

Aide-Mémoire

Meeting with Health Research Council on 25 January 2024

Date due to MO:	19 January 2024	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	2023034529
To:	Hon Dr Shane Reti, Minister of Health		
Consulted:	Health New Zealand: <input type="checkbox"/> Māori Health Authority: <input type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
Simon Medcalf	Deputy Director-General, Regulation and Monitoring Te Pou Whakamaru	s 9(2)(a)
Tim Hanlon	Group Manager, Evidence Research and Innovation Te Pou Whakamārama	s 9(2)(a)
Sarah Turner (Council appointments)	Deputy Director-General, Government and Executive Services Te Pou Whakatere Kāwanatanga	s 9(2)(a)
Danette Olsen	General Manager, Science System Investment and Performance, Ministry of Business Innovation and Employment	s 9(2)(a)

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To: Hon Dr Shane Reti, Minister of Health

Security level: IN CONFIDENCE **Health Report number:** 2023034529

Details of meeting: 25 January 2024, 12.30pm – 1.00pm
6.6 Executive Wing, Parliament

Purpose of meeting/proposal: This is the first meeting between you and the Health Research Council (HRC). You will be meeting with Dr Lester Levy (Council Chair) and Professor Sunny Collings (Chief Executive).

Dr Tim Hanlon, Group Manager, Evidence Research and Innovation from the Ministry of Health will attend.

Danette Olsen, General Manager, Science System Investment and Performance from the Ministry of Business Innovation and Employment will attend.

At the meeting you may wish to discuss the following:

- Expectations for 2024/25.

You may also wish to cover the following areas:

- Budget 2024
- Funding related to the Malaghan Institute.

Suggested talking points are provided below.

Comment:

Background information on HRC

The HRC is the Government's principal funder of health research. The HRC's role includes advising on national health research priorities, investing in research that improves the quality, cost effectiveness and sustainability of the health system, strengthening the health research workforce, and ensuring health research is ethical and safe.

The HRC is largely funded from Vote Science and Innovation. The HRC exists to improve the health and wellbeing of all New Zealanders through the process of identifying and supporting high-quality, high-value research that delivers far-reaching impact within the health and science landscape. The HRC is dedicated to funding and advancing outstanding health research in New Zealand.

Who are you meeting with

You are meeting with Professor Lester Levy the Council Chair and Professor Sunny Collings the Chief Executive of HRC.

- Professor Lester Levy, CNZM, MBBCH, MBA, FNZIM, has chaired the HRC since 2015. He is also the independent chairman of Tonkin + Taylor, strategic advisor on the future of healthcare to the Southern Cross Health Society and Professor of Digital Health Leadership at Auckland University of Technology's Faculty of Health.



- Professor Sunny Collings became Chief Executive of the HRC in February 2020, following nine years as Dean and Head of Campus at the University of Otago Wellington. In this time, she has helped the HRC lead the research response to COVID-19 and has championed new initiatives to reduce health inequities in Aotearoa New Zealand.



Accountability processes

Ministers have the opportunity to influence the priorities and performance of Crown entities through the documents and processes set out in the Crown Entities Act 2004. Essentially these provide for the responsible Minister to set out their priorities and expectations through a Letter of Expectations. That letter guides Crown entities in preparing an annual Statement of Performance Expectations (SPE) and, 3-yearly or as requested by the responsible Minister, a Statement of Intent.

The Ministry of Health (the Ministry) has begun work on a draft Letter of Expectations to the HRC which will be provided to you once we have engaged further with you on the Government's priorities for the health Crown entities. The Ministry will consult with the Ministry of Business, Innovation, and Employment (MBIE) on the draft letter.

Current operational considerations

The HRC's Briefing to the Incoming Minister (BIM) was provided to you on 28 November 2023 (2023033263 refers). It provides a useful overview of the HRC's role, operations and current issues.

Capital charge and public equity management plan

There have been delays in research projects due to Covid-19, and therefore payments to researchers. HRC has informed us that it is very likely to incur a capital charge because its public equity amount exceeds a threshold of \$15.0 million.

In the last two years MBIE has withheld payments to prevent this breach but has been informed by Treasury that this is not a sustainable option and is unlikely to be approved again. The Ministry is working with MBIE towards finding a long-term solution to allow them to carry forward their funding against future expenditure. However, this would entail work with Treasury, who have indicated an inability to resource this work currently.

The 2022 and 2023 letters of Expectations have stated that an Equity Management Plan be put in place and HRC is working with MBIE and the Ministry. MBIE has provided feedback on a plan and is waiting on a revised version.

Funding for long-term strategic investments

Long-term strategic investments are administered by the HRC, and it has been accepted by the HRC that these non-contestable funding mechanisms do not sit well under the HRC Act 1990. MBIE officials are working with the Minister of Science, Innovation and Technology and the HRC to develop a cohesive approach for long-term strategic investments. s 9(2)(f)(iv)

The Minister of Science, Innovation and Technology will provide you with a letter and a copy of MBIE advice outlining these funding issues alongside a request to meet before your meeting with the HRC.

Review of the HRC Act

The Letter of Expectations to the HRC for 2022/23 and 2023/24 requested that the HRC prepare for a review of the HRC Act 1990. The review purpose is to modernise the provisions of the Act to better reflect the health research environment and to enable the Council and Chief Executive to be more flexible about committee structures and decision making. Ministry officials are identifying where the Act review fits in the current Legislative Programme.

Council appointments

Health Research Council Te Kaunihera Rangahau Hauora o Aotearoa			
Full Name	Position(s)	Original Appt Date	Current Term Expiry
Professor Lester Levy CNZM	Chair; Member	1/01/2016	9/07/2026
Dr Will Barker	Member	8/06/2017	16/12/2022
Professor Parry Guilford	Member	13/10/2016	16/12/2023
Professor Paora Paul Tapsell	Member	17/12/2020	16/12/2023
Professor Elaine Rush	Member	17/12/2020	16/12/2023
Dr Lifeng Zhou	Member	10/07/2023	9/07/2025
Mr Baden Vertongen	Member	10/07/2023	9/07/2025
Professor Jeroen Douwes	Member	28/08/2015	9/07/2025
Professor Emma Wyeth	Member	10/07/2023	9/10/2026
Vacant	Member		

The statutory appointments process for HRC will follow the recruitment and appointment process outlined in the Public Service Commission | Te Kawa Mataaho *Board Appointment and Induction Guidelines*, including consideration by the Cabinet Appointments and Honours (APH) Committee.

Ministry officials are engaging with the Chair on the skill gaps and needs of the Council to inform the recruitment approach. The Ministry's Government and Executive Services directorate will provide you with more detailed advice in early February 2024 seeking your agreement to the process and timeframes for these appointments. This advice will also seek your input into the proposed skills matrix for the Council and the member position descriptions.

The Ministry will also provide you with advice in February 2024 seeking to reclassify Council member fees against the framework outlined in Cabinet Office circular CO (22) 2 *Revised Fees Framework for members appointed to bodies in which the Crown has an interest* (Fees Framework). This paper will also seek a subsequent suggested fee increase for its members.

HRC has not been reassessed against the Fees Framework for some years and has experienced significant growth in turnover over the past 3 years, justifying a reclassification of the member fees. Member fees are met by HRC within its operational funding.



Simon Medcalf

Deputy Director-General

Regulation and Monitoring | Te Pou Whakamaru

Date: 17 January 2024

Talking points for meeting with Health Research Council

s 9(2)(g)(i)

PROACTIVELY RELEASED