

Briefing to the Incoming Minister of Health

Part A: Ensuring New Zealanders have timely access to the quality health services they need

January 2025

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Director-General Foreword

Congratulations on your appointment as Minister of Health.

The Ministry of Health will support you in continuing to progress towards a health system that works well for everyone and with improved patient experiences at its heart. We will help you to set direction, direct investment and resources, and monitor and advise you on progress against your priorities.

The health system is a dynamic, complex, interrelated system that supports New Zealanders everyday with their health and the health of their loved ones. We understand you will be continuing this Government's focus on lifting the performance of the health system for all New Zealanders that need care. We can support you to take action on your immediate priorities for health, including:

- Focusing the health system on achieving health targets; shorter stays in emergency departments, shorter wait times for elective treatment and first specialist assessments, faster access to cancer treatment, and improved childhood immunisation rates.
- Directing and overseeing Health New Zealand performance and their return to baseline.
- Advancing policy and regulatory changes to enhance health system performance, including enabling a more flexible workforce and better access to medicines.
- Changing system settings to improve timely access to primary health care that New Zealanders need.
- Confirming health priorities for Budget 2025 investments.

We recognise that while early progress has been made against some long-term challenges, more work is needed. We have included opportunities to go further and faster, including further changes to support more patient-centred primary and community care, better leveraging private services, improving access and innovation in medicines, growing, and better utilising the health workforce.

We understand the need to prioritise our existing investments in health carefully to ensure the best use of resources to manage access and system performance while achieving better health outcomes for all New Zealanders.

This document and subsequent briefings aim to provide you with a broad roadmap for discussions on your key areas of focus and how to achieve your priorities. My Executive Governance Team and I are looking forward to working with you as you take up your new portfolio.

Yours sincerely,

Dr Diana Sarfati

Director-General of Health

Lifting the performance of the health system

Overview of health outcomes and services

Overall, the health outcomes of New Zealanders are in line with comparable countries.

Our health system is delivering for most New Zealanders, and against many measures, it delivers good outcomes when compared against other developed countries.

New Zealanders are living longer, and life expectancy is projected to continue rising for all groups of people. For those born in 2023, the estimated life expectancy for male is 80.3 years and 83.7 years for females. However, New Zealanders are spending, on average over a decade in poor health. This period of poor health is slowly increasing as New Zealanders age adding pressure to health systems.

Like similar countries, non-communicable diseases such as diabetes, cancer, heart disease and chronic respiratory diseases are the leading causes of health loss. It is anticipated that 9 of the top 10 conditions contributing to health loss over the next 20 years will be long term conditions. Rising levels of mental distress are a further area of major concern, particularly among younger New Zealanders.

The health system delivers thousands of services to New Zealanders every day.

The health system is delivering more services than it ever has before. Every day, the public health system delivers approximately

- 11,000 hospital beds
- 55,000 general practice visits
- 172,000 laboratory tests
- 25,000 pharmacy dispensations
- 7,000 urgent care visits
- 3,500 emergency department visits
- 1,000 radiology studies
- 1,700 first specialist assessments
- 500 elective surgeries

Our workforce is the biggest it has ever been, with approximately 250,000 New Zealanders working in health. However, despite record volumes and workforce numbers, the health system

is under significant pressure, as many other health systems are with ageing populations, workforce shortages and increasingly costly health interventions and changing technology. These pressures are expanded on later in this document.

The New Zealand health system today

The New Zealand health system

Most core health services in New Zealand are publicly funded and universally available to eligible people. New Zealanders access the health system in many ways. This could be by visiting a pharmacy, seeing a physiotherapist, having an appointment with a general practitioner or a nurse practitioner, being supported by many different community health providers seeking specialist treatment for an ongoing condition or by accessing urgent care at a hospital.

A more detailed description of the system can be found in Part B of this document.

Sitting behind these experiences is a varied and dynamic ecosystem of health professionals, providers, and organisations. Successful delivery of these experiences is dependent on the organisations, processes, and relationships of all players in the system working well together. The government plays a significant role in supporting this, through direct provision of services, funding, or co-funding, regulating health providers and services, and commissioning health services and medicines.

A range of organisations deliver health care including community organisations, private businesses, or individual health professionals, as well as hospitals and related services. Some are fully or partly funded by the government or funded privately through health insurance or direct out of pocket payments. There is some targeting of additional financial support to access services, such as supporting patient payments based on socioeconomic factors.

The health system is in a period of change.

Since the Pae Ora (Healthy Futures) Act came into effect on 1 July 2022, the health system has been adapting to, and evolving with, the significant structural changes.

While the role of other specialist Crown health entities¹ have remained constant, 28 organisations have been merged into Health New Zealand (Health NZ). As a national level entity that accounts for over 92% of Vote Health funding, Health NZ is accountable for commissioning and delivering health services in our communities at national, regional and local levels. Health NZ is now the largest employer in New Zealand, with over 80,000 full-time equivalent employees within the entity.

¹ Pharmaceutical Management Agency (Pharmac), Health Quality and Safety Commission, New Zealand Blood and Organ Service, Health Research Council, Mental Health and Wellbeing Commission and the Health and Disability Commissioner. You can find more information about these entities and their roles in Part B.

While early progress has been made, further work is required

Health NZ is facing significant service and financial performance challenges. Given its dominant role in delivering or commissioning health services across New Zealand, this affects the sector and patient outcomes.

On 22 July 2024, a Commissioner was appointed for Health NZ due to concerns around oversight, entity overspending and a significant deterioration in Health NZ's financial outlook. Health NZ has developed an implementation plan for responding to these issues (the Health Reset Plan). The Health Reset Plan sets out a multi-year pathway to financial sustainability, as well as a process to embed appropriate governance arrangements, risk management and organisational model change to address immediate performance challenges and realise the longer-term benefits expected from system change.

s 9(2)(f)(iv)

Achieving the health system New Zealanders need

There are key areas of focus to improve performance of the health system.

The Government invests almost \$30 billion into the health system per annum. Despite this level of investment, current demographic trends such as population growth, ageing and diversification, mean that, the pressure on Government contributions is likely to increase. New Zealanders are facing access and timeliness challenges in accessing primary and community care, and long wait times for some hospital services.

There are opportunities to adjust the health system settings to enable the health system to perform more productively, improve efficiency and facilitate flow through the system. Maintaining and increasing health care productivity is an international challenge, including in New Zealand.

When we consider that the current structural settings are appropriate, further changes to system setting will be required to improve performance and achieve the benefits of system change. These additional changes include, for example, the balance between national, regional, and local models, improvements in the network wide use of data and digital tools, and the interaction between publicly and privately funded healthcare options.

As Minister, you have key levers to further direct the health system, including:

- Investment of public funding through Vote Health – in 2024/25, almost \$30 billion was invested between operating and capital. This includes the ability to set multi-year funding for operating expenditure across three years.
- Setting direction and policy settings within the health system, significantly through:
 - A three-yearly *Government Policy Statement on Health 2024–2027* which sets priorities for health agencies and entities, and the services commissioned from public funding.
 - A three-yearly costed New Zealand Health Plan for the delivery of publicly funded health services developed by Health NZ, which must give effect to the *Government Policy Statement on Health 2024–2027*.
- Monitoring system and entity performance and intervening when issues arise.
- Setting the regulatory environment. This includes overseeing current legislation and opportunities to make enhancements.

Further information about the levers you have available to you is included in Part B.

The Ministry's role is to support you to use a range of levers to achieve your policy priorities for health and as a steward of the health system. We advise you on overall health outcomes, options for investment, system performance and opportunities to improve outcomes over time.

There are opportunities to address the affordability and sustainability of the system...

New Zealand public health spending is comparable to many developed Organisation for Economic Co-operation and Development (OECD) countries. The latest OECD data shows New Zealand's health spending, as a share of Gross Domestic Product (GDP), is above the OECD average, alongside other high-income countries like the United Kingdom and Canada. Our spending per capita is also above the OECD average, alongside other developed countries (estimated at \$6,061 USD per person of the population in New Zealand, compared to the OECD average of \$4,986 USD per person of the population).²

Public spending on health care as a share of GDP is forecast to increase. In New Zealand, the Treasury's long term fiscal model projects that health expenditure will grow from around 7% of GDP in 2020/2021 to over 10% of GDP by 2061 if there are no changes to our current health service model. These projections align with similar international modelling. These rising costs are driven by the increasing cost of health care and increasing demand, including due to an ageing population.

The Government has options to change this dynamic and address the affordability of the health system, such as investigating a greater role for user pays health care or insurance, changing models of care or increasing targeting of services. We can provide advice on these topics as requested.

² OECD (2023), Health at a Glance 2023: OECD Indicators: Health expenditure in relation to GDP; Health expenditure per capita.

...while also improving timely access to quality health care.

There is particular room for improvement in access and timeliness:

- More people are visiting emergency departments and waiting longer to be seen. The number of patients waiting less than 6 hours in our emergency departments has decreased from 71.2% in Q4 23/24 to 67.4% in Q1 24/25, mirroring data from the Q4 22/and Q1 23/24 period. In 2023, there were 1,315,000 visits to emergency departments. This compares to 1,246,000 emergency department visits in 2022.
- Performance data from Q1 24/25 shows that 67.4% of patients waited less than four months for a first specialist assessment.
- Primary care is becoming less accessible, with the 2023/24 New Zealand Health Survey finding that 25.7% of total adults and 25.2% of Māori adults reported experiencing barriers to visiting a GP due to wait times. In 2021/22, 11.6% and 14.8% of people reported wait time as a barrier, respectively.
- While addressing these issues, we need to maintain our focus on improving the quality of health services.

To improve the performance of the health system, the Government has prioritised access, timeliness and quality of health services in the *Government Policy Statement on Health 2024–2027*:

- **Access** ensures that every person regardless of where they live in New Zealand, has equitable access to the health care services they need.
- **Timeliness** ensures that people can access the health care and services they need, when they need it, in a prompt and efficient way.
- **Quality** ensures that health care and services delivered in New Zealand are safe, easy to navigate, understandable and welcoming to users, and are continuously improving.

The health system is built around the services it provides and could better focus on the people it serves. By focusing on what New Zealanders want and need, the health system can get better outcomes.

Achieving our long-term ambitions for health will require better integration between hospitals and primary care, as well as other areas of the system. This means improving service efficiency, redesigning models of care and breaking down siloes between service areas to ensure people have access to the care they need.

There are opportunities to introduce new models of care and technology so people can have more choice and more readily access health services in a timely manner. This can then free up the capacity of health professionals to have face-to-face consultations with people who have higher needs. For example, in providing digital access to primary care, urgent consultations could be available with

health clinicians 24/7, and other technological advances may free up capacity in other areas of the health system.

Continued attention on the critical enablers of workforce and infrastructure is required.

Workforce

The health workforce is made up of tens of thousands of committed health practitioners who deliver high quality care for their patients, but they are under a variety of pressures.

The health workforce has grown significantly over recent years. However, there are gaps in critical areas. Available evidence also suggests that our health system is less productive than it used to be – meaning the health system is not translating workforce capacity into better, faster care for New Zealanders. Greater investment in health technology (such as diagnostics), digital infrastructure and data governance could increase the effectiveness of the workforce and reduce additional administration for patients and the system, as well as making diagnosis or treatment faster for patients.

There are opportunities to improve efficiencies and shift models of care and delivery to better utilise the talents of those working in the health system. We can remove some regulatory and other operational barriers that prevent more flexible use of different workforce skills, such as physiotherapists supporting some emergency department assessments or orthopaedic referrals, or different models of care.

In some areas of New Zealand, population growth has outstripped capacity increases to maintain service delivery. Our operational processes could support better patient flow to support the workforce to focus on treatment and not waiting for other parts of the system. This is already a focus of work within Health NZ to support short stays in emergency departments and reduce elective waitlists. In some areas of New Zealand, population growth has outstripped capacity increases to maintain service delivery.

Addressing workforce challenges will require growing and changing the mix of health professionals in the system, while increasing their capabilities and range of skills. This Government has already taken steps to grow the health workforce through actions to retain, train and attract new health professionals across areas of critical shortage such as primary care. International recruitment and improving the ability to transition to New Zealand registration are still a focus in the short-term, given the current workforce gaps.

Work is also underway ahead of Cabinet deciding on the additional medical school. This training option would be focused on primary and community medical roles, including within rural communities, that have ongoing shortages and have not been served well by the current training models,

We will provide you with further advice on opportunities to further address pressures and system barriers to realise our health workforce potential.

Infrastructure

Much of the physical and digital infrastructure which supports our health system is in poor condition or no longer fit for purpose. Demand for acute services has outstripped hospital capacity, with an estimated national deficit of 500 hospital beds. Many of our digital infrastructure networks and security systems are outdated, do not talk to each other and are unable to manage increased cybersecurity issues, or support evolving health service delivery in the home and within community facilities. Having broader digital options can also help with access and timeliness. These factors are likely to be an important driver in the productivity, efficiency, and effectiveness of the health system.

This Government has set clear expectations for a national approach to planning and investment infrastructure to ensure that projects are delivered within budget, on time, and meet the needs of the communities they support. As part of this, Health NZ is developing an Infrastructure Investment Plan (IIP) which will set investment intentions for the next 10 years and prioritise resources to ensure the health system is resilient and has the digital and physical infrastructure it needs to meet people's needs now and into the future.

Taking action across the health system and other sectors

Improving the underlying determinants of poor health

Social, economic, and physical environments strongly influence our physical and mental health and wellbeing, as well as our ability to adopt and maintain a healthy lifestyle. The conditions in which a person is born, grows up, lives, learns, works, ages, and the wider set of forces and systems shaping the conditions of daily life has a large influence on a person's health status. For example, smoking, poor nutrition, lack of exercise, harmful alcohol use and lack of social connection are risk factors.

In New Zealand, over a third (38.6%) of health loss is potentially avoidable by reducing exposure to modifiable risk factors. Investments in housing, education, and balanced settings for commercial activities, such as alcohol, tobacco, unhealthy food, and gambling can create lower demand for health services, with the associated avoided costs.

Enhancing prevention

Enhancing our focus on prevention is essential to create the best possible chance of good health across the life-course.

Our experience shows that public and population health approaches that prevent, reduce, or delay the onset of illness (such as screening and immunisation) lead to better health outcomes.

Improving collaboration across sectors

To protect, promote and improve health, the health system needs to work with our partners to ensure health concerns are considered alongside economic, social, and environmental improvement initiatives. This includes working with stakeholders, providers, and communities to address the wider determinants of (good or poor) health, as well as improve the timeliness, accessibility, and quality of health care available.

Improving Māori health outcomes

Achieving the Government's targets and expectations for health requires significant shifts in Māori health outcomes, achieved by improving how the health system partners with Māori to understand and respond to Māori health need.

Māori life expectancy is increasing at a faster rate than other populations. However, the increase is not fast enough to reach the life expectancy of other populations in the next 20 years. As a consequence of living longer and developing long-term conditions earlier, more Māori will be living longer with health complications.

The Government has stated an intent to shift decision-making around resources closer to people and communities, enabling local leadership, collaboration, and innovation to meet needs. This is reinforced with a continued focus on Māori health monitoring at all levels of the system. The Hauora Māori Advisory Committee and Iwi-Māori Partnership Boards are key mechanisms for monitoring system performance for Māori health and identifying opportunities for improvement.

Responses led by Māori communities and Māori health providers have demonstrated ingenuity and adaptability to in assessing and meeting the diverse needs and strengths of the whole community, and there are opportunities to further expand and scale locally led initiatives to improve outcomes for all New Zealanders.

Improving access for higher needs groups

Some people have higher health needs. Māori, Pacific peoples and the disabled population experience greater inequity and poorer health outcomes compared with the general population. Examples include lower life expectancy, lower self-rated health, higher rates of anxiety and depression, and higher rates of unmet need.

These are shown across many indicators, and particularly in long-term conditions such as diabetes, cancer, and cardiovascular disease. These conditions contribute to higher mortality rates, particularly for Māori, and those spending more time living longer in poor health, particularly women. In addition, women, those living in rural communities, and those in lower-income households have higher health needs.

Health system trends and challenges

Our population is growing, ageing and becoming more diverse.

From 2014 to 2024, the population living in New Zealand grew by 18%, with around 817,000 additional people. Overall population growth, from net-migration and longer life expectancy, increases demand on health services and health funding.

The number of older people is also growing. The number of people who are over 65 has grown by almost 37% since 2014, equating to an additional 240,000 people. Older people generally require more health services than younger people, due to spending longer in poor health. This results in a substantial increase in the burden of poor health and disability for the health system. For example, an increasing proportion of people presenting urgently are older, have more complex needs, and more likely to stay longer in hospital services. The average 80-year-old uses 10 times more hospital bed days per year than the average 45-year-old.

Our population is becoming increasingly diverse with faster growing Māori, Pacific and Asian populations. Diverse ethnic groups have different preferences and ways of accessing and using health services. New Zealand's health services will need to adapt to the future health needs and aspirations of these groups. Māori and Pacific populations, who generally have poorer health outcomes, also have a much younger age structure than the New Zealand European population. This presents a significant opportunity for targeted health initiatives to those with high health needs, early in the life course, to support these populations to age with good health and improve their health outcomes, as well as New Zealand's overall.

Technological advances create opportunities to make care more accessible, timely and at a lower cost, while reducing pressures on the workforce.

Technological advancement and emerging technologies, such as artificial intelligence and genomics based on high quality patient-centred data, create potential opportunities to help the health system work more efficiently and cost-effectively, while reducing pressures on the health workforce and improving sustainability of delivery over time. These technologies have potential to increase access to targeted health services, and enable earlier detection and management of disease, particularly for groups that experience disproportionate burden of diseases like cancer, stroke, and heart attacks.

However, maximising these technological gains requires robust data and digital infrastructure investment plans. Work is underway to identify the settings needed to enable our infrastructure to support efficiency and effectiveness across the health system, as the current capabilities sometimes restrict our ability to take up and gain from technological advancements.

While some of the people and providers in our system are quick to adapt and innovate, our systems settings and culture often do not yet support us to take full advantage of new and emerging technologies. More work is required to enable agile adaptation to advancements throughout the

system and address known risks, such as the potential for a digital divide and data privacy concerns. There is, however, a risk that improvements in technology reveal latent demand for health services.

Mitigating these challenges over the long term will require immediate and longer-term actions.

The Ministry and the health system has work in place to anticipate and address opportunities and challenges. We need to look at innovative ways to adapt our health care models, to intervene earlier and to take advantage of exciting opportunities new technologies like artificial intelligence and genomics, to improve efficiency and effectiveness of health care delivery.

Delivering on your immediate priorities for health

Achieving health targets

The Government has set five health targets to provide focus and support public trust and confidence in the health system. Annual milestones have been set for each target and published in the *Government Policy Statement on Health 2024–2027* in June 2024.

Two health targets (shorter stays in emergency departments and shorter wait times for elective treatment) are included in the suite of Government Targets, for which you are Lead Minister.

Delivery is underway with implementation plans set for each target. We are seeing signs of early progress against each of the five health targets. However, the targets for shorter wait times for first specialist assessment and shorter wait times for elective treatment are unlikely to meet their year 1 milestone. The latest results for Q1 2025 are:

- Faster cancer treatment (target 90%): 84.6%
- Improved immunisation for children (target 95%): 75.3%
- Shorter stays in emergency departments (target 95%): 67.4%
- Shorter wait times for first specialist assessment (target 95%): 61.2%
- Shorter wait times for elective treatment (target 95%): 62.3%

We will provide you with further advice on achieving the health targets this week as part of information on our monitoring approach and current performance of the system. We understand that Health NZ will also provide you with an update on progress toward the health targets within their Briefing to the Incoming Minister.

Delivering Budget 2025

Budget 2024 was a significant milestone for the health system as it was the first substantive Budget for Vote Health following the health system reform. Budget 2024 marked a change in the way the Government funds Health NZ's cost pressures, with the provision of multi-year funding across three Budgets.

s 9(2)(f)(iv)

Overseeing implementation of the Health NZ reset plan

Overseeing the implementation of Health NZ's reset plan and return to financial baseline is a significant priority for the Health portfolio. While maintaining oversight of their ongoing reset plan implementation, the Ministry is also ensuring that Health NZ remains able to deliver on their statutory functions in delivering the health services all New Zealanders expect.

We will provide you with further advice on key areas of focus through the reset, including assurance of:

- Health NZ operating model (including appropriate governance arrangements)
- Financial strategy (including visibility of trade-offs being made to ensure financial sustainability)
- Front line service levels being maintained or enhanced.
- Delivery of the government's policy direction through the reset.

s 9(2)(f)(iv)

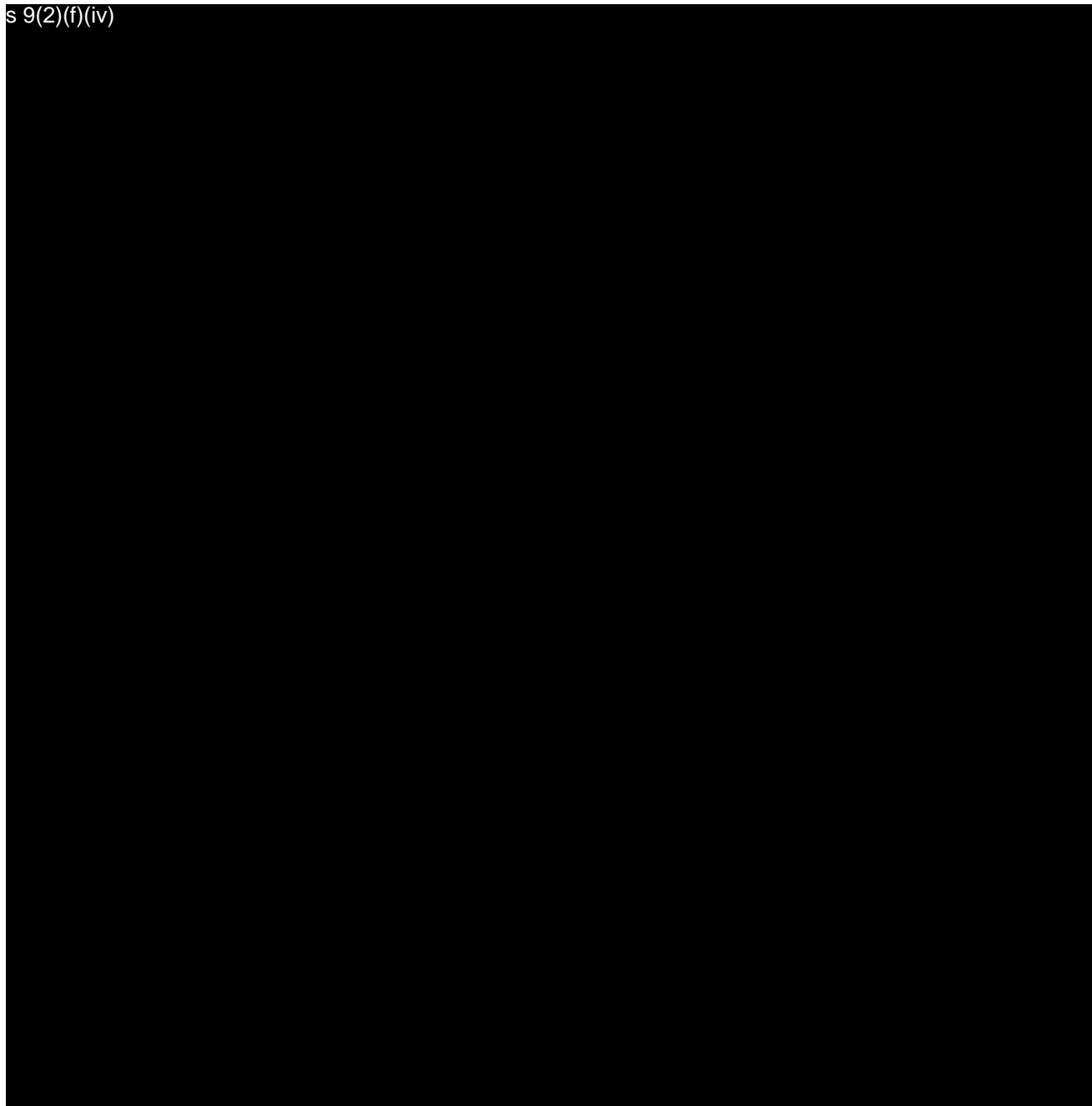
Transforming Primary Care

Improving access to primary care will significantly improve patient experiences of the health system. Cabinet is soon to consider the implementation of the Primary Care Tactical Action Plan to improve access to primary care. This includes initial actions to get people faster access to the care they need through the introduction of a new digital service providing 24/7 primary care, and actions to grow and retain in the primary care workforce.

Achieving primary care transformation will require further changes to system settings. There is a need to improve how performance is driven, through sharper focus on accountability settings, changing the way we commission services, and targeting investment to ensure services are meeting New Zealanders' needs. We will look to support you to progress a Strategic Plan that will further transform primary care for consideration by Cabinet.

We will provide you with further information on this plan and potential decision-making points in the coming weeks.

s 9(2)(f)(iv)



Further progressing the Government's health priorities

Below, we outline key work underway to further progress the Government's health priorities. We look forward to further discussions with you around many of these priorities in due course.

Next steps for the New Medical School

In September 2024, Cabinet directed the preparation of a Detailed Business Case and further Cost Benefit Analysis for the proposed new medical school.

s 9(2)(f)(iv)

Cancer medicines implementation

In June 2024, the Government committed an additional \$604 million over four years into the pharmaceutical budget for Pharmac to procure an estimated 54 new medicines, including 26 new cancer treatments. It also provided \$38 million for 2024/25 to Health NZ to support implementation of the cancer medicines and set aside a further \$171 million in contingency for outyears.

The contingency is to support Health NZ's plans to reconfigure cancer services to provide better cover to all regions of New Zealand, to provide more services closer to people's homes and to better utilise capability across health practitioner groups.

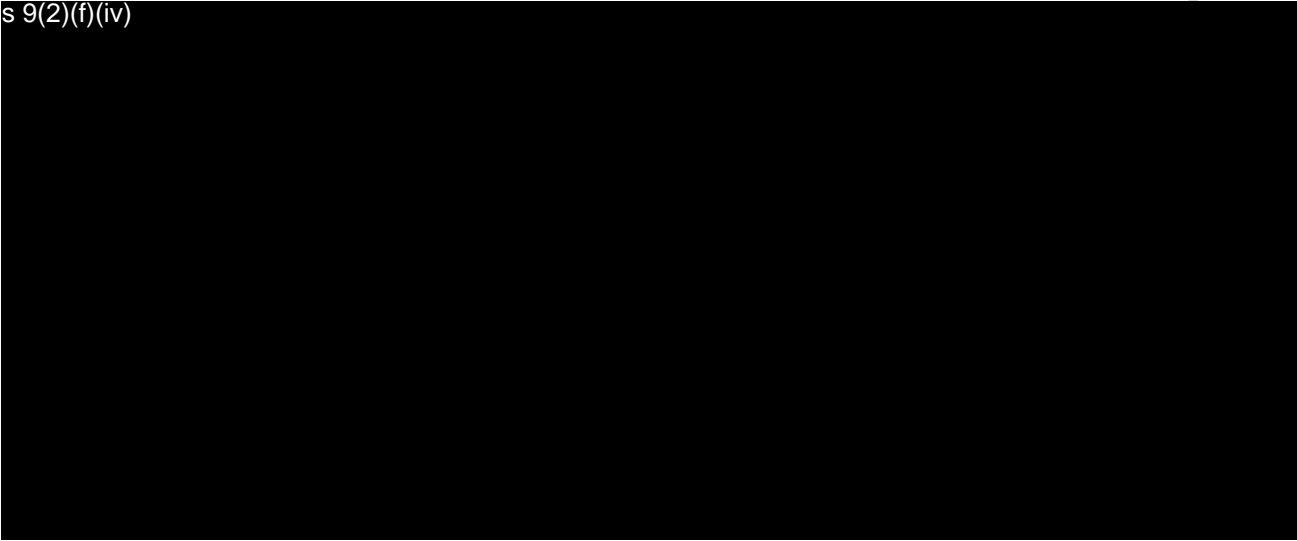
As of 22 January 2025, Pharmac has funded 19 new cancer medicines, and 19 non-cancer medicines. A further 18 medicines (including 10 for cancer) are either out for consultation, or Pharmac is considering consultation feedback.

s 9(2)(f)(iv)

Infrastructure

Health infrastructure comprises the physical and digital infrastructure that supports public health service delivery. Significant future investment will be needed to address the condition and capacity challenges in the current health infrastructure estate. Health NZ is also finalising a National Asset Management Strategy and a 10-year Infrastructure Investment Plan. These will outline investment options in the medium to longer term. You should receive these documents in the coming months. You will have the opportunity to clarify your priorities and expectations for investment through budget processes and your review of these Health NZ documents.

s 9(2)(f)(iv)



Public health

Public health operates at the population level to prevent, reduce, or delay the onset of ill health, using a range of levers such as screening, immunisation, legislation, and community-based health promotion. Evidence shows that public health approaches are highly cost-effective and can reduce healthcare costs in both the short and long-term.

The Government outlined expectation of increasing focus on prevention and early intervention to improve health across the life-course and reduce demand on the health system in the *Government Policy Statement on Health 2024–2027*.

Work under way to progress toward key public health priorities includes:

- **Increasing uptake of immunisation** to reduce vaccine preventable diseases with a particular focus on children. A range of initiatives are underway, including investing in vaccination outreach services, communication campaigns to increase uptake, enhancing data collection and improvements to the vaccinator workforce pathway.
- **Reducing the burden of non-communicable diseases** (such as cardiovascular disease, cancer, and diabetes) on individuals and the health system through reducing our exposure to modifiable risk factors. Work is underway to develop a prevention framework for non-

communicable diseases to take a more coordinated and collective approach across the health system, s 9(2)(f)(iv).

- **Increasing system preparedness** to identify, mitigate, protect against, and respond to infectious disease outbreaks and to plan for future health threats. Current work includes surveillance and management of the current whooping cough (Pertussis) epidemic and the risk of imported cases of measles seeding an outbreak, as well as system preparedness for Highly Pathogenic Avian Influenza (HPAI) (also known as 'Bird flu'). The Ministry is also considering the phase 1 report of the New Zealand Royal Commission of Inquiry into COVID-19 and will be supporting phase 2 of the Inquiry into COVID-19.

Under current delegations, Associate Ministers of Health hold responsibility for certain public health areas. Minister Doocey holds the delegation for nutrition, physical activity and alcohol and Minister Costello holds the delegation for tobacco and vaping.

We expect to provide you with further advice on public health within the next two weeks for your consideration.

Providing Government Direction for Māori Health

Improving experiences and health outcomes for Māori will be essential to meeting Government priorities for health, particularly achieving the health targets.

There are opportunities to improve Māori health, and work is already underway as part of the Government's alternative plan following the disestablishment of the Māori Health Authority, as agreed by Cabinet in June 2024.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

We look forward to an opportunity to discuss your priorities for Māori health in the coming weeks.

Improve aged care settings

There are a range of challenges in delivering support for older people, including inequitable access to care, lack of capacity within aged residential care services and community-based services, workforce shortages, and an increasing number of people with neurological cognitive conditions, such as dementia, who have high needs and require specialised care. A high functioning aged

residential care sector is an important aspect of hospital flow when moving patients out of hospitals, where capacity impacts on health targets that focus on timeliness.

There is currently work underway to ensure the long-term sustainability and effectiveness of aged care:

- **Health NZ's review of Aged Care Funding and Service Models.** This work began in July 2023. The second phase of the review is currently underway, focused on developing recommendations for service and funding models.
- **The Health Select Committee inquiry into the provision of aged care,** focused on the aged care sector's current and future capacity to provide support services for people experiencing neurological cognitive disorders. This was a commitment as part of the Government's coalition agreements. The Ministry is assisting the Health Select Committee and will report to the committee with advice in February 2025. The Ministry will provide your office with this report.

s 9(2)(f)(iv)

Responding to the Abuse in care inquiry

On 24 June 2024, the Royal Commission's final report 'Whanaketia: Through pain and trauma, from darkness to light' was presented to Parliament. Of the 138 recommendations 79 have been identified as broadly relevant to health, including mental health. There is cross-Government work underway to respond to the final report, including through the Budget 2025 process.

The Crown Response Unit provided advice to Ministers pre-Christmas on the draft response plan. The Ministry is working on the plan with the Crown Response Unit, which is expected to be shared with responsible Ministers (including the Minister of Health) in coming months. As Minister for Mental Health, Hon Doocey has been involved in this work.

Puberty blockers

In November 2024, the Ministry published a Position Statement alongside an Evidence Brief that reviewed the effectiveness and safety of puberty blockers in young people with gender dysphoria. This review found a lack of good quality evidence to say that these medicines improve the longer-term outcomes for young people with gender-related health needs; nor what the risk for using puberty blockers in this context are. The Ministry's Position Statement sets expectations that treatment should be initiated only by experienced prescribers who are working as part of a multi-disciplinary team.

s 9(2)(f)(iv)

Precision health

Precision health³ technologies such as genomics and AI are developing rapidly. These technologies provide present innovative opportunities for the healthcare system such as enabling the rational use of targeted cancer drugs and relieving workforce pressures by automating administrative tasks.

The Ministry is progressing a work programme alongside key partners such as Health NZ and the Cancer Control Agency to establish national leadership and direction for AI and genomics to ensure the safe adoption of these technologies in our health system.

The work programme has a range of focus areas, including identifying case studies for scalable adoption, developing trust and social license and ensuring the appropriate infrastructure is in place to adopt genomics and AI. The Ministry is also engaged in the all-of government approach to AI led by Hon Collins and being coordinated by the Ministry of Business, Innovation and Employment. This work will highlight the potential opportunities that AI provides for the health system, including preparing a joint agency overview from the Ministry and Health NZ on the current state of AI in health.

We will provide you with advice on precision health in the coming weeks and look forward to discussing this work with you.

Improving mental health and addiction services and action in suicide prevention

This Government established a new Mental Health Ministerial portfolio in 2023, reflecting the need for a dedicated focus on improving mental health and addiction services and to strengthen actions to prevent suicide within the health system and across government.

The Minister for Mental Health is responsible for strategic and policy matters within the health system relating to mental health, alcohol and other drug use, preventing and minimising gambling

³ 'Precision health' is a term for the use of technology and information to develop more precise, personalised, and efficient ways of diagnosing, managing, and treating people.

harm, addiction, and suicide prevention and postvention. This includes policy and prioritisation decisions about mental health and addiction funding within Vote Health, including the mental health and addiction funding ringfence and the problem gambling and alcohol levies.

The Minister for Mental Health has set targets to increase access to and timeliness of service responses in mental health and addiction. These targets are supplemented by a focus on growing the mental health and addiction workforce and a shift in resources towards services that act to intervene earlier or are more preventative.

There is a significant programme of work underway across the Ministry of Health and Health NZ to deliver on the Mental Health targets. There is also significant legislative reform underway to repeal and replace mental health statutory settings.


There is an interface between the Health and Mental Health portfolios on health system matters that have impacts for mental health, addiction and suicide prevention, such as accountability settings and key enablers including workforce and infrastructure. We can support you in discussions with the Minister for Mental Health to facilitate this interface and information sharing to provide you with an understanding of relevant work within the Mental Health portfolio.

Opportunities for change


There are a range of tangible and ambitious opportunities to improve access, timeliness, and quality for patients, building on work already underway. These opportunities are particularly around workforce, primary and community care, medicines, better leveraging private funding as well as some wider system changes.

We have outlined current and potential opportunities below and can provide further advice on proposals that you would like to progress or consider further.

s 9(2)(f)(iv)



s 9(2)(f)(iv)





Medicines

There are opportunities to improve access and innovation in medicines. Work is underway on several important reforms to the regulation of medicines and medical devices. Elements of this work are being led by different associate Ministers but there are opportunities for you to influence and shape these reforms. s 9(2)(f)(iv)

- [Redacted]
 - [Redacted]
 - [Redacted]
- [Redacted]

s 9(2)(f)(iv)

