

Tertiary Education Report: Cabinet Paper on the School of Rural Medicine

Date:	10 April 2018	TEC priority:	High
Security level:	In Confidence	Report no:	B/18/00178
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	forward this briefing and draft Cabinet paper to the Minister of Health for his comment and agreement; and agree that the Tertiary Education Commission release this briefing and Cabinet paper, once it has been considered by you and a decision has been made by Cabinet.	As soon as possible
Enclosure: Yes	Round Robin: Yes	

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)				
Name	Position	Telephone		1st contact
s9(2)(a)	Special Advisor, Chief Executive's Office	s9(2)(a)	s9(2)(a)	✓
Tim Fowler	Chief Executive	s9(2)(a)	s9(2)(a)	

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT

- DPMC
 MPI
 ENZ
 ERO
 MBIE
 MoE
 MFAT
 MPP
 MSD
 NZQA
 NZTE
 TEC
 TPK
 Treasury

Minister's Office to Complete:

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events
<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

Comments:

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **forward** this briefing and draft Cabinet paper to the Minister of Health for his comment and agreement; and
2. **agree** that the Tertiary Education Commission release this briefing and the associated Cabinet paper (potentially with some minor redactions for commercial sensitivity reasons), once it has been considered by you and a decision has been made by Cabinet.

AGREED / NOT AGREED



p.p. **Tim Fowler**

Chief Executive,
Tertiary Education Commission

10 April 2018

Hon Chris Hipkins

Minister of Education

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Purpose

1. This briefing summarises the accompanying draft Cabinet paper for your consideration. As per your request, the Cabinet paper recommends rescinding the previous Government's decision to establish a School of Rural Health, which we have previously briefed you about¹, and replace it with a wider programme of work to address the issues associated with access to health care.

Background

2. There have been two recent proposals which attempt to address issues in rural health care. The first is from the University of Waikato and the Waikato District Health Board (DHB), which proposes establishing a new post-graduate entry medical school. The second is from the University of Auckland and University of Otago, which proposes establishing a National School of Rural Health.
3. In September 2017, whilst both proposals were under consideration, Cabinet agreed in principle to establish a School of Rural Medicine [CAB -17-MIN-0464 refers] through a competitive tender process. The tender process was designed to ensure the best outcomes for a School of Rural Medicine, which would not necessarily be either of the existing proposals. The main purpose of the School of Rural Medicine was to address some of the issues with rural health provision.
4. Reflecting discussions with your Ministerial colleagues, the attached Cabinet paper recommends that Cabinet rescind the decision to establish a School of Rural Medicine in favour of supporting a wider programme of work to address the issues associated with access to health care, and the lack of availability of health professionals in some rural areas.

The rationale for rescinding the decision to establish a School of Rural Medicine

A School of Rural Medicine is unlikely to address all the causes of rural health workforce issues

5. There is a shortage of health professionals working in rural areas. Rural practice is unattractive for a variety of reasons including: a lack of opportunities for spouses and families; perceptions of long hours and low pay; and, a lack of infrastructure, opportunities and facilities for families. In addition, those that initially select a rural career often report a lack of support and training opportunities, which ultimately affects retention of rural staff.
6. Although a School of Rural Medicine could address attraction through positive profiling of rural practice to new graduates, providing experience in a rural setting and highlighting its importance in the health system, international evidence suggests it will only partially influence graduates decision to try and remain in rural practice. In particular, addressing issues affecting retention will need a variety of initiatives that are largely outside the scope of education.

The value proposition is uncertain

7. The Waikato proposal is very costly and although the Auckland/Otago proposal is significantly cheaper, officials are of the opinion that costs to Government could easily escalate.

¹ B17/00840 Next steps in the establishment of a School of Rural Medicine. 21 November 2017.

8. International studies have showed that experience of practising in a rural setting during training does encourage a small proportion of more graduates into rural practice. However, without the wider support it is not certain that graduates selecting a rural career would be retained in the long-term.

There are other possible solutions

9. There are a wide range of other possible alternative strategies that could be used, which may be cheaper and more effective. For example: better support for existing practitioners by providing locums to cover out of hours and emergency work; continuing professional development and holidays; funding changes to provide sole transport costs; and, community and social support for families of practitioners. These would all contribute to making a rural career attractive and address factors affecting retention.

Alternative proposals

10. The Ministry of Health proposes developing a wider programme of actions to address the issues associated with access to health care, and the lack of availability of health professionals in some rural areas.
11. The Ministry of Health is in the very early stages of developing modelling frameworks on which to base its programme of work and has outlined its next steps, including sector consultation in the draft Cabinet paper. More work is required to refine the details of its plans and complete the steps required to provide Ministers with its work programme in October 2018. This is outlined in the Cabinet paper.

Consultation on the Cabinet paper

12. The draft Cabinet paper has largely been drafted by the Tertiary Education Commission. The Ministry of Health provided information about the alternative programme of work it is proposing and data from Health Workforce New Zealand. The Ministry also provided all of the content on the alternative work programme (paragraphs 38-46)
13. We have consulted with and included comments made by the Treasury, the Ministry of Education, and the Ministry of Business, Innovation and Employment (MBIE), which has provided comment on regional economic development aspects. The Department of the Prime Minister and Cabinet (DPMC) has been informed.

Public release of the paper

14. We propose that this briefing be published, alongside the Cabinet paper, once a decision has been made by Cabinet.
15. We recommend redacting commercially sensitive information relating the Auckland/Otago proposal and the Waikato proposal after consultation with the Universities.

Next steps

16. Once you have reviewed the draft Cabinet paper and we have addressed any questions you have, please forward a copy of the Cabinet paper to the Minister of Health for his comment and agreement. A covering letter for this purpose is attached in Appendix 1.

17. Once this has been completed, we recommend consulting with other relevant Ministers, including the Minister of Finance, prior to lodging it for consideration by the Social Wellbeing Cabinet Committee.

Appendix 1 – Draft covering letter to send to the Minister of Health

Hon Dr David Clark
Minister of Health
PARLIAMENT BUILDINGS

Dear David

Cabinet paper to rescind the previous Government's decision to establish a School of Rural Medicine

I attach a draft Cabinet paper which recommends rescinding the previous Government's decision to establish a School of Rural Health and replacing it with a wider programme of work to address the issues associated with access to health care, and the lack of availability of health professionals in some rural areas. This follows our recent discussions.

The Cabinet paper has been drafted by the Tertiary Education Commission. The Ministry of Health has provided information about the alternative programme of work it is proposing to lead.

Please let me know if you have any comments on the paper by 23 April 2018. Once you have approved the paper, I aim to get it to Cabinet Social Wellbeing Committee on 26 April 2018.

This briefing incorporates comment from the Treasury, the Ministry of Education, and the Ministry of Business, Innovation and Employment. The Department of Prime Minister and Cabinet has been informed.

I look forward to discussing with you how the Education portfolio can contribute to progressing the Ministry of Health's work programme, and the broader issues of the rural health workforce.

Yours sincerely

Chris Hipkins
Minister of Education