



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Putting Patients First: Modernising Health Workforce Regulation

Portfolio **Health**

On 10 March 2025, following reference from the Cabinet Social Outcomes Committee, Cabinet:

- 1 **noted** that the Government Policy Statement on Health 2024-27 includes the review of regulatory settings, in order to retain, value and recognise the health workforce;
- 2 **noted** that a revised regulatory model will ensure that health workforce regulation:
 - 2.1 puts patients first;
 - 2.2 provides for right-sized forms of regulation;
 - 2.3 is future-proofed, and supports service innovation;
 - 2.4 is streamlined and cost-effective;
- 3 **noted** that the Ministry of Health has been engaging with key stakeholders (regulatory authorities, professional associations and unions, and professional colleges) to develop and test options;
- 4 **approved** the discussion document, attached under SOU-25-SUB-0014, for release for a consultation period of four weeks;
- 5 **authorised** the Minister of Health to make minor changes to the discussion document before publication, and to make further amendments as discussed at the meeting.

Rachel Hayward
Secretary of the Cabinet

Secretary's Note: *This minute replaces SOU-25-MIN-0014. Cabinet agreed to amend paragraph 4.*



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Report of the Cabinet Social Outcomes Committee: Period Ended 7 March 2025

On 10 March 2025, Cabinet made the following decisions on the work of the Cabinet Social Outcomes Committee for the period ended 7 March 2025:

SOU-25-MIN-0014

**Putting Patients First: Modernising Health
Workforce Regulation**
Portfolio: Health

Separate minute:
CAB-25-MIN-0063.01

Out of scope

Rachel Hayward
Secretary of the Cabinet



Cabinet Social Outcomes Committee

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Putting Patients First: Modernising Health Workforce Regulation

Portfolio **Health**

On 5 March 2025, the Cabinet Social Outcomes Committee:

- 1 **noted** that the Government Policy Statement on Health 2024-27 includes the review of regulatory settings, in order to retain, value and recognise the health workforce;
- 2 **noted** that a revised regulatory model will ensure that health workforce regulation:
 - 2.1 puts patients first;
 - 2.2 provides for right-sized forms of regulation;
 - 2.3 is future-proofed, and supports service innovation;
 - 2.4 is streamlined and cost-effective;
- 3 **noted** that the Ministry of Health has been engaging with key stakeholders (regulatory authorities, professional associations and unions, and professional colleges) to develop and test options;
- 4 **approved** the discussion document, attached under SOU-25-SUB-0014, for release on 12 March 2025, with consultation open until 9 April 2025 (4 weeks);
- 5 **authorised** the Minister of Health to make minor changes to the discussion document before publication, and to make further amendments as discussed at the meeting.

Tom Kelly
Committee Secretary

Attendance: (See over)

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston (Chair)
Hon Mark Mitchell
Hon Tama Potaka
Hon Nicole McKee
Hon Casey Costello
Hon Chris Penk
Hon Penny Simmonds
Hon Nicola Grigg
Hon Scott Simpson
Hon Karen Chhour

Officials present from:

Officials Committee for SOU

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Office of the Minister of Health

Cabinet Social Outcomes Committee

Putting Patients First: Modernising Health Workforce Regulation

Proposal

- 1 This paper seeks a decision on whether to publicly consult on detailed options for reform of health workforce regulation under the Health Practitioners Competence Assurance Act 2003 (the HPCA Act), or to seek Cabinet decisions as soon as practicable, and consult the public through the select committee process.

Relation to government priorities

- 2 Workforce is identified as a priority area in the Government Policy Statement on Health 2024 - 2027, which commits to reviewing the regulatory settings related to the health workforce.
- 3 The National Party and the ACT Party Coalition Agreement commits to improving recognition of overseas medical qualifications and experience, including the “consideration of an occupations tribunal”.
- 4 The Government’s action plan for the first quarter of 2025 includes an item to take Cabinet decisions on next steps to reform health workforce regulatory settings.

Executive Summary

- 5 Regulation affects the availability, cost, quality and safety of health practitioners. There are longstanding health workforce issues in New Zealand, with shortages of practitioners and inconsistent accessibility. These have led to patients dealing with long wait times and variable experiences of services.
- 6 The existing regulatory framework focuses on practitioners and not patients. It is inflexible and focused on regulating individual professions. Current workforce regulation does not respond to wider health system needs, and the fee-based cost-recovery model poses fairness issues for some professions, due to the different pools of fee-payers and remuneration levels. Current legislation also does not provide tools for Ministers to influence the regulator’s activity.
- 7 The Ministry of Health has been discussing these issues, and options to address them, with the workforce regulatory authorities and other health sector stakeholders. I now seek to consult publicly on options for health workforce regulation. The attached discussion document takes a broad

approach, outlining a wide range of options to address the issues described above.

- 8 The discussion document has been informed by discussions with the regulatory authorities, professional associations and unions, and the professional colleges. Public consultation is usual before Cabinet makes policy decisions on legislation reform. However, in this case, the engagements the Ministry has used to inform the discussion document may be sufficient to inform Cabinet decisions.
- 9 s 9(2)(f)(iv)

Background

Current health workforce regulation

- 10 The HPCA Act provides an enabling regulatory framework, based on licensing of recognised professions (e.g. medical practitioners or nurses). It establishes 18 separate regulatory authorities who regulate a part of the health workforce. Each authority has up to 14 members, of which a majority must be health practitioners. Members are generally appointed by the Minister of Health, but the Medical Council and Nursing Council have some elected members.
- 11 The Act continued the historical regulatory model whereby practitioners of specified professions must be registered with the appropriate authority, having gained the necessary qualification. Once registered, practitioners must hold an annual practising certificate to practise the profession. Practitioners pay a fee for registration, and the annual practising certificate.

Challenges with the current regulatory framework

- 12 Current regulation has contributed to high-quality and competent health practitioners in New Zealand. However, there are several features of the existing regulatory framework that make it harder to solve some of the key challenges facing our workforce, including:
 - 12.1 Narrow view of safety, focusing only on risk and not benefit, can limit workforce availability, meaning patients can face delays in receiving services or not receive them at all.
 - 12.2 Single approach to regulation, that means licensing or nothing, leads to disproportionate regulation of some professions, and reduces innovation and productivity. This means new professions, such as physician associates are less available, affecting patient's access to care.
 - 12.3 Profession-focused regulation that does not take account of wider health system needs and incentivises patch protection. This means patients may need to see multiple practitioners unnecessarily.

- 12.4 Profession-funded regulation that raises fairness issues for smaller or less well-paid professions, due to fee-based cost recovery, and significantly variable performance and financial sustainability.
- 12.5 Minimal oversight of the regulatory system, both from the Government and the public, can reduce responsiveness to system needs. This means there is no mechanism to ensure patient needs are considered if regulators fail to do so.

Analysis

- 13 The discussion document seeks public views on health workforce regulation, in particular:
 - 13.1 **Patient-centred regulation** - Options to ensure regulation is putting patients first;
 - 13.2 **Right-sized regulation** - Options to ensure regulation is proportionate: supporting public safety, without imposing unnecessary costs, and better recognising overseas qualifications;
 - 13.3 **Future-proofed regulation** – Options for more modern and adaptive regulation, that supports rapidly evolving technologies and models of care, so that people’s needs can be met in the best way possible;
 - 13.4 **Streamlined regulation** - Options to ensure streamlined and efficient regulation, to make sure taxpayers are getting the best value for money.

Patient-centred regulation

- 14 At present, there is little public influence on regulatory decisions. The discussion document sets out options to improve public involvement in regulation, such as a specific requirement to consult publicly on scopes of practice and qualification requirements. It also seeks public views on whether authorities should continue to have a majority of practitioner members.

What this will mean for patients

- 15 A real public voice in regulatory decisions will mean decisions focused on what people actually need and want. For example, podiatrists will shortly be able to prescribe medicines, rather than patients having to visit their podiatrist, then separately a GP for a prescription. If the regulatory system routinely prioritised patient needs, this could have been in place earlier.

Right-sized regulation

- 16 The discussion document sets out a spectrum of new regulatory mechanisms to allow for professions and activities to be regulated in the least restrictive way that is compatible with public safety. It also asks about review

mechanisms to ensure decisions can be reconsidered in a timely and cost-effective way. The options in the discussion document for Ministerial direction to health workforce regulators may achieve the purpose, depending on final decisions.

- 17 At present, practitioner regulation is all-or-nothing. Either practitioners must be regulated, and have an annual practising certificate, or they are unregulated. That means some professions remain unregulated, when there is a case for some form of regulation, such as speech and language therapists. Others are arguably overregulated, such as some practitioners of traditional Chinese medicine.
- 18 Recognition of overseas qualifications has been a concern. The National-ACT Coalition Agreement committed to better recognising overseas qualifications, including considering an occupations tribunal. The discussion document asks for views on establishing a tribunal.

What this will mean for patients

- 19 Right-sized regulation matters to the public, who ultimately bear the cost, which is generally recovered through fees, or met by the employer of practitioners (usually Health New Zealand and thus taxpayer-funded). It also potentially impacts on the availability of practitioners, especially overseas-trained ones, and thus the availability of care for the public.

Future-proofed regulation

- 20 To better respond to the needs of the public, health services need to innovate, including by using new professional groups. Uptake of new professions, such as physician associates, and nurse practitioners before them, has been delayed by a lack of clarity about the regulatory status, and disagreements between regulators about how new professions should be regulated and by whom.
- 21 The discussion document seeks public views on how we can ensure regulatory decisions are made for the benefit of the public and do not unduly stifle innovation. This could take the form of a general statutory obligation to consider wider system needs, or powers for the government to direct priorities.

What this will mean for patients

- 22 The ability for health services to confidently employ new professional groups will enable them to better meet people's needs by having a wider range of staff to respond to different needs. This will mean quicker access for people. Similarly, regulatory decisions taking account of the needs of health services will mean services are able to employ the right kind of practitioners who are able to work to the top of their scope. That will mean patients can be seen faster, by someone who can do everything they are qualified to do.

Streamlined regulation

- 23 There are opportunities for regulators to work together more closely and share resources. At the moment, there is duplication of effort across the regulators – for example, they each run their own registers, rather than operating a shared service. Because regulators are funded by fees on the professions, they have highly variable resources, given the different size and ability to pay of their professional groups. Some of the smaller regulators have told the Ministry their operations are unsustainable.
- 24 I am considering amalgamation of some authorities. This can already be done under existing powers, so no legislative change would be required. However, consultation is an opportunity to seek views on appropriate criteria for considering amalgamation of authorities.

What this will mean for patients

- 25 A streamlined regulatory system will work faster, and cost less. This will ultimately mean greater access to timely, quality healthcare for patients.

Next steps

- 26 I intend to undertake public consultation from early March to mid-April 2025.
s 9(2)(f)(iv)

Cost-of-living Implications

- 27 The proposals will not have direct implications on the cost-of-living.

Financial Implications

- 28 There are no financial implications arising from the proposals in this paper.

Legislative Implications

- 29 There are no legislative implications arising from the proposals in this paper.

Impact Analysis

Regulatory Impact Statement

- 30 As required by the Ministry for Regulation, the Ministry of Health quality assurance panel has reviewed the discussion document and determined that it will lead to effective consultation and enable the development of future impact analysis. Therefore, a separate regulatory impact statement (RIS) is not required at this stage. s 9(2)(f)(iv)

Climate Implications of Policy Assessment

- 31 The proposals in this paper do not require a Climate Implications of Policy Assessment.

Population Implications

- 32 This proposal is not anticipated to have specific population implications.

Human Rights

- 33 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

- 34 The Ministry of Health engaged an external editor and designer to ensure the discussion document was accessible to the intended audience.

Consultation

- 35 The Ministry of Health has consulted on this paper and the attached discussion document with Health New Zealand, the Public Service Commission, the Ministry of Business, Innovation and Employment, the Ministry for Regulation, the Department of the Prime Minister and Cabinet, and the Treasury.
- 36 The Ministry of Health began formal engagement with key stakeholders in July 2024, to discuss the shifts in regulation and how they might be achieved. Stakeholders included health workforce regulatory authorities, professional associations, medical colleges, and unions. Stakeholders wanted any changes to be focused on patient safety while retaining professional identities. They agreed there were opportunities to better coordinate between regulators, and with the wider health system.

Communications

- 37 Subject to Cabinet's decisions about consultation, the Ministry of Health will publish the discussion document on their website from 12 March until 9 April 2025. If Cabinet does not agree to consultation, I will make announcements when Cabinet makes policy decisions.

Proactive Release

- 38 I intend to proactively release this paper once the discussion document is published, or legislation is introduced, depending on Cabinet's decisions, with any redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister of Health recommends that the Committee:

- 1 **note** that the Government Policy Statement on Health 2024-27 includes the review of regulatory settings, in order to retain, value and recognise the health workforce;
- 2 **note** that a revised regulatory model will ensure that health workforce regulation:
 - 2.1 puts patients first;
 - 2.2 provides for right-sized forms of regulation;
 - 2.3 is future-proofed, and supports service innovation;
 - 2.4 is streamlined and cost-effective.
- 3 **note** that the Ministry of Health has been engaging with key stakeholders (regulatory authorities, professional associations and unions, and professional colleges) to develop and test options;

EITHER (recommended by the Minister of Health):

- 4 **approve** the attached discussion document to be publicly released on 12 March 2025, with consultation open until 9 April 2025 (4 weeks); and
- 5 **authorise** the Minister of Health to make minor changes to the discussion document before publication.

OR

- 6 **agree** the Minister of Health will seek Cabinet decisions as soon as practicable, and seek public views through the select committee process rather than public consultation.

Authorised for lodgement

Hon Simeon Brown

Minister of Health

Appendices

Appendix 1 – *Putting Patients First: Modernising Health Workforce Regulation:*
Discussion document

The link to the *Putting Patients First: Modernising Health Workforce Regulation:* Discussion Document is located here <https://www.health.govt.nz/system/files/2025-03/putting-patients-first-modernising-health-workforce-regulation.pdf>

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