the people who use them.

### **The Crown has accepted obligations to engage with Māori to improve health outcomes**

- 18 A claim has been lodged in the Waitangi Tribunal, saying the disestablishment of the Māori Health Authority constitutes a Treaty breach. The Tribunal will consider all relevant matters and may make recommendations to the Crown to address any prejudice to Māori arising from a Treaty breach arising from disestablishment.
- 19 The Waitangi Tribunal, in its Health Services and Outcomes Inquiry (Wai 2575), found that the Crown had breached the Treaty of Waitangi with respect to primary health services. The Crown had not adequately considered its Treaty obligations and had breached them by underfunding Māori health services and not providing opportunities for Māori decision-making about matters of importance to Māori. The Tribunal recommended that the Crown take steps to remedy the breaches relating to Māori Health. It articulated Treaty principles the Crown should follow with respect to primary health services.
- 20 The Crown accepted the view of the Tribunal and incorporated its articulation of Treaty principles into the Māori Health Strategy, and into the health sector principles in the Pae Ora (Healthy Futures) Act 2022. Specific roles and functions for Māori health have been established under the Pae Ora (Healthy Futures) Act 2022 to provide for the Crown's intention to increase health system responsiveness for Māori. This will need to be addressed with further legislation to align with the coalition agreement.
- 21 The Māori Health Authority was one component of a wider system of change. Regardless of the structures put in place, addressing disparities in Māori health outcomes in the context of improving health outcomes for all New Zealanders through increased health system responsiveness and accountability remain enduring aims. It is still expected that partnership with Māori will occur, and that health agencies will engage and work with Māori in exercising functions nationally and locally.

### Locality planning needs to be reconsidered

- 22 Localities as described in the Pae Ora Act are 60-80 geographically defined areas for the purpose of service planning. They were intended to allow the specific needs and aspirations of a particular community to be identified and met, with robust engagement with the community concerned. The aim was to support localism and encourage integration between public services that can address wellbeing outcomes for communities. In practice, implementation has been slow and there is a lack of clarity for communities and the health workforce. Additionally, a primary function of the locality arrangements was to provide a mechanism for iwi-Māori partnership boards and the Māori Health Authority to exercise joint decision-making with Health New Zealand. With the disestablishment of the Authority I do not intend to progress localities. I have instructed Health New Zealand to stop work on localities pending further legislation.
- 23 Community involvement in health service planning will remain essential to the effective design and delivery of services. In particular, I see a useful role for iwi-Māori partnership boards alongside other community providers. The provisions requiring localities to be determined come into effect in June 2024, with locality plans required by June 2025. In light of the changes, I intend to remove those deadlines to allow time to reconsider statutory arrangements for local engagement and decision-making to ensure they best support community involvement and improved health outcomes.

### Iwi-Māori Partnership Boards and Hauora Māori Advisory Committee

- 24 There are mechanisms established by the Pae Ora Act that will ensure a continued focus on improving Māori health outcomes following changes to the Māori Health Authority. Iwi-Māori partnership boards and the Hauora Māori Advisory Committee will support this aim.

#### *Iwi-Māori partnership boards*

- 25 Iwi-Māori partnership boards are a key mechanism for ensuring local health services can meet the needs and aspirations of Māori. The current legislation recognises them for the purposes of representing the views of local Māori on:
- 25.1 The needs and aspirations of Māori in relation to hauora Māori outcomes
  - 25.2 How the health sector is performing for Māori, and
  - 25.3 The design and delivery of services within localities.
- 26 While I intend to reconsider the provisions relating to localities, the wider functions of Iwi-Māori partnership boards remain relevant to ensure planning and commissioning decisions respond to local need and circumstances. The provisions requiring the health sector to engage with the boards and support them in their own engagement with Māori will remain, with the responsibility sitting with Health New Zealand.

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- 27 There are likely to be opportunities for the boards to undertake additional functions that support my priorities for a more devolved health system, increasing localism and integration of public services to enhance wellbeing outcomes for communities, and improved Māori health outcomes.
- 28 While I do not propose conferring additional functions on the boards within the proposed Pae Ora Act amendments, I anticipate the boards will provide a powerful mechanism to improve the design and delivery of health services in the future. I have directed officials to provide me with further advice, and anticipate receiving that advice in April this year.

### *Hauora Māori Advisory Committee*

- 29 The Pae Ora Act establishes the Hauora Māori Advisory Committee to advise on Māori health, and to advise on ministerial action with respect to the Māori Health Authority. Although the Committee will no longer be required to advise on the Māori Health Authority, an independent committee advising on Māori health will remain valuable.
- 30 In this capacity, I intend the Committee to continue to take a role in monitoring and advising on system performance and outcomes with respect to Māori health, at the regional and local level. It could also help to hold Health New Zealand to account by undertaking some of the monitoring that was previously the responsibility of the Māori Health Authority, although national-level monitoring will remain a core function of the Ministry of Health. The Committee can undertake those functions within the existing legislative arrangements, as with its review of the Māori Health Authority in 2023. In the longer term I intend to consider amendments to their statutory role as part of any future legislative reform.
- 31 The Committee was initially established by appointment by the Minister of Health, after consulting the Minister for Māori Development. Given its reformed role, I consider appointments should remain close to ministers, and intend to repeal the provisions of the Pae Ora Act that would have required appointments to be made from nominations by the iwi-Māori partnership boards and other Māori health organisations.

### **Disestablishment should take place in June, but we can reform earlier**

- 32 The formal disestablishment of the Māori Health Authority should happen on 30 June 2024. This will coincide with the financial year and obviate any need for special reporting arrangements. This timeframe does not preclude action in the first half of 2024.
- 33 The Health Sector (Transfers) Act 1993 allows functions and staff to be seamlessly transferred between publicly owned health organisations and the Crown. This will allow Orders or agreements to be made transferring assets and liabilities (such as contracts for service) and employees from the Māori Health Authority to Health New Zealand or the Ministry of Health. All contract terms, including employment provisions related to leave and length of service,

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remain the same. I intend to progress transfers as soon as feasible, to facilitate early reform while legislation is progressed.

- 34 The Māori Health Authority, Health New Zealand, and the Ministry of Health are working to ensure the transfer of functions happens seamlessly. I anticipate the majority of roles will be transferred to Health New Zealand with a small number to the Ministry. A number of executive and other leadership roles will not transfer, with arrangements coming to an end.

### Approach to legislating

- 35 In order to meet our commitment to introduce legislation within 100 days of taking office, we must introduce legislation by 8 March 2024. To give the Ministry of Health and Parliamentary Counsel the most time to develop appropriate legislation I propose the introduction of legislation in February. Legislation should be passed no later than June, so that the Māori Health Authority can be disestablished in line with the financial year.
- 36 The short timeframe means amendments will need to be narrowly focussed, and there will not be an opportunity to put forward wider change to the health system legislation. There are other issues that may warrant consideration of statutory change over a longer timeframe. For example, addressing the status and functions of other health entities under the Pae Ora Act, or reviewing the roles and potential duplication across wider health entities.

### Cost-of-living Implications

- 37 The proposals in this paper do not have any cost-of-living implications.

### Financial Implications

- 38 The proposals in this paper do not have financial implications.

### Legislative Implications

- 39 An amendment bill is required to give effect to the proposals in this paper. Cabinet has agreed to introduce legislation to disestablish the Māori Health Authority before 8 March 2024. I propose that the amendment bill has a priority of 2 on the Legislation Programme (to be passed in 2024).

### Impact Analysis

#### Regulatory Impact Statement

- 40 Cabinet has suspended the requirement for Regulatory Impact Statements for decisions relating to 100 Day Plan proposals (taken within the 100 Days) which solely involve the repeal of legislation [CAB-23-MIN-0468].

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### **Climate Implications of Policy Assessment**

- 41 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that CIPA requirements do not apply to this proposal as it not expected to result in any significant, direct emissions impacts.

### **Population Implications**

- 42 This proposal amounts to an alteration in the administrative arrangements of the government. I do not consider there will be significant population implications.

### **Human Rights**

- 43 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### **Use of external Resources**

- 44 No external resources were employed in the development of the proposals in this paper.

### **Consultation**

- 45 This paper was prepared by the Ministry of Health. The Public Service Commission, Te Puni Kōkiri, Te Arawhiti, the Parliamentary Counsel Office, Health New Zealand, the Māori Health Authority, the Crown Law Office, and the Department of the Prime Minister and Cabinet were consulted.
- 46 The Treaty Provisions Officials Group will be consulted as necessary through the amendment drafting process.

### **Communications**

- 47 The Government has announced their commitment to disestablish the Māori Health Authority as part of the 100-day plan. I will make announcements on the policy decisions in this paper as appropriate as part of government communications against our 100-day plan.

### **Proactive Release**

- 48 This paper will be published on the Ministry of Health website in accordance with the proactive release guidelines. I do not consider any redaction is necessary.

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### Recommendations

The Minister of Health recommends that the Committee:

- 1 **note** that introducing legislation to disestablish the Māori Health Authority is an action in the Government's 100 Day Action Plan
- 2 **note** that legislation must be introduced by 8 March 2024 to meet that commitment
- 3 **note** that improving health outcomes for all New Zealanders, including Māori remains a priority for the Government and the publicly funded health sector

#### *Māori Health Authority functions*

- 4 **agree** to disestablish the Māori Health Authority and redistribute its functions within the publicly funded health system.
- 5 **agree** that Health New Zealand will take over operational functions
- 6 **note** the Ministry of Health will continue to provide policy and strategy advice, and monitor the performance of the health sector for Māori
- 7 **note** formal disestablishment should happen on 30 June 2024 to coincide with the financial year
- 8 **note** my intention to reassign functions and staff from the Māori Health Authority, as far as feasible, in advance of formal disestablishment
- 9 **note** employees will transfer on their existing terms and conditions using the provisions in the Health Sector (Transfers) Act 1993

#### *Primary and community service design and delivery*

- 10 **note** the locality planning provisions in the Pae Ora (Healthy Futures) Act 2022 provide for joint decision-making between Health New Zealand, the Māori Health Authority and iwi-Māori partnership boards
- 11 **note** the disestablishment of the Māori Health Authority will require the locality provisions to be reconsidered
- 12 **agree** to stop work on localities to allow time to reconsider how best to support community involvement in service design and delivery
- 13 **note** the continued role of iwi-Māori partnership boards in determining local priorities for the health system

#### *Hauora Māori Advisory Committee*

- 14 **note** my intention to have the Hauora Māori Advisory Committee focus on improving Māori health outcomes at the local and regional level

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*Approach to legislation and next steps*

- 15 **agree** that the amendment bill will have a priority of 2 on the legislation programme (must be passed in 2024)
- 16 **authorise** the Minister of Health to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above recommendations
- 17 **note** that other issues may warrant consideration of further statutory change, such as the status and functions of other health entities, and I will bring proposals to Cabinet as required.

Authorised for lodgement

Hon Dr Shane Reti

Minister of Health

PROACTIVELY RELEASED