

Statement of Intent

2014 to 2018

Ministry of Health

**Presented to the House of Representatives
pursuant to section 39 of the Public Finance Act 1989**

Citation: Ministry of Health. 2014. *Statement of Intent 2014 to 2018: Ministry of Health*.
Wellington: Ministry of Health.

Published in June 2014 by the
Ministry of Health
PO Box 5013, Wellington 6145, New Zealand

ISSN 1175-852X (print)
ISSN 1178-8585 (online)
HP 5912

This document is available at www.health.govt.nz



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Foreword: Minister of Health

New Zealanders enjoy a high-performing health and disability system that continues to perform each year in the face of increasing expectations and fiscal restraints. However, the Government has set clear priorities for the health system to make care better, sooner and more convenient.

We have made significant progress in improving health, and the health sector is well placed to continue this progress. Strong performance against the six health targets means there are shorter waiting times for key services such as emergency care and elective surgery, and better preventive interventions. To continue to improve services, this Government has revised the immunisation target and will introduce a new faster cancer treatment target.

New Zealanders expect social services to work together effectively. The Government's Better Public Services targets have resulted in services that put people first and make a greater collective impact. In health this has resulted in higher child immunisation rates, a range of collaborative work to reduce rates of rheumatic fever through our school-based programme, and healthier housing initiatives for at-risk families. Other Government priorities such as Whānau Ora, welfare reform, youth mental health, the Children's Action Plan and social sector trials are improving the wellbeing of New Zealand families while breaking down the boundaries between public services.

Information and transparency are important for public services. More information about the performance of local health services is available online than ever before, via MyDHB. Every DHB now publishes a Quality Account, which is a tool to ensure New Zealanders receive the best and safest care possible. In addition, the health sector is trialling a new 'patient experience' information-gathering tool to ensure the patient's voice is heard as we evaluate and improve service quality.

Leadership from a strong and trusted workforce is critical to the success of New Zealand's health services, and to the delivery of more care closer to home. Strong primary care services are at the centre of the Government's approach to meeting the rising challenges of non-communicable diseases and long-term conditions such as diabetes, heart disease and mental health issues. The health sector, supported by the Ministry, is developing a new integrated performance and incentive framework to improve accountability mechanisms in primary care and to ensure the right incentives are in place to achieve better access to quality health care for all patients, as well as better value for money.

Ministerial statement of responsibility

I am satisfied that the information on strategic intentions prepared by the Ministry of Health is consistent with the policies and performance expectations of the Government.



Hon Tony Ryall
Minister of Health
June 2014

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Introduction: Director-General of Health

Every New Zealander will rely on the health system at some point in their lives. Each day, dedicated health professionals across the country provide excellent care to their local population.

We are not a large population, but our demographics are changing rapidly and our health services must adapt to keep up with these changes. For us to improve the health and wellbeing of New Zealanders, we need to shift from the traditional health care model, where we wait for people to become unwell and come to us in our hospitals and clinics, to a health system that partners with other social services and actively engages with people and their communities to deliver health services that support people to live well, at home, for as long as possible.

We all have a role to play in shifting our health system to a wellness model, and we will continue to improve how we work with our partners across the public service to deliver on complex health and social objectives and to provide better value for public funds. We are committed to supporting delivery of the Government's Key Result Areas through Supporting Vulnerable Children and our contribution to the Children's Action Plan, and through working closely with other Ministries.

Such a paradigm shift needs new and renewed capacity and capability in our dedicated workforce of highly skilled clinicians and health professionals. We will continue to invest in human capital and technology in order to care for New Zealanders in the 21st century.

The Ministry faces the challenge of sustaining a high-quality system within the context of tight financial constraints. To achieve this we must continue to work with our communities to develop new and better ways of delivering services and providing models of care that meet the changing needs of all New Zealanders. In this *Statement of Intent* you will see that the Ministry of Health is committed to continued improvement in performance within allocated budgets over the next four years.

Chief Executive statement of responsibility

In signing this document, I acknowledge that I am responsible for the information on strategic intentions for the Ministry of Health. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.



Chai Chuah
Acting Director-General of Health
June 2014



Mike McCarthy
Chief Financial Officer
June 2014

Nature and scope of functions

Purpose and role

The Ministry of Health seeks to improve, promote and protect the health and wellbeing of New Zealanders through:

- its leadership of New Zealand's health and disability system
- advising the Minister of Health, and government, on health issues
- directly purchasing a range of national health and disability support services
- providing health sector information and payment services for the benefit of all New Zealanders.

The Ministry works in partnership with other public service agencies and by engaging with people and their communities in carrying out these roles.

Leadership

The Ministry leads the health and disability system and has overall responsibility for the management and development of that system. It steers improvements that help New Zealanders live longer, healthier and more independent lives.

The Ministry ensures that the health and disability system is delivering on the Government's priorities, and that health sector organisations are well governed and soundly managed from a financial perspective. To do this, the Ministry:

- funds, monitors and drives the performance improvements of health sector Crown entities, including district health boards (DHBs)
- supports the planning and accountability functions of health sector Crown entities, including DHBs
- regulates the sector and ensures legislative requirements are being met.

Funding for these functions is provided through the appropriations 'Sector Planning and Performance' and 'Regulatory and Enforcement Services'.

Advising government

Health and disability policy choices are complex and challenging, and the Ministry has a responsibility to provide clear and practical advice to the Minister of Health and Associate Health Ministers, supported by strong, evidence-informed analysis.

The Ministry also provides expert clinical and technical advice to Ministers and the health and disability sector. Some Ministry functions (such as those that rest with the Director of Public Health) include clinical decision-making or statutory responsibilities.

The main appropriation relating to this function is Policy Advice and Ministerial Services. Some decision-making roles and the advice provided by statutory committees come under the Regulatory and Enforcement Services appropriation.

Buying health and disability services

The Ministry is a funder, purchaser and regulator of national health and disability services, on behalf of the Crown. These services include:

- public health interventions (such as immunisation or dealing with outbreaks of disease)
- disability support services
- screening services (such as cervical screening)
- maternity services
- ambulance services.

Funding for these functions is provided through the appropriation 'Managing the Purchase of Services'.

Information and payments

The Ministry provides key infrastructure support to the health and disability system, especially through:

- the provision of national information systems
- a payments service to the health and disability sector.

Funding for these functions is provided through the appropriations 'Health Sector Information Systems' and 'Payment Services'.

The health and disability system and its funding

The health system's funding comes mainly from Vote Health, which is administered by the Ministry of Health. In 2014 this totalled \$15.557 billion. Other significant funding sources include other government agencies (most notably the Accident Compensation Corporation – ACC), local government, and private sources such as insurance and out-of-pocket payments.

The Ministry of Health allocates the majority of the public funds it manages through Vote Health to DHBs, who use this funding to plan, purchase and provide health services for the population of their district, to ensure effective and efficient services for all of New Zealand. DHBs oversee funding for all levels of care, including primary care such as general practitioners (GPs), nurses, pharmacists and community health services. They also oversee funding for hospital services, aged care services and services provided by non-government health providers, including Māori and Pacific providers.

New Zealand's health and disability system also includes private non-governmental providers, and professional and regulatory bodies for all health professionals, including medical and surgical specialties, nurses and allied health groups. Many non-governmental organisations (NGOs) and consumer bodies provide services and support, alongside more formal advocacy and inquiry boards, committees and entities. In recent years the Ministry has been working increasingly with other government social sector agencies to improve health and social sector outcomes.

The Ministry spends approximately 18 percent of Vote Health to directly purchase a range of services such as disability support services, public health services, specific screening programmes, mental health services, elective services, Well Child and primary maternity services, Māori health services, and postgraduate clinical education and training, as well as Māori and Pacific provider development. In 2014/15 the Ministry will directly purchase \$2.85 billion worth of health and disability services.

Just over \$193 million of Vote Health (1.2 percent in 2014/15) funding is spent on running the Ministry to support the wider health sector.

Responding to a changing environment

The Ministry continues to assess the changes in its operating environment to ensure its services are aligned to New Zealanders' expectations and health and wellbeing needs. Improving New Zealanders' health outcomes and raising the quality of health services while living within a slower funding growth path will continue to be a challenge for the health and disability sectors.

There are a number of external factors and strategic challenges that could or will influence the operating environment for the health sector over the next few years.

- Most New Zealanders are now living longer than ever before, but some of these extra years are lived in poor health, particularly due to long-term conditions. There is a diversity of health needs in our society, with Māori, Pacific people and people living in more deprived neighbourhoods having worse health outcomes.
- There are positive trends in lifestyle factors that influence our health, including reduced adult and youth daily smoking rates, and hazardous drinking rates among young adults. However, obesity rates continue to worsen, with an estimated 1.2 million New Zealand children and adults obese.
- The Government has signalled a fiscal strategy of modest increases to health funding in the short to medium term. This means the smarter use of existing resources, people, facilities and funding to ensure a high-quality health system now and in the future.

Ageing population, life expectancy and healthy life expectancy

The proportion of New Zealanders who are over 65 years of age is growing relative to the rest of the population, and more people are living beyond the age of 85 than ever before. Life expectancy in New Zealand is 79.7 years for males and 83.2 years for females.¹

Health expectancy has improved, although it has not kept pace with life expectancy. The number of years the average New Zealander can expect to live in full health is 67 years for males and 69 years for females, based on 2006 data.²

This means that we can expect to live longer, but some of that time will be lived in poor health. This expansion of morbidity suggests that long-term disabling conditions will become increasingly important drivers of health expenditure. Based on estimates of health-adjusted life expectancy and life expectancy from the New Zealand Burden of Disease Study, boys born in 2006 could expect to live an average of 8.9 years (11 percent of their life) in poor health, while girls could expect to live 11.5 years (14 percent of their life) in poor health.³

1 Source: Abridged period life tables, 2011–13, Statistics New Zealand provisional data, February 2014.

2 Ministry of Health and Statistics New Zealand. 2009. *Longer Life, Better Health? Trends in health expectancy in New Zealand 1996–2006*. Wellington: Statistics New Zealand.

3 Ministry of Health. *Health Loss in New Zealand: A report from the New Zealand Burden of Diseases, Injuries and Risk Factors Study, 2006–2016*. Wellington: Ministry of Health. URL: www.health.govt.nz/publication/health-loss-new-zealand-report-new-zealand-burden-diseases-injuries-and-risk-factors-study-2006-2016

Non-communicable diseases and mental health issues pose challenges

Non-communicable diseases are now the leading cause of health loss (that is, causing early death, illness and disability) worldwide.⁴ In New Zealand, three groups of non-communicable diseases (cardiovascular diseases, cancers and mental disorders) accounted for 46 percent of all health loss in 2006.⁵ Many people are entering older age with multiple long-term conditions, and most people will need the support of the health and disability system to some extent.

Mortality rates for cardiovascular disease and most cancers continue to decline in New Zealand. These improvements are largely due to reductions in exposure to risk factors (such as smoking and saturated fat intake), early detection and better treatment.

Lifestyle factors (such as smoking, poor diet, physical inactivity and harmful use of alcohol) can play a role in accelerating or increasing the likelihood of non-communicable diseases.

Mental health problems are a significant issue for New Zealand, particularly among young people, who have the highest prevalence rates for most major mental illnesses. New Zealand's youth suicide mortality rate is unacceptable and was the second highest in the OECD in 2011.⁶

Most people with disabilities and older people live independently in their own home

The 2006 Disability Survey⁷ found that about 90,000 children and 570,000 adults in New Zealand reported having a disability. Among people of all ages with disability, most live in households in the community. In 2006, 82 percent of people with disability were adults living in households, 14 percent were children living in households, and 5 percent were adults living in residential facilities.

As the rate of disability in the population increases with age, a greater proportion of older people live in a residential care facility than is the case for younger people. In 2012/13 approximately one in four people aged 85 years and over lived in aged residential care, which means that an estimated 75 percent of people in this age group were still living in their own home.⁸

There is good evidence that people who continue to live in their own home – with personal care and home management support if necessary – have greater wellbeing. Among older adults, most prefer to stay in their own home.

There is diversity of health needs within New Zealand's population

Although the national picture of health is positive, there are substantial variations in outcomes for different populations, particularly for Māori and Pacific peoples, and for those living in more socioeconomically deprived areas.⁹ For example, rates of some illnesses (such as rheumatic fever and skin infections) are much higher among Māori and Pacific peoples.

With increasing diversity in our population, the health system recognises the need to be flexible to meet changing needs and expectations of services.

4 Murray CJL, Vos T, Lozano R, et al. 2012. Disability-adjusted life years (DALYs) for 291 diseases and injuries in 21 regions, 1990–2010: a systematic analysis for the Global Burden of Disease Study 2010. *Lancet* 380: 2197–223.

5 Ministry of Health. 2013. *Health Loss in New Zealand: A report from the New Zealand Burden of Diseases, Injuries and Risk Factors Study, 2006–2016*. Wellington: Ministry of Health.

6 Ministry of Health. 2014. *Suicide Facts: Deaths and intentional self-harm hospitalisations 2011*. Wellington: Ministry of Health.

7 Statistics New Zealand. 2007. *Disability Survey 2006*. Wellington: Statistics New Zealand.

8 *Health and Independence Report 2013*.

9 *Health and Independence Report 2013*.

Responding to this context

These factors have shaped the Ministry's strategic direction. The increased prevalence of long-term conditions places greater importance on maintaining wellness for longer through better prevention. Long-term conditions also require regular contact with health and other social sector service providers and can deteriorate in the absence of that contact. For this reason we need to make services more accessible and deliver more care in environments closer to home.

The ageing of the population means that supporting the health of older people will be an ongoing priority. In addition, improving the quality and safety of the health sector, making the best use of information technology, strengthening our workforce and supporting regional and national collaboration continue to be at the forefront of our strategic thinking. This strategic direction is outlined in greater detail in the next section.

The Ministry's strategic direction

The improved wellbeing and health of New Zealanders will be achieved by the delivery of services that are accessible, safe, individual- and family-centred, clinically effective and cost-effective. The Ministry has a multi-faceted strategy, as is appropriate for a complex sector. The Ministry will:

1. contribute to the Government's strategic priorities by:
 - delivering Better Public Services within tight financial constraints
 - responsibly managing the Government's finances
 - supporting Christchurch
 - building a more competitive and productive economy
2. deliver on the Government's other priority actions through:
 - Supporting Vulnerable Children
 - Whānau Ora
 - the Prime Minister's Youth Mental Health project
 - health targets
 - Tackling Methamphetamine: An Action Plan
 - social sector trials
 - the Australia New Zealand Therapeutic Products Agency (ANZTPA)
 - Smokefree 2025
3. implement the Minister's objectives for the sector, which are to:
 - maintain wellness for longer by improving prevention
 - improve the quality and safety of health services
 - make services more accessible, including more care closer to home
 - implement Rising to the Challenge¹⁰
 - support the health of older people
 - make the best use of information technology (IT) and ensure the security of patients' records
 - strengthen the health and disability workforce
 - support regional and national collaboration.

The Government's strategic priorities

Delivering Better Public Services within tight financial constraints

The Government has outlined clear steps to create a public sector that is more innovative, efficient and focused on delivering what New Zealanders want and expect. One of these steps is the setting of 10 challenging targets for the public sector, one of which is Supporting Vulnerable Children.

¹⁰ Rising to the Challenge aims to improve outcomes for people who use primary and/or specialist mental health and addiction services, including their families and whānau. It provides direction to planners, funders and providers of publicly funded mental health and addiction services on priority areas for service development.

The Ministry and health sector are responsible for increasing immunisation rates and reducing the incidence of rheumatic fever, as well as reducing the number of assaults on children. To achieve these results, the health sector needs to work better with other sectors (such as education and social welfare), because the issues cut across traditional boundaries; for example, action on rheumatic fever requires involvement with schools and housing agencies.

In addition, the Government has outlined clear principles for how it expects public services to perform. Realising the Ministry's vision for the health sector requires an approach that aligns with these principles: the Ministry is a results-driven organisation, one that works with other social services to deliver collective impact and that pursues innovative approaches.

The Ministry also contributes to Better Public Services functional leadership by using the government IT infrastructure, thereby providing improved procurement and property management (see pages 35–36).

A results-driven organisation

The Ministry and DHBs are collectively responsible for achieving the Government's six health targets. Meeting these targets makes a practical difference to individuals and families by improving access to services, reducing waiting times or preventing harmful conditions. Targets that have been consistently achieved have been changed so that they continue to offer a challenge for improvement; for example, the targeted age for fully immunising infants has changed from two-year-olds to eight-month-olds, and the new faster cancer treatment target will support faster access for people with suspected cancer to all services, from diagnostic tests to surgery or other treatment.

Delivering a collective impact

Positive health outcomes are a consequence of activities across the social sector, not just the health sector. We know that education, employment status, housing quality, sport and recreation, and public transportation that enables access all have an impact on the health and wellness of individuals and their families. As a result, the Ministry works closely with other social sector agencies to increase our collective impact on the lives of New Zealanders.

Examples of effective cross-sector activities include: the Prime Minister's Youth Mental Health project; the Social Sector Forum; the Drivers of Crime programme; Whānau Ora; *Tackling Methamphetamine: An action plan*; as well as initiatives to reduce family violence and reduce the influence of gangs in our communities. These activities cross the boundaries of what would traditionally be considered 'health' issues, but successfully addressing them alongside our fellow social sector agencies has a significant impact on health outcomes.

Embracing innovation

The needs and expectations of New Zealanders are changing, and services need to change with them. This means continuing to test and trial new approaches in order to deliver services more effectively and efficiently. In many cases this means taking approaches with a strong evidence base from overseas and seeing if they are adaptable to New Zealand conditions, but it also means having the courage to trial new approaches.

Examples of innovation include practical new activities in the community, such as the social sector trials investigating social bonds; changes to system settings, such as development of Integrated Performance Improvement Framework for health services; and changes to how we work, such as embracing the Rapid Cycle Change improvement methodology.¹¹

11 A way of accelerating learning from innovation to improve practice and enhance consumer experience.

Responsibly managing government finances

Vote Health is a significant component of government expenditure. It was \$15.557 billion in 2014/15, 21 percent of core Crown expenditure, and about 6.2 percent of Gross Domestic Product.¹² It is essential that New Zealanders get the best value for their tax dollars. In addition to managing its own funding responsibly, the Ministry's stewardship role means it has a duty to ensure the wider health and disability system is managed in an efficient and productive manner, and delivers continuous improvements in the health services New Zealanders receive. The Ministry works with sector partners such as ACC (via service agreements) to manage funds effectively, providing injury cover for all New Zealand citizens, residents and temporary visitors to New Zealand.

The challenge has been, and will continue to be, providing New Zealanders with excellent health care while ensuring the cost of our health system is sustainable. This is a serious challenge, because historically health spending has grown faster than GDP.

The Ministry influences how DHBs, the Pharmaceutical Management Agency (PHARMAC), clinicians and others in the health sector allocate resources and manage cost pressures. The way the sector work together affects how efficiently resources are used and how spending pressures are managed.

Changes at a national level are helping the system adjust to a lower growth path. The activities of Health Benefits Limited and PHARMAC continue to gain momentum to help DHBs live within their means.

Supporting Christchurch

Meeting the health needs of Cantabrians is a key element of the Government's response to the ongoing effects of the Christchurch earthquakes. The Ministry has been supporting initiatives to address mental health issues stemming from stress and anxiety. The Ministry is working with Canterbury DHB and other agencies such as the Canterbury Earthquake Recovery Authority (CERA) to implement the Psychosocial Recovery Strategy and Action Plan. The plan raises community awareness through a public relations campaign and encourages individual and community resilience by continuing to provide a range of health services to meet the needs of people affected by the earthquakes, in collaboration with other government and non-government agencies.

The Ministry's role in rebuilding Christchurch involves supporting CERA and Canterbury DHB in earthquake recovery efforts, including addressing structural and capacity issues.

The Ministry has a key role under the Partnership Group governance to manage the design and construction of new buildings at Burwood Hospital and the main Canterbury Health Campus. The Ministry has appointed architects, engineers, quantity surveyors and project managers for the design of Burwood Hospital and the main Canterbury Health Campus. The contract to build Burwood Hospital was awarded at the end of 2013. The rebuild of the Christchurch hospitals is expected to be completed by the end of 2018.

Building a more competitive and productive economy

A healthier population means a healthier labour force and better work attendance. Good health allows people to learn and develop new skills, raising the country's skill base. Better health and greater independence also mean fewer people relying on Supported Living Payments.

A strong health and disability system makes a direct contribution to the economy and to economic growth. For example, DHBs make significant contributions to the local economy as employers and purchasers of supplies. In addition, innovation originating in the health sector can bring substantial commercial opportunities, both nationally and internationally.

12 www.treasury.govt.nz/budget/2014/taxpayers

The health sector has the potential to nurture local health companies to create national and international business opportunities. An example is Orion Health, which began filling IT contracts for Auckland public health services in 1992, and has now grown into an international business with 20 offices worldwide and over 750 staff – over half of whom are in New Zealand.

Conversely, ill health and the wider impacts of psychosocial diseases and addictions bring economic costs in the form of absence from work, treatment costs, increased crime rates and poor educational outcomes.

The Government's other priority actions

Supporting Vulnerable Children

The Better Public Services programme established by the Prime Minister in 2012 sets out 10 results for the public sector to achieve over the next three to five years. The results are grouped into five themes, one of which is Supporting Vulnerable Children.

Increasing immunisation rates for infants (also one of the six health targets)

In recent years there has been significant progress in lifting immunisation rates among young children. As at December 2013, 93 percent of New Zealand two-year-olds were fully immunised, up from 80 percent in 2009. The current challenge is to ensure that by mid-2014, 90 percent of infants receive their three primary scheduled vaccinations by the time they are eight months old and 95 percent by December 2014, and that this is maintained through to 30 June 2017. Timely immunisation aligns with our objective of maintaining wellness through better prevention.

A substantial reduction in rheumatic fever cases among children

Rheumatic fever primarily affects children and is a complication of a particular type of sore throat (caused by the Group A streptococcal bacteria). It is a preventable disease that can have serious consequences (such as the development of rheumatic heart disease) if not treated early. There are around 140 deaths from rheumatic heart disease in New Zealand each year. Rheumatic fever mainly affects Māori and Pacific people.¹³

The Ministry's Rheumatic Fever Prevention Programme contributes to the achievement of the rheumatic fever targets.¹⁴ The Programme started on 1 July 2011 and is targeting areas of New Zealand with the highest rates of rheumatic fever hospitalisation.

Reducing the number of assaults on children

The Ministry is supporting the health sector's contribution to the implementation of the *Children's Action Plan*. Published in 2012, the *Children's Action Plan* is a living document and provides a framework for how health and social services and communities can change the lives of vulnerable children and their families. It includes a summary of actions and proposes a five-year timeline (to the end of 2017), with periods allocated to development and implementation.

The Government has set a goal that by 2017 we will have halted the 10-year rise in children suffering physical abuse and will have reduced current numbers by 5 percent.

13 Acute rheumatic fever is 23 times more likely in Māori and nearly 50 times more likely in Pacific people than in other ethnic groups. From 1996 to 2005, while acute rheumatic fever rates significantly decreased among the European population, rates among Māori and Pacific children increased significantly.

14 To reduce the incidence of rheumatic fever by two-thirds to 1.4 cases per 100,000 people by June 2017.

In 2013 demonstration sites for children's teams were established in Whangarei and Rotorua, with a significant contribution from the Ministry and the Lakes and Northland DHBs. Children's teams operate at the local level to improve outcomes for children at risk of maltreatment who are just outside the threshold for statutory care and protection. Children's teams are made up of experienced and senior professionals from various agencies and non-government organisations (NGOs).

Whānau Ora

Whānau Ora is an innovative approach that supports whānau to identify and achieve their own aspirations. It supports the independence of whānau, but it also entails government services working together to deliver a collective impact for New Zealand families.

The Ministry works with Te Puni Kōkiri (the lead government agency), and the Ministries of Social Development, Pacific Island Affairs and Education, to support a programme of work to embed the Whānau Ora approach among service providers. The Ministry takes the lead for the health sector, but this transformation also requires strong engagement from DHBs, who are often the most substantial funders of services offered by Whānau Ora collectives.

The Ministry also leads a work programme, on behalf of Te Puni Kōkiri, to implement a Whānau Ora information system that supports whānau planning and tracks the achievement of whānau goals. The information system is a key part of the Government's support to the Whānau Ora collectives, and the approximately 180 health and social service providers within collectives, as they continue to transform their services to be more whānau centred. The system is also able to be used by the three Whānau Ora commissioning agencies, if required.

The Prime Minister's Youth Mental Health project

A considerable number of young New Zealanders experience mental health problems such as depression, anxiety and substance abuse, which can have life-long consequences. Suicide rates among our young people are also tragically high. There is an unmet need among young people dealing with mental health issues.

The Ministry is leading a cross-agency project¹⁵ for young people aged 12 to 19 years with mild to moderate mental health needs to help maintain wellness and prevent mental health problems developing, and to improve access to specialised treatment for those who need it. This project includes 26 initiatives designed to reach young people, not just through the health system, but also through their families and communities, their schools and the internet.

Health targets

The health targets are a set of national performance measures specifically designed to improve the performance of key health services of particular concern to patients, in accordance with our drive for clear and quantifiable results. These were introduced to the New Zealand health system in 2007/08 and in 2009/10. DHB accountability and reporting were streamlined, with a focus on six health targets that are reviewed annually.

¹⁵ The key agencies involved in implementation are the Ministries of Health (lead), Social Development and Education, and Te Puni Kōkiri. The Ministry of Pacific Island Affairs, The Treasury and the Department of the Prime Minister and Cabinet are also participants on the Steering Group. The Families Commission is undertaking an evaluation of the project.

The Ministry works collaboratively with DHBs to achieve the health targets. The Ministry supports ‘target champions’, who are experts in their clinical area, to work with and provide support to the health sector. The targets are shown in Table 1.

Table 1: Six health targets for 2014/15

Health target	Measures
Shorter stays in emergency departments	95% of patients will be admitted, discharged, or transferred from an Emergency Department within 6 hours.
Improved access to elective surgery	The volume of elective surgery will be increased by at least 4000 discharges per year.
Shorter waits for cancer treatment (for quarter one 2014/15) ¹⁶	All patients, ready for treatment, wait less than 4 weeks for radiotherapy or chemotherapy.
Faster cancer treatment	85% of patients will receive their first cancer treatment within 62 days of being referred urgently with a high suspicion of cancer by July 2016.
Increased immunisation (also a Better Public Services action)	90% of 8-month-olds will have their primary course of immunisation (6 weeks, 3 months and 5 months immunisation events) on time by July 2014 and 95% by December 2014, and this is maintained through to 30 June 2017.
Better help for smokers to quit	95% of hospitalised patients who smoke and are seen by a health practitioner in public hospitals and 90% of enrolled patients who smoke and are seen by a health practitioner in general practice are offered brief advice and support to quit smoking. Within the target, a specialised identified group will include progress towards 90% of pregnant women (who identify as smokers at the time of confirmation of pregnancy in general practice or booking with lead maternity carer) are offered advice and support to quit.
More heart and diabetes checks	90% of the eligible population will have had their cardiovascular risk assessed in the last 5 years.

Tackling Methamphetamine: An action plan

In 2009 the Prime Minister launched Tackling Methamphetamine: An action plan. The action plan focused on reducing harm to communities from methamphetamine, with the involvement of New Zealand Police, New Zealand Customs Service and the Ministry of Health.

The Ministry is responsible for:

- improving routes into treatment for methamphetamine users
- improving the availability of information about methamphetamine and treatment for users and for those concerned about someone else’s use
- updating legislation that allows for compulsory treatment of people with addictions
- developing the addiction treatment workforce to better respond to methamphetamine issues.

Methamphetamine causes significant harm to individuals, families and communities. It is strongly associated with violence and organised criminal activity, along with health harms such as increased risks of cardiovascular disease and psychosis. A reduction in the use of methamphetamine and other drugs is important to the success of many of the Government’s Better Public Services key result areas, particularly Reducing Crime and Supporting Vulnerable Children.

The Ministry will continue to work with other agencies to deliver a collective impact through the Inter-Agency Committee on Drugs, and will report on key indicators from Tackling Methamphetamine: An action plan every six months. The Ministry is also working with other agencies to develop a National Drug Strategy.

¹⁶ A 10-item questionnaire intended to yield a global measure of distress, based on questions about anxiety and depressive symptoms.

Social sector trials

The social sector trials are an innovation involving the Ministries of Social Development, Education, Health and Justice, and the New Zealand Police working together to change the way that social services are delivered, in order to improve social outcomes through community-based solutions.

By giving an individual or an NGO the mandate to coordinate local programmes and services, the model aims to support decision-making at the local level, build on existing networks and strengthen coordination at every level of government and within the community.

The trials were established in six communities in 2011 (Waitomo, Taumarunui, South Waikato, Kawerau, Horowhenua and Gore District) and are aimed at youth aged between 12 and 18 years to reduce offending, truancy and levels of alcohol and drug use, and to increase numbers participating in education, training and employment. The trials have subsequently been extended to 10 further communities to test them in larger populations and, in some cases, with different outcome measures. The age range for the first six communities has been extended to 5–18 years to reflect a greater focus on prevention and early intervention for these outcome areas.

The Porirua social sector trial is looking to reduce the number of Porirua people needing to attend a hospital emergency department or be admitted to hospital for an avoidable condition. The Ministry will work with DHBs and other health providers to ensure this cross-agency initiative is well supported and effective, and that its impact is measurable and growing.

Australia New Zealand Therapeutic Products Agency (ANZTPA)

In July 2011 the New Zealand and Australian prime ministers agreed to implement a 2003 treaty to establish a joint regulatory scheme, a single market for therapeutic products and a joint agency to administer the scheme by mid-2016. This is a significant step in the development of the trans-Tasman institutional arrangements that underpin closer economic relations. ANZTPA will establish an important precedent as the first joint trans-Tasman regulator.

As an efficient and cost-effective regulator of medicines and medical devices, the establishment of ANZTPA will benefit businesses by having a single set of regulations across a single trans-Tasman market. In addition, as a trans-Tasman centre of regulatory excellence, ANZTPA will contribute positively to the positioning of Australian and New Zealand producers in the global market place.

Smokefree 2025

Smoking is the single leading preventable cause of health loss¹⁷ in New Zealand and causes 4500 to 5000 premature deaths each year. The smoking rate is steadily decreasing but remains high in some groups, particularly Māori.

In March 2011 the Government agreed ‘a longer term goal of reducing smoking prevalence and tobacco availability to minimal levels, thereby making New Zealand essentially a smoke-free nation by 2025’,¹⁸ with the aim of reducing the burden of preventable death and disease caused by smoking, particularly among Māori. To support this goal, New Zealand has a comprehensive set of tobacco control measures and smoke-free legislation designed to reduce smoking rates, including high rates of tobacco tax.

¹⁷ Ministry of Health. 2013. *Health Loss in New Zealand: A report from the New Zealand Burden of Diseases, Injuries and Risk Factors Study 2006–2016*. Wellington: Ministry of Health.

¹⁸ Government Response to the Report of the Māori Affairs Committee on its *Inquiry into the Tobacco Industry in Aotearoa and the Consequences of Tobacco Use for Māori* (Final Response), March 2011.

The Minister of Health's strategic priorities

Maintain wellness for longer by improving prevention

New Zealanders are living longer but are also more likely to spend a period of their later years managing a long-term condition. It is important that we invest in ways to help people stay well for longer and prevent the onset of these conditions. This focus on maintaining wellness underpins a wide range of Ministry actions. For example, three of the six health targets (see above) focus on prevention.

Improving access to GPs, specialists, diagnostic and cancer screening services to identify potential issues earlier and improve health outcomes, while increasing the number of heart and diabetes checks, is also a good example of such an approach.

There will be ongoing investment in proven preventive measures and earlier intervention to help people stay well for longer in their life and be more independent in their old age. This approach includes:

- programmes that promote healthier lifestyles that are proven to reduce the incidence of long-term conditions, such as reducing smoking and harmful use of alcohol, and promoting good nutrition and physical activity (such as the new Healthy Families NZ pilot)
- programmes that work to keep people well, such as newborn immunisations and screening, influenza immunisations, promoting good hygiene, and working with other agencies on healthy housing
- health system changes to support people being well, such as programmes to improve health literacy, increasing access to Healthline and online resources, and increasing awareness of mental health issues and the services available through activities such as the Suicide Action Plan.

Improve the quality and safety of health services

The Ministry has a programme of work aimed at further strengthening quality and safety in the health and disability system. Although quality and safety of care have always been at the forefront of health professionals' thinking, the findings of the review of the breakdown of care at Mid Staffordshire NHS Foundation Trust in the United Kingdom have reinforced the importance of continuous quality improvement.

The Ministry is progressing a number of initiatives, including:

- reinforcing DHB accountability for the quality of services they provide and purchase
- working more closely with the Health Quality and Safety Commission (HQSC), including establishing a cross-agency Quality Forum
- reviewing the Health and Disability Services Standards
- improving the availability of quality- and safety-related information
- improving DHB board training with regard to their responsibilities around quality and safety
- the productive series, which is a set of modular programmes that support health professionals to redesign and streamline the way they manage work.

In addition, the Ministry has worked with the HQSC on the development of a patient experience indicator, which will be rolled out across DHBs in 2014/15.

This programme of work will ensure that ongoing improvements in quality and safety continue to underpin the New Zealand health system and align with international best practice.

Make services more accessible, including more care closer to home

Delivering better, sooner, more convenient care is an ongoing focus for the Ministry. Central to achieving this is integrating primary care with other parts of the health services to better manage conditions. Primary care is the first point of contact for access to the health system. It is also the gateway to secondary care and is integral to the success of the health system, in terms of both enabling care to be provided close to home and managing health service costs.

There is strong evidence that integrated care (the coordination of care, systems and information) improves patient experience and health outcomes, particularly for older people with multiple health needs and for patients with complex conditions. This, in turn, supports a more effective, efficient and sustainable health system, which makes better use of our specialist workforce and technologies.

Over the coming years the Ministry will continue to advance care closer to home by:

- monitoring DHB performance against planned integration activities
- funding change management expertise to prepare for the development of Integrated Family Health Centres
- supporting projects with a particular focus on urgent and unplanned care, primary care management of patients with long-term conditions, wraparound home care packages for older people, and seamless maternal and child health services.

The Ministry is also working with wider health sector experts to develop and implement the integrated performance and incentive framework (IPIF). The IPIF is designed to evaluate and incentivise the performance of both the individual parts of each district's health system and the collective performance of the district as a whole.

The overall goal of implementing the IPIF is to support, encourage and motivate health professionals and organisations to work together to provide high-quality, patient-centred care that meets the Health Quality and Safety Commission's Triple Aim objectives of:

- improved quality, safety and experience of care
- improved health and equity for all populations
- best value from public health system resources.

The initial scope of the IPIF will be primary care services, with patients, practitioners, general practice teams, primary health organisations (PHOs) and DHBs working together to plan and provide primary health care within a whole-of-system context. Over time the framework will extend in scope to cover a wider range of integrated health services such as aged care, pharmacy and maternity services.

Implement Rising to the Challenge

Rising to the Challenge: The Mental Health and Addiction Service Development Plan 2012–2017 sets the direction for mental health and addiction service delivery across the health sector over the next five years. It articulates Government expectations about the changes needed to build on and enhance the gains made in the delivery of mental health and addiction services in recent years. The Plan outlines key priority actions aimed at achieving further system-wide change to make service provision more consistent and to improve outcomes, both for people who use primary and specialist services and for their families and whānau.

Rising to the Challenge focuses on four key outcomes:

- making better use of resources
- improving integration between primary and secondary services

- cementing and building on gains for people with high needs
- delivering increased access for all age groups, with a focus on infants, children and youth, older people, and adults with common disorders such as anxiety and depression.

The Plan's delivery will mean that all New Zealanders will have the tools to weather adversity, actively support each other's wellbeing, and attain their potential within their family and whānau and communities. Whatever their age, gender or culture, when they need support to improve their mental health and wellbeing or to address addiction, people will be able to rapidly access the interventions they need from a range of effective, well-integrated services.

Support the health of older people

The Government is committed to improving the wellbeing of older New Zealanders by providing people-centred health services that support independence. The Ministry's work in this area involves working with older people and their families and whānau, DHBs, service providers, NGOs and other government agencies to ensure health services are addressing the priority health needs of older people in consistent and integrated ways. Specific improvements include:

- raising standards and introducing audit processes in home and community support services
- implementing dementia care pathways and improving health sector and public awareness of dementia
- improving access to health of older people specialists
- introducing comprehensive clinical assessment in aged residential care
- improving the monitoring of the funding and performance of the aged residential care sector.

This work connects closely with other health priorities. Examples include providing care closer to home through the provision of wraparound home care services for older people, and improving collaboration at regional and national levels by establishing a regional approach to implementing dementia care pathways.

Make the best use of information technology and ensure the security of patient records

Having integrated information technology (IT) solutions is important so that health information can be shared, and clinicians – and increasingly patients – can access it when and where they need it to provide seamless care to patients. This is why we are establishing electronic health records for every person and supporting investment in solutions that create opportunities for patient self-care, including better IT tools that enable people to take greater control of their own care.

The National Health IT Board (NHITB) is overseeing the implementation of national and regional health IT solutions to enable secure electronic access to reliable, trusted clinical information, regardless of the setting, for clinicians and patients. Maintaining privacy remains a top priority. The Board works closely with the Privacy Commissioner to ensure privacy and information security is designed into IT solutions.

Integrated systems between hospitals, GPs, pharmacies and other community settings support clinical integration and will enable information sharing across and between regions. Clinicians will have access to correct and up-to-date information which increases patient safety, saves lives, reduces the need for repeat tests, saves time for clinicians and patients, and contributes to savings resulting from reduced acute admissions and readmissions. Multidisciplinary ways of working, including shared care plans, will be supported and tight security controls will be in place to protect people's privacy.

The NHITB is working closely with PHOs, general practice, DHBs and the Health Quality and Safety Commission. An important eHealth initiative is improving patients' access to their electronic health information via patient portals. Patient portals will support and enhance primary care delivery, change the way care is delivered and enable people to take more control of their own care. Portals will be a self-care tool for individuals, with the addition of a shared care plan for more complex health needs if required. Provider portals will allow emergency departments and after-hours practices to view a patient's primary care summary record.

Strengthen the health and disability workforce

An appropriately trained, motivated, supported and flexible workforce is essential to provide high-quality and sustainable health and disability services. New Zealand has a highly mobile but ageing health and disability workforce. Rising demand in aged care, mental health and rehabilitation services means that the recruitment and retention of staff in these areas is a priority at a national level and for individual employers.

Initiatives are in place to address recruitment and retention challenges in a targeted way, including the Voluntary Bonding Scheme, Rural Immersion Scheme and Advanced Trainee Fellowship Scheme. Graduate nurse recruitment and retention are supported through funding of Nurse Entry to Practice, Aged Residential Care Nurse Entry to Practice, and Nurse Entry to Practice in Very Low Cost Access Practices. Changes to legislation, regulation and contracts will continue to support the work of health practitioners.

Future development of the health workforce needs to reflect our objective to deliver services closer to people's homes and increase the delivery of services in community and primary care settings. Changes to general practice education introduced in December 2012 continue to support recruitment to general practice and enable GPs to work more flexibly across integrated health care settings.

There are closer links between the health and education sectors to align clinical staff training more closely to the demand for services. Postgraduate training investment is now focused on the areas of greatest need. During 2014 the Ministry introduced a new funding model for postgraduate medical training that focuses on sustainable approaches to address areas of high need and vulnerable specialties in order to address Government priorities and retain New Zealand citizens and permanent residents who are graduates of New Zealand medical schools. We are leading a medical workforce pipeline project to ensure that appropriate measures can be taken in the short, medium and long term to develop a sustainable medical workforce. An initial priority is to implement a national approach for the employment of medical graduates entering the workforce.

New and enhanced roles, integrated multidisciplinary teams and working environments that enable all team members to work to their full potential are expected to generate the capacity and flexibility needed to cope with future growth and demand driven by the ageing population and increasing chronic disease.

Support regional and national collaboration

The current emphasis on integration and efficiency will be achieved by working together in a more intentional and collaborative way, whether nationally, regionally, sub-regionally or within individual DHBs. There are significant gains to be had from DHBs working together in new and innovative ways, both in cost savings and better patient wellbeing.

National and regional service planning outlines how DHBs intend to work together to improve the quality of care and reduce service vulnerability and cost. This approach supports the achievement of better, sooner and more convenient health outcomes, improving quality, achieving better integration, and ensuring clinical and financial sustainability.

Regional services planning aims to strengthen expectations on DHBs to progress regional system integration and regional service development opportunities. DHBs continue to focus on effective regional governance, accountability and decision-making by setting out the direction for how, who and where the models of service or care will be delivered. This informs effective planning of IT, workforce and capital investments to enable a sustainable health system.

Operating intentions: achieving our impacts, outcomes and objectives

The Ministry's outcomes framework

The Ministry's outcomes framework (see Figure 1) contains two outcomes for the health system:

- New Zealanders live longer, healthier, more independent lives
- the health system is cost effective and supports a productive economy.

These health system outcomes support the achievement of wider Government priorities and are not expected to change significantly over the medium term.

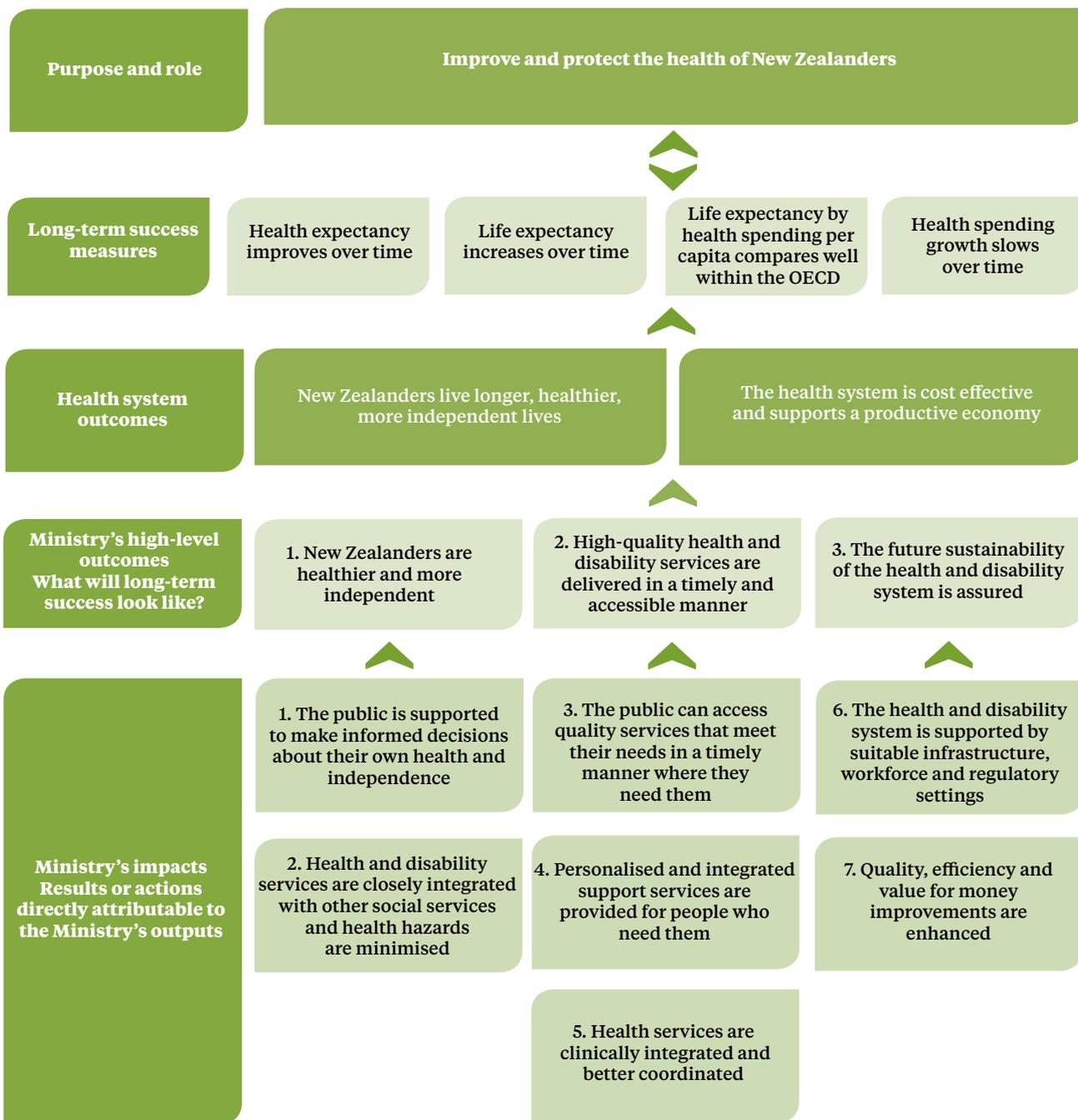
The Ministry itself has three high-level outcomes that support the achievement of the health system outcomes above:

- New Zealanders are healthier and more independent
- high-quality health and disability services are delivered in a timely and accessible manner
- the future sustainability of the health and disability system is assured.

Many factors influence outcomes. In helping to achieve these outcomes, the Ministry will have a real impact on the lives of New Zealanders. The health and disability system is dynamic and integrated, and many of our activities contribute across a number of our long-term outcomes and impacts. The Ministry's work is directly aimed at achieving seven impacts, which contribute to our higher-level outcomes.

1. The public is supported to make informed decisions about their own health and independence.
2. Health and disability services are closely integrated with other social services, and health hazards are minimised.
3. The public can access quality services that meet their needs in a timely manner, where they need them.
4. Personalised and integrated support services are provided for people who need them.
5. Health services are clinically integrated and better coordinated.
6. The health and disability system is supported by suitable infrastructure, workforce and regulatory settings.
7. Quality, efficiency, and value for money improvements are enhanced.

Figure 1: The Ministry’s outcomes framework



The Ministry receives funding for its operations from the Crown (the government) and generates revenue from its regulatory activity; it also manages funding on behalf of the Crown. Collectively this funding is known as Vote Health. Information on Vote Health is supplied annually in the Estimates of Appropriations. Measures and targets for the Ministry’s operations are listed under Departmental Operating Expenses, while measures and targets for services purchased on behalf of the Crown are listed under Non-Departmental Operating Expenses.

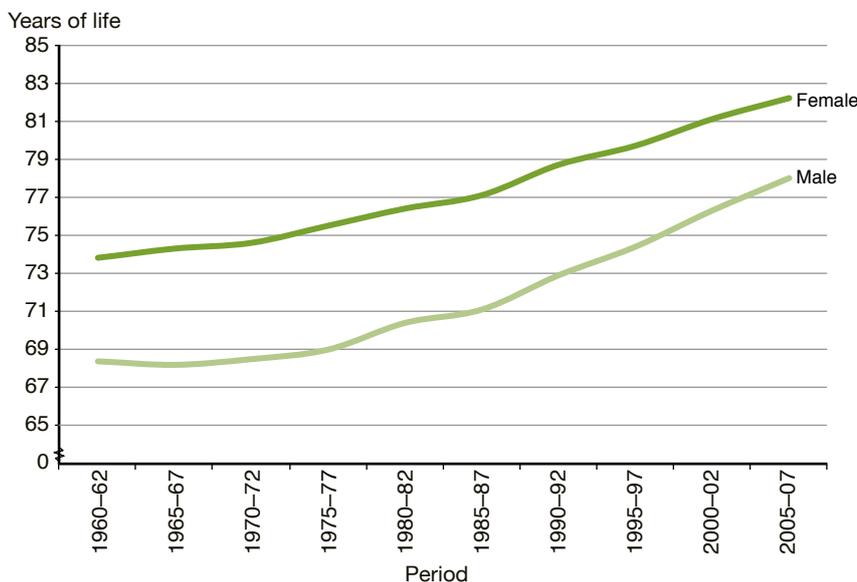
Health system outcomes

A well-functioning health system contributes to improved health outcomes for the New Zealand population as a whole, and for particular groups such as Māori, Pacific peoples, older people and vulnerable children.

Health system outcome: New Zealanders live longer, healthier, more independent lives

Target	Benchmarks
<p>Health expectancy improves over time.</p> <p>Explanation: health expectancy (or independent life expectancy) is the number of years a person can expect to live in good health and without an impairment needing assistance.¹⁹</p>	<p>In 2006 health expectancy for males was 67.4 years and health expectancy for females was 69.2 years. This reflects an improvement of 2.7 years for males and 1.7 years for females since 1996, and the Ministry expects to see further improvements.</p>
<p>Life expectancy increases over time.</p> <p>Explanation: life expectancy at birth indicates the number of years a person can expect to live, based on the mortality rates of the population at each age in a given year or period.</p>	<p>In the period 2007–2009²⁰ life expectancy at birth was 78.4 years for males and 82.4 years for females. Between 1985–1987 and 2007–2009 life expectancy at birth increased by 7.3 years for males and 5.3 years for females. The Ministry expects to see further improvements over time.</p>

Figure 2: Life expectancy at birth, by gender and year of birth, 1960–62 to 2005–07



Source: Statistics New Zealand mortality and population data.

¹⁹ Impairment needing assistance (or dependent disability) is defined as an impairment that requires some kind of regular help from other people, or technical aids (such as a wheelchair or hearing aid). Approximately 10% of New Zealanders had a disability of this kind in 2006, a similar proportion to that found in 1996 and 2001. Over the same 10-year period, 72% (2.6/3.6) of the life years gained by males and 65% (1.7/2.6) of the life years gained by females were lived in good health. Due to the delayed 2011 Census, these figures will not be updated until 2014. (Source: Ministry of Health and Statistics New Zealand)

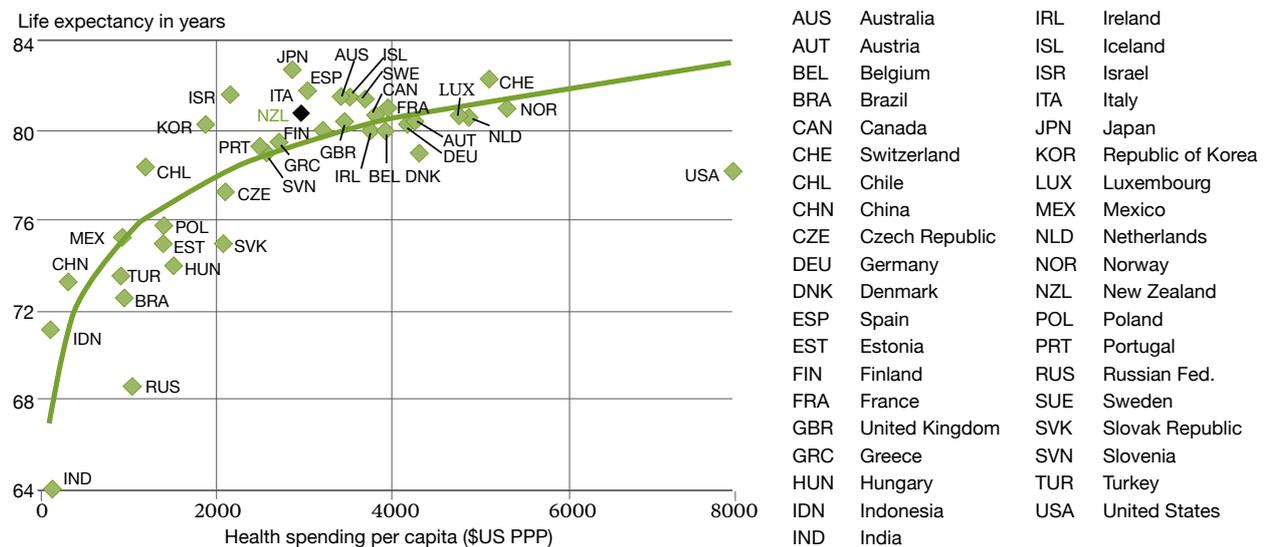
²⁰ The gap between Māori and non-Māori life expectancy at birth has narrowed to 7.3 years. This compares with 9.1 years in 1995–97, 8.5 years in 2000–02 and 8.2 years in 2005–07. Life expectancy at birth is 76.5 years for Māori females and 72.8 years for Māori males, compared with 83.7 years for non-Māori females and 80.2 years for non-Māori males. (Source: Ministry of Health and Statistics New Zealand)

Health system outcome: the health system is cost-effective and supports a productive economy

Target	Benchmarks
Life expectancy by health spending per capita compares well within the OECD. ²¹	New Zealand maintains its position within the OECD as having relatively high life expectancy for relatively modest expenditure.
Health spending growth slows over time.	The projected rate of growth in health spending between 2010 and 2019 is less than the rate of growth between 2000 and 2009 (25.8%, based on real per capita expenditure in 2011 dollars).

The overall cost-effectiveness of New Zealand's health system is demonstrated by Figure 3,²² which shows life expectancy versus health spending per capita among OECD countries. This shows that New Zealand performs well: it has relatively high life expectancy (11th among 39 countries) for comparatively modest expenditure (20th among 39 countries).

Figure 3: Life expectancy among OECD countries, by health spending per capita, 2009



Source: OECD 2011, OECD Health Data 2011.

²¹ Organisation for Economic Cooperation and Development.

²² Data is expressed in US dollars, adjusted for purchasing power parities (PPPs), which provide a means of comparing spending between countries on a common base. PPPs are the rates of currency conversion that equalise the cost of a given 'basket' of goods and services in different countries.

The Ministry's high-level outcome 1: New Zealanders are healthier and more independent

What are we seeking to achieve and why are we going to do this?

We are seeking to achieve:

- a health system that improves, maintains and restores the health of the population within available resources (where 'health' includes quality of life as well as length of life)
- a health and disability system that does much more than treating people when they are ill: it also focuses on prevention and maintaining independence.

We are going to do this so that:

- the capacity of the health and disability system is improved and strengthened to protect and promote wellness, and the quality of health care provided to the public is constantly improving (and monitored)
- the overall health of the nation is protected by minimising the risks of contagious diseases and environmental hazards and by supporting people to manage their own health and wellbeing.

Impact 1. The public is supported to make informed decisions about their own health and independence

The public is supported to protect, manage and improve their own health and independence. People can access information and advice that promotes, and helps manage risks to, their health and wellbeing, and can involve their families and whānau in considering health issues and choices.

How we will demonstrate success

- The results of burden of disease²³ and health surveys²⁴ are improved.
- At least 85% of new babies are enrolled with Plunket national Well Child services.²⁵
- The youth suicide rate is reduced.
- Daily smoking prevalence falls to 10% by 2018 and the Māori and Pacific rates halve from their 2011 levels²⁶ as part of Smokefree 2025.²⁷ A B4 School Check is provided to 90% of the eligible population.
- There is a reduced suicide rate for all ages.²⁸

Relevant ministerial priorities include:

- implementing Rising to the Challenge
- the Prime Minister's Youth Mental Health Project

What we will do to achieve this impact

We will:

- for the Prime Minister's Youth Mental Health Project: deliver 2014/15 outputs, which are: oversight and coordination of the cross-agency implementation; contract management; reports to the Cabinet Social Policy Committee; and contracting, review and monitoring of the implementation of the e-therapy programme

23 The New Zealand Burden of Diseases, Injuries and Risk Factors Study, 2006–2016 (the New Zealand Burden of Disease Study) analyses health losses sustained by New Zealanders of all ages, both sexes and both major ethnic groups. More information on the study and the key findings can be found in the Health and Independence Report 2013.

24 The New Zealand Health Survey (NZHS) is an important data collection tool for monitoring the health of the population. A survey methodology report, the questionnaires and the content guides have been published. Further information about the survey can be found at the Ministry's website (www.health.govt.nz).

25 Plunket is contracted to provide approximately 85% service coverage. The balance of service coverage is by local providers contracted via DHBs.

26 In 2011/12 daily smoking prevalence was 16.5% for adults aged 15 and over. For Māori and Pacific peoples the rates were much higher, at 38.4% and 23.1%. (Source: New Zealand Health Survey).

27 Government Response to the Report of the Māori Affairs Committee on its Inquiry into the Tobacco Industry in Aotearoa and the Consequences of Tobacco Use for Māori (Final Response), March 2011.

28 The Ministry is the lead agency for the cross-government New Zealand Suicide Prevention Action Plan 2013–2016.

- for the Suicide Prevention Action Plan 2013–16: coordinate cross-agency implementation and report to the Cabinet Social Policy Committee; develop a Suicide Prevention Outcomes Framework
 - for Rising to the Challenge: implement the mental health and addiction service development plan; oversee cross-agency implementation; carry out quarterly monitoring; and coordinate the external reference group
 - for the National Depression Initiative: set policy and drive progress
 - implement *Minimising Gambling Harm*
 - implement the Smokefree New Zealand 2025 innovation fund
 - for Well Child Tamariki Ora: carry out extra Well Child visits for around 18,000 mothers
 - leading and coordinating health literacy programmes.
-

Impact 2. Health and disability services are closely integrated with other social services, and health hazards are minimised

More integrated health and social services make it easier for those with social needs to look after their health and independence. The public are protected from environmental and disease risk factors that lead to ill health.

How we will demonstrate success

- The annual influenza programme of 1.2 million doses of flu vaccine is delivered.
- Health and disability services are closely integrated with other social services.²⁹
- The incidence of rheumatic fever rates is reduced by two-thirds to 1.4 cases per 100,000 people by June 2017.

Relevant ministerial priorities include:

- Better Public Services, with a focus on Supporting Vulnerable Children, in order to:
 - increase immunisation rates for infants
 - achieve a substantial reduction in rheumatic fever cases among children.
-

What we will do to achieve this impact

We will:

- provide ongoing purchasing and monitoring of border control, environmental health and communicable disease control services on behalf of the Crown
 - exercise regulatory powers that minimise risks to the public, and support the statutory and clinical leadership role of the Director of Public Health
 - improve vaccine uptake of the annual influenza vaccine for the annual influenza programme
 - for the immunisation health targets: achieve the Better Public Services target of 95% of 8-month-olds being fully immunised
 - maintain and upgrade Ministry capability for unexpected events
 - maintain relationships with providers to ensure emergency calls are triaged and services dispatched effectively and efficiently, and to ensure ambulance response times are met
 - lead the programme of work to address high rates of rheumatic fever among vulnerable populations, by timely diagnosis and treatment of Group A streptococcal throat infections in high-risk children and young adults.
-

²⁹ This is a new measure, which draws on the Delivering Social Services Every Day report, published by social sector agencies in May 2014. Further such reports are expected.

The Ministry's high-level outcome 2: high-quality health and disability services are delivered in a timely and accessible manner

What are we seeking to achieve and why are we going to do this?

We are seeking to achieve:

- a health system that is people-centric and more convenient
- a high-quality health system that meets people's health needs and their legitimate expectations, where 'quality' includes technical quality and safety
- New Zealanders have confidence in their health system.

We are doing this so that:

- clinical integration of health services delivers a better health care experience to New Zealanders, which will mean strong coordination at every level of the health and disability system so that the different parts work well together
- sector participants work together to provide health and disability services across organisational and disciplinary boundaries so that patients receive the best possible care
- sector coordination contributes to efficiencies across the system and ensures a similar level of care for patients, regardless of where in the country they live.

Impact 3. The public can access quality services that meet their needs in a timely manner, where they need them

The public have improved access to quality services. The sector is supported to further embed sustainable improvements in service delivery. Harm is minimised from the use of alcohol, tobacco and other drugs. Monitoring and communicating sector performance information provides the public with confidence and trust in the health system.

How we will demonstrate success

- Infant mortality rates continue to decrease from a baseline of 4.8 deaths per 1000 live births in 2009.
- Serious and sentinel events reduce from a baseline of 374 in 2009/10.
- There is reduced amenable mortality.³⁰
- The overall quality score in the health group continues to improve (2007: 68; 2009: 69; 2012: 72; 2013: 73), as measured through the Kiwis Count survey.³¹

Relevant ministerial priorities include:

- making services more accessible, including more care closer to home
- improving the quality and safety of health services
- tackling *Methamphetamine: An action plan*.

What we will do to achieve this impact:

We will:

- continue the disability service and mental health community group housing market rental subsidy
- achieve the electives health target – improved access to elective surgery

³⁰ Deaths from those conditions for which variation in mortality rates (over time and across populations) reflects variation in the coverage and quality of health care (preventive or therapeutic services) delivered to individuals.

³¹ State Services Commission. 2013. Kiwis Count: New Zealanders' satisfaction with public services. Wellington: State Services Commission.

- provide policy advice to support the co-design of the Enabling Good Lives demonstration in Christchurch
- provide advice on options for improving the regulatory framework for health and disability services
- implement *Tackling Methamphetamine: An action plan* (2009)
- ensure Community Action on Alcohol and Drugs services are provided
- implement the Budget 2014 initiative for faster cancer treatment, develop a Cancer Information Strategic Plan, and undertake 4 work streams: service development, cancer nurse coordinator, multidisciplinary meetings, and tumour standards
- get the sector to agree on standards of care during last days of life, regardless of locality of death
- monitor and evaluate the 4-year bowel-screening pilot in the Waitemata DHB region and improve colonoscopy services
- maintain relationships with providers of the National Cervical Screening Programme, BreastScreen Aotearoa, and providers of Newborn Metabolic Screening, Universal Newborn Hearing, Antenatal HIV, and Antenatal Screening for Down Syndrome and other conditions
- Implement that year two deliverables of the prostate cancer awareness and quality improvement programme
- for cardiovascular disease, diabetes and long-term conditions: improve outcomes for people at risk of and with long-term conditions through a range of programmes, including implementation of Diabetes Care Improvement Packages and the cardiac and stroke services improvement work plans
- monitor and support DHBs to deliver oral health services for children and adolescents, including implementing priority findings from the evaluation of reinvestment in oral health services; working with DHBs and other stakeholders to implement a nationally consistent electronic oral health record; and developing and implementing an oral health promotion campaign
- establish a cross-agency Quality Forum to align strategic priorities in quality and safety
- produce an annual report on Protected Quality Assurance Activities
- ensure Quitline objectives are met.

Impact 4. Personalised and integrated support services are provided for people who need them

Integrated, effective, affordable, people-centred health services for people with disabilities, including older New Zealanders, are provided so that they can remain living in their homes longer and can live healthier and more independent lives.

How we will demonstrate success

- There is a reduced incidences of falls.
- There is a reduced prevalence of people in the 65-plus years age group with dependent disability.³² Ethnic health disparities are reduced.³³
- The proportion of people with a K10 score³⁴ ≥ 12 is reduced (an indicator of mental illness, such as anxiety or depressive disorder).

32 In 2012/13 about 18,300 people aged 85 years and over lived in aged residential care, which is one in four people in this age group, up from 16,707 in 2006/07. While the proportion of people aged 85 years and over living in aged residential care has significantly reduced (from 28.7% in 2006/07 to 24.8 in 2012/13), the number of people in aged residential care continues to rise due to the growing size of the population aged 85 years and older.

33 Although the national picture of health is positive, there are substantial variations in outcomes for different populations, particularly for Māori and Pacific peoples, and for those living in more socioeconomically deprived areas. For example, rates of some illnesses (such as rheumatic fever and skin infections) are much higher among Māori and Pacific peoples. Ethnic health disparities are described in more detail in the Health and Independence Report 2013.

34 A 10-item questionnaire intended to yield a global measure of distress, based on questions about anxiety and depressive symptoms.

Relevant ministerial priorities include:

- supporting the health of older people
 - Whānau Ora.
-

What we will do to achieve this impact

We will:

- provide policy advice on new initiatives and the future of aged care in New Zealand (Dementia Care Pathways); health and support services for older people in the community; and aged residential care
 - for aged care in New Zealand: support implementation of the Dementia Care Position Statement and dementia care pathways
 - conduct research through the Life and Living in Advanced Age Cohort Study (LiLACS)
 - for youth forensic services (Community and Inpatient): review regional plans for the recruitment of community youth forensic staff, and negotiate and sign contracts
 - achieve joint ministerial sign-off for capital investment for inpatient services
 - for addiction and addiction treatment: increase access to treatments for community-based offenders, and provide better services for hard-to-reach communities, particularly Māori communities
 - ensure new clients are assessed and receive their disability support services
 - ensure clients are able to access residential services and supported living care
 - ensure high-cost client services are maintained at a sustainable level.
-

Impact 5: Health services are clinically integrated and better coordinated

A significant contribution is made to the Better Public Services results. Coordination throughout the health sector is improved and strengthened.

How we will demonstrate success

- The number of DHBs that have implemented the National Protection Alert Systems continues to increase.³⁵
- Personal health information is readily available to patients and clinicians, no matter where care is delivered.³⁶
- The number of assaults on children decreases.

Relevant ministerial priorities include:

- social sector trials
 - Whānau Ora
 - Better Public Services: supporting the Vulnerable Children programme to reduce the number of assaults on children.
-

³⁵ Nine DHBs are now approved to place alerts on the National Child Protection Alert System, with another three DHBs to be approved by June 2014 and all 20 DHBs approved to place alerts by June 2015.

³⁶ Reported against the National Infrastructure and Information Systems work programme for: System Integration; the Health Information Platform; Leveraging Health Identity; and IT Infrastructure and Platforms.

What we will do to achieve this impact

We will:

- implement Reduce Assaults on Children – Violence Implementation Programme, including routine partner abuse screening and child abuse and neglect risk assessment in maternity and child health, mental health, alcohol and drug, sexual health and emergency department services; and implementing a National Child Protection Alert System (NCPAS)
 - for the Children’s Action Plan: get eight additional Children’s Teams under way, and ensure DHBs improve their performance on Gateway
 - release a draft national clinical guideline on the management of hypertension in pregnancy for consultation, and receive Maternity Quality & Safety plans from all DHBs and monitor their performance against these
 - for Joint Social Sector Outcomes: have the social sector trials provide advice to the Social Sector Forum on priority actions to deliver on shared outcomes
 - for Whānau Ora: maintain portfolio management and sector relationships
 - implement Whānau Ora Information System Programme
 - carry out policy work on supporting the passage of the Vulnerable Children’s Bill and development of a Vulnerable Children’s Plan
 - monitor indicators and support initiatives to improve acute demand management
 - support implementation of stage four of the Pharmacy Services Agreement
 - for Strengthening Primary Health Care: fund core primary care functions, including rural general practices; implement the Strengthening Primary Care Integration work programme; and fund Integrated Family Health Centre development and other integration initiatives
 - integrate clinical networks into Models of Care.
-

The Ministry's high-level outcome 3: the future sustainability of the health and disability system is assured

What are we seeking to achieve and why are we going to do this?

We are seeking to achieve:

- a health system that is sufficiently funded to provide the necessary care and services in an economically sustainable way over the long term, such that the rate of growth of health spending is managed to deliver the best services in an affordable way.

We are doing this so that the sector:

- ensures effective financial management
- fosters improvements in productivity
- puts in place regional and national planning where appropriate
- ensures the development of workforce and IT infrastructure is coordinated and rationalised across the country.

Impact 6: The health and disability system is supported by suitable infrastructure, workforce and regulatory settings

How we will demonstrate success

- The annual number of postgraduate trainees is 5000 trainees and 1900 training units.
- Health-related legislation is reviewed and updated.
- Integrated IT and security programmes are delivered.³⁷
- DHB implementation of finance, procurement and supply chain functions is monitored.

Relevant ministerial priorities include:

- making the best use of IT and ensuring the security of patients' records
- strengthening the health workforce
- supporting Christchurch
- Australia New Zealand Therapeutic Products Agency (ANZTPA).

What we will do to achieve this impact

We will:

- help with the rebuilding of Christchurch, including the Psychosocial Recovery Strategy
- strengthen the health workforce to supply the right kind of workers, as and where needed, to maintain a sustainable workforce
- support the growth and development of the unregulated workforce through work with appropriate training organisations, including additional medical places and postgraduate training of doctors
- for national infrastructure and systems: ensure key sector- and public-facing systems are available, including ensuring data is efficiently collected, up-to-date and accurate for the New Zealand Cancer Registry, National Mortality Collection and private hospital discharge data
- lead the implementation of the National Health IT Plan, including: integrated national and regional information systems to enable electronic access to reliable, trusted information for consumers and treatment providers at the point of care; and supporting the improvement in clinical quality, integration and effectiveness of child health and maternity services by implementing national child health and maternity systems

³⁷ The National Health IT Plan outlines the priority programmes required to deliver this target.

- for analytical and research projects: NZ Health Survey: ensure survey content is in place for 2015–16; publish annual survey indicators (national and regional) and produce research reports based on survey module content; ensure Tier 1 statistics regular reporting from the NZHS published to timetable; table the *Health and Independence Report* in Parliament
- support the Australia New Zealand Therapeutic Products Agency (ANZTPA) and joint regulatory scheme; and provide policy advice on leading a cross-government process to review and update the National Drug Policy that expired in 2012 and developing a refreshed approach to New Zealand’s medicines strategy
- conduct Trans Pacific Partnership negotiations
- for Māori/Pacific provider capacity and capability development: complete the procurement process for 2014/15 contracts and establish four Pacific collective networks (Auckland, Midlands, Wellington and South Island); support the PHO performance programme, Māori health statistics and ethnicity data collection
- establish the regulators required by the Psychoactive Substances Act 2013, and the Natural Health and Supplementary Products Bill.

Impact 7: Quality, efficiency, and value for money improvements are enhanced

Service efficiencies are identified and ways are found to increase value and manage overall cost growth. DHBs support system integration and create efficiencies through working together in a more intentional and collaborative way. Services are planned, funded and provided to ensure the future clinical and financial viability of a safe, high-quality public health and disability service. A cost-effective, sustainable health sector has a focus on quality improvement and safety, providing value for money and effective health interventions to improve New Zealanders’ health status.

How we will demonstrate success

- DHB forecast deficits reduce from a baseline of \$23.4 million in 2011/12.
- DHBs manage within their budgets, collectively.
- The performance of health Crown entities is monitored.
- Ministerial advisory committees are supported.³⁸

Relevant ministerial priorities include:

- responsibly managing the Government’s finances
- supporting regional and national collaboration
- delivering Better Public Services within tight financial constraints
- building a more competitive and productive economy.

What we will do to achieve this impact

We will:

- over the next 4 years invest in more home and community support services to help people with disabilities to continue living in their community; provide more help with supports; increase the number of disabled people using residential support services; and give more disabled people greater control of the services they receive
- work with DHBs/regions that are not tracking to agreed expectations to improve their performance

³⁸ Both a qualitative measure and shown by the Ministry Departmental Information Supporting the Estimates (ISE) measure: average rating for statutory committee satisfaction with secretariat services provided by the Ministry, target ≥ 4 out of 5.

- review annual and regional service plans and DHB Māori health plans, including improving on the planning process and documentation of DHBs' annual plans
 - implement a Quality Work Programme to work collaboratively with DHBs and HQSC
 - undertake appropriate financial audit and compliance activities
 - advise on matters of high impact or strategic significance to DHBs and Crown entities, and provide policy input into a review of the Population Based Funding Formula
 - advise on ministerial appointments to health sector governance roles
 - support initiatives across DHBs and health Crown entities
 - provide support for ministerial advisory committees, including: functional improvements to the information management system; evidence-based assessments of health technologies provided to the National Health Committee; and developing an integrated performance and incentive framework
 - undertake system integration work with DHBs, including: facilitating support to DHB/PHO alliances; working collaboratively with DHBs towards achieving the emergency department health target; providing support to DHBs for the Productive Series; and strengthening links with wider productivity, quality and safety initiatives.
-

Organisational health and capability

In order for the Ministry to achieve its strategic direction, it must be supported by the right people, in the right places with the right capability. Other important enabling functions that support achievement of the Ministry's priorities involve effective management of IT, finances and capital.

Building for Our Future

Building for Our Future is an organisational improvement programme to prepare the Ministry for challenges facing the health and disability sector. The programme has been developed by engaging with Ministry staff and stakeholders, and by reference to performance benchmarks and external reviews.

The programme aims to develop the Ministry as a:

- leading advisor
- sector leader
- leading public service
- high-performing organisation.

Action plans in these four areas will be reviewed and reported to the Executive Leadership Team. These areas for improvement (along with supporting actions at a high level) are outlined in Figure 4.

Work most relevant to organisational health and capability in the Ministry includes:

- recruitment and retention
- organisational development
- individual performance
- staff engagement
- equal employment opportunities.

Figure 4: Building for Our Future



Our work to improve the performance of the Ministry

Recruitment and retention

The Ministry has moved to a centralised recruitment function and is part of the all-of-government recruitment contract to provide recruitment expertise to hiring managers. The implementation of an online recruitment tool, combined with the development of online forms, has reduced administrative time.

Organisational development

Organisational development is focused on building the Ministry to be a high-performing organisation. It enhances the Ministry's ability to meet current and future needs.

As part of the Ministry's ongoing commitment to supporting the development of its people, the Ministry is putting in place a range of integrated and ambitious organisational development initiatives. These include a fit-for-purpose competency framework that targets the key skills needed to deliver:

- Building for Our Future
- a strategic workforce plan
- a performance management framework to achieve the Ministry's objectives
- a comprehensive engagement strategy
- wide-ranging leadership development programmes, from team leaders to executive leadership.

An example is the Ministry's Leading for Our Future programme, which equips all leaders to translate and implement Building for Our Future.

Individual performance

The 2013/14 year saw the introduction of a renewed Performance Management Framework that has enabled better-quality performance and development discussions to take place. Online systems have been further enhanced to improve access to development opportunities and to the performance management system.

Staff engagement

The Ministry's overall engagement score in 2013 rose to 3.80 (from 3.68 in 2012), which is considered a meaningful increase in the Gallup poll. The Gallup poll is an annual survey of Ministry of Health staff to determine how engaged they are at work. The proportion of actively disengaged staff decreased, while engaged staff rose from 28 percent to 33 percent.

Table 2: Staff engagement scores

	2013*	2012	Change
Gallup staff engagement score (out of 5)	3.80	3.68	0.12 (↑)
Percentage of engaged staff	33	28	5.00 (↑)
Percentage of disengaged staff	12	15	-3.00 (↓)

* This was measured in September 2013.

The Ministry will continue to ensure that staff can see how their roles contribute to the Ministry's outcomes and purpose.

Equal employment opportunities

The Ministry recognises the importance of ensuring human resource processes embrace equity, diversity and fairness. The Ministry's workforce is 66 percent female, and 50 percent of the Executive Leadership Team is female.

A focus for the coming years will be ensuring that recruitment processes provide opportunities for creating a workforce that is representative of New Zealand's diverse population. This is particularly important when it comes to providing services that are culturally sensitive and have a positive effect on encouraging people to take increased responsibility for their own health. The Ministry remains committed to creating a diverse culture with a wide range of skills and perspectives.

Table 3: People capability measures

Measure	Target
Employee engagement	The Ministry's engagement score increases from a Gallup poll baseline of 3.80 out of 5 in 2013.
Voluntary turnover	Turnover (as a percentage of the total) of staff is less than 14% per annum.
Retention of new staff	The percentage of new staff still in their role after 12 months is higher than the Benchmarking Administrative and Support Services (BASS) median of 75% in 2012.
Sick leave	Average days of absence per employee (excluding maternity/paternity leave) is lower than the BASS median of 6.84 days in 2013.
Capability building	60% of staff create learning plans in LearningSpace.

Information technology

The Ministry is engaging with other government agencies, including the Department of Internal Affairs, to optimise the use of the Government's IT Infrastructure as a Service (IaaS) and other all-of-government contracts. The Ministry is working with the Government Chief Information Officer to ensure the Ministry's IT security, risk management and business continuity meet all-of-government standards.

The Ministry's core IT systems and new learning technologies are kept up to date to deliver greater functionality and provide appropriate support for employees.

In 2013 the Ministry completed a major technology update of the National Health Index (NHI), Healthcare Providers Index (HPI) and associated capabilities. The Ministry is now undertaking additional work that will further improve the efficiency and effectiveness of health sector operations.

A significant project to replace the Ministry's legacy payment and contract management systems is in progress. The project involves National Clinical Systems and migrating current legacy payment systems to the Ministry's existing Oracle system. In addition, the Ministry will maximise IT capability and leverage from all-of-government IT services.

Table 4: IT capability measures

Measure	Target
Age of hardware	65% of IT hardware is less than 5 years old.
Cost of storage	Cost of storage per gigabyte is kept under \$30.00.

Procurement

The Ministry will continue to improve its procurement practices through the Procurement Optimisation Programme. The Programme aims to streamline procurement processes and governance arrangements throughout the Ministry and provide staff with the guidance, tools and training to work effectively in the new procurement environment.

In line with the new Government Rules of Sourcing and public sector procurement best practice, the Ministry's procurement and contracts team will continue to take a more strategic view of procurement across the Ministry's departmental and non-departmental expenditure. This will include a stronger focus on procurement planning to improve efficiency in the execution phase.

Key sourcing projects in which the team will play a leadership role include the Social Bonds Pilot, Telehealth services and Healthy Families NZ. We are also playing a support role in the NGO Contract Streamlining initiative.

The Ministry's National Commissioning Board will continue to ensure the procurement of health and disability services purchased centrally by the Ministry is commissioned in a way that improves clinical integration and value for money.

Property management

New, smaller and more cost-effective facilities were successfully delivered in Auckland at the end of 2013. The major deliverable over the next three years will be new facilities for all Wellington-based staff. This project will relocate all staff into a newly refurbished location and benchmark levels of efficiency. The project will be delivered under the leadership of the Ministry, with support from the Property Management Centre of Expertise within the Ministry of Social Development as part of an all-of-government approach.

Managing risk

Last year the Ministry reviewed its approach to risk management and subsequently refreshed the risk management framework. In an environment of increased collaboration between agencies and greater complexity, the refreshed framework will help facilitate the better flow and use of risk information to enable risk-informed decision-making.

The framework encourages a top-down, bottom-up and Ministry-wide approach to risk identification, management and reporting to give a holistic view of risk. It is aligned with international good practice³⁹, which is reflected in our seven key principles, as follows.

- We understand how risk management adds value by helping us to achieve the Ministry's objectives.
- We all take personal responsibility for proactively managing risk in everything we do, and encourage others to do the same.
- Our people are empowered to escalate risks, as appropriate, to ensure they are managed early, effectively and at the right level.
- We openly, honestly and constructively engage in risk discussions at all levels.
- We integrate risk management into our planning, our processes, and our daily decisions and actions.
- We look for opportunities to do things better, bearing in mind that with opportunities come challenges and risks.
- Our risk management processes are fit-for-purpose, recognising the need for flexibility while maintaining Ministry-wide consistency for key elements.

The Ministry's framework will be regularly reviewed and refined to ensure our approach remains relevant and appropriate to the Ministry.

The Ministry has a dedicated risk function with an extensive programme of risk management activity. It will continue to encourage a risk-aware culture, ensure risk information flows to the Executive Leadership Team and around the Ministry, and provide best practice advice, frameworks and tools.

Management oversight of risk activities at the Ministry is provided by the Risk Management Steering Group. They will continue to provide risk advice to the Executive Leadership Team via the Performance and Finance sub-committee, as required. This steering group is supported by the business unit risk champions, who provide operational risk support and advice within their respective business units.

The risk function works closely with the assurance team, which provides independent assurance and information on the governance and stewardship of the Ministry in relation to risk management and internal controls.

Oversight of the application of the risk framework is led by the Audit, Finance and Risk Committee, which provides independent advice to the Director-General of Health and Executive Leadership Team on the quality of financial and performance reporting, risk management and internal audit functions.

³⁹ ISO 31000:2009, *Risk Management: Principles and guidelines*.

Emergency management

The Ministry has specific statutory and non-statutory emergency management obligations, which require it to:

- be capable of continuing to function to the fullest extent possible in an emergency affecting its operations
- have the capability and capacity to respond in an emergency that has health implications
- provide leadership and coordination for the health sector in planning and preparing for, and responding to, a health emergency
- effectively link with the World Health Organization (WHO) and other international counterparts to ensure the Ministry is aware of risks emerging overseas that could threaten New Zealand
- lead an all-of-government response to a national health emergency such as a pandemic.

The emergency management work programme is strongly focused on increasing the capability and capacity of the health sector to deal with health emergencies. The Ministry maintains strong links with other government agencies in delivering its emergency management responsibilities.

The Ministry's emergency response has been tested and proven in recent years by the Christchurch earthquakes and the influenza pandemic. The all-hazards approach to emergency management across reduction, readiness, response and recovery activities reflects international best practice and aligns with the development of the WHO health emergency risk management framework.

The Ministry also supports New Zealand's contribution to international relief efforts in a number of overseas disasters, and this includes enhancing arrangements for the deployment of a New Zealand medical assistance team internationally or domestically. The Ministry also fulfils its responsibilities as a National IHR Focal Point under the International Health Regulations (IHR) 2005 and helps ensure the health sector can detect and respond to emerging disease risks overseas and domestically.

Overall, the Ministry works within the National Security System with other agencies to address a range of hazards and threats to New Zealand.

Departmental capital and asset management intentions

The Ministry uses its balance sheet to fund departmental capital expenditure, which services its own operational needs and much of the IT needs of the wider health sector. The Ministry's assets are generally in good condition and fit for purpose. Ongoing maintenance is being undertaken and funded from depreciation.

Table 5: Capital and asset management intentions

	2013/14 Supplementary Estimates \$000	2013/14 Estimated actuals \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000
Plant and equipment	1,200	1,374	300	300	300	300
Computer hardware	656	880	1,000	1,000	1,000	1,000
Vehicles and vessels	0	0	200	200	200	200
Furniture and fittings	1,300	1,300	2,000	7,000	7,000	7,000
Total fixed assets	3,156	3,554	3,500	8,500	8,500	8,500
Intangibles	12,680	7,000	10,000	9,000	9,000	9,000
Total fixed asset purchases	15,764	10,554	13,500	17,500	17,500	17,500

Land, buildings, leased premises, furniture, plant, and other equipment

The Ministry leases 11 premises and owns one building and the land it is situated on. In line with best practice, the Ministry is continuing to move away from owning property and to seek to reduce its footprint. Improvements, such as refurbishment and the installation of partitions, have been made to all of the Ministry's premises.

Motor vehicles

The Ministry has a small fleet of 'pool cars', owned or leased by the Ministry and available to staff for business purposes. These mid-range compact cars are mostly less than five years old and are replaced if they are either not fit for purpose or are not in good driving condition.

Information technology (IT)

The Ministry has a secure and reliable internal IT platform, which it is maintaining through regular security enhancements and other improvements to the overall operating environment. The Ministry intends to continue investing in IT in order to maintain the condition of its assets and service national contracts on behalf of the health sector.

The Ministry's IT strategy is to modernise core health data and management systems by upgrading and replacing information systems and their supporting hardware. IT infrastructure optimisation is being achieved by aligning investment with national, regional and local service priorities and new

models of care. Priorities such as primary health care, quality improvement and fiscal sustainability are providing the focus for the Ministry's IT capital intentions. Payment systems are being upgraded to improve reliability.

The Capital Investment Committee

The Capital Investment Committee has been established to prioritise the national allocation of health capital funding. The committee drives better and more robust investment decisions across the health system, which leads to improved services and value for money. The committee makes recommendations to the National Health Board, the Director-General of Health and the Ministers of Health and Finance on DHB capital proposals.

Controlling cost and improving effectiveness

As part of building capacity to carry out its work more effectively, the Ministry is committed to improving the cost-effectiveness of its operations. The BASS indicators provide measures of departmental efficiency, and the Ministry will use these to identify opportunities for ongoing efficiencies.

Controlling costs

In common with other parts of the public services, the Ministry must live within its means. The Ministry continues to regularly review its staffing, contracting and travel needs, which are the three biggest drivers of expenditure within the Ministry, as well as constantly improving general business practices to make them more cost-effective.

Improving effectiveness

The Ministry has embarked on the Building for Our Future programme to improve its performance across the Ministry's core roles. A more effective Ministry is expected to result from this work.

Additional information

The Minister of Finance has not specified any additional reporting requirements.

Additional statutory reporting requirements

Health Act 1956

The Health Act 1956 requires the Director-General of Health to report annually on the current state of public health. The *Health and Independence Report* is tabled in Parliament by the Minister of Health.

The Act also requires the Director-General to report before 1 July each year on the quality of drinking-water in New Zealand. Copies of the most recent report are made available to the public through the Ministry's website and through its offices.

New Zealand Public Health and Disability Act 2000

The New Zealand Public Health and Disability Act 2000 requires the Minister of Health to report annually on the implementation of the New Zealand Health Strategy, the Disability Strategy and the Quality Improvement Strategy.

Public Finance Act 1989

The Public Finance Act 1989 requires the Minister to report annually on non-departmental expenditure relating to health sector agencies other than Crown entities.

Other legislation

Other reporting requirements relate to the following legislation:

- Disabled Persons Community Welfare Act 1975
- Health (Drinking Water) Amendment Act 2007
- Health Research Council Act 1990
- Human Assisted Reproductive Technology Act 2004
- Social Security Act 1964.

Appendix: The legal and regulatory framework

Legislation the Ministry of Health administers

The Ministry of Health administers the following legislation:

- Alcoholism and Drug Addiction Act 1966
- Burial and Cremation Act 1964
- Cancer Registry Act 1993
- Children's Health Camps Board Dissolution Act 1999
- Disabled Persons Community Welfare Act 1975 (Part 2A)
- Epidemic Preparedness Act 2006
- Health Act 1956
- Health and Disability Commissioner Act 1994
- Health and Disability Services (Safety) Act 2001
- Health Benefits (Reciprocity with Australia) Act 1999
- Health Benefits (Reciprocity with the United Kingdom) Act 1982
- Health Practitioners Competence Assurance Act 2003
- Health Research Council Act 1990
- Health Sector (Transfers) Act 1993
- Human Tissue Act 2008
- Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003
- Medicines Act 1981
- Mental Health (Compulsory Assessment and Treatment) Act 1992
- Misuse of Drugs Act 1975
- New Zealand Council for Postgraduate Medical Education Act Repeal Act 1990
- New Zealand Public Health and Disability Act 2000
- Psychoactive Substances Act 2013
- Radiation Protection Act 1965
- Sleepover Wages (Settlement) Act 2011
- Smoke-free Environments Act 1990
- Tuberculosis Act 1948.

The Ministry also administers many sets of legislative instruments under these acts.

Other regulatory roles and obligations

In addition to administering legislation, key personnel within the Ministry (such as the Directors of Public Health and Mental Health) have specific statutory powers and functions under various pieces of legislation.

The Ministry also has certain statutory roles and relationships defined in other legislation, including:

- Biosecurity Act 1993
- Civil Defence Emergency Management Act 2002
- Education Act 1989
- Food Act 1981
- Gambling Act 2003
- Hazardous Substances and New Organisms Act 1996
- Human Assisted Reproductive Technology Act 2004
- Litter Act 1979
- Local Government Act 1974
- Local Government Act 2002
- Maritime Security Act 2004
- Prostitution Reform Act 2003
- Sale and Supply of Liquor Act 2012
- Social Security Act 1964
- Victims' Rights Act 2002
- Waste Minimisation Act 2008.

International compliance

The Ministry also helps the Government to comply with certain international obligations by supporting and participating in international organisations such as the World Health Organization, as well as ensuring New Zealand complies with particular international requirements such as the International Health Regulations (2005) and the Framework Convention on Tobacco Control.

Regulations administered by the Ministry can be accessed on the Ministry website: www.health.govt.nz

Full, searchable copies of the acts and associated regulations administered by the Ministry can be found on www.legislation.govt.nz

Glossary

Advanced Trainee Fellowship Scheme (ATFS)	A Health Workforce NZ scholarship that is available to assist health professionals to undertake advanced training or a specialist qualification, or to study overseas in a priority specialty area.
elective surgery	Surgery that is non-urgent, such as a cataract operation or a knee replacement.
Health Benefits Ltd	A shared services organisation set up to help DHBs deliver quality health care at a lower cost by working smarter and reducing duplication and administrative costs. Health Benefits Ltd is owned by the New Zealand Government and is mandated to find ways of delivering greater quality to health delivery through more efficient processes.
Health Workforce NZ (HWNZ)	HWNZ was set up in 2009 to provide national leadership on the development of the country's health and disability workforce.
impact	The contributions made to an outcome.
integrated family health centre	A new way of working to create a patient-centred model of care and the facilities required to support these developments.
interRAI	An international collaborative to improve the quality of life of vulnerable people through a seamless, comprehensive assessment system.
outcome	A change in the state of society, the economy or the environment. The term refers to the end result expected from services delivered.
outputs	The goods and services delivered by the Ministry of Health.
Pharmacy Services Agreement	The contract between pharmacy owners and their local DHB.
primary care	Health services delivered by providers who act as the principal point of consultation for patients within a health care system, such as general practitioners, practice nurses or pharmacists.
primary health organisation (PHO)	A not-for-profit, community-based health care provider, including general practitioners, nurses and other health care providers.
public health unit	An entity that concentrates on major public health services, such as tobacco control and health promotion.
secondary care	Health care services provided by medical specialists and other health professionals who generally do not have first contact with patients (eg, cardiologists and urologists).

tertiary care

Treatment given in a health care centre that includes highly trained specialists and often advanced technology.

Voluntary Bonding Scheme (VBS)

An incentive-based payment scheme that has been introduced by the Government to reward medical, midwifery and nursing graduates who agree to work in hard-to-staff communities and/or specialties, and medical physicist and radiation therapist graduates who remain in New Zealand after their university studies.