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7 May 2024

s 9(2)(a)

Ref: H2024039399

Tēnā koe s 9(2)(a)

Response to your request for official information

Thank you for your request under the Official Information Act 1982 (the Act) to the Ministry of Health – Manatū Hauora (the Ministry) on 11 April 2024 for:

“Copies of all proposal documents prepared to give effect to the Government’s directive to reduce expenditure in the public service, including but not limited to reduction of staff numbers and resulting redundancies.

If no such specific proposal document exists, please provide copies of all documents concerning the reduction of staff and redundancies from 27 November 2023 to present.”

As the Minister of Finance announced at the mini-Budget in December 2023, the Government is seeking \$1.5 billion per annum in savings to deliver on policy commitments and fund critical cost pressures. Public service agencies have been asked to identify savings options of either 6.5% or 7.5%. The Ministry has been provided a savings target of 6.5%. In addition to identifying savings in corporate spending and the cessation of some projects, the Ministry is undertaking a proposed structural change to the organisation.

On 21 March 2024, the Ministry held an all-staff update to ensure kaimahi had the latest information on the proposed changes for the organisation. As part of the update, staff were provided with indicative timings for the upcoming consultation period, as well as proposed changes affecting some Ministry positions. It was also noted that the proposal would create some new positions that would be available for staff redeployment and a further group of positions may be affected by proposals for a reporting line change or a change in job title.

As is standard in change processes, employment and industrial negotiations are imminent, as well as discussions with individual staff and union representatives. For this reason, I am withholding information identified within scope of this request under section 9(2)(j) of the Act, to enable a public service agency to carry on negotiations without prejudice or disadvantage (including commercial and industrial negotiations). It is important that the confidentiality and integrity of the change and consultation process is maintained to allow relevant parties to

engage in open and honest discussions and for a fair and equitable outcome to be reached.

The Ministry is cognisant of the public interest in this matter and will consider the proactive release of all relevant information about the change proposal once the process has concluded. I hope that the summary of the meeting provided above is helpful.

For completeness, I can further advise that on 2 April 2024 kaimahi whose positions are proposed to be impacted or affected, received meeting invitations to discuss various proposed change impacts, from title or reporting line changes, through to team size reductions or disestablishment. Following this, a further all-staff update took place on 4 April 2024 where Director-General of Health, Dr Diana Sarfati released the Ministry's organisational change proposal. Consultation on proposals for organisational change will run between 4 and 26 April. Following feedback from staff and any changes to the proposals, final decisions will be made by 30 June 2024. It is expected that a new organisational structure will be stood up in August 2024.

You may be interested in Ministry communication about job cuts and cost savings from August 2023 to January 2024, which was released in a previous OIA response. A copy of this response is enclosed in this letter. This is released to you with some information withheld under section 9(2)(a) of the Act, to protect the privacy of natural persons. Where information is withheld under section 9 of the Act, I have considered the countervailing public interest in release in making this decision and consider that it does not outweigh the need to withhold at this time.

If you wish to discuss any aspect of your request with us, including this decision, please feel free to contact the OIA Services Team on: oiagr@health.govt.nz.

Under section 28(3) of the Act, you have the right to ask the Ombudsman to review any decisions made under this request. The Ombudsman may be contacted by email at: info@ombudsman.parliament.nz or by calling 0800 802 602.

Please note that this response, with your personal details removed, may be published on the Manatū Hauora website at: www.health.govt.nz/about-ministry/information-releases/responses-official-information-act-requests.

Nāku noa, nā



Geoff Short
Transformation Director
Transformation Management Office



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8 March 2024

s 9(2)(a)

By email: s 9(2)(a)

Ref: s 9(2)(a)

Tēnā koe s 9(2)(a)

Response to your request for official information

Thank you for your request under the Official Information Act 1982 (the Act) to the Ministry of Health - Manatū Hauora (the Ministry) on 29 January 2024.

On 30 January 2024, the Ministry contacted you in accordance with section 18B of the Act to refine a part of your request. On the same day, you provided a refinement and amended the scope of your request to include an additional query.

Each part of your request is addressed in turn:

All communication with team leaders (eg managers) [from August 2023 to now] regarding said topic [job cuts and savings targets], and all official briefing documents on the matter?

The Ministry has interpreted this part of your request as pertaining to information on job cuts and savings targets resulting from public sector departments providing savings options.

As the Minister of Finance announced at the mini-Budget in December 2023, the Government is seeking \$1.5 billion per annum in savings to deliver on policy commitments and fund critical cost pressures. Public service agencies have been asked to identify savings options of either 6.5% or 7.5%. The Ministry has been provided a savings target of 6.5%.

The Ministry has identified four documents within scope of this part of your request. All documents are itemised in Appendix 1 and copies of the documents are enclosed. Where information is withheld under section 9 of the Act, I have considered the countervailing public interest in release and consider that it does not outweigh the need to withhold at this time.

Please note that organisational change has been underway in the Ministry since 2022 as part of the health system reforms under the Pae Ora (Healthy Futures) Act 2022, where many Ministry functions and staff transferred to Health New Zealand – Te Whatu Ora and the Māori Health Authority – Te Aka Whai Ora. In the latter part of 2023, this included a structural change to the Ministry's Executive Governance Team.

Material pertaining to these changes have been deemed out of scope of your request as these do not relate to savings targets or job cuts, rather, the Ministry's way of working and its mandate as the chief steward of the health system.

In addition, am I please able to get a copy of communication between the Ministry and the Minister, on the topic of cost savings, job cuts, and potential restructuring?

The Ministry has not received or provided any information from or to the Minister of Health regarding cost savings, job cuts, or restructuring. Therefore, this part of your request is refused under section 18(e) of the Act.

Please also provide the amount of FTEs and the proposed ideal amount of FTEs under the new Government's cost saving model in the public service.

As of 31 January 2024, the Ministry's full-time equivalent (FTE) was 823.37. These figures include Permanent and Fixed Term employees. There have been no decisions regarding the proposed ideal amount of FTEs for the Ministry as part of the "new Government's cost saving model in the public service".

I trust this information fulfils your request. If you wish to discuss any aspect of your request with us, including this decision, please feel free to contact the OIA Services Team on: oiagr@health.govt.nz.

Under section 28(3) of the Act, you have the right to ask the Ombudsman to review any decisions made under this request. The Ombudsman may be contacted by email at: info@ombudsman.parliament.nz or by calling 0800 802 602.

Please note that this response, with your personal details removed, may be published on the Manatū Hauora website at: www.health.govt.nz/about-ministry/information-releases/responses-official-information-act-requests.

Nāku noa, nā



Geoff Short
Transformation Director
Transformation Management Office

Appendix 1: List of documents for release

#	Date	Document details	Decision on release
1	21 December 2023	Email correspondence to Executive Governance Team: Suspending recruitment until further notified	Some information withheld under section 9(2)(a) of the Act, to protect the privacy of natural persons.
2	24 January – 2 February 2024	Excerpts of People Leaders Updates	Excerpt released in accordance with section 16(1)(e) of the Act.
3	1 February 2024	Excerpt of DG Talking Points – All Staff Update	
4	N/A	Ministry Budget FAQs	Released in full.

From: Geoff Short
Sent: Thursday, 21 December 2023 11:04 am
To: Executive Governance Team <Executive.Governance.Team@health.govt.nz>
Cc: Claire McMahon <Claire.McMahon@health.govt.nz>
Subject: Suspending recruitment until further notified

Kia ora koutou

Holding off further recruitment until notified

With the release yesterday of the Government's mini-Budget, and as follow-up to EGT yesterday, I am confirming that across the Ministry we have now paused recruitment for all positions for the next few months. As previously canvassed, this will enable the Ministry to maintain a staffing number that is closer to our target establishment and meet the financial sustainability expectations announced in the revised Budget today. We need to reduce our spend across the board going into the next financial year if we are to meet our financial envelope. Key to this is managing vacancies to reduce our overall headcount to much closer to our target. If we manage ourselves well against our current and expected vacancies over the next three months we will have sufficient headroom by March to take account of the organisational changes DDGs are seeking to build ~~iff~~ capability in areas where we have gaps, as well be gained.

The request to hold on vacancies means any positions that are currently in the recruitment process can be completed but no further recruitment is to commence. This includes the recruitment of a replacement person following resignation.

We have already set up an opportunity for people to defer or stop activities in the Business Plan. In some instances DDGs have already signalled a pause or deferral of work is proposed but I would encourage people to review again the work programme for each directorate to ensure we do not have teams feeling stressed or overworked because they are carrying vacancies that can't be recruited to.

Extension of fixed terms, secondments and acting arrangements

Where managers are seeking to extend fixed-term employees, secondments or acting arrangements before 30 June 2024, this will continue to require DG approval and endorsement from P&C. These will be considered by exception only.

Contractors/Consultants

The engagement, or extensions of contractors/consultants will also pause, however, requests due to exceptional circumstances will be considered by the Director-General

If you need any further information, or have questions please let me know so that this has now become operational.

Ngā mihi
Geoff

Geoff Short | Director
Transformation Management Office

s 9(2)(a)

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Manatū Hauora, 133 Molesworth Street,
Thorndon, Wellington 6011



24 January 2024 – Excerpt of People Leaders Update

Further to the last EGT meeting and my email to DDGs late last year, the Ministry has paused recruitment for all positions to the end of March 2024. This action was taken to enable the organisation to work through what actions we need to take to meet our budget constraints.

It did not affect a number of priority roles for recruitment that were already in the process with People and Capability and had approval from the DG.

In addition to the hold on recruitment, we will need to very carefully consider any extensions to fixed term positions, secondments and acting arrangements that go beyond 30 June 2024. Many of these are critical to keeping the business working, or are part of backfilling arrangements, and we are keen to provide certainty early for people in many of these roles.

The People and Capability team are working to proactively identify some of the fixed-term, acting up and secondment arrangements that may be affected to address individual circumstances with people leaders before they become an issue. To assist with this, I would be grateful if People Leaders could signal to their Senior HR Advisor any upcoming extensions, so we can work through which ones will be considered under these circumstances, and seek DG approval asap.

There are still a number of requests already coming through for new recruitment and extensions.

As signalled at the end of last year there may be exceptional circumstances that need to be considered and approved by the DG.

Accordingly, we have developed with People & Capability the below high level criteria as to what DDGs need to consider before putting forward an exceptional circumstance request.

1. What is the financial impact for this request? Cost neutral solutions may be considered an exceptional circumstance this financial year.
2. Have any future change decisions been considered and will those have any potential impact on progressing this request?
3. Is this request linked to a priority piece of work or one of the Ministry's organisational priorities?
4. Have we considered internal solutions and/or people? Will anyone be disadvantaged by this decision?

Further guidance and processes will be developed to support how people leaders can work with their Senior HR Consultants and Senior Recruitment Advisors which will follow shortly.

In the interim, you need to be aware that all new requests, including extensions to the above, will require an RRF to be completed and will require DG approval.

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2 February 2024 – Excerpt of People Leaders Update

As many of you heard from the DG yesterday, the Government has recently asked us to propose options to meet a 6.5% reduction in our budget beyond what we were already working towards for the next financial year.

EGT spent some time focused on this task earlier this week. It's our responsibility to lead the organisation with its budget and one we take very seriously.

We are working on our savings proposals and looking at the areas where we can reduce expenditure. We're looking at our floorspace (to see if we can restack at least part of it), we're looking at areas where we can defer spending, and we're asking people to tighten the belt wherever it is sensible to do so.

We are working to have a robust plan by the middle of the month which EGT will consider at the end of February. When we are able to, we will talk with you about our plans.

I acknowledge this will be a difficult time for many. Please reach out if you or your teams need help throughout these changes. Our Employee Assistance provider, Vitae, is available 24/7. Alternatively, I encourage you to speak to your colleagues, your senior HR consultant, or your DDG.

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DG Talking Points – All Staff Update

Thursday 1 February @ 10.15am

Mōrena e te whānau,


Thank you for making time to meet with me in person for my first update of the year – and welcome to all those joining us online.

I hope you have had a break over the summer and taken an opportunity to rest and to connect with family and whānau.

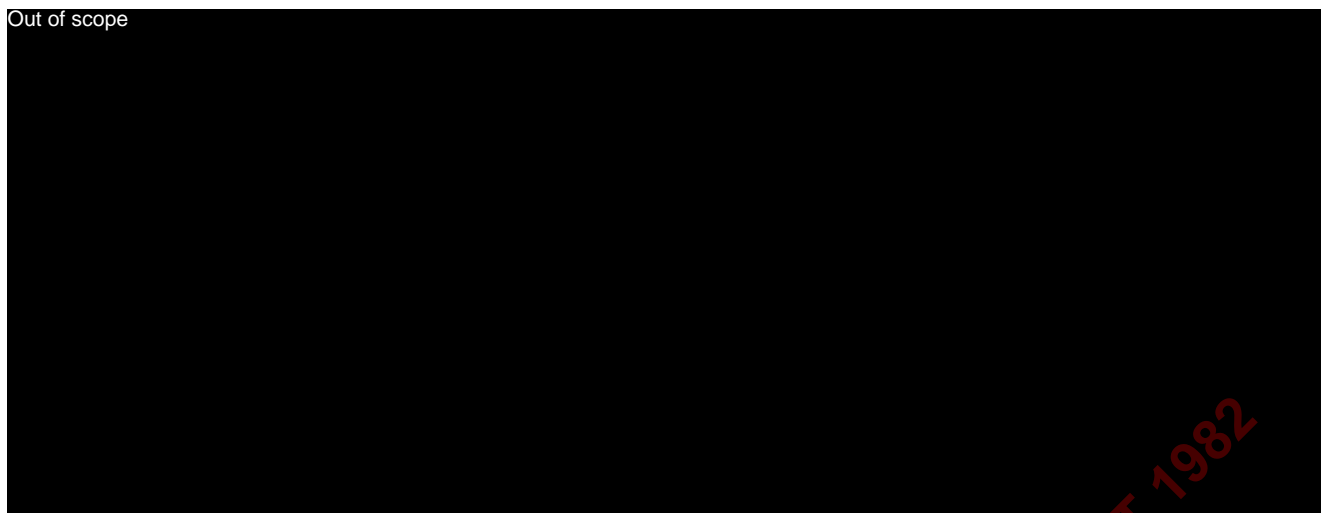
As I mentioned when I spoke to you late last year, we have been meeting with our new ministers, in particular Health Minister Dr Shane Reti, to get an understanding of his priorities, which I'll outline shortly.

These meetings have continued this year and it's clear that while the Government isn't proceeding with some of our former work programmes, there will be new work streams for us to pick up.

Out of scope



Out of scope



Budget reduction

It is important to remember the role of the Ministry and what we are here to do remains the same – to steward the health system.

However, how we achieve it may change.

We have been working on the way we are organised and our way of working for a few months now, since the high-level organisational structure came into effect last October.

We have also been working on our organisational shape. We have known for some time that we would need to adjust our overall staffing level to fit our budget next year as a range of time-limited funded activities such as the COVID-19 response comes to an end.

As I indicated during the course of last year, we anticipated that we could achieve that by primarily drawing on unutilised vacancies and positions, as well as some other non-staff related savings.

But the context in which we have been working has now changed.

The Government has recently asked us to propose options to meet a 6.5% reduction in our budget beyond what we were already working towards for the next financial year.

EGT spent some time focused on this task over the last two days. It is our responsibility to lead the organisation with its budget and one we take very seriously.

We are working on our savings proposals and looking at the areas where we can reduce expenditure. We're looking at our floorspace (to see if we can restack and lease part of it), we're looking at areas where we can defer spending, and we're asking people to tighten the belt wherever it is sensible to do so.

The scale of the changes needed to make savings at the level needed will likely require us to reduce positions that are not vacant. That will likely mean job losses.

We are working to have robust plan by the middle of this month. EGT will then consider our savings plan at the end of the month. When we are able to, we will talk with you about our plans.

There is a lot of focus needed by us on that task as we understand the impacts this has for the organisation and for you. There is no plan to change the overall structure of the Ministry, the Directorate groupings will stay as they are.

I want to be clear that we are not in a change process and we will undertake proper consultation should the need for that arise.

So that you have a sense of the timeframe it is important that you know we will need to make any changes by the time we go into the next financial year, or very soon thereafter.

Once we have determined our savings options and identified the impacts, especially on staffing, we will work through that with you.

Over the next couple of months, I will hold regular staff briefings on where we are with the process, so that you hear from us first. The DDGs will also be increasing their engagement with you to ensure you can check in with them on our progress.

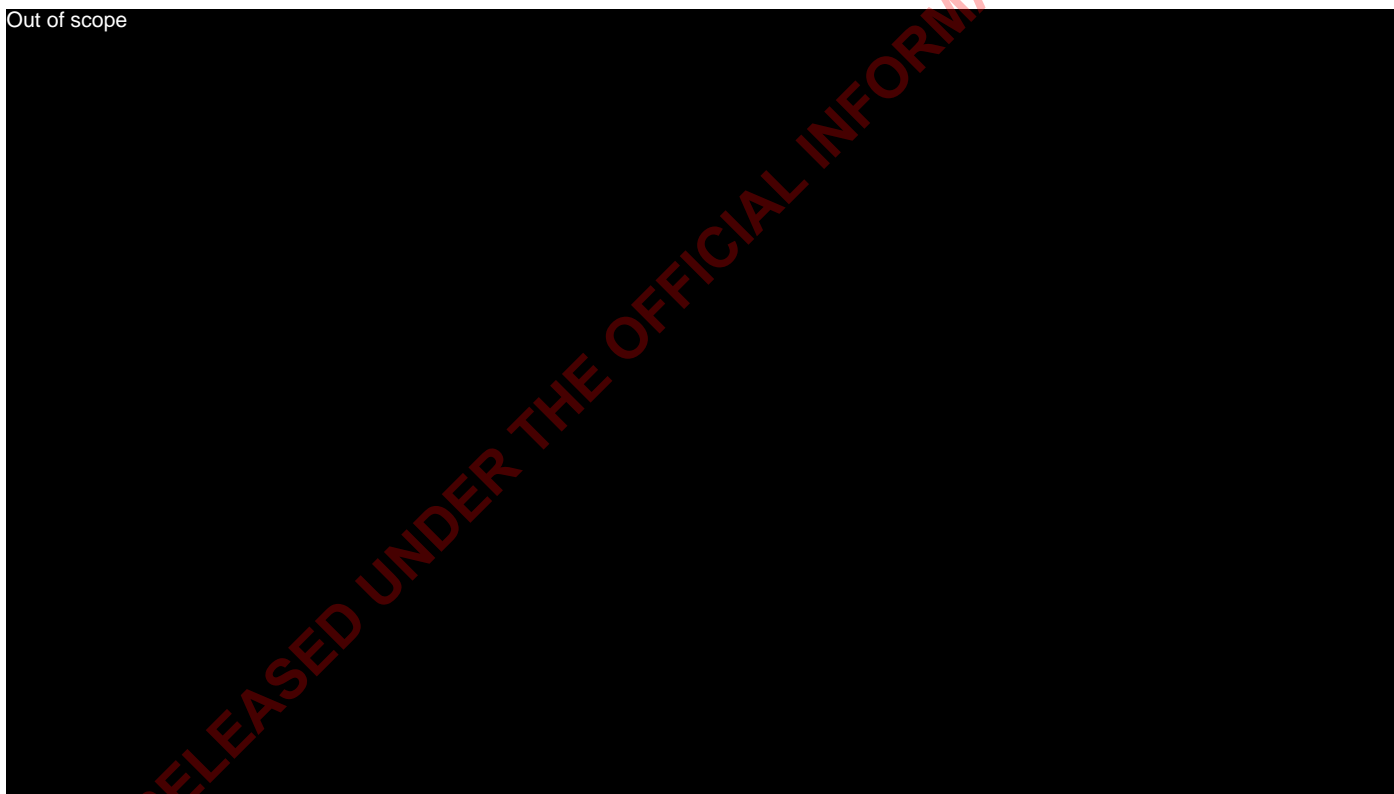
Support is available

As we continue with this process, I want to acknowledge it will be challenging, especially for those of you who have already been impacted by the reforms and last year's structure changes.

I know you hear me say this often, but I mean it. Please make sure you reach out if you need help through these changes. Support is available. Your wellbeing absolutely matters to me, and I completely understand that this kind of change and uncertainty can be very stressful for people.

I realise you might not always feel comfortable speaking to your managers, HR consultant or your colleagues about this. If that is the case, please get in touch with Vitae, our employee assistance provider. They are available 24/7 and are just a phone call away

Out of scope



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Ministry Budget FAQs

What's our process for reducing our expenditure with next year's budget in mind?

The EGT is working through the best approach to reducing our expenditure for the year ahead. It is really important that we make sure there is sufficient resourcing for the organisation's priorities and that we are working to optimise our resources overall for the work we need to do.

Once the EGT has set the organisation's priorities and approach to next year's budget there will be a further update. Each Directorate should also be looking at what actions they can take to make savings within their forecast budgets for the work they expect to do next year.

How quickly do we need to act to make savings of around 6.5%? What does it mean in terms of overall operating expenditure, does it mean we just have to do more with less?

We are working on options to make 6.5% savings in our baseline if we need to and cease work on time limited initiatives where the funding ends before the next financial year to work within our expected budget. We will need to reduce our work programme to fit our likely budget, with our priorities driving our focus to those things that matter most.

What are we really trying to achieve – isn't it just about being smaller and reducing head count?

Through our Transformation Programme, we're making long-term improvements that will enable us to take a stronger and more definitive leadership role in the reformed health system. We are already underway; a new organisational structure and new Transformation initiatives will help create more agile structures that allow kaimahi to work fluidly across different teams and directorates. This will allow more collaboration between teams and initiate new ways of working so that capabilities can be shared more easily.

The Programme will work with functions across the Ministry to clarify roles and responsibilities of different teams within Manatū Hauora and demonstrate how these teams fit together as part of a cohesive single organisation. It will also work with Directorates on actions to reduce expenditure and align with overall priorities.

What if my work doesn't neatly align to our organisational priorities going forward, will I lose my job?

Every year we set organisational priorities and look to align our resources with those. We have no preconceived view on where to find savings and we want to preserve

people's current roles as much as possible. We will do our best to make sure our people and their roles remain embedded in the work we are doing; there is a lot that we will need to achieve in the next few months.

Will you be calling for voluntary redundancies like MBIE is?

We have no preconceived view on where to find savings and have not considered this.

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