

15 July 2024

Sam Malik

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Tēnā koe Sam

Your request for official information, reference: HNZ00043621

Thank you for your email which was transferred to Health New Zealand | Te Whatu Ora on 18 April 2024, asking for the following under the Official Information Act 1982 (the Act):

- *In Health NZ National office, how many contractors you have currently - please breakdown by the teams/directorate/departments*
- *How long have they been in a contract and when are they finishing. I don't need details that may breach their privacy but would like to focus on the longest sitting ones.*
- *If they are working for more than 6 months then why not hire permanent or fixed term employees to save money. What's the future plan?*
- *If Govt is committed to cost cuts then why Health NZ is still spending more than all others.*

On 19 April 2024, you clarified your request and asked us to provide the following:

Can I please refine it to Data and Digital, Chief Executive's Office and Hospital and Specialist Service.

Response

Data & Digital have established a cyber academy for graduates to provide a pathway into the cyber security profession. As a new national service, Data and Digital are also actively looking at ways to reduce our reliance on external contractors and consultants, as we build that capability into our permanent workforce.

An overall reduction of contractors in Health NZ is expected given substantive completion of our internal structure work and appointment of people into permanent roles, and wider focus on securing savings to redirect into frontline care.

We are in the process of finalising the budget for Health NZ, and this is expected to reflect a reduction in outsourced staff.

For the sake of clarity, I will address each of your questions in turn.

In Health NZ National office, how many contractors you have currently - please breakdown by the teams/directorate/departments

Health NZ can provide total spend on contractors for all of Health NZ (not just the national office), However, unfortunately Health NZ is unable to provide the headcount.

Please see the table below. *(note: values in millions)*

Business Unit	2023/24 (\$m)
Data and Digital	65.6
Chief Executives Office	5.8
Hospital and Specialist Services	296

- *How long have they been in a contract and when are they finishing. I don't need details that may breach their privacy but would like to focus on the longest sitting ones.*

This information is held in individual contracts. In order to provide this information, Health NZ would need to divert personnel from their core duties and allocate extra time to complete this task. The diversion of these resources would impair Health NZ's ability to carry out our other core functions. As such, your request is refused under section 18(f) of the Act, as it requires substantial collusion.

I have considered whether fixing a charge for the supply of the information or extending the timeframe for response would enable Health NZ to respond. I do not consider that either option would remove the impact that supplying the information would have on our other operations.

If they are working for more than 6 months then why not hire permanent or fixed term employees to save money. What's the future plan?

If Govt is committed to cost cuts then why Health NZ is still spending more than all others.

Health NZ is the largest people organisation in the country, employing 90,000 people. We spend 43% of our \$26 billion annual budget on staff. We use a very small contingency workforce (contractors) to cover staff gaps, resource initiatives and projects. We also use consultants for specialist services and expert advice that Health NZ does not have capability and capacity for. Our operation expenditure (Opex) on contractors and consultants is 0.02% of our annual budget (2022/23).

Health NZ was established on 1 July 2022 from amalgamation of 20 district health boards and eight shared service agencies.

The bulk of spend is on the following and we continue to monitor and manage spend carefully to bring costs down:

- Contingency workforce: we inherited shortages in key frontlines areas (nursing, doctors, allied health) and a diverse contingent workforce. We use outsourced staff and locums to cover vacancies, staff leave and for initiatives (e.g., catch-up on planned care volumes) and projects. Health reforms enabled us to work towards a consistent national approach to manage contingent staff, reduce duplication and streamline work. We have reduced contingent workforce nationally, grown our nursing, doctor and allied health workforce and developed a Workforce Plan that will help build a sustainable health workforce.
- COVID19 Response contingent workforce
- Holidays Act remediation and rectification programme resourcing and expert advice.
- Consultants to assist with development of new national operating models, to establish the Pae Ora Delivery Unit within the organisation (which provides support, governance, and oversight of our key strategic change initiatives) and to assist with the implementation of new structures.
- Data & Digital projects: a lot of the spend on projects in this area is not the traditional consulting spend, but spend major technology service in software development, support and technology project and programme delivery, i.e., services that are not core business capability or expertise for a government agency. We benefit from global consultancies knowledge and

experience from other transformations around the world to apply in our complex environment. Example of key projects include:

- Implementing the new Cervical screening register and national service that supports new model of care with user friendly HPV test kits rather than traditional cervical smear tests.
- Implementing the new national immunisation system that supports us taking immunisation delivery beyond traditional providers such as GPs to Pharmacies and Community providers to drive uptake in disadvantaged communities.
- Turning technology services established during Covid into a sustainable capability for disease management to manage flu and measles better and readiness for future pandemic.
- Integrating operational data from across hundreds of hospitals and services to the centre so we can monitor and drive system performance and better value for money.
- Complex rationalisation of technology and resources across 28 inherited entities service the 5M customers in NZ.
- implementing national systems such as the national finance system that processes payments for hospital supplies and holds financial reporting data nationally and, the HSAAP system that processes payments for our GPs, PHOs, midwives, Residential homes, pharmacies etc.

How to get in touch

If you have any questions, you can contact us at h.nzOIA@tewhatuora.govt.nz.

If you are not happy with this response, you have the right to make a complaint to the Ombudsman. Information about how to do this is available at www.ombudsman.parliament.nz or by phoning 0800 802 602.

As this information may be of interest to other members of the public, Health NZ may proactively release a copy of this response on our website. All requester data, including your name and contact details, will be removed prior to release.

Nāku iti noa, nā



Auxilia Nyangoni

Head of Office of the Chief Financial Officer

Health New Zealand

TeWhatuOra.govt.nz

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Te Kāwanatanga o Aotearoa
New Zealand Government