

Aide-Mémoire

Meeting with New Zealand Blood and Organ Service on 26 January 2024

Date due to MO:	23 January 2024	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	H2023034533
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

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Date due: 23 January 2024

To: Hon Dr Shane Reti, Minister of Health

Security level: IN CONFIDENCE **Health Report number:** H2023034533

Details of meeting: 26 January 2024, 11.30am to 12.30pm
New Zealand Blood and Organ Service National Office, 71 Great South Road, Epsom, Auckland

Purpose of meeting: This is the first meeting between you and the New Zealand Blood and Organ Service (NZBOS). You will be meeting with Fiona Pimm (Board Chair) and Sam Cliffe (Chief Executive).

NZBOS will take you on a brief tour of the facility, and you will then meet with the Chair and Chief Executive.

At the meeting you may wish to discuss the following:

- Expectations for 2024/25
- Budget 2024/25
- Investments in infrastructure and inventory.

Suggested talking points are provided in the attached briefing.

Ministry of Health officials will attend the meeting if you wish.

Comment:

The role of NZBOS

NZBOS is New Zealand's sole provider of blood, blood products and associated services, including tissue typing. It has taken up responsibility for the co-ordination of deceased organ donation (since late 2020) and has an increasing role in the supply of tissues and cells. It employs 800 staff across 9 donor centres, 3 processing sites, and 7 mobile collection teams. NZBOS runs 6 major hospital blood banks.

It is funded on revenue from Health New Zealand for its blood, blood products and services, and maintains critical relationships with 117,000 voluntary donors of blood, plasma and platelets.

Who are you meeting with

- Fiona Pimm (Ngai Tahu, Rapuwai, Kati Mamoe, Whaitaha), Chair, is an independent consultant and director with over 40 years' experience in the health sector and extensive governance experience. Ms Pimm previously worked in senior executive roles in primary care and DHB management as well as having spent 10 years working in Māori health with Ngāi Tahu. Ms Pimm's governance experience includes being a Board member of Canterbury DHB, Chairperson on Whai Rawa Fund Limited and representative for her marae at Arowhenua on the Board of Te Runanga o Ngāi Tahu. Ms Pimm has a Post Graduate Diploma in Public Health and an MBA from Massey University. Ms Pimm is also an appointed member of the Te Aka Whai Ora Board.



- Sam Cliffe has been Chief Executive of NZBOS for nearly 9 years. She has previously been an independent consultant and held senior management roles at the Ministry of Health and Counties Manukau DHB focusing on system and service integration. She was also General Manager of the Northern DHB Support Agency.



Board Appointments

The Deputy Chair of NZBOS has recently resigned which has created a vacancy. The table below sets out the terms of current members.

New Zealand Blood and Organ Service Te Ratonga Tata o Aotearoa			
Full Name	Position(s)	Original Appt Date	Current Term Expiry
Ms Fiona Pimm	Chair; Member	15/06/2016 as a member 3/09/2021 as Chair	2/09/2024
Vacant	Deputy Chair; Member		
Ms Nicole Anderson	Member	27/08/2021	26/08/2024
Mr Anthony Bow	Member	13/07/2022	12/07/2025
Dr Edward Tanetoa Hutchins	Member	13/07/2022	12/07/2025
Mr Roger Jarrold	Member	3/07/2023	2/07/2026
Dr Bart Baker	Member	15/06/2016	2/07/2026

The statutory appointments process for the NZBOS 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 will engage with the Chair to identify the skill gaps and needs of the Commission to inform the recruitment approach.

The 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 Board and the member position descriptions.

Current operational considerations

NZBOS's Briefing to the Incoming Minister (BIM) has been provided to the Minister of Health (H20233263 refers).

Growth in plasma demand

The demand for plasma-derived products is growing at about 10 percent each year, which is much higher than the growth (2 to 3 percent) in whole blood demand. Plasma from New Zealand is sent to Melbourne for processing into immunoglobulin products which are then used for New Zealand patients across a range of diseases. These immunoglobulin products are used to treat an increasing range of conditions, and New Zealand's use of them is lower than that in comparative countries.

About 88% of plasma products used by New Zealand patients is manufactured from New Zealand-sourced plasma. This is important because the availability and reliability of commercial product (plasma sourced from remunerated, overseas donors) is not guaranteed, and over the next 4 years, the global plasma market is forecast to become extremely tight. The growth in plasma demand has contributed to the need for NZBOS to fund additional infrastructure and inventory and increase the donor pool, each of which are explained separately below.

Investments in infrastructure and inventory

NZBOS is in the middle of a step-change in investment in infrastructure. This has been driven by 3 main factors:

- Termination of leases for some NZBOS sites by some landlords, particularly in Waikato and Tauranga
- The growth in plasma demand requiring additional logistics space to be provided at a new facility (Highbrook) in Auckland.

CSL Behring, who manufacture plasma products in Melbourne from NZ-sourced plasma, have recently built a new manufacturing facility. The technology used processes a single plasma product from each pool of plasma, rather than multiple products as occurred previously. NZBOS has therefore had to fund a significant increase in the inventories it holds of each product, so that the full range of treatments are available to patients.

Increased plasma demand, significantly increased inventory requirements, alongside increased involvement in tissue and cell processing and supply, has required the building of Highbrook. Stage 1 of this development is under construction currently.

Stage 2 of the Highbrook facility is a complex and highly technical build which will provide laboratories/clean rooms for the processing of cells and tissues. This is currently in the detailed design phase and price escalation risk is attached to this project until a construction firm has agreed to a detailed design. NZBOS has mitigated this risk through incorporating a significant contingency in its capital budgets.

These investments in infrastructure and inventory have been funded by Government provision of \$80.0 million in equity funding over the last 2 years, along with Health New Zealand (temporarily) paying price rises of around 11 per cent for NZBOS products and services in 2022/23 and 2023/24.

Growing and maintaining blood and plasma supply

As well as the capital investments outlined above, the growth in demand for NZBOS products and services means that NZBOS needs to increase donor appointments by more than 20 per cent over the next 5 years. COVID-19 impacted its ability to conduct mobile donation drives, which are only now returning to pre-COVID levels. Efforts to increase donation are challenged by donor expectations of a more convenient and personalised experience.

To meet those expectations NZBOS is:

- exploring the expansion of appointments provided in evenings, early mornings and weekends
- continuing to invest in promotions and campaigns
- expanding and upgrading its mobile collection vehicles fleet.

Growth in scope and responsibility

Over recent years, NZBOS has taken on a greater scope and range of responsibility, including heart valve banking (the National Heart Valve Bank transferred to NZBOS in October 2021), bone marrow registry (the New Zealand Bone Marrow Donor Registry transferred to NZBOS in late 2022) and deceased organ donation.

Organ Donation New Zealand (ODNZ) transferred to NZBOS from Auckland DHB in 2020. Auckland DHB had been subsidising ODNZ and this shortfall was not provided as part of the transfer. The transfer of clinical expertise and supporting services has enabled NZBOS to:

- provide 24/7 support to hospitals on organ donation and support for transplantation
- raise the profile of organ donation
- support effective clinical governance
- work with the health sector to coordinate donation and transplantation processes
- provide expert advice and information to the sector, government, media and public.

In Budget 2022, Government provided an additional \$2.0 million starting in 2023/24 to advance the 2017 strategy "Increasing Deceased Organ Donation and Transplantation". That amount rose to \$3.0 million in 2023/24. The Ministry is engaging with NZBOS to monitor progress on the initiatives it is undertaking to make progress on the strategy.

NZBOS has commented that it welcomes meeting the challenges of expanding its scope and range of services as long as those are adequately resourced.

Donor eligibility

For some years there have been prohibitions on the ability to donate blood and plasma on people from 2 groups in particular:

- Those who lived in the UK and some other parts of northern Europe during the outbreak of bovine spongiform encephalitis (BSE) and the associated Creutzfeldt Jakob Disease (CJD)
- Men who have sex with men (MSM)

An application to lift the restriction relating to CJD is currently with Medsafe and is likely to be finalised very soon. The restriction applying to MSM is more difficult because the relaxation of this restriction would result in CSL Behring in Melbourne requiring a significantly greater level of testing with the associated cost.

Holidays Act remediation

NZBOS employees are affected by Holidays Act provisions in the same way as Health New Zealand employees, and NZBOS has been involved in the same processes. NZBOS is currently in discussion with the Ministry about the first remediation payment.



Simon Medcalf

Deputy Director-General

Regulation and Monitoring | Te Pou Whakamaru

PROACTIVELY RELEASED

Suggested talking points for meeting with NZBOS

s 9(2)(g)(i)

PROACTIVELY RELEASED