

# Hon Andrew Little

## Minister of Health



**SPEECH**

21 April 2021

Embargoed against delivery of the Minister's speech in the Banquet Hall

Check against delivery

## Building a New Zealand Health Service that works for all New Zealanders

Morena tātau katoa.

Tēnā tātau kua karahuihui mai nei i tēnei ata,

Ki te whakarewa te rautaki hauora matua o Aotearoa,

Kia hua ko te oranga pai o te motu.

Tena tatau katoa.

### INTRODUCTION

Welcome.

Today, I am laying out for you a plan to create a truly national public health service.

A system that takes health services to the people who need them, no matter who they are or where they live.

That draws on the best of what we have now, but means doctors, nurses and other health workers can concentrate on patients instead of battling bureaucracy.

That takes the pressure off overstretched hospitals by treating people before they get so sick that they need to go to hospital.

And that gets rid of the postcode lottery, where the type of treatment you get is determined by where you live.

We all know the pressure our hospitals and specialist services are under, and it's largely because people are not getting the healthcare they need, when they need it, and because people are living longer and developing more complex health issues.

By making the changes I am announcing today, we will have the chance to put the emphasis squarely on primary and community healthcare.

We will have the chance to do away with duplication and unnecessary bureaucracy between regions, so that health workers can do what they do best – heal people.

And by making these changes, we can start giving true effect to tino rangatiratanga and our obligations under Te Tiriti o Waitangi. I'll speak more about this soon.

## **BACKGROUND**

Some of you were here last month when I set out the case for change.

As I said then, health services touch all our lives.

While our current system has many strengths, our good overall results disguise real issues of access and inequity.

Earlier this week, the Health Quality and Safety Commission released a report showing that if you're a young Māori who has suffered major trauma, you are three times more likely to die in the following month than are other young people who have suffered the same injuries.

Māori and Pacific peoples are twice as likely to die young from conditions that could have been treated, and being Māori or Pacific even determines what sort of treatment you get.

People with severe mental health issues die up to 25 years earlier than others, and if you are disabled – well, we don't even know what's happening with you, because we don't gather enough information.

These facts are, in part, the consequence of a system that is disjointed and that simply does not see the needs of large parts of the community.

It is also a system under stress. Our health and care workers strive every day to provide the best possible care for their patients, but demand is growing, patient needs are getting more complex, and the job is getting harder.

It hasn't been helped by nine years of under-funding by the National Government. By contrast, the Labour Government is spending more money on health than ever before, but even the extra \$5.6 billion for health in last year's Budget alone is not enough to make up for years and years of under-investment.

## **HEALTH AND DISABILITY SYSTEM REVIEW**

The Health and Disability System Review was commissioned nearly three years ago to set a direction for reforming our health system.

I am very grateful for the work of the independent Review for its detailed analysis, careful consideration and clear direction for reform. The Review's recommendations have greatly influenced the Government's thinking.

Many of you were part of the Review's extensive consultation, and supported the consensus it built on the need for change.

I have heard your desire for change to happen quickly. Over the past few months, the Health and Disability Review Transition Unit within the Department of the Prime Minister and Cabinet and I have been working at pace to come up with a plan for the future.

This work has focused on the core objectives for the health and disability system, and the functions that need to change to set the foundation for improving care for all.

It has concluded – as have I – that the current system no longer serves our needs well.

## **TRANSFORMATION**

Our goal is a health system that helps all New Zealanders to live longer in good health and have the best possible quality of life.

Health is the second biggest spend by the Government today, with twenty cents in every dollar going to health.

It will always be a priority for this Government. But spending on health can never be unlimited.

So, we need a system that is not only fairer, but also smarter.

- Fairer - so that it tackles inequity, inconsistent access and differing levels of service to give every New Zealander consistent quality healthcare.
- Smarter - so that it works effectively, intelligently, cohesively, and makes the most of the money and resources available.

I don't underestimate the challenge.

Last month, I described five system shifts to ensure we have a health system that serves everyone:

- The health system will reinforce Te Tiriti principles and obligations.
- All people will have access to a comprehensive range of support in their local communities to help them stay well.
- Everyone will have access to high-quality emergency or specialist care when they need it.
- Digital services will provide more people with the care they need in their homes and communities.
- Health and care workers will be valued and well-trained for the future health system.

Here is how we will achieve this.

**We will build a single, truly national New Zealand health service.**

Our system has become overly complex. It is far too complicated for a small nation.

We simply do not need 20 different sets of decision-makers.

Nor do we need 20 plans for capital investment, for IT systems or for our workforce.

It leads to duplication, variability and inefficiency.

It forces too many artificial barriers between regions, professionals and populations.

What it doesn't do is allow us to focus on the needs of the New Zealand population and the system as a whole, or to identify and spread good ideas.

COVID-19 seen the system forge a spirit of collaboration, but this is seldom how we operate in normal times.

To change this dynamic, we need a fundamental shift in ethos and culture in the way we organise health services.

We need to operate as one system.

It means that organisations working together should be the norm, not the exception.

It means simplifying and consolidating functions.

And it requires common leadership to create a single, truly national New Zealand public health service with a unifying purpose: to achieve pae ora – good health for all.

There are four key parts to the changes I am announcing today:

## **1. MINISTRY OF HEALTH**

We will improve the way the health system is overseen and reports to the public.

A strengthened Ministry of Health will be responsible for advising the Government and monitoring the performance of the public health system.

It will set the strategic direction and develop national policy, and it will be responsible for regulation and ensuring financial stability.

The Ministry will continue to be headed by the Director General, who will remain the head of the health system.

Statutory roles such as the Director of Public Health and Director of Mental Health will remain within the Ministry.

It will monitor overall system performance, hold organisations to account for delivery, and support the Minister to intervene where necessary.

However, it will no longer directly fund and commission health services.

Instead, it will be leaner, sharper, more agile and focused on its core role.

## **2. HEALTH NEW ZEALAND**

The job of running our hospitals and commissioning primary and community health services will fall to a new Crown entity, Health New Zealand, or Health NZ for short.

It will replace the existing 20 district health boards, to become in our first truly national public health service.

DHBs have served their communities well for 20 years, but having separate organisations and competing priorities has led to unacceptable variability in health services – that is, the type of treatment you get can come down to where in the country you live.

That's why it's become known as the postcode lottery, and in a country as small as New Zealand, we just don't need it.

I want to stress that this reform is about doing better with what we have.

It's not about cutting services or closing hospitals. Nor is it about cutting valuable frontline staff.

We owe it to our incredible health workforce to have a system that creates an environment in which they can feel supported and well-led and gives them certainty about their future.

A single Health NZ organisation will allow for true national planning for our workforce; it will allow us to start investing in and building the workforce we need for the future.

It will monitor the performance of health services and drive improvement and innovation.

We will be able to plan for things like IT systems that talk to each other, for capital investment, procurement and other issues that benefit the whole health service, and we will do this while retaining local knowledge and focus.

Health NZ will operate on the basis of four regions, but it will also have district offices throughout the country, which will ensure it is truly in touch with the needs of all New Zealanders.

Each of the four regional divisions of Health NZ will be responsible for overseeing and managing a network of hospitals, and commissioning primary and community care services in their region.

Health NZ will take a nationwide system approach – but importantly, it will also delegate authority, so frontline health workers and communities have a real say in decisions about the health services they need.

This is not just about replacing 20 separate systems with one – it is about building a system that genuinely operates in a national way.

### **3. MĀORI HEALTH AUTHORITY**

**The system must work in true partnership with Māori to improve services and achieve equitable health outcomes.**

Māori still suffer, on average, worse health than other New Zealanders.

I referred earlier to a report released this week by the Health Quality & Safety Commission.

It is sobering reading, and totally contradicts our perception of ourselves as an egalitarian country.

The system has never allowed Māori meaningful control over issues affecting their own communities and has never really acknowledged that what we are doing isn't working for Māori, and that by giving more control over to Māori communities, we might actually change things for the better.

The Crown has specific obligations to Māori under Te Tiriti o Waitangi.

Now, we have an opportunity to truly live up to the vision of the Treaty.

As well as monitoring the state of Māori health and helping develop health policy, as contemplated by the Health and Disability System Review, we will have a Māori Health Authority with the power to directly commission health services for Māori and to partner with Health NZ in other aspects of the health system.

The establishment of the Māori Health Authority is a real step towards tino rangatiratanga in health.

**[HANDOVER TO ASSOCIATE HEALTH MINISTER HON PEENI HENARE – SEE ANNEXED SPEECH]**

#### **4. PUBLIC HEALTH**

COVID-19 reminds us that public health is a critical part of our health and disability system. Population and public health present some of the largest opportunities to address inequity, tackle the causes of health need, and manage future demand.

It is why we are committed to creating a Public Health Agency.

The Public Health Agency will be located inside the Ministry of Health and will lead public health strategy, policy, analysis and monitoring.

It will be the authority on public health knowledge in the system.

It will monitor threats to our health and ensure we are ready to deal with them.

As well as the agency, there will also be a new national public health service within Health NZ, comprising the 12 public health services across the country.

The national public health service will commission public health programmes and will provide services that protect and improve the health of the population.

An essential element of this service will be national, regional and local health promotions particularly in communities with the greatest health needs.

The Health Promotion Agency will be part of Health NZ and will work closely with the Māori Health Authority.

#### **OTHER EQUITY CHALLENGES**

While we have specific obligations to Māori, discharging our moral duty to provide health services equitably does not stop there.

**The system must listen to the voice of Pacific people, disabled people, rainbow and diverse people, and all users of the health system, and design and deliver services that work for them.**

The reality is that local elections for representatives to DHBs have not guaranteed that we've heard voices that represent our diverse communities.

We can and must do better.



Our reforms will give users of health services more ways to influence the system.

Health NZ will be required to involve users of health services in its planning, and to explain how it has done so.

A new national consumer forum will champion the voice of health-service users and pool the knowledge and expertise of existing bodies.

We will prioritise improving health of Pacific peoples.

We will develop a new national strategy for Pacific health, focused on achieving health outcomes and the Lalanga Fou goals.

And we will similarly ensure Health NZ has the capability to develop and deliver a national health plan for Pacific peoples.

One of the criticisms I have heard about the review is that it did not adequately address the concerns and needs of the disabled community.

As I have said previously, we understand the difficulties in having disability support issues treated solely as health issues. They are not. Disability issues span the full range of social issues that any community faces.

That is why I have more work being done in this area, and I expect to be able to tell you more on that in September.

## **TECHNOLOGY**

An area long overdue for attention is the use of digital tools in health.

**People will have better access to services, with greater innovation and digital options, bringing services closer to home than ever before.**

For decades, we have talked about investing in community care, encouraging preventative health-care and shifting the focus away from hospitals.

Consumers have repeatedly asked for the ability to use modern technology, such as virtual diagnostic tests at home, the ability to book doctors' appointments online and digital monitoring of health conditions.

To put it plainly, successive governments have failed to deliver on this.

With a truly national health service, we can deliver on this promise, setting common standards and improving access, while tailoring services to meet local needs and cutting unnecessary trips to hospitals and clinics.

We will also strive to make sure that all New Zealanders, no matter where they live, will have access to the same level of health care.

On top of that, communities will be able to develop services specific to their needs.

Health NZ will work with communities, iwi Māori Partnership Boards and locality networks to develop the priorities for their areas, making sure people have a say in the services they get and how they use them.

Services will be integrated and linked, so people don't have to share the same information time and time again, and will find it easier to get support from different parts of the health system.

With appropriate safeguards in place, you should be able to turn up anywhere in the health system and know that the health professional seeing you has access to relevant health information about you.

One of the great challenges of the next 20 years will be ensuring our workforce can tackle the complex needs of an ageing population, at a time of global shortages.

Our reforms will help us to plan and develop the health workforce we need for the future.

A key element in creating a new culture will be a new New Zealand Health Charter, designed with health and care workers, to set down the values and principles of the national system.

We will start work on this together soon.

## **TRANSITION TO THE NEW SYSTEM**

The sort of change I have described today will not all happen overnight. Some aspects will take years, not months.

Again, I do not under-estimate the task we've got in making transformation of this size.

There are two challenges right now I want to acknowledge: the challenge of making change when we are also in the middle of confronting the COVID-19 vaccination programme, and the challenge of taking the next step.

On the first, I am confident we can make these critical structural changes to the health system while keeping our frontline health workers focused on the COVID-19 response, just as we must keep our hospital emergency departments and operating theatres running.

To those who say we should not be doing this now, I say that every week we delay is another week of people unnecessarily missing out on the healthcare they need, of continuing inefficiency, of continuing inequity.

COVID-19 is not a reason to preserve a system that is not fit for purpose. On the contrary, we have seen what the system can achieve when it operates as one – when 20 DHBs work as a single nationwide health system. That is exactly what the current reforms aim to do.

I am mindful we need to progress carefully and not disrupt day-to-day health services. No one should miss out because the system was distracted by change.

Maintaining services, including the COVID-19 vaccination programme, will be a priority during the transition.

But we must move forward, deliberately and with determination.

I expect the new system to come into effect in July 2022.

Today is the start of the transition.

## **NEXT STEPS**

So what happens next?

In coming weeks, work will start on establishing interim versions of Health NZ and the Māori Health Authority as temporary agencies.

They will work on designing the detailed functions, models and relationships of the new entities, while legislation is drafted to reflect their final forms and functions.

I will appoint acting chief executives and independent committees over the coming months to advise on the development of each organisation and to support a smooth handover to the new entities once they have been established in law.

Permanent appointments will be made in the early part of next year, and I expect the necessary legislation to be passed by April.

We will engage with Māori on the governance of the Māori Health Authority and how it operates.

And we will engage with the health sector - you and your representative organisations - on design and implementation.

Together, we have an opportunity to make a once-in-a-lifetime change to put in place a new system and to improve the health of this and future generations.

It is more important than ever that those of us leading the change for tomorrow do not compromise the care we give today.

While we are in this transition, existing responsibilities will remain in place.

DHBs will continue in their current roles and their leadership will be critical to managing a safe and effective passage to the new system.

## **CONCLUSION**

What I have announced today represents a dramatic change for our health and disability system.

I want to reassure New Zealanders that the care they rely on will still be available. Your GPs, your local pharmacists, and midwives, and hospitals and specialists will all continue to provide care as they do today.

These reforms are about a smarter, fairer, national health system – they're not about cutting spending or reducing the workforce. We need greater investment in health, not less, and more, not fewer, people working in the future health system.

The reformed system will need to harness all the best skills and talent across current organisations.

But we do need to strengthen how the system works, improve decision-making and reduce fragmentation and bureaucracy.

This is a transformation that is necessary – and overdue.

This time, it must be different.

If we are to achieve pae ora, to improve health and wellbeing and to tackle inequity once and for all, we need to take these steps to reshape our system and give it the best chance of success.

And with transformation and investment, and working together, we can ensure our system is one truly fit for future generations.

**ENDS**

# Hon Peeni Henare

## Associate Minister of Health (Māori Health)



**SPEECH**

21 April 2021

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Little's speech in the Banquet Hall

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We talk a lot about being a transformational Government. Some imagine this statement means big infrastructure builds, massive policy commitments all leading up to a single grand reveal.

But this is what I see as transformation.

Something quite simply and yet so very complex.

Māori feeling comfortable and able to go to the doctor when they get sick.

That – that would change everything for our people.

Our nannies would stop refusing to get their sore foot checked even though it's been bothering them for a month, Mum wouldn't have to ration out her boys antibiotics cause her GP is an expensive hour drive away, thousands of whanau would no longer get their diagnosis too late – too late to make a difference, too late to save a life.

We would no longer hang in there, wait it out, or tell ourselves 'I'll see how I feel in the morning'.

Many Māori don't like going to the Doctor. And it's not because we don't care about our health, or the health of our whanau. It's because our experiences of the Health system, the experiences of our parents and grandparents have been negative.

That why we must change. That is why we must transform our Maori health system.

Māori must be enabled to provide effective leadership and partnership throughout the Health system. And we will require all organisations to share responsibility for improving outcomes for Māori.

We will legislate for a new body an independent voice - the Māori Health Authority, to drive hauora Māori and lead the system to make real change.

It will have joint decision-making rights to agree national strategies, policies and plans that affect Māori, at all levels of the system.

And it will work in partnership with Health New Zealand to ensure service plans and commissioning drives improvement in equity.

It will be able to directly commission services where needed, and to grow kaupapa Māori services and innovation.

The Māori Health Authority will be constituted to represent the Māori voice from all iwi and hāpori.

Embedding partnership must also happen at a local level.

Māori will have a clear voice in decision-making through the evolved iwi/Māori partnership boards that will approve priorities and service plans for localities.

We know transforming our health system won't happen overnight – but this is where we start.

This is what transformation looks like.

This is how we help Māori feel comfortable and able to go to the doctor when they get sick.

**[HAND BACK TO HEALTH MINISTER HON ANDREW LITTLE]**