

Legislative Statement

Pae Ora (Healthy Futures) Bill

Third Reading

Presented to the House of Representatives in accordance with Standing Order 272

Introduction

1. The Pae Ora (Healthy Futures) Bill reforms the structure and accountability mechanisms of the publicly-funded health system by repealing and replacing the New Zealand Public Health and Disability Act 2000.
2. In effect, the Bill disestablishes the 20 district health boards and replaces them with a single national health system. The purpose of the reforms is to correct longstanding system inequities in the system in order to produce better health outcomes for all New Zealanders.

Te Tiriti o Waitangi

3. The Bill includes provisions intended to give effect to the Crown's obligations under the Treaty, such as the establishment of the Māori Health Authority, the Hauora Māori Advisory Committee, and recognition of iwi-Māori partnership boards. Those elements are set out in a descriptive provision.
4. This places Treaty-informed decision-making at the heart of the system by ensuring that decisions made by health system actors will be genuinely informed by the principles of te Tiriti o Waitangi, and that the legislation will support system-wide accountability for Māori health outcomes.

Health Sector Principles

5. The health sector principles set out what people can expect from the health sector. All health entities and the Minister and Ministry of Health must be guided by the principles when performing their functions. They will inform the commissioning of all publicly-funded services.
6. The principles incorporate the concepts of te Tiriti principles discussed by the Waitangi Tribunal, as well as wider concepts about equity and health promotion.

Health System Structure

7. The Bill reforms the structure of the health system, including establishing new entities, updating the roles of existing health system entities, and forming new monitoring and accountability arrangements.

8. The Bill disestablishes district health boards and the Health Promotion Agency. Their assets, liabilities, contracts and employees will transfer to Health New Zealand. All transferring employees will retain their existing terms and conditions of employment on transfer, including arrangements that had been specific to particular district health boards.

Health New Zealand

9. Health New Zealand will be a Crown agent in the terms of the Crown Entities Act 2004. It will lead system operations, planning, commissioning, and delivery of health services, in partnership with the Māori Health Authority. This will include owning and operating public hospitals, specialist and community services, as well as commissioning primary and community health services at national, regional and local levels. It will be responsible for monitoring the delivery and performance of services.

Māori Health Authority

10. The Bill establishes the Māori Health Authority to drive improvement in hauora Māori. The Authority will be a statutory entity governed by a board. While it will not be a Crown Entity within the meaning of the Crown Entities Act, it will be subject to parts of that Act to ensure accountability to the Crown for the expenditure of public money. This includes retaining the powers for the Minister to require information, review operations and direct the entity to give effect to government policy for the purposes of improving equity of access and outcomes for Māori.
11. It will work with Health New Zealand to commission and plan services, commission kaupapa Māori services and monitor the performance of the system for Māori. The Authority will work with the Ministry of Health to prepare national strategies and advise the Minister.
12. The Authority will also have accountabilities to Māori, and will be required to consult Māori and report back to them periodically. The Bill also requires the Minister to establish a Hauora Māori Advisory Committee to advise on the use of ministerial powers in relation to the Māori Health Authority.

Iwi-Māori partnership boards

13. Iwi-Māori partnership boards already exist as part of the health system, but the Bill formally recognises them for the first time. It provides for a clear purpose to represent local Māori perspectives on the needs and aspirations of Māori, how the health system is performing on these, and the design and delivery health services within a locality.
14. The Bill specifies functions for the boards to perform, most significantly the power to agree (or not) locality plans, and the consequential application of the disputes procedure to disputes involving iwi-Māori partnership boards. These are a non-exhaustive list – the Boards can take on other functions if appropriate.

15. The Bill sets out a Māori-led, tikanga-based approach to the establishment of boards, while ensuring that the Crown fulfils its obligation to actively protect all Māori, whether iwi-affiliated or not. It does this by establishing a process requiring the boards to take reasonable steps to ensure they are representative of all Māori in their area, and have, and can maintain, the capability to fulfil their functions when recognised, and maintain the capability. The Māori Health Authority will assess whether a board is able to fulfil its purpose and advise the Minister accordingly.

Hauora Māori Advisory Committee

16. Appointments to the Hauora Māori Advisory Committee will be made by consensus by the iwi-Māori partnership boards (six members) and by Māori organisations with national insight into the needs and aspirations of Māori and particular groups of Māori (two members). The Minister must consult the Minister for Māori Development in determining organisations for the purpose of appointments to the Advisory Committee.
17. The Minister will be required to consult the Hauora Māori Advisory Committee when exercising a range of Ministerial powers, including appointments to the Māori Health Authority. When the Minister has not agreed with the Advisory Committee's advice, the public notification of the exercise of the power (for example the Gazette notice appointing members to the Board) must include a statement to that effect.

Public health

18. The Ministry of Health will continue to act as chief steward of the health system with a focus on strategy, policy, regulation and monitoring. A new Public Health Agency will be established as a business unit within the Ministry of Health to provide system leadership for public health and advise the Director-General on public health matters. The role of the Director of Public Health as a system leader is strengthened via amendments to the Health Act 1956. The Bill also requires the Minister to establish an expert advisory committee to provide independent advice on issues relating to public health.

Strategic, accountability and monitoring documents

19. As introduced, the Bill provided a framework of new strategic, accountability, and monitoring documents which are:
 - a. The Government Policy Statement on Health, which will set out the government's overall direction, priorities, and objectives for the health system. It must be issued by the Minister at intervals of no more than 3 years;
 - b. National health strategies – the New Zealand Health Strategy will provide a framework for the overall 5–10 year direction of the health sector and must be prepared and determined by the Minister. The Minister must also prepare and determine Hauora Māori, Pacific Health, Disabled Health, Women's Health and Rural Health strategies that include specific consideration of outcomes and

performance for the specified population groups. The Hauora Māori Strategy is to be jointly prepared by the Ministry of Health and the Māori Health Authority.

- c. The New Zealand Health Plan, which will set the operational direction for the system and is to be jointly prepared by Health New Zealand and the Māori Health Authority;
- d. Locality plans, which will assess health needs at the local level and are to be jointly agreed by Health New Zealand and the Māori Health Authority;
- e. The New Zealand Health Charter, which will provide common values, principles, and behaviours for organisations and workers in the health system; and
- f. A code of expectations for consumer and whanau engagement, which will support consumer and whanau engagement and enable their voices to be heard.

Localities

- 20. The Bill requires Health New Zealand to establish localities for the purpose of commissioning primary and community health services and engaging with communities at the appropriate level. Decisions relating to the planning and commissioning of services are required to be made jointly with the Māori Health Authority. Health New Zealand and the Māori Health Authority must consult relevant local authorities and iwi-Māori partnership boards when determining localities.

Continuation of some existing statutory provisions

- 21. Part three of the Bill continues Pharmac, the New Zealand Blood and Organ Service, and the Health Quality and Safety Commission. They will continue to exercise their current functions, subject to the accountability and monitoring requirements in the Bill, and minor amendments to reflect a stronger role for HQSC in supporting consumer engagement. Part three also continues provisions relating to ministerial committees.

General provisions and review

- 22. Part four contains general provisions. There is a power for the Director-General to require information from health entities. This power is to support the strengthened stewardship and monitoring function of the Ministry. It may not require information that would breach a person's privacy. This part also provides that the legislation must be jointly reviewed every five years, by the Director-General and the Māori Health Authority.