

Briefing to the incoming Minister of Health

December 2023

Congratulations

Congratulations on your appointment as Minister of Health. We look forward to working with you to make a real difference for New Zealanders.

Summary of our priorities

The health workforce and the health system have faced extraordinary challenges in the last few years: COVID, staff shortages and restructuring. The PSA supports the aims of the health reforms and recommends the Minister prioritise delivering the five key shifts and building a unified health system. However, the process of restructuring has had a serious impact on workers and therefore the health system as a whole. The PSA strongly recommends the Minister allow the current Te Whatu Ora structure to bed in and not call for further costly and demoralising restructuring.

Further recommendations:

- Retain Te Aka Whai Ora.
- Support the work of employers and unions on pay equity for care and support workers and the expeditious settlement of the claim.
- Worker participation throughout the health system to ensure a robust and lasting solution to short staffing.
- The full realisation of Te Mauri o Rongo: The New Zealand Health Charter throughout the health system in order to address worker shortages.
- Consider the entire workforce planning and training, and not solely focus on specific professions or hospital settings separate from community settings.
- A unified approach to workforce planning and training across Te Whatu Ora and the funded sector.
- Enable Te Whatu Ora determine its best balance of staff, and not minimise the importance of non-clinical staff.
- Recognise the limitations of targets, the impact pressure from management to meet targets using artificial means can have on patients and workers, and promote the high trust environment the health system needs to thrive.
- Ensure that Te Whatu Ora has the resources to build the national infrastructure it needs.

The PSA opposes this Government's proposal to reverse New Zealand's world-leading smokefree legislation and urges the Government to consider the health implications of all policies.

About the PSA

The PSA's membership spans the public and community sectors, and this positions us to have a broad and comprehensive view of public and community services. Over a third of PSA's 93,000 members work in the health: in Te Whatu Ora, in Te Aka Whai Ora and in the funded sector.

The PSA is the principal union for the following occupational groups within Te Whatu Ora and Te Aka Whai Ora:

- Mental health nursing, including registered nurses and support workers, in both inpatient and community settings, including addictions, forensic services and dual-diagnosis services for people with learning disabilities.
- Allied and scientific health professions – including kaimahi hauora Māori, dietitians, medical laboratory workers, scientists, physiotherapists, occupational therapists, social workers, health protection officers, phlebotomists, dental therapists, pharmacists and pharmacy technicians, health promoters, audiologists, podiatrists, counsellors, and psychotherapists.
- Technical professions – including anaesthetic technicians, sterile sciences technicians, medical radiation therapists, ICU technicians, clinical physiologists, hyperbaric technicians, orthotists, medical photographers, vision hearing technicians, and clinical engineers.
- Public health nursing.
- Home support and disability support workers.
- Administrative including medical secretaries, surgical bookers and schedulers, clinical transcriptionists, ward clerks, payroll and finance, and team administrators.
- Other professions such as IT specialists, advisors and analysts and managers.

Our members working in the health sector outside Te Whatu Ora and Te Aka Whai Ora include:

- Support workers and coordinators in home support, disability support services and mental health and addiction services.
- Community residential care workers, whānau workers, community youth workers, whānau ora navigators, health coaches, and health improvement practitioners.
- Administrative and clerical workers including receptionists, secretarial support staff, receptionists, payroll and finance.
- Frontline managers in mental health and addictions and disability support services.
- Registered professionals, including mental health nurses, psychologists, social workers, physiotherapists, occupational therapists, and speech language therapists.

Key people

The PSA is led by its President Benedict Ferguson, the PSA Executive Board, the PSA National Secretaries: Kerry Davies and Duane Leo, and Janice Panofo the PSA Kaihautū Māori. PSA members working in health are represented on the PSA Executive Board by Dianna Mancer and Michelle Callinan-Troup

We are a bicultural organisation. Te Rūnanga o Ngā Toa Āwhina is the Māori structure of the PSA. Bay of Plenty Te Whatu Ora delegate Virgil Iraia and Canterbury Te Whatu Ora delegate Lesley Dixon convene Te Rūnanga o Ngā Toa Āwhina Komiti.

The PSA is an important social partner for the health sector and the Government. The PSA has engaged constructively with successive Ministers of Health on issues of shared interest. We engage and are the voice of our members at all levels of the health sector.

Our priorities

“I believe that if we do not have a strong, functioning and collegial health system, we will not be able to have a safe and healthy country. It starts with us.” – Admin, Te Whatu Ora

The health workforce and the health system have faced extraordinary challenges in the last few years. The COVID-19 pandemic greatly increased the workload and strain on the health system and exposed the problems of the previous, fragmented system. The PSA has supported the health reforms. The creation of Te Whatu Ora has not been easy and has not delivered all it could. However, the five key shifts of the health reforms are essential and can only be delivered by a joined-up health system. **The PSA recommends the Minister prioritise delivering the five key shifts and building a unified health system.**

Te Whatu Ora has undergone a significant restructure to move from twenty-seven entities to one. There have been eleven separate restructuring processes, some of which have been through multiple rounds. The restructuring has had a negative impact on morale and wellbeing in Te Whatu Ora. **The PSA recommends the Minister allow the current Te Whatu Ora structure to bed in and not call for further costly and demoralising restructuring.**

Te Aka Whai Ora

The establishment of Te Aka Whai Ora was an important step forward addressing the discrimination and inequality that Māori face in the health system. Addressing Māori health inequality, which is apparent in both treatment and outcomes throughout the health system, is the most urgent task facing the health system – and one our members fully support. Disestablishing Te Aka Whai Ora would be a major blow to moves towards a more equal health system.

The workers at Te Aka Whai Ora are experts on Māori health and the health system needs their knowledge and skill. Disestablishing Te Aka Whai Ora would cause further disruption to a health system that has been through substantial restructuring. Te Whatu Ora has gone through a complex and disruptive restructure and the new structure is intertwined with Te Aka Whai Ora. Key roles within Te Whatu Ora are joint roles with Te Aka Whai Ora. If Te Aka Whai Ora is disestablished, then either Te Whatu Ora will have to have another complex restructure, or significant Māori expertise will be lost; the health system cannot afford either outcome.

The COVID-19 pandemic demonstrated that by Māori for Māori health doesn't just improve Māori health outcomes but improves health outcomes for all New Zealanders. Te Aka Whai Ora is an important step forward on this principle. Previous National Governments have understood the benefit of by Māori for Māori services; Whānau Ora was a substantial step forward for Māori service provision by a National Government. The new Government has set out its intent to deliver services using 'iwi and community groups who have the best reach into the communities they serve', which is exactly what Te Aka Whai Ora is doing. **The PSA recommends the Minister support the retention of Te Aka Whai Ora.**

The PSA has established Māori structures to represent health workers: Te Tira Hauora and Te Runanga. These groups would welcome a discussion with the Minister to share further insight into Māori health workers' conditions, the services they provide and the needs of Māori receiving services.

Care and Support Workers Pay Equity

Significant provisions of the Care and Support Workers (Pay Equity) Settlement Act 2017, a key legacy of the last National Government, will expire on 1 January 2024. This will see Care and support workers to be once again employed on minimum wage rates and have no right access to training. To avoid this, it is vital that the claim is settled and extended to the entire sector before the end of this year.

Employers and unions have worked together on an initial representative claim and have completed the work of assessing that claim. Te Whatu Ora has begun a 'secondary review' of the methodology used in the pay equity claim process. Intervention by an individual department in a process that a government oversight group had signed off, and that unions and employers had jointly undertaken, is unprecedented and we believe without a legal basis. The unions have refused to engage with the review. The unions believe the purpose of the review is to stall the process and undermine the work employers and unions have undertaken on the claim to date. The delay in settling this claim further puts at risk those people reliant on mental health, aged care, disability and home support services. The delivery of these services relies on a well trained and stable workforce that currently is in jeopardy due to continued oversight of this critical part of the health system.

Significant investment will be needed to settle this claim and the PSA encourages you to ensure it is settled promptly. This claim will be transformative for the tens of thousands of care workers across New Zealand and the PSA urges you to treat the care and support workers' pay claim as a priority and ensure it is fully funded and implemented through legislation as occurred in 2017 under the leadership of Hon Jonathan Coleman and Rt Hon Bill English. **The PSA recommends the Minister support the work of employers and unions on pay equity for care and support workers and the expeditious settlement of the claim.**

Staff shortages, safe staffing and workload

Shortages of workers are the most urgent issue facing the Minister of Health, and the health system more broadly. Wards providing mental health care have been threatened with closure because they cannot find the staff. While there are significant gaps in the workforce now, these numbers are only going to grow. New Zealand is currently 170 pharmacists short, and unless action is taken there will be a shortage of 740 within a decade.¹

Staffing shortages require both short-term and long-term action to address the current crisis and safeguard the future health system. Addressing short staffing requires a three-pronged approach:

- An effective recruitment strategy for new staff members including robust demand and workforce planning, adequate training pipelines, international outreach, and attractive terms of employment;
- Robust on-the-ground strategies and processes to address workforce shortages in particular services such as demand management, adjusting models of care to fit available resources and crisis management;
- Strong retention strategies including excellent conditions of work, good career progression, high quality management, worker voice, reasonable work-life balance and effective risk management (particularly risks to an ageing workforce).

Staffing shortages can create a vicious cycle whereby understaffing puts significant pressure on workers by increasing workload and reducing time off, some workers respond to this pressure by leaving, which increases both the shortages and pressure. Workers who have experienced this cycle

¹ Te Whatu Ora 'Aotearoa New Zealand Health workforce plan 2023/24' July 2023.

and seen their colleagues leaving are more aware of the dynamic and have better solutions than anyone else. This cycle can only be broken, by listening to workers' knowledge and expertise.

"I would like to see a change in how the current workforce are appreciated and respected. Due to ongoing staff shortages we are being made to provide care for our young people in conditions where we are over worked and having to make some difficult decisions, but putting ourselves under pressure, we put ourselves at risk of practising unsafely. Burnout is high at the moment." – Mental Health Nurse, Te Whatu Ora.

Worker-led solutions to short staffing and Te Mauri o Rongo: The New Zealand Health Charter

Health workers are the experts on the work that they do. Along with patients they bear the brunt when systems go wrong. The knowledge and expertise workers have about what leads to short-staffing is essential for addressing this problem. Worker participation across the health system will create the most effective solutions to short-staffing. The settled Pay Equity claims within Te Whatu Ora, are an example of unions, workers, health entities and the government working together to resolve longstanding issues that were contributing to the staffing crisis. The PSA has been part of 4 settled pay equity claims within Te Whatu Ora (Admin, Nursing, Allied and Librarians and Interpreters). Te Whatu Ora recognised that settling these claims was imperative to ensuring the sustainability of the health workforce in its workforce plan. **The PSA recommends the Minister supports worker participation throughout the health system to ensure a robust and lasting solution to short staffing.**

Te Mauri o Rongo: the New Zealand Health Charter was developed in consultation with workers, as a key plank of the health reforms. Te Mauri o Rongo is an undertaking to the health workforce and is essential to make the key shift to a well-trained and valued workforce. If fully enacted, Te Mauri o Rongo would address the drivers of the workforce shortages and make a substantial contribution to rebuilding the health workforce. **The PSA recommends the Minister support the full realisation of Te Mauri o Rongo: The New Zealand Health Charter throughout the health system in order to address worker shortages.**

Workforce Planning and Training

A comprehensive training system and robust workforce planning are essential to addressing the workforce shortages in both the short and long term. Workforce planning must encompass both those directly working for Te Whatu Ora and the funded sector. A whole of health system health workforce strategy and a Māori workforce strategy with worker voice at its core across are essential for a well-functioning and sustainable health system.

All health workers must be included in workforce planning and training. The more that New Zealand invests in its workforce the stronger it will be. We understand the urgent need for more doctors and nurses and appreciate the effort that has been put into developing policy to increase this workforce. However, our health system does not run on doctors and nurses alone. There are significant shortfalls in other occupational groups including allied health workers, mental health and addiction support workers and administrative workers. **The PSA recommends the Minister of Health considers the entire workforce planning and training, and not solely focus on specific professions.**

Funding and commissioning of community services

A unified health system across Te Whatu Ora and the funded sector is essential to ensure that funded sector do not face additional shortages. Workers across the system must be enabled to work together, learn and train together, have access to the same career progression opportunities and enjoy common terms and conditions of employment. It is impossible to achieve a community based,

integrated health system, if the terms and conditions of employment are different between Te Whatu Ora and the funded sector provided services. Continuity of care is vital across both hospital and community settings and across Te Whatu Ora and the funded sector. Common terms and conditions for decent work lead to high quality services delivered by a skilled workforce. **The PSA recommends the Minister supports a unified approach to workforce planning and training across Te Whatu Ora and the funded sector.**

The following steps would address existing issues in the funding of community services and ensure a robust system:

- Fully restore the **funding shortfall** and ensure ongoing funding is sustainable to ensure strong, equitable health services. Regular funding adjustment for CPI and statutory increases such as the minimum wage, annual leave and Kiwisaver are required.
- The PSA supports that funding is **tagged for training** to ensure accountability for funding flows through to workers in the funded sector such as home support workers.
- The abolition of the **competitive tendering model** which supports the undercutting of pay and terms and conditions. We recommend including criteria in funding contracts (such as cooperation and decent terms and conditions) to ensure accountability for intended funding outcomes.
- Develop a transparent **pricing model** which covers the actual costs and the delivery of high-quality services.
- Implement the **aged care review** outcomes as soon as recommendations are complete for the home support sector.
- Increase investment in **capability and infrastructure** across the sector (in particular in IT and system development) to support, among other things, adequate rostering systems and effective staff allocation of suitably skilled staff to people with specific needs.
- Review the in between **travel payments** for home support workers to ensure payments cover the real time costs of increased petrol prices. Fully implement the work done by unions, employers and funders to properly have **guaranteed hours for home support workers** to ensure good quality care for our elderly, disabled and injured in our community.
- Fast track the **frontline managers pay equity** claim to its resolution and implement pay parity for allied health workers in the funded sector with urgency.

These steps can be acted on now – there is no need for further reviews. The funded sector has seen successive reviews that have not been implemented and we urge the Minister to Act on these reviews, rather than undertake processes that will lead to further delays.

The false economy of cutting ‘back room’ jobs

The PSA represents non-clinical staff in the health system, including administrative workers, IT workers, analysts and advisors. All these roles are essential to a functioning health system. If administrative capacity is cut back, then the amount of administrative work clinical staff undertake is increased, therefore the health system has fewer clinical hours per FTE. There is clear false economy in the health system if administrative staff are cut back to deliver to the ‘front line’. The same is true of IT roles, analysts and advisors. Data is a key to the effective organising of a modern health system and cutting these roles will create substantial barriers to creating an integrated health system. **The PSA recommends the Minister enables Te Whatu Ora to determine its best balance of staff, and not minimise the importance of non-clinical staff.**

Public Health

The PSA is the union for public health workers and has a strong commitment to public health. The COVID-19 pandemic demonstrated how vital public health capacity and public health systems are for

the wellbeing of New Zealand. Investment in public health must be long term – preventative work does not deliver savings immediately. The pandemic has shown the importance of investing in public health and public health systems and preventative medicine.

In addition to investing in public health, it is essential that governments promote public health by considering the health impact of all policies. The PSA is alarmed at the Government’s statements about smokefree legislation. The legislation will save lives and reduce pressure on the health system. **The PSA joins with the rest of the health sector in opposing the Government’s repeal of our world-leading smokefree legislation.**

Targets in the Health system

The PSA does not support targets as a primary way of managing the health system. Targets are a blunt tool that may be appropriate when developed in collaboration with the health sector and with clear endpoints, but more often have negative impacts and perverse consequences. New Zealand experience shows that after some initial gains, previous targets in emergency room stays led to widespread ‘gaming’ by some management.² Such approaches from management increased stress for workers and patients and had a negative impact on the long-term outcomes that the targets were intended to address. **The PSA recommends that the Minister recognises the limitations of targets, the impact pressure from management to meet targets using artificial means can have on patients and workers, and promotes the high trust environment the health system needs to thrive.**

Investment

The PSA calls on the new Government to invest in the health system and the health of New Zealanders and to do so in a way that plan for the long term, rather than focusing on short-term fixes. There are many areas of the health system that need investment. The PSA supports significant investment in suitable built infrastructure, particularly in times of workforce shortages as well-designed facilities can increase workplace productivity, and we have already addressed the importance of investing training and workforce development.

If the potential benefits of a unified health system are going to be achieved, then it will be essential to invest in Te Whatu Ora’s infrastructure. Developing a single data and digital environment and a single payroll system will take significant time and resources, but failure to do so will eventually be much more costly. For example, currently Te Whatu Ora still has legacy payroll systems from each of the different entities, but they are in fact a single employer; when workers move from one area to another, they take entitlements with them. The amount of manual processing will continue to grow until a new system is put in place. Building a new health system will be expensive, but not as expensive as allowing twenty different systems to operate in one organisation. **The PSA recommends the Minister ensures that Te Whatu Ora has the resources to build the national infrastructure it needs.**

² Tenbenschel, T., Jones, P., Chalmers, L. M., Ameratunga, S., & Carswell, P. (2020). ‘Gaming New Zealand’s Emergency Department Target: How and Why Did It Vary Over Time and Between Organisations?’ *International Journal of Health Policy and Management*, 9(4), 152–162. <https://doi.org/10.15171/ijhpm.2019.98>