

In Confidence

Office of the Minister of Health

Memorandum for the Cabinet Appointments and Honours Committee

SOUTHERN PARTNERSHIP GROUP: APPOINTMENTS

Proposal

1. This memorandum asks the Committee to note my intention to appoint Mr Andrew Blair (Chair), Dr Andrew Connolly, Dr Tony Lanigan and Richard Thomson (Southern DHB Deputy Commissioner) as members of the newly established Southern Partnership Group for a three-year term of office commencing as soon as practicable.

Background

2. Dunedin Hospital has reached the end of its life cycle, with a number of its buildings no longer suited for acute clinical functions and in many cases facilities that don't meet minimal clinical standards.
3. At the same time the district health board (DHB) is facing an increasing deficit position in its financial performance, which has resulted in a Commissioner being appointed.
4. Significant capital investment is required at the Dunedin site and this provides an opportunity for a substantive in-depth review of services, how they are delivered and at what cost to Southern DHB.
5. Officials from the Ministry of Health and Treasury have recommended that a Partnership Group, similar to that used for re-developments for the West Coast and Canterbury DHBs, be established to assist Southern DHB to review service delivery and plan for a major capital investment in Dunedin. The Partnership Group would be directly accountable to myself and the Minister of Finance.
6. The role of the Southern Partnership Group will be to provide governance oversight of the redevelopment throughout the phases of the project, beginning at service review and Strategic Assessment through to final completion of construction. It is expected it will take seven to ten years until the opening of a new facility, which is the expected term for any major redevelopment.

Comment

7. I intend to appoint Mr Andrew Blair (Chair), Richard Thomson (Southern DHB Deputy Commissioner), Dr Andrew Connolly and Dr Tony Lanigan as members of the newly established Southern Partnership Group for a three-year term of office commencing as soon as practicable.

8. A member with an interest in primary care will be appointed at a later date.
9. Mr Andrew Blair is currently a commercial advisory consultant (Andrew Blair Consulting Limited) in the public and private sectors (including health). He assists owners, executive directors, and boards of other businesses in the areas of strategic and business planning, change management, growth and productivity, and trouble shooting. Mr Blair was appointed Chair of the new Cancer Control New Zealand Board (established July 2014) by the Minister of Health. Mr Blair is former Chief Executive of Acuity Health Group Limited (formerly Wakefield Health) (2007-2013), where he led the integration of three hospitals into one commercial operation. He also served as General Manager, Royston Hospital, Hastings (1995-2007). Andrew is an appointed member of the Hawke's Bay District Health Board and serves on that board's Finance, Audit and Risk Committee.
10. Dr Andrew Connolly has been Head of Department of General Surgery at Counties District Health Board since 2003. Dr Connolly was elected Chairperson of the Medical Council of New Zealand in 2014, having previously served as Deputy Chairperson and as a member since 2009. He has a strong interest in governance and clinical leadership, and served on the Ministerial Advisory Group that was responsible for the 2009 'In Good Hands' document aimed at improving clinical leadership in the public health system. He has previously held the role of Presiding Member of the Lotteries Health Research Distribution Committee, and recently chaired a Ministerial review of the impact of the elective waiting times policy and was a member of the review panel of the New Zealand Cancer Registry. A general and colorectal surgeon, Mr Connolly trained in Auckland and in the United Kingdom.
11. Dr Tony Lanigan is a professional civil engineer and management and technology consultant. He is a current Director of the New Zealand Transport Agency (2010 - present), Tamaki Makaurau Community Housing Limited (2013 - present), Watercare Services Limited (2011 - present), Trustee and Chair of the New Zealand Housing Foundation (2000 - present), Vice- Chair of Habitat for Humanity New Zealand (which he has been involved in since 1996), and was the inaugural Chancellor of the Auckland University of Technology (2000 - 2001). He is former General Manager of Fletcher Construction. Dr Lanigan was appointed a Member of the New Zealand Order of Merit in 2013 for services to tertiary education and the community (social housing). He holds a PhD in Civil Engineering from the University of Auckland (1973). Dr Lanigan is a member of the Canterbury Hospital Redevelopment Partnership Group.
12. Richard Thomson is a Dunedin-based businessman who owns and runs the Acquisitions national chain of retail stores. Prior to this he was a lecturer in psychological medicine at the Dunedin School of Medicine, Otago University. He has also worked in private practice as a clinical psychologist. Was an elected member of the Otago DHB, now Southern DHB, for the past 11 years. He has spent seven of these as Chair of the Otago DHB and has chaired most Board committees, including the Otago DHB Community and Public Health, Disability Support and Hospital Advisory Committees. Mr Thomson is also an elected member of the Dunedin City Council, a trustee of the Healthcare Otago Charitable Trust and is Chairperson of the Hawksbury Community Living Trust. Currently serving as a Deputy Commissioner for Southern DHB.
13. A CAB 50 form containing further details of above members is attached.

Remuneration

14. Fees consistent with the Cabinet-approved Fees Framework (Cabinet Office Circular CO (12) 6, *Fees framework for members appointed to bodies in which the Crown has an interest*)

Appointment process and consultation

15. I confirm that an appropriate process has been followed in considering the proposed appointees, including seeking current conflict of interest statements from the proposed appointees and conducting a 'due diligence' interviews.
16. The Minister of Finance and the State Services Commission has been consulted

Conflicts of interest

17. I can confirm that appropriate enquiries concerning conflicts of interest have been carried out. Mr Andrew Blair (Chair), Dr Andrew Connolly, and Richard Thomson have identified no potential conflicts of interest with respect to being a member of the Southern Partnership Group.

18. Dr Tony Lanigan has identified;

- Mr Lanigan and his wife have a long term small shareholding in Fletcher Building Limited.
- Mr Lanigan is a Distinguished Fellow of the Institution of Engineers (Dist. FIPENZ). He has had and may have formal and/or informal relationships with contractors, consulting engineers or practices which may from time to time provide services to AUT University, NZTA and Watercare Services Ltd.
- Mr Lanigan helped establish the Master of Construction Management programme at AUT. The programme is supported both financially and with personnel resources by construction companies and industry consultancies that from time to time may provide services to AUT University, NZTA and Watercare Services Ltd.

Conflict management mitigation

- Advise the Partnership chair and remove myself from discussion where conflict may be perceived.
19. Information is still being sought concerning conflicts of interest for Dr Tony Lanigan. Should conflicts be advised a follow-up paper to APH will be provided.
 20. Should any conflicts of interest arise in the future; members will be expected to manage these in accordance with the provisions set out in the CE Act. In relation to board members, the key statutory provisions for managing conflicts of interest are:
 - a. all interests the member is aware of which may result in a conflict must be disclosed at the time of appointment

- b. new interests arising after appointment must be disclosed to the Chair 'as soon as practicable after the member becomes aware that he or she is interested'
- c. a member with a conflict of interest must not vote or take part in any discussion or decision of the board or any committee relating to the matter.

Timing and publicity

- 21. Notice of the appointment will be released as soon as practicable after the appointment has been made.
- 22. Other than personal information requested by individuals to whom the information refers, I do not intend to publicly release any papers relating to the appointment process that identify individuals.

Recommendations

- 23. I recommend that the Committee note my intention to appoint Mr Andrew Blair (Chair), Dr Andrew Connolly, Dr Tony Lanigan and Richard Thomson (Southern DHB Deputy Commissioner) as members of the newly established Southern Partnership Group for a three-year term of office commencing as soon as practicable.

Hon Dr Jonathan Coleman
Minister of Health

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