



Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet (DPMC).

Implementation Unit: Progress Report on Assignments as at 15 August 2023

The following documents have been included in this release:

Title of paper: Implementation Unit: progress Report on Assignments as at 15 August 2023
(CAB-23-SUB-0385 refers)

Appendix A: Assessment of Working Arrangements Between Agencies
Following Implementation of the Health Reforms in July 2022

Appendix B: Stocktake of Te Pūkenga

Appendix C: Stocktake of the Public Housing Register

Title of minute: Implementation Unit: progress Report on Assignments as at 15 August 2023
(CAB-23-MIN-0385 refers)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- section 9(2)(b)(ii), to protect the commercial position of the person who supplied the information, or who is the subject of the information;
- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion;
- section 9(2)(g)(ii), to prevent improper pressure or harassment.

~~In Confidence~~

Office of the Minister Hon Grant Robertson
Minister of Finance

Chair, Cabinet Priorities Committee

Implementation Unit: Progress Report on Assignments as at 15 August 2023.

Proposal

- 1 This paper provides an update on the Implementation Unit's (the Unit) progress against the 2023 work programme through to 15 August 2023.

Executive Summary

- 2 On 6 December 2022, the Cabinet Priorities Committee (CPC) [CAB-22-MIN-0563]:
 - a. **noted** that the Unit will undertake follow on work across *Health Reforms; Suicide Prevention Action Plan 2019-2024 (the Action Plan); the 2019 Budget Mental Health and Addiction Package (the 2019 Budget Package); Immigration Rebalance*
 - b. **agreed** the following new assignments: *Stocktake of the Public Housing Register; Second Stocktake of the Carbon Neutral Government Programme (CNGP), and Stocktake of Te Pūkenga.*
- 3 This paper summarises and attaches the completed *Assessment of Working Arrangements Between Agencies Following Implementation of Health Reforms in July 2022* and stocktakes for *Te Pūkenga* and the *Public Housing Register*.

Recent Implementation Unit Reports

Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022

- 4 The Unit completed the *Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022* and reported its assessment to me on 31 May 2023. A copy is at Appendix A.
- 5 The success of the health reforms partly relies on effective working arrangements between Manatū Hauora (Ministry of Health), the health entities of Te Whatu Ora (New Zealand Health Authority) and Te Aka Whai Ora (Māori Health Authority), and Whaikaha (Ministry of Disabled People) a departmental agency hosted by the Ministry of Social Development.
- 6 The Unit found that Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora and Whaikaha have collaborative working relationships at the chief executive level and that trust is building at the governance levels. Manatū Hauora is strengthening working arrangements across the health entities to improve strategic alignment of the health system.

- 7 The Unit also found that while Manatū Hauora and the health entities understand their respective roles and responsibilities at a high level, in practice there is not a shared understanding when it comes to the implementation of Manatū Hauora's role in system leadership, monitoring, infrastructure and some areas of its policy development role.
- 8 As a result, aspects of Manatū Hauora's working arrangements and plans are still at an early stage of maturity, including its monitoring of:
- a. entity performance of the entity boards in exercising their functions
 - b. health system performance, including progress on national strategies and plans, and
 - c. progress of the reforms overall.
- 9 Until recently, Manatū Hauora did not have a dedicated function providing oversight on reform progress. In April 2023 it established a System Reform Implementation Office that is developing an implementation roadmap with clear milestones and accountabilities.
- 10 In response to the Unit's assessment, Manatū Hauora:
- a. agreed to document its working arrangements with Te Whatu Ora, Te Aka Whai Ora, and revise its July 2022 memoranda with Whaikaha.
 - b. will strengthen and structure regular meetings of Te Whatu Ora, Te Aka Whai Ora, and Whaikaha chief executives to focus leadership attention on a system reform roadmap, accountabilities, and system-level risks.
 - c. acknowledged it needs to prioritise improvements to its monitoring function (of the health system, health entities, and reform progress), risk and assurance responsibilities, including partnering with Te Aka Whai Ora as it finalises its monitoring framework.
- 11 The Unit recommended it provide further assurance to Ministers by undertaking a stocktake of Manatū Hauora's progress implementing its monitoring framework and its monitoring partnership with Te Aka Whai Ora and other health monitoring entities, no later than the end of December 2023. Cabinet [CPC-23-MIN-0012] approved this Stocktake as part of the Unit's work plan from July to December 2023.
- 12 I met with the Minister of Health on 21 June 2023 to discuss the report.

Stocktake of Te Pūkenga

- 13 The Unit completed *Te Pūkenga: A stocktake of progress in establishing a new operating model* and reported its assessment to me on 16 June 2023. A copy is at Appendix B.

- 14 The Unit assessed Te Pūkenga’s progress towards implementing 11 operating model initiatives, which collectively comprise a Minimum Viable Product (MVP). The MVP was intended to be in place by 1 January 2023.
- 15 The Unit found that Te Pūkenga did not deliver all the operating model initiatives under the MVP by 1 January 2023 as intended.
- 16 The Unit assessed likely progress towards implementing the operating model under the MVP will be by the end of 2023. Out of 11 MVP operating model initiatives, the Unit rated eight as ‘complete’, two as ‘mixed’ with some aspects requiring attention, and three rated as ‘problematic’ requiring significant attention.
- 17 Te Pūkenga is on track to deliver a transformation roadmap (with targets and milestones) by 31 July 2023 as requested by the Minister of Education in her 2023 Letter of Expectations to Te Pūkenga.
- 18 The Unit also found that leadership has now stabilised under the new Chief Executive appointed in 2022 and that confidence is growing in the new leadership team.
- 19 Te Pūkenga, the Tertiary Education Commission (TEC) and the Ministry of Education will continue to engage where required at the collective system level to support Te Pūkenga’s establishment of its new operating model and progress against the transformation roadmap which is central to the reform of vocational education.
- 20 Te Pūkenga has agreed to consider as part of the transformation roadmap the inclusion of MVPs for 1 January 2024, and 1 January 2025, a communication strategy and contingency planning for the next stages of the operating model implementation.
- 21 I met with the Minister of Education on 21 June 2023 to discuss the report and the Unit’s recommendations, including the need for the TEC and Te Pūkenga to review their monitoring approach as Te Pūkenga progresses implementation of its transformation roadmap.

Stocktake of the Public Housing Register

- 22 The Unit has completed the *Stocktake of the Public Housing Register* (‘the Register’) and reported its assessment to me on 23 June 2023. A copy is at Appendix C.
- 23 I met with responsible Ministers on 7 August 2023 to discuss the report.
- 24 Since 2017 the Register experienced sustained growth and reached a peak of 32,701 applications in April 2022, including transfer applications.
- 25 As at April 2023, the Register was 10% smaller than its peak size. The Unit found that the primary reason for the decrease is that the Ministry of Social Development (MSD) increased the rate at which it calls applicants on the Register and removes ineligible

applications. The numbers of people applying to or being housed from the Register remained fairly stable over the same period.

- 26 The number of people being housed from the Register has remained stable despite increases in total public housing supply. This is because Kāinga Ora has allocated an increasing share of the houses available for new tenancies to re-house existing tenants (known as 'Business Initiated Transfers') whose houses are scheduled for redevelopment, and a smaller share of new tenancies to applicants from the Register. This allows Kāinga Ora's build programme to scale up more quickly, but means fewer people are housed from the Register in the interim.
- 27 The Unit found that the Register does not accurately record some applicants' housing needs due to technical limitations, policy settings, and information being out of date, and that Register processes create barriers for frontline staff to exercise their roles effectively. As a result, applicants find the Register difficult to navigate.
- 28 The Unit identified that these and other operational issues create barriers to applicants' housing needs being met and limit the Register's accuracy and reliability for implementation purposes.
- 29 The Unit identified a series of potential short-term and long-term changes. Short-term changes are unlikely to materially improve the overall operation of the Register, but could improve applicants' experiences and the timeliness and quality of placement decisions by Kāinga Ora and Community Housing Providers.
- 30 MSD has agreed to report back to the Minister of Social Development, Minister for Children and Minister of Housing and Urban Development by 1 September 2023 on short-term changes that could improve the operation of the Register.
- 31 MSD recently started a long-term transformation programme ('Te Pae Tawhiti') which is the appropriate basis for longer-term improvements to Register operations.
- 32 The Unit recommended that MSD investigate and report back to portfolio Ministers on short-term changes it could make to Register operations, and that MSD report back by December 2024 on long-term improvements it will make to the Register through Te Pae Tawhiti.
- 33 The Unit also assessed the operation of a 'fast-track' that Cabinet established in 2019 to prioritise applications on the Register from people who are caregivers of children in the custody of Oranga Tamariki.
- 34 The Unit found that the fast-track works well when applied correctly, but that only one in five eligible applications are correctly fast-tracked. This is primarily due to shortcomings in operational processes at MSD and Oranga Tamariki, and means it is likely that some children in the custody of Oranga Tamariki, and their caregivers, would have waited longer for public housing than is intended by policy.

35 MSD and Oranga Tamariki are in the process of reviewing and fast-tracking eligible applications. The Unit recommended that these agencies should investigate and report back on operational improvements in August 2023, and also undertake a full review of the fast-track as intended by Cabinet.

Next Steps

36 The Unit will work with the relevant agencies to support the implementation of report recommendations (in Appendix A, B and C).

Consultation

37 The Unit consulted Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora, Whaikaha, Te Waihanga (Infrastructure Commission) and Te Tai Ōhanga (the Treasury) as part of its *Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022*.

38 For the *Stocktake of Te Pūkenga*, the Unit consulted Te Pūkenga (New Zealand Institute of Skills and Technology), the Tertiary Education Commission, the Ministry of Education, Muka Tangata (the People, Food and Fibre Workforce Development Council), and the Treasury.

39 For the *Stocktake of the Public Housing Register*, the Unit consulted the Ministry of Social Development, Ministry of Housing and Urban Development, Kāinga Ora, Oranga Tamariki, and the Treasury.

Financial Implications

40 There are no direct financial implications from this paper.

Legislative Implications

41 There are no legislative implications arising from this paper.

Impact Analysis

42 An Impact Statement is not necessary for this paper.

Human Rights

43 There are no Human Rights implications arising from this paper.

Gender Implications

44 There are no gender implications arising from this paper.

Disability Perspective

45 There are no matters arising from this paper that require a disability perspective.

Publicity

46 No publicity is planned as a result of this paper.

Proactive Release

47 I intend to proactively release this paper and its associated minute after the standard 30 business days from the decision being made by Cabinet.

Recommendations

48 I recommend that the Committee:

- a. **Note** that the Unit delivered its *Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022* to me on 31 May 2023 and that I have discussed the Unit's recommendations with the Minister of Health.
- b. **Note** that the Unit delivered *Te Pūkenga: A stocktake of progress in establishing a new operating model* to me on 16 June 2023 and that I have discussed the Unit's recommendations with the Minister of Education.
- c. **Note** that the Unit delivered its *Stocktake of the Public Housing Register* to me on 23 June 2023 and that I have discussed the Unit's recommendations with the Associate Minister of Social Development and Employment (Housing), Minister of Social Development and Employment, Minister of Housing, and Minister for Children.
- d. **Note** that MSD has agreed to report back to the Minister of Social Development, Minister for Children and Minister of Housing and Urban Development by 1 September 2023 on short-term changes that could improve the operation of the Register.

Authorised for lodgement

Hon Grant Robertson
Minister of Finance

Date:

Appendix A: Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022

Appendix B: Stocktake of Te Pūkenga

Appendix C: Stocktake of the Public Housing Register

Proactively Released



Coversheet

Briefing: Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022

Date:	31 May 2023	Report No:	DPMC-2022/23-1478
		Security Level:	IN-CONFIDENCE
		Priority level:	Medium

		Action sought	Deadline
Hon Grant Robertson Minister of Finance		agree to recs	

Name	Position	Telephone	1 st Contact
Maari Porter	Acting Executive Director Implementation Unit	N/A	9(2)(g)(ii) ✓

Departments/agencies consulted on Briefing
Manatū Hauora (Ministry of Health), Te Whatu Ora (Health New Zealand), Te Aka Whai Ora (Māori Health Authority), Whaikaha (Ministry of Disabled People), Te Waihanga (Infrastructure Commission), and Te Tai Ōhanga (The Treasury).

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Briefing

Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022

To: Hon Grant Robertson
Minister of Finance

Date	31/05/2023	Security Level	[IN CONFIDENCE]
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Purpose

1. To assess the effectiveness of working arrangements of Manatū Hauora with the new health entities Te Whatu Ora and Te Aka Whai Ora and a new agency Whaikaha following implementation of the health reforms in July 2022.

Executive Summary

2. On 1 July 2022, a new national health system was enacted under the Pae Ora (Healthy Futures) Act 2022. The reform included a repurposed role for Manatū Hauora, the creation of four new entities ('the entities'), Te Whatu Ora, Te Aka Whai Ora and Whaikaha, and a new Public Health Agency within Manatū Hauora. A Ministerial Advisory Committee and Hauora Māori Advisory Committee were created to provide assurance and advice to ministers.
3. Te Whatu Ora is a Crown entity and Te Aka Whai Ora is a statutory entity, Whaikaha is a departmental agency hosted by the Ministry of Social Development.
4. Manatū Hauora now has a stronger stewardship and system leadership role across the health system. It sets national strategy and policy and is the monitor of entity and health system performance (in partnership with Te Aka Whai Ora and Te Puni Kokiri). It also monitors the implementation progress of the health system reforms, and it is the health system regulator.

Aspects of Manatū Hauora's working arrangements with entities are still being established

5. Manatū Hauora is establishing working arrangements with the entities. These include new arrangements, some arrangements set up during the interim transition period, and some business-as-usual arrangements in place prior to the reforms.
6. The success of the reform partly relies on effective working arrangements between Manatū Hauora and the other entities.¹ At a minimum, effective working arrangements include:
 - a. trusted engagement between Manatū Hauora and the entities, individually and collectively.
 - b. strategic alignment across entities, while acknowledging the unique role of each entity.
 - c. clear roles and responsibilities of functions for Manatū Hauora and each entity.

¹ Public Services Commission: 'It Takes Three: Operating Expectations Framework for Statutory Crown Entities' (June 2022).

- d. efficient and effective monitoring by Manatū Hauora, and with Te Aka Whai Ora when monitoring hauora Māori outcomes.

The foundations for strategic alignment are in place and trust is building

7. All parties are committed to maintain and improve goodwill and constructive engagement at the governance and leadership levels. Manatū Hauora has established routine meetings at leadership levels and working relationships among the Manatū Hauora Director-General of Health (the Director-General) and entity chief executives are collaborative.
8. The Director-General chairs a fortnightly Joint Leadership Group (JLG) meeting that includes the three entity chief executives. The JLG is a constructive executive mechanism, that would benefit from systematic focus of leadership attention on system reform actions and activities material to successful implementation, and robust discussions on expectations.
9. To support the JLG in this role, the Unit recommends Manatū Hauora establish a new reform implementation working group (Tier 2 and 3 levels) across the entities to align and drive reform implementation, agree milestones, clarify accountabilities and roles, and elevate system risks.
10. Manatū Hauora has established effective mechanisms to work across the entities to fulfil its core strategy and direction setting functions. It has prepared the interim Government Policy Statement and is developing six health strategies to give direction to the entities and the broader system. Manatū Hauora policy function will need to adjust to enable more flexible and collaborative processes, to effectively draw on entities' expertise and meet equity outcomes.

However, entities are not yet clear on Manatū Hauora's roles, responsibilities, and expectations

11. To give effect to Cabinet decisions and ministers' expectations there needs to be clear and well documented outline of the roles and responsibilities of Manatū Hauora and the entities, and how these will be operationalised. This forms the basis for shared understanding, and clear expectations established at a level of specificity the entities can action.
12. The Unit finds that While Manatū Hauora and the entities understand their respective roles and responsibilities at a high level, Te Whatu Ora and Te Aka Whai Ora do not have a consistent and shared understanding about the role of Manatū Hauora and its expectations in system leadership, governance, monitoring (including infrastructure), and aspects of policy.
13. Manatū Hauora accepts it needs to clearly document roles and responsibilities for some of its functions, and that entities may hold different interpretations of how roles are operationalised and that documents alone will not guarantee shared understanding. The Unit recommends Manatū Hauora works with the entities in a collaborative process, and the JLG is an appropriate forum to have these arrangements discussed and agreed. It is also timely to revisit and revise the agreed memoranda on roles, responsibilities, escalation protocols established with Whaikaha in July 2022.

Monitoring arrangements are at an early stage of development and maturity

14. Manatū Hauora shared an overarching monitoring framework with the health entities early in the reform process; however, it is too high-level and conceptual, and there is some confusion about what information that entities provide to Manatū Hauora is shared with ministers.
15. Until recently, Manatū Hauora did not have a dedicated function providing oversight over reform progress. In April 2023 it established a System Reform Implementation Office (SRIO) that is developing an implementation roadmap with clear milestones and accountabilities.
16. Manatū Hauora acknowledges it needs to prioritise improvements to its system, entity, and reform performance monitoring, risk, and assurance responsibilities, including partnering with Te Aka Whai Ora as it finalises its monitoring framework. The Unit recommends it provides assurance on Manatū Hauora's implementation of its monitoring framework by the end of December 2023.

Recommendations

We recommend you:

1. **note** that Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora and Whaikaha have collaborative working relationships at chief executive levels, that trust is building at governance levels, and that Manatū Hauora is strengthening working arrangements to improve strategic alignment of the health system.
2. **note** that aspects of working arrangements are still at an early stage of maturity, including Manatū Hauora's monitoring function, aspects of its policy development and infrastructure investment functions, and its system leadership role.
3. **note** that Manatū Hauora has agreed to document its working arrangements with Te Whatu Ora, Te Aka Whai Ora, and revise its memoranda with Whaikaha in July 2022, including clarifying how roles and responsibilities will be implemented, expectations of entities, protocols, and escalation pathways in a collaborative process. It will also discuss and agree the arrangements at the Joint Leadership Group (JLG).
4. **discuss** with the Minister of Health the need to raise with Manatū Hauora opportunities to improve working arrangements to develop and implement a system reform implementation roadmap by:
 - 4.1 strengthening and structuring the JLG to focus leadership attention on a system reform roadmap (in development), accountabilities, and system-level risks. **YES / NO**
 - 4.2 initiating a new system reform working group across the entities that reports into the JLG to support the co-creation of a reform implementation roadmap, identifying system level risks, and agreeing accountabilities, individually and collectively. **YES / NO**
 - 4.3 engaging with Whaikaha specifically to align respective system leadership roles in health and disability sectors, including elevation of Whaikaha's system level risks related to the health reforms. **YES / NO**
5. **agree** that Manatū Hauora should consult with Te Waihanga (Infrastructure Commission) on how to develop its strategic system-level monitoring role for infrastructure and investment and to connect with best practice in other sectors. **YES / NO**
6. **agree** to the Implementation Unit providing assurance (through a Stocktake) on Manatū Hauora's progress in the implementation of its monitoring framework (including performance monitoring) and its monitoring partnership with Te Aka Whai Ora and other health monitoring entities, no later than the end of December 2023. **YES / NO**
7. **agree** to proactively release this report, subject to any appropriate withholding of information that would be justified under the Official Information Act 1982. **YES / NO**



Maari Porter
Acting Executive Director
Implementation Unit

31/5/2023

Hon Grant Robertson
Minister of Finance

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Background

17. On 1 July 2022, a new national health system was enacted under the Pae Ora (Healthy Futures) Act 2022 ('the Act') to protect, promote, and improve the health of all New Zealanders, to achieve equity in health outcomes, reduce disparities (for Māori in particular) and build healthy futures for all. The Act established four new health entities:
- Te Whatu Ora as a national organisation and operational lead for health services undertaking planning, commissioning, monitoring performance and driving innovation.
 - Te Aka Whai Ora as an independent statutory authority to drive improvement by developing of policy and strategy for hauora Māori in the health system, commissioning and co-commissioning services, and monitoring outcomes and objectives for Māori.
 - Whaikaka to provide system leadership on disability across government and drive transformation of the disability system, including responsibility for commissioning. Its responsibilities were transferred from Manatū Hauora to reflect a move away from a medical model to a social model.
 - a new Public Health Agency within Manatū Hauora to lead and strengthen public health.
19. In the reconfigured health system, the role of Manatū Hauora is:
- system-level leadership, setting and aligning national priorities across the health system and across government (including extending outside of the health sector).
 - stewardship of the system through monitoring and reporting to ministers on agreed national health outcomes and system objectives, including monitoring of organisational performance of entity boards, and progress of reform implementation.
 - the Government's primary advisor on health, including leading advice on the determinants of health and wellbeing.
 - the regulator of the health system.
20. Since the reforms, Manatū Hauora is no longer the main commissioner of health services, as those functions transferred to the entities from 1 July 2022.
21. Two independent assurance functions were established reporting to the Minister of Health and Associate Minister of Health. The Ministerial Advisory Committee for Health Reform Implementation provides advice and recommendations on the health system, and the Hauora Ministerial Advisory Committee advises relevant to hauora Māori in the health system.

Scope of this assessment

22. This assessment focuses on effective working arrangements needed to implement new or strengthened functions of Manatū Hauora with the health entities to deliver as intended by the Act. It does not directly assess delivery. The Commissioning Brief is in Attachment A.

Current phase of the reform

The reform programme has two broad phases; we are currently in Phase 1

23. The reform programme has two broad phases:
- Phase 1 (July 2022 to June 2024), a transitional phase during which the new system entities and functions are being developed and embedded.
 - Phase 2 (July 2024 to June 2027), a period of evolution where the system builds towards its 'steady state' and uses the new model to deliver changes for people and whānau.

Since the entities went live on 1 July 2022, the Government has set its priorities for the system

24. As at June 2023, the entities are concluding their first year of establishment and implementing new governance, operating models and transformation programmes while delivering services and maintaining operations. Manatū Hauora is redesigning its operating model and organisational structure to give effect to its functions, roles, and responsibilities in the reformed system.
25. The Government published its priorities for the new health system through the interim Government Policy Statement 2022-2024 (iGPS) on 1 July 2022. The iGPS set out the measures in which performance improvement is expected, to be monitored quarterly by ministers, and includes the health sector accountability and monitoring framework.
26. Ministers have also set annual priorities. As an example, in the latest annual Te Whatu Ora Statement of Performance Expectations (April 2023) the Minister of Health established clear service priorities focused on winter preparedness, waiting lists and workforce.
27. In October 2022, Te Whatu Ora and Te Aka Whai Ora published Te Pae Tata, the interim New Zealand Health Plan. Te Pae Tata set out the first two years of the health system transformation and is intended to deliver on the expectations of the iGPS.

Overall assessment of current working arrangements

28. Effective working relationships between monitoring departments and Crown entities rely on a set of best practice principles. Te Kawa Mataaho – Public Service Commission (PSC) has produced an operating framework and guidance that outlines best practice principles.²
29. The Unit has assessed current arrangements against each best practice principle outlined by PSC. A summary is in Table 1. Detailed assessments are in the following sections.

Table 1. Summary of the Unit's assessments against each best practice principle

Principle	Summary of the Unit's assessment
Trusted engagement between Manatū Hauora and the entities, individually and collectively.	There is good will and constructive engagement which all parties are committed to maintaining and improving. Trust is building.
Strategic alignment across entities, acknowledging the unique role of each entity.	Manatū Hauora has established effective mechanisms to work across the entities to fulfil its strategy and direction setting functions, although more flexible and collaborative mechanisms will be needed to meet equity outcomes. Manatū Hauora is developing an implementation reform roadmap that reaches across, and involves, the entities.
Clear roles and responsibilities of functions for Manatū Hauora and with each entity.	There is not yet a shared understanding among Te Whatu Ora and Te Aka Whai Ora about the role of Manatū Hauora and its expectations in the domains of system leadership, governance, monitoring (including infrastructure investments) and aspects of policy development.
Efficient and effective monitoring and partnering with Te Aka Whai Ora when monitoring hauora Māori outcomes.	The monitoring framework, relationships, documentation, and routines necessary for effective system, entity and performance monitoring are in the early stages of development, including partnering with Te Aka Whai Ora.

² Public Services Commission: 'It Takes Three: Operating Expectations Framework for Statutory Crown Entities' (June 2022).

Trusted engagement is building, and leadership is collaborative

Trust is building and Manatū Hauora should position itself as a resource to entity boards

30. As the Minister of Health's agent, the Director-General routinely attends parts of Te Whatu Ora board meetings and periodically for Te Aka Whai Ora, including joint board meetings. These allow the Director-General to provide updates and communicate ministers' expectations, and for the boards to share concerns.
31. Manatū Hauora has established routine weekly and monthly meetings with Te Whatu Ora and Te Aka Whai Ora board chairs and attends all weekly, monthly, and quarterly briefings between ministers and the entities. These arrangements help to build effective relationships at the governance and leadership levels.
32. As at May 2023, entity boards do not routinely share key information with Manatū Hauora, including final papers, board minutes, risk reporting. In part a reflection of the respective boards asserting their independence and having sufficient time to consider matters to fulfil their governance roles. At the same time this information is critical to Manatū Hauora's entity monitoring role. Manatū Hauora has issued a letter to the Te Whatu Ora Board Chair requesting a response to board performance questions and has asked to routinely receive papers on financial performance, implementation of ministerial priorities and risk reporting.
33. As the reform matures, Manatū Hauora needs to position itself as a trusted resource to the boards, jointly discussing risks and significant reform levers, and working with the boards to co-commission pieces or work (or deep dives) into areas of shared interest and risk. These approaches should be informed by the system reform implementation roadmap work.

Leadership is collaborative but there are opportunities to strengthen and structure engagement

34. At the leadership level there is a fortnightly Joint leadership Group (JLG) of chief executives chaired by Manatū Hauora, with Te Whatu Ora and Te Aka Whai Ora attending. Whaikaha joins every second meeting. The Director-General holds weekly one-to-one meetings with the Te Whatu Ora and Te Aka Whai Ora chief executives. The Director-General should consider routine (bi-weekly) meetings with the Whaikaha Chief Executive.
35. The JLG is an important executive level mechanism, and while it is constructive its potential is not fully realised. Interviewees across the entities and Manatū Hauora advised that a structured forum to discuss the reform pathway and system risks is currently missing from current arrangements. Senior leaders across the entities are seeking clarity on what actions and activities they are accountable for which will be most critical to system reform implementation and success, not just their entity's performance.
36. The JLG is the appropriate place for those considerations, and decisions where appropriate. It would benefit becoming a more formal forum, with clear triggers, escalation pathways and decision-making processes, including joint decision-making as appropriate.
37. There is an opportunity for Manatū Hauora to use the JLG and one-to-one meetings at the leadership level to streamline and set clear expectations and accountabilities for system reform including Budget 2024, and monitoring. There is a natural tension between delivery and monitoring agencies and the JLG and one-on-one meetings are appropriate venues for the robust 'free and frank' discussions that will emerge from time-to-time.

Foundations for strategic alignment are in place

Manatū Hauora is establishing system reform implementation arrangements

38. Until recently, Manatū Hauora did not have a dedicated function providing oversight over reform progress. Manatū Hauora established the System Reform Integration Office (SRIO) in

April 2023 to develop and maintain a system reform implementation roadmap. The SRIO has the potential to fill this critical gap in Manatū Hauora's system leadership function and to clarify Manatū Hauora's role and expectations for entities to meet 'milestones and markers' in delivering reform activities and actions.³

39. The roadmap will include a plan of the key reform activities across the entities and their key interdependencies and will integrate information to ensure a coherent and simplified understanding of reform. The SRIO is intended to be a resource across the system, not just for Manatū Hauora, and the entities welcome this approach.
40. The success of the reforms requires Manatū Hauora to engage a range of health agencies across the system (beyond the core entities). The System Leadership Forum of Health Entities is an additional broader forum to develop and test the system reform roadmap, confirm accountabilities, and communicate the reform narrative to the health and disability sector.⁴

Strategy and direction setting arrangements are in place

41. The Unit finds that Manatū Hauora has established effective working arrangements across the health entities to fulfil its core strategy and direction setting functions, including the preparation of the iGPS, and six health strategies⁵. These arrangements draw on prior working relationships and ways of working under the prior health system model.
42. An Integrated System Architecture Steering Group meets fortnightly at general manager level, to advance and integrate the Government Policy Statement (interim and new) and strategies across Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora. This is supported by an interagency Joint Health Planning Group.
43. A separate Budget 2024 Steering Group has recently been established to provide cross agency perspective on key components of the Budget 2024 work programme. There is a weekly Health Issues meeting that covers tactical issues across on strategy and policy matters across Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora.

However, policy development arrangements will require greater flexibility, especially to meet equity outcomes

44. One aim of the reforms was to provide a stronger voice for Māori, Pacific peoples' and disabled peoples in policy development. By extension this will require new and different ways of working within Manatū Hauora, and with Te Aka Whai Ora and others. Operational practices, and data, insights and information held by the entities are critical to developing and implementing policy, particularly to advance aspects of hauora Māori.
45. To date, Manatū Hauora has developed policy through its existing ways of working as policy is one of its core functions and capabilities, including working through cross entity mechanisms such as the Integrated System Architecture Steering Group (mentioned above).
46. Manatū Hauora accept that current ways of working will need to adapt to be more flexible and that more work is needed to clarify roles and responsibilities in different policy areas to drive more equitable outcomes. This will include new arrangements to allow health entities to play a stronger role, including leading aspects of policy development when appropriate, on topics that might include primary care, localities, Pacific peoples' health, and hauora Māori policy.

³ Prior to the entities going live on 1 July 2022 the Health Transition Unit (29 June 2022) noted that a reform pathway with 'milestones and markers' of success for Years 1 & 2 is important and should be used by system leaders to hold themselves and each other accountable for delivering and driving the reforms.

⁴ The Forum includes Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora, Accident Compensation Corporation, Health and Quality Safety Commission, Health and Disability Commissioner, Pharmac New Zealand (among others).

⁵ New Zealand Health Strategy, Hauora Māori Health Strategy, Pacific Health Strategy, Health of Disabled People Strategy, Women's Health Strategy and Rural Health Strategy.

Manatū Hauora and Te Aka Whai Ora should apply lessons from the Therapeutics Products Bill

47. The reform provided policy and strategy functions and levers to Te Aka Whai Ora to advance hauora Māori. This leads to the potential for entities to differ in their policy advice. This is a natural tension in the system and was tested for the first time through the Therapeutics Products Bill introduced into Parliament on 30 November 2022, elevating different approaches to rongoā Māori. This was a new and at times challenging process for Manatū Hauora and Te Aka Whai Ora.⁶
48. Manatū Hauora and Te Aka Whai Ora should identify and apply lessons from the Therapeutics Products Bill process when developing future arrangements for policy development. This includes instituting a clear escalation processes to the Director-General and Te Aka Whai Ora Chief Executive and Board chair to address tensions and disagreements earlier (included as part of defining roles and responsibilities documentation processes).

Roles and responsibilities require further clarity

49. The intent of the health reforms was to develop a simpler, more cohesive, and more coordinated allocation of functions across organisations [CAB-21-SUB-0092].
50. Clear roles and responsibilities are necessary to achieve this and should be established by monitoring departments when transferring functions, services, or operations between agencies, and in the establishment of Crown and independent entities. This includes documenting escalation protocols at a level of specificity that all parties can action appropriately.

There is not a shared understanding of Manatū Hauora's implementation of its roles, responsibilities, and expectations for some aspects of its functions

51. The Unit finds that while Manatū Hauora and the entities understand their respective roles and responsibilities at a high level, in practice there is not a shared understanding when it comes to the implementation of Manatū Hauora's roles and responsibilities in system leadership, monitoring (including infrastructure) and aspects of its policy development.
52. Manatū Hauora documented a memorandum of understanding for Whaikaha⁷ but not for Te Whatu Ora and Te Aka Whai Ora. As a result, it is sometimes unclear to Te Whatu Ora and Te Aka Whai Ora when Manatū Hauora is exercising its system leadership functions and setting direction through policy and strategy (typically an iterative, free and frank advice process) and when it is exercising its monitoring, assurance and regulatory functions (a typically formal process, reported to ministers). This matters because it influences how, and how much, information is shared by the entities and on what terms.

Manatū Hauora to document its roles and responsibilities in collaborative process with the entities

53. Manatū Hauora accepts that roles and responsibilities (including protocols, escalation pathways) need to be clearly documented for some of its functions to build shared understanding. The Unit recommends Manatū Hauora works with the entities in a collaborative process, and the JLG is an appropriate forum to have these arrangements discussed and agreed.

⁶Te Aka Whai Ora Submission on the Therapeutics Products Bill (3 March 2023) 'Rongoā is a te ao Māori approach to holistic health outcomes and is governed by tikanga and kawa'.

⁷Memorandum of Understanding between the Ministry of Health (Manatū Hauora) and the Ministry of Disabled Peoples ('Whaikaha'), 1 July 2022, and Cooperation and Services Agreement for the Arrangements and Services Associated with the Transfer of Functions from the Ministry of Health to the Ministry of Disabled Peoples, 4 July 2022.

54. There are examples where Manatū Hauora has established effective processes. The Public Health entity in Manatū Hauora and the National Public Health Service in Te Whatu Ora did establish an accountability framework at the outset of the reform which served the entities well. Ten months on there are aspects of their roles and responsibilities that require further definition and need to be worked through. Together they have jointly commissioned independent assistance and advice to help them with that process.
55. While formal agreements were established between Manatū Hauora and Whaikaha in July 2022, there is benefit in revisiting to agree how to implement respective system leadership roles and functions in health and disability sectors and to elevate its system level risks to the health system.
56. However, documentation alone will not cement shared understanding. There will be issues and boundary cases not planned or contemplated in formal documentation. Reform at this scale will need to be accompanied by change programmes that shifts mindsets, ways of working and behaviours within Manatū Hauora and across the health system.

Monitoring arrangements are in the early development stage

57. The Government established a clear accountability framework and system architecture for the implementation of the reforms. To give effect to its functions, Manatū Hauora is responsible for monitoring of:
- entity performance of the entity boards in exercising their functions.
 - health system performance, including progress on national plans and strategies.
 - progress of the reforms overall.
58. While Manatū Hauora has experience in system and entity monitoring, the reforms reset many aspects, including a substantive shift from monitoring 20 individual district health boards to being more strategic to monitor the performance of entities' boards.

Monitoring arrangements for entity performance are at an early stage of development and maturity

59. Manatū Hauora communicated its monitoring framework to the entities shortly after the reforms took effect, supported by output agreements that set out expectations for the monitoring relationship with the entities.
60. Entities report that monitoring frameworks were too high-level to operationalise, create routines around, or ensure the integrity of the data and its interpretation by Manatū Hauora to ministers. Te Whatu Ora and Te Aka Whai Ora report that the working arrangements for implementing monitoring expectations are largely ad hoc and informal at this stage and that a monitoring plan is required to give a better sense of the domains or dimensions that will be focused on, and when.
61. Manatū Hauora report that is developing new formal mechanisms are in the process of being developed including reporting and formal performance discussions with entities, and opportunities for collection for system performance information. Manatū Hauora will prepare a more detailed monitoring framework and plan for the entities to ensure there is a shared understanding of expectations, assurance, intervention, and validation processes (recognising the role of the boards to govern the entities). At the same time, Manatū Hauora is awaiting the entity monitoring frameworks from Te Whatu Ora and Te Aka Whai Ora Boards, which are critical inputs to fulfilling its monitoring function.

Health infrastructure monitoring arrangements are at early stages of maturity

62. The reforms present an opportunity to think and act differently for Manatū Hauora and Te Whatu Ora, and to adopt and adapt best practice in other infrastructure sectors. The Unit finds

that Manatū Hauora's current monitoring and system leadership role will need to adapt to take a broader, strategic, long-term view and vision of the health infrastructure portfolio for New Zealand. This will be critical so that Manatū Hauora's is positioned to contribute to, and advise ministers on the Infrastructure Investment Plan and National Asset Management Strategy to be prepared by Te Whatu Ora, and due to Cabinet in December 2023.

63. The monitoring arrangements between Manatū Hauora and Te Whatu Ora are at early stages of maturity. Protocols have recently been established including delivery of joint papers to streamline decision making, improved frequency and sharing of information, and an assurance checklist to inform the development of future business cases and agreed timelines. This was necessary to reduce the incidents of Manatū Hauora and Te Whatu Ora providing separate and at times conflicting advice to ministers on the specifics of individual projects.
64. As the reforms mature Manatū Hauora's should consider how it will shift its attention further towards assessing if good processes and systems are in place at Te Whatu Ora and focus on outcomes and lifting of overall performance across the portfolio.
65. This shift to a strategic focus is critical to support the foundations for enhanced management and delivery across the health infrastructure system and for the long-term sustainability of the portfolio. The Unit recommends Manatū Hauora consult Te Waihanga to strengthen its strategic approach.

Monitoring of system level performance is in development

66. Manatū Hauora is developing a system performance framework to provide a structured and integrated approach to monitoring key performance enablers for the health system. It is developing the framework in collaboration with the health entities.
67. The draft system level performance framework was discussed at a recent JLG meeting in May 2023. It will determine what and how the monitoring framework will operate, agreement on principles of system performance and monitoring, establishing clarity on roles and responsibilities, and building alignment on ways of working and collaboration.

Manatū Hauora lacks a consolidated view of system reform level risks

68. In fulfilling its monitoring and assurance functions Manatū Hauora will need to have a consolidated, sophisticated, and prioritised view of risks to the system, the entities, and the overall reform agenda. Identifying and consolidating the system level risks will be the responsibility of the SRIO to provide assurance and system-level advice on implementation of the health system reforms.
69. Manatū Hauora currently lacks visibility of reform progress across the entities. All entities identified risks in interviews with the Unit that they believe could have system implications and they consider are not being considered, prioritised, or escalated in cohesive manner. Financial risks and mitigation measures are regularly reported as part of routine monthly and quarterly reporting to ministers but are not yet aligned with non-financial reporting.
70. Whaikaha is a new small agency with responsibility for \$2 billion expenditure. It relies on services operated by Te Whatu Ora, including contracting and payments systems.⁸ Further work is required working with Whaikaha to identify and prioritise risks that could impact the health reform implementation; and to ensure the reformed system takes responsibility for the health of disabled people.

⁸ Whaikaha has nearly \$2 billion annually in non-departmental expenditure, and \$58 million annually in departmental expenditure for its operations. Contingency funding of \$100 million (over four years) for implementing Enabling Good Lives is set aside as Tagged Contingency subject to joint approval by the Minister of Finance and Minister for Disability Issues

Treaty of Waitangi considerations and te ao Māori perspective

68. The health reforms are intended to achieve equity for Māori [CAB-21-MIN-0427]. The remit of Te Aka Whai Ora is broad and includes policy, strategy, planning, commissioning, and co-commissioning roles, and its establishment as a statutory entity⁹ is intended to enable it to perform its unique role in the health system with dual accountability to the Crown and Māori.
69. Manatū Hauora and Te Aka Whai Ora have statutory monitoring roles and are expected to work in partnership. Te Aka Whai Ora is expected to:
- monitor system performance of the whole health system in relation to hauora Māori, partnering with Manatū Hauora Director-General.
 - monitor delivery against the Māori health plan, including monitoring the performance of Te Whatu Ora as commissioner of services in accordance with the Māori Health Plan.
 - publish reports on the results of its monitoring with Manatū Hauora and Te Puni Kōkiri.
70. These roles do not replace those of Manatū Hauora for monitoring hauora Māori. The reforms intended for accountability to be dispersed requiring alignment and integration on decision-making and communications to avoid duplication.

Manatū Hauora is in early stages of partnering with Te Aka Whai Ora to align monitoring

71. The monitoring arrangements between Manatū Hauora and Te Aka Whai Ora are currently being established. Te Aka Whai Ora is in the process of finalising its monitoring framework, to be shared with Te Whatu Ora and Manatū Hauora staff, leadership, and boards. It is also working through how it governs and organises itself to provide a level of independence in its monitoring function of Te Aka Whai Ora in its role, for example, as commissioner of services.
72. Despite initial differences between Manatū Hauora and Te Aka Whai Ora in the interpretation of Te Aka Whai Ora's monitoring role it was resolved and agreed that, as the reform intended, Te Aka Whai Ora's system monitoring role does not include the monitoring of Manatū Hauora.
73. Manatū Hauora and Te Aka Whai Ora will need to continue to define and document their respective monitoring roles, responsibilities (acknowledging arrangements will change over time), including protocols for how they will share information and assessments with each other and Te Whatu Ora, including with the new Iwi Māori Partnership Boards once fully established.

Financial implications

74. There are no financial implications from this report.

Consultation

75. The Unit consulted with the representatives of Te Whatu Ora and Te Aka Whai Ora Boards; leadership and senior officials in Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora, Whaikaha and Te Waihangā; representatives from the Ministerial Advisory Committee and Hauora Ministerial Advisory Committee. The Unit also consulted with the Treasury.

Attachments:	Title	Security classification
Attachment A:	Commissioning Brief	IN CONFIDENCE

⁹ Subject to specified provisions of the Crown Entities Act 2024

Briefing: Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022	DPMC-2022/23-1478
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Attachment A: Commissioning Brief

Implementation Unit: Commissioning Brief

Assessment of Working Arrangements Between Agencies Following Implementation of Health Reforms in July 2022

Commissioning Agent:	Minister of Finance
Commission to:	Implementation Unit, DPMC
Commission:	Assessment of the working arrangements of Manatū Hauora, the Ministry of Health, with the new Health agencies, Te Whatu Ora (Health New Zealand) and Te Aka Whai Ora (Māori Health Authority), and with Whaikaha (Ministry of Disabled People).

Background

The reform of the Health System included repurposing and a changed role for Manatū Hauora and the establishment of Te Whatu Ora and Te Aka Whai Ora. At the same time, with a wider mandate than health, Waikaha was established. The new system agency structure went live 1 July 2022.

All parts of the new system have been working to set up their structures, systems, and processes. The scale of reform is significant and is expected to take 3-5 years to fully realise the benefits of the reform.

Part of the success of the reform relies on Manatū Hauora and the other agencies exercising effective working arrangements thereby ensuring the system works as a whole to realise the benefits to the health and wellbeing of New Zealanders. It is timely to check in on the operation of the working arrangements currently in place – acknowledging that the agencies themselves will have plans to further improve arrangements as they learn and change and evolve.

Areas of Focus

1. Identify existing working arrangements between Manatū Hauora and each of the agencies (Te Whatu Ora, Te Aka Whai Ora and Whaikaha) individually and collectively where relevant, including:
 - a. The nature, organisational level, and frequency of contact.
 - b. The pathways to ensuring contact is where appropriate translated into timely decisions or action and decisions are actioned.
 - c. Impact of the environment as context for the working arrangements currently in place and being enhanced in the future – particularly the implementation of the reforms and the new structures within the system and each agency as well as the decision-making levers that apply in the new system.

- d. Plans for change or continuous improvement of the working arrangements including how agencies expect them to further evolve.
2. Assess the effectiveness of the existing working arrangements from each agency's perspective, including how well understood the arrangements are by each agency.
3. Assess whether the arrangements in place are fit for purpose in giving effect to the roles and responsibilities Manatū Hauroa has and where appropriate identify opportunities for strengthening arrangements.

Parties

The Unit will work with relevant senior leaders and staff in Manatū Hauroa and will engage with senior leaders and key staff (those who have or need external relationships) in Te Whatu Ora, Te Aka Whai Ora and Whaikaha. This will involve assessing documentation held by Manatū Hauroa that explains the working arrangements established, and any other relevant documentation, and interviews with key staff nominated by each agency. The Treasury will support the work of the Unit as required.

Timeframe

The Unit will report to the Minister of Finance on 31 May 2023.

Hon Grant Robertson
March 2023



Coversheet

Briefing: Te Pūkenga - A stocktake of progress in establishing a new operating model

Date:	16/06/2023	Report No:	DPMC-2022/23-1578
		Security Level:	IN-CONFIDENCE
		Priority level:	[Medium]

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	agree to recommendations	30/6/2023

Name	Position	Telephone	1 st Contact
Maari Porter	Acting Executive Director, Implementation Unit	9(2)(g)(ii)	✓
Erin Wynne	Advisor, Implementation Unit	9(2)(g)(ii)	

Departments/agencies consulted on Briefing
Te Pūkenga (New Zealand Institute of Skills and Technology), the Tertiary Education Commission, the Ministry of Education, Muka Tangata (the People, Food and Fibre Workforce Development Council), and the Treasury.

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Briefing

Te Pūkenga - A stocktake of progress in establishing a new operating model

To: Hon Grant Robertson

Date	16/06/2023	Security Level	IN-CONFIDENCE
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Purpose

1. This briefing provides a stocktake of progress in establishing a new operating model for Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga). The Implementation Unit's (the Unit) Commissioning Brief is in Appendix A.

Executive Summary

2. Te Pūkenga was established under the Vocational Education and Training Reform Amendment Act 2020 ('the ROVE reforms'). Its vision as agreed by its Council in 2020 is: Whakairohia he toki, tāraia te anamata – Learning with purpose, creating our futures. On a day-to-day basis, Te Pūkenga describes its reason for being as: All learners into great mahi, with the right skills and qualifications, faster, and with less debt.
3. The scale of the Te Pūkenga transformation is large and complex. It requires the integration of 16 Institutes and Training Polytechnics (ITPs) and nine Industry Training Organisations' (ITOs). It is New Zealand's largest tertiary provider essentially bringing 25 distinct organisations into one new organisation.
4. Te Pūkenga is operating in a dynamic and challenging context. Its establishment requires significant organisational design changes, programme unification, and systems integration and transformation across 10,000 staff, while it continues to train 250,000 ākonga (learners).

Te Pūkenga's transformation has progressed slower than planned and is behind schedule

5. The transformation has progressed slower than anticipated and has been behind schedule since Te Pūkenga was established on 1 April 2020 (also impacted by COVID-19).
6. In March 2022, an independent Strategic Advisory Review Report (Strategic Review) was undertaken of Te Pūkenga, which recommended a minimum viable product (MVP) be agreed setting out what would need to be delivered by 1 January 2023.
7. In March 2023, the Auditor General in his report on Tertiary education institutions: 2021 audit results and what we saw in 2022 reported his concern about the lack of progress Te Pūkenga had made on finalising its operating model.

Delivery status – Te Pūkenga is still putting aspects of its operating model into place

8. Te Pūkenga did not deliver the operating model initiatives of its MVP by 1 January 2023 as intended.

9. The Unit has assessed progress towards implementing the operating model against what was envisaged by 1 January 2023 under the MVP, and progress in delivering on outstanding MVP activities by the end of 2023. Out of 11 operating model initiatives:
- Eight initiatives are **complete**. These initiatives include governance and leadership establishment activities.
 - Two initiatives are **mixed** as they will be partially completed but some aspects will require some attention. These initiatives cover consolidation of corporate functions and the national unification of programmes.
 - Three initiatives are **problematic** requiring significant attention and action to deliver:
 - establishing new management tiers in particular across Tiers 3, 4 and 5.
 - plans to integrate work-based learning with campus-based teaching and learning and online delivery.
 - a national learner wellbeing support structure with regional delivery.
10. The three 'problematic' initiatives rely on consultation process with staff relating to Te Pūkenga's organisational design and will require significant attention to be completed by the end of 2023. Te Pūkenga released a consultation document to all staff on its proposed future organisational structure on 15 June 2023 (one day before submission of this report).

Leadership is in place and has stabilised

11. Leadership has now stabilised under the new Chief Executive appointed in 2022. The new executive leadership team (ELT) was appointed in late 2022 and early 2023, and some key director positions are now in place.
12. The Unit found consistently through interviews that confidence is growing in the new leadership team. However, the leadership will need to demonstrate that this growing confidence is well placed through the development and implementation of a transformation roadmap and managing the issues highlighted by this assessment under the initiatives rated as 'mixed' and 'problematic'.

Transformation roadmap to steer implementation of the new operating model is essential

13. There is no overall roadmap to guide Te Pūkenga's complex transformation although it has been suggested by earlier reviews and the Tertiary Education Commission (TEC). The Minister of Education (the Minister) has asked the Chair of Te Pūkenga for a transformation roadmap with targets and milestones. The Minister's Letter of Expectations (dated 16 May 2023) to the Chair asks that the roadmap be submitted to TEC by 31 July 2023 and a financial strategy by 30 June 2023 (including the one-to-two-year financial plan by 31 July 2023).
14. Regular communication at all levels is integral to shifting the level of confidence of staff and other stakeholders in what Te Pūkenga can achieve and the rationale for the organisational changes. The last staff engagement survey in November 2022 shows that just under 50% of staff were 'engaged', but 30% of the previously 'engaged' staff had decreased to feeling 'ambivalent'.
15. The Council's role in communicating the vision and the nature of the transition pathway through understanding the sequencing and signposting the change alongside the Chief Executive and other ELT members is critical. The Unit considers that implementation of the roadmap would be strengthened by a communications strategy to help communicate the need for change, what the change will mean for learners, staff, and all stakeholders and Te Pūkenga's progress in meeting transformation milestones.
16. During this Stocktake, Te Pūkenga has agreed in the development of the roadmap to consider:

- a. minimum viable products for January 2024 and January 2025 to ensure there is sequencing of activities and milestones for implementation.
 - b. contingency planning for the next stages of the operating model's implementation.
 - c. a communication strategy for staff and stakeholders.
17. Te Pūkenga is establishing an Enterprise Programme Management Office (EPMO) to drive delivery of key milestones across the transformation roadmap.

Governance oversight to integrate decision-making on transformation and fiscal position

18. Te Pūkenga is governed by a Council accountable to the Minister of Education. The Council's Finance and Capital Investment Committee (FINCAP) has extended its role under a new delegations' policy to enable it to play an effective role ensuring the right balance between decisions that reflect Te Pūkenga's fiscal position and its transformation (alongside its core role in relation to the financial strategy).
19. The Unit supports FINCAP's dual transformation and financial oversight roles as implementation of the operating model and broader transformation initiatives, will require ongoing prioritisation and the consideration of trade-offs. Te Pūkenga will need to decide 'how much' transformation it can afford and over what timeframe (e.g. in digital technology area).
20. The Council's consideration of a draft financial strategy on 6 June 2023 to be submitted to the Minister of Education on 31 June 2023 is an important first step and begins to respond to concerns raised by the Auditor General about lack of progress towards a financial strategy in his March 2023 report on tertiary education institutions.
21. The degree of challenge presented by the Information Technology changes (involving multiple systems which will each need to migrate to single options across different capabilities) is substantial; it is an important part of the transformation sought. The governance arrangements for the Digital Programme of Works are being reconsidered following receipt of the proposed conditions for the interest free Crown loan of \$220m for technology transformation. Key milestones within it should inform the development of the transformation roadmap.

Monitoring of Te Pūkenga is robust, and working arrangements should be reviewed as transformation progresses and risks reduce

22. TEC's monitoring of Te Pūkenga is robust as evidenced by its high-quality monitoring reports. The Unit does not recommend an ongoing role for the Unit given the approach and role undertaken by the TEC.
23. However, without a transformation roadmap since Te Pūkenga's establishment in 2020, it has been challenging for TEC, Te Pūkenga, and stakeholders to build a shared understanding of Te Pūkenga's approach to transformation and its delivery of an operating model.
24. The level and degree of monitoring should be reviewed as Te Pūkenga progresses its transformation roadmap and its risks reduce. The review mechanism in the TEC Monitoring Framework for Te Pūkenga (April 2023) enables this.

Continue system and collective leadership to support transformation

25. The Ministry of Education (MoE) is the system leader for education including vocational education and the ROVE reforms. The Unit finds that relationships among MoE, TEC and Te Pūkenga are strong and are exercised in a pragmatic and supportive way.
26. Te Pūkenga, the TEC and Te Pūkenga will continue to engage where required at the collective level to support Te Pūkenga's establishment of a new operating model and progress against the transformation roadmap given Te Pūkenga's delivery is central to reforms of vocational education.

Recommendations

We recommend you:

1. **note** that Te Pūkenga did not implement all the operating model elements of its minimum viable product (MVP) by 1 January 2023 as intended. The Unit has assessed that as of June 2023:
 - 1.1. eight initiatives are rated on track as they have been completed with senior leadership positions in place and leadership stabilised.
 - 1.2. two initiatives are rated as mixed with some attention required given the ongoing complexity in consolidating existing functions into new enabling centralised corporate functions and the national unification of programmes.
 - 1.3. three initiatives are rated as problematic given the scale of the organisational design process (released to staff on 15 June 2023) and the degree of challenge in achieving a new organisational structure by the end of 2023.
2. **note** that the Minister of Education has set clear expectations for Te Pūkenga to provide a transformation roadmap (with targets and milestones) by 31 July 2023 which Te Pūkenga is on track to deliver.
3. **note** that Te Pūkenga, the Tertiary Education Commission, and the Ministry of Education will continue to engage where required at the collective system level to support Te Pūkenga's establishment of its new operating model and progress against the transformation roadmap given Te Pūkenga's delivery is central to the reform of vocational education.
4. **agree** to discuss with the Minister of Education that implementation of the operational model can be strengthened by Te Pūkenga considering the following elements for inclusion in its transformation roadmap by 31 July 2023 (which Te Pūkenga has agreed to consider):
 - 4.1. the inclusion of Minimum Viable Products for 1 January 2024, and 1 January 2025. **YES / NO**
 - 4.2. the communication strategy and contingency planning for the next stages of the operating model's implementation. **YES / NO**
5. **agree** to discuss with the Minister of Education the need for the Tertiary Education Commission and Te Pūkenga to review their monitoring approach as Te Pūkenga progresses implementation of its transformation roadmap and risks reduce. **YES / NO**
6. **agree** to proactively release this report, subject to any appropriate withholding of information that would be justified under the Official Information Act 1982. **YES / NO**



Maari Porter
Acting Executive Director,
Implementation Unit

16/06/2023

Hon Grant Robertson
Minister of Finance

...../...../.....

Proactively Released

Background

Te Pūkenga established in 2020

27. Te Pūkenga was established on 1 April 2020 under the Education (Vocational Education and Training Reform) Amendment Act 2020 as part of the Reforms of Vocation Education (ROVE).
28. Te Pūkenga is the consolidation of 16 ITPs and the arranging training function of nine ITOs making it New Zealand's largest tertiary provider essentially bringing 25 distinct organisations into one new organisation.
29. ROVE aims to achieve efficiencies across the Te Pūkenga network and to lift the number of small ITPs under financial pressure into a larger more resilient organisation. The purpose of the ROVE reforms and especially Te Pūkenga was to also shift the focus more towards work-based training as well as campus-based and online delivery.
30. Te Pūkenga is governed by a Council accountable to the Minister of Education. Its members are appointed in accordance with the Education and Training Act 2020 (the Act). Schedule 13 of the Act sets out Te Pūkenga's Charter, which provides the expectations that Te Pūkenga must give effect to.

Te Pūkenga operates in a dynamic and challenging context

31. Te Pūkenga faces significant headwinds to its fiscal outlook, due to cost pressures and a pattern of falling enrolments. Te Pūkenga is not alone in this, with many New Zealand universities facing similar issues and a number undertaking structural change as a response.
32. Over the six-year period from 2017 to 2022, Equivalent Full Time Students (EFTS) decreased by approximately 20%; half of Institutes and Technology and Polytechnics (ITPs) experienced greater than 25% reductions in EFTS.
33. The ITPs collectively made deficits over the period 2017 to 2022. The ITPs became subsidiaries of Te Pūkenga from April 2020 but were not fully incorporated into Te Pūkenga until 2022.
34. Over the same time period, the number of Work Based learners has increased by 22% in the volume of training delivered (or Standard Training Measurements) in recent years with good levels of profitability from Te Pūkenga's work-based divisions contributing positively to its overall financial position. However, there have been recent declines in work-based enrolments, which presents further challenge.

Te Pūkenga – Crown appropriations

35. In 2020, the Government agreed to provide up to \$121 million in Crown funding to support the establishment of Te Pūkenga, build capability, and commence the integration and transformation of the current network, including supporting greater delivery of on-job learning.
36. As part of Budget 2022, the Government committed an additional \$40 million in Crown capital funding to Te Pūkenga to allow it to address high priority building issues across its network of ITP subsidiaries. In Budget 2023, the Government agreed to provide a \$220 million non-interest bearing, 10-year, Crown loan to assist Te Pūkenga integrate its IT systems as part of its wider transformation.
37. Te Pūkenga's 2023 forecast estimates net deficit declining to \$105.8m from the budgeted position of \$26.6m. The decline is largely driven by lower domestic ākonga (learner) numbers and transformation funding coming as loans rather than previously assumed grants slightly offset by lower personnel and operating costs, higher international student fees, and rephasing of transformation costs from 2023 to outyears.

Current status of transformation

38. Te Pūkenga has phased its transformation over three-time horizons:

- a. Horizon 1 (MVP) to be delivered by January 2023.
- b. Te Pūkenga plans to complete the rest of its operating model over Horizon 2 (January 2026 to January 2027) and Horizon 3 (2027 to 2033).
- c. During Horizon 3, the new organisation is expected to be fully integrated with all programmes unified and relevant to the future needs of learners, whanau, communities, Māori, and employers, and the future of work.

39. Te Pūkenga's objective is to integrate work-based, campus based and on-line learning into a unified system, providing national and regional reach and long-term partners for employers.

Te Pūkenga's transformation has progressed slower than planned and is behind schedule

40. Te Pūkenga's transformation was behind schedule in 2021 and a Strategic Review in March 2022 was initiated by the TEC and Te Pūkenga to determine what needed to happen to ensure transformation was achieved as intended.

41. Following the Strategic Review, which recommended an MVP for 1 January 2023, a Transformation Committee (sub-committee of the Council) was established to focus on the mechanical aspects of the transformation and facilitate Council delivering Horizon 1 transformation. This Transformation Committee was dis-established in late 2022.

42. In March 2023, the Auditor General reported¹ his concern about the lack of progress Te Pūkenga had made on finalising its operating model, preparing a credible plan for financial sustainability, and developing a robust performance and accountability framework.

43. Te Pūkenga is in the final stages of designing its new organisational structure, which it began consulting on around the country on 15 June 2023; it plans to implement its new organisational structure by the end of 2023 although further changes to individual roles will continue to occur in 2024 and beyond as the transformation progresses.

Minister of Education has requested a transformation roadmap by 31 July 2023

44. The Minister set out in her 16 May 2023 Letter of Expectations that there needs to be a clear transformation roadmap delivered to her and the TEC by 31 July 2023, and a financial strategy by 30 June 2023 (including the one-to-two-year financial plan by 31 July 2023). In effect, the Minister has asked for transformation information (currently in several places or not yet developed) to be brought together into one coherent roadmap.

SECTION 1: DELIVERY STATUS

Delivery Status of Te Pūkenga Operating Model

45. Overall, the Unit has assessed that the Operating Model – Minimum Viable Product (Horizon 1) was not delivered on time as intended and that the status as of June 2023 is that:

- a. Eight initiatives have been completed.
- b. Two initiatives are mixed with aspects requiring some ongoing attention.
- c. Three initiatives are problematic requiring significant attention and action to deliver by the end of 2023.

¹ Controller and Auditor-General (20 March 2023): 2021 audit results and what we saw in 2022

46. The 11 operational model initiatives are listed in Table 1, with a brief assessment of their delivery status. More detail is provided in Section 2: Assessment and Findings.

Table 1: The Unit's delivery status ratings of the Minimum Viable Product as at June 2023

Area	Operational Model Initiatives	Delivery status – June 2023
Governance	Single council with advisory committees and sub-committees (Te Pūkenga Work Based Learning Board (WBL) dissolved no later than mid 2023).	Completed: There is a single Council with the dissolution of the WBL Board in December 2022 and Industry and Training Polytechnic subsidiaries in 2022. Advisory and sub-committees are being utilised better to interrogate issues and do deep dives which inform Council meetings.
Leadership	Single Chief Executive and key national leadership roles in place	Completed: New Chief Executive appointed in 2022, the new leadership team in place since January 2023.
	Regional leaders report to the Chief Executive and work alongside regional delivery branches.	Completed: All these actions have been achieved. <ul style="list-style-type: none"> All 8 appointments are in place. Regional Executive Directors report to Deputy Chief Executive Ako Delivery.
	New leadership tiers 1 – 4 in place across Aotearoa. No change to tiers five and below but mapped to new tiers.	Problematic: Leadership Tiers 1 and 2 were completed by Q1 2023. Aspects of Tier 3 are expected to be delivered by the end Q2 2023. However, the remaining Tiers 3 plus Tiers 4 and some of 5 for the rest of the organisation are going to staff consultation in June 2023 with permanent appointments expected by Q4 2023.
Corporate Functions	Establish centralised corporate (enabling) functions including consolidation of existing functions.	Mixed: Te Pūkenga did establish Finance and Property, People Wellbeing and Culture, Digital functions in Q1 and Q2. However, given the scale of the reform, fully establishing the enabling functions and the consolidation of existing functions will require ongoing attention.
Regional Structure	National learner wellbeing (support) structure with regional delivery.	Problematic: The Initial team was established in 2022. The permanent structure is expected to be established by Q4 2023 following June 2023 consultation with staff. This will be a significant exercise to manage given the range of issues to work through by the end of 2023 around the nature of roles given the legacy of independent and distinct organisations.
	Five regional branches (two in the South Island; five in the North Island) in place following Regional Sector Leadership Groups (RSLGs) groupings.	Completed: The decision was made by the Council to have four regions to align with RSLG groupings. These were confirmed in Q1 2023 following engagement with iwi and hapū. Eight regional executive directors were appointed by Q2 2023 with interviews for the final role taking place presently.
Programme Unification	Approx. 30% of qualifications portfolio will have nationally unified programmes (there are currently 1,347 unique qualifications and 2,759 programmes).	Mixed: While progress is being made, releasing new qualifications is dependent on structural organisational change – the complexity of the changes and the need to unify qualifications at the required level of quality will require attention. <ul style="list-style-type: none"> 29% of programmes unified with other programmes expiring. (363 unique programmes unified in 2022 for delivery in semester 1 and 2, 2023 dates).
Ako Learning Networks	Six or seven national Ako Networks aligned to Workforce Development Councils (WDC) deliver more integrated learning across all modes	Completed: 8 National Ako Network Leaders appointed in Q2 2023 of which: <ul style="list-style-type: none"> 6 of the roles are aligned to WDCs 1 role is focused on Mātauranga Māori 1 is focused on Trades Academy / Secondary Pathways

	Ako Networks bring together teaching/training staff with learner wellbeing, navigation, engagement, partnership, and employer functions.		Completed: Ako Networks were established in tranches through Q1 and Q2 2023.
	Plan for Work Based Learning (WBL) integrated into Ako networks and regional structures		Problematic: The integration of WBL divisions into regional structures is part of the proposed organisation structure which will be consulted on during June and July 2023. The nature and scale of the change process is complex and completion by the end of 2023 will be challenging.

Key

	On track – continue to refine
	Mixed – some aspects require attention
	Problematic – aspect(s) require significant attention and action
	Off track – requires urgent attention and action

SECTION 2: ASSESSMENT AND FINDINGS

Governance is being strengthened to focus on affordable transformation

47. The Council is in place and comprises eight to 12 members. Three recent appointments have been made to ensure the Council has the necessary financial and governance expertise.

Te Pūkenga’s Council is on track to deliver its financial strategy by 30 June 2023

48. The Minister has requested a financial strategy to be completed by 30 June 2023 setting out how Te Pūkenga will become financially sustainable over the medium-term (three to five years), and a detailed prioritised financial plan setting out the short-term actions (one to two years) to be completed and shared with the TEC by 31 July 2023.

49. The Council considered the draft financial strategy at its 6 June 2023 meeting, and delegated its final completion to the Chief Executive, Chair of the Council and Chair of FINCAP for submission by 30 June 2023.

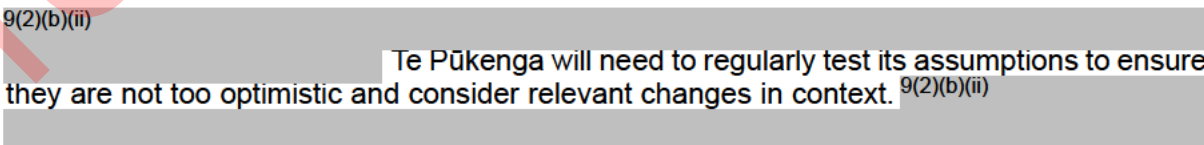
50. ^{9(2)(b)(ii)}



The FINCAP subcommittee will oversee financial strategy and transformation

51. Te Pūkenga will be under pressure to make decisions as quickly as possible to make the transformation needed while also addressing the projected fiscal deficit. Decisions will be needed between Council meetings to keep the timeframe on track. FINCAP operating under its new delegations will need to make timely and integrated decisions on transformation and the associated financial considerations.

52. ^{9(2)(b)(ii)}



Te Pūkenga will need to regularly test its assumptions to ensure they are not too optimistic and consider relevant changes in context. ^{9(2)(b)(ii)}

Given the \$220m interest free Crown loan to assist with IT systems integration and transformation, the draft finance strategy is being revised and its scenarios and cost projections will change.

53. Some of these challenges could impact on Te Pūkenga's ability to give effect to its overall purpose and mission. Its ability to create financial stability in its operating model will be undermined if their value as a training partner to industry, businesses, and communities/regions etc is not established.
54. It is noted that in 2022 Te Pūkenga reprioritised and reduced the number of projects from 70 to 20. The Unit finds that phasing and sequency of projects will continue to be needed, and that this will be a key issue for FINCAP to consider guided by the financial strategy and reflected in the transformation roadmap.

Governance arrangements are being developed for integration of IT systems

55. Te Pūkenga's systems integration programme is substantial given it requires systems from 25 business divisions into single systems to support different capabilities such as Human Resources, Finance, Corporate Relationship Management (CRM) and Learner Management System (LMS). IT system integration will continue to have a high-risk profile that must be acknowledged and managed.
56. Budget 2023 allocated \$220m for an interest free loan to support Te Pūkenga to integrate IT systems. This investment is expected to enable technology solutions that support a connected national network, and support students and employers to transition seamlessly between delivery sites and education modes to enable Te Pūkenga to be a long-term training partner to firms regionally and nationally
57. The Unit supports specific IT governance arrangements that are being developed by Te Pūkenga given the significant risks, scale, and complexity of the integration. The Unit considers that as the IT system integration will continue to have a high-risk profile, contingency planning (including "off-ramps") will need to be developed in the transformation roadmap to address risks and changes in context given the scale and number of legacy or existing systems being integrated and replaced.

Leadership is in place and has stabilised

58. A new Chief Executive was appointed in late 2022, who previously sat on the Te Pūkenga Council. A new ELT has been in place since January 2023. The Unit heard confidence is building in the new leadership team from stakeholders.
59. The leadership will be tested over the next two years with the ongoing context of falling enrolments, fiscal deficits, and significant organisational change as well as the need to unify programmes in a timely way to realise the intended benefits under the ROVE reforms.
60. Council and the ELT will need to work effectively together to ensure that their roles support each other, providing the necessary challenge and debate but also clear direction for the period ahead.

Organisational design and change programme now underway

61. The three corporate enabling functions are in place. These are; People, Culture and Well-being group and Digital group which have undergone structural change and are now fully in place; the establishment of the new Finance and Property group followed and is completed.
62. In May 2023, Te Pūkenga held a series of engagement sessions with staff across the motu to communicate the vision and overall objectives ahead of the organisational change proposals, which were released for engagement on 15 June 2023.

Implementing organisation structure changes by the end of 2023 will be challenging

63. The operational model will change the nature of roles for staff and the cultural change required is substantial. The new structure is expected to be confirmed by mid-August 2023 and largely in place in October 2023. The Unit notes that full delivery of the new organisational design model is likely to continue into 2024 as further changes to individual roles will continue into 2024 and beyond as transformation continues.
64. It is mainly the management tiers in Te Pūkenga that will be affected arising from bringing 25 independent distinct organisations together. Te Pūkenga is holding a number of vacancies (500) as part of its strategy to manage this change.
65. There will be further organisational change in 2024 that looks at how to integrate the three delivery modes (on job, on campus and online) that will impact on individual roles. There is still a large body of work for ELT to provide certainty for staff and to progress the transformation and integrated network of provision.
66. Overall, this is an area with considerable challenge and risk given the scale involved in bringing diverse organisations together with their own cultures and different terms and conditions for staff.
67. The Unit's 'problematic' rating for the structural change initiatives in Table 1 above reflects the degree of complexity ahead in managing an organisational change of this magnitude. It will be important that milestones and timeframes for People, Culture and Wellbeing Strategy (set out in the May 2023 briefing to the Council) are included in the transformation roadmap.

Develop communication strategy for the roadmap to build staff confidence in the operating model

68. The last staff engagement survey in November 2022 shows that just under 50% of staff were engaged, but that 30% of the previously engaged kaimahi (staff) had decreased to feeling ambivalent. Te Pūkenga recognises the importance of paying attention to this. Another survey to take the pulse of the new organisation will be undertaken in September 2023.
69. Regular communication at all levels is integral to shifting the level of confidence of staff and other stakeholders in what Te Pūkenga can achieve and the rationale for the changes.
70. The Unit recommends that a communications strategy is part of the roadmap and will need to be a priority focus for the Council and ELT to engage on the need for change and on what the change will mean for learners, staff, and all stakeholders.

Unification of programmes is progressing but requires ongoing attention

71. Across Te Pūkenga's service provision, there are a total of 1,251 unique qualifications covering vocational pathways, and degree and foundation qualifications. There are many qualifications that currently have multiple programmes structured and delivered in different ways. Te Pūkenga is working to develop a 'unified' programme for each qualification that will support integrated delivery. For example, unifying nursing programmes from 16 to 3 programmes (implementation will follow staff consultation on the operational model).

72. ^{9(2)(g)(i)}

[Redacted]

This risk is being mitigated through a range of measures including governance oversight of the unification programme and monitoring by the Enterprise Programme Management Office.

73. The Unit finds that this reinforces the need for an implementation road map covering all elements of the new operating model with targets, milestones, and risk mitigation measures where delivery is at risk or is tracking behind schedule.
74. The role of workforce development councils (WDCs) in working with industry and then with Te Pūkenga (and other vocational education providers) around the approval of new qualifications

will need to be a collaborative partnership given Te Pūkenga's role in the consolidation and unification of programmes, a key design principle of the operating model.

SECTION 3: THE FUTURE PATH

Transformation roadmap to implement the operating model

75. The transformation roadmap is essential for implementation of the next phase of transformation and will drive and govern implementation of the operational model for the remaining milestones in 2023, and years that follow in this long-term programme.
76. As noted earlier in the report the Unit recommends and Te Pūkenga has agreed to consider in the development of the transformation roadmap; a minimum viable product for January 2024 and January 2025; a communication strategy for staff and stakeholders; and contingency planning including for the digital transformation programme to address risks changes in context, including the provision of off-ramps.

Specialist programme management is needed to support transformation roadmap

77. Te Pūkenga will need more specialised programme management to guide the delivery of the operating model, and the implementation of the transformation roadmap. The Unit supports the establishment of the Enterprise Programme Management Office (EPMO), which Te Pūkenga is setting up to drive delivery of key milestones under the transformation roadmap.
78. Te Pūkenga is putting in place a Transformation Programme Director who will need to focus on transformation over the medium to long term informed by current, emerging and future trends as well as the day-to-day transformation business as usual.

Monitoring and system leadership to support transformation

Tertiary Education Commission is a robust monitor of Te Pūkenga

79. The TEC has specific monitoring and investment roles in respect of Te Pūkenga as set out by the legislation. The Unit finds that the TEC is playing an effective role in the system, is a robust monitor, and the reports it produces are of a high quality.
80. The TEC exercises judgement on whether and when to use the legislative levers it can bring to bear where it is concerned about performance. The Unit finds it has a good working relationship with Te Pūkenga, however, this is tested when its monitoring reports are released.

Building a shared understanding of delivery and Te Pūkenga's approach to transformation

81. A transformation roadmap has not been in place since Te Pūkenga was established three years ago. This has made gaining a shared understanding of Te Pūkenga's approach to transformation and the delivery of an operating model by TEC as the monitoring agency and other stakeholders challenging.
82. This signifies the importance of delivering a comprehensive transformation roadmap with clear milestones so that Te Pūkenga considers it has the 'room to move' and make the decisions that are theirs to make, and for which the ELT and the Council are accountable for.
83. Once a transformation roadmap is in place, this will make it easier for the TEC and others to monitor Te Pūkenga's progress. The Unit recommends that TEC and Te Pūkenga's working arrangements are reviewed once progress under the transformation roadmap is evident (and its risks reduced) recognising their respective roles and accountabilities as set out in the TEC Monitoring Framework for Te Pūkenga (April 2023) and the Public Service Commission's: *It Takes Three: Operating Expectations Framework for Statutory Crown Entities* (June 2014).

Continue to draw on collective system leadership to support transformation

84. The Ministry of Education is the system leader for education including vocational education and the ROVE reforms. Many the Unit interviewed considered that the MoE continues to add value beyond the policy approval stage given its understanding of and broader role in the vocational education sector.
85. The Unit finds that sector relationships are strong and are exercised in a pragmatic and supportive way. Te Pūkenga, the TEC and Te Pūkenga will continue to engage where required at the collective level to support Te Pūkenga's establishment of a new operating model and progress against the transformation roadmap given Te Pūkenga's delivery is central to ROVE.
86. There are mechanisms that are already established to ensure oversight of the wider reforms – through the Outcomes Leadership Group and the Operational Leadership Group - ensuring a joined-up approach across the systems and monitoring the overall outcomes of the reforms.
87. The Chief Executive of the New Zealand Qualifications Authority (NZQA) could join these discussions periodically given its role in supporting the sector wide changes and working to update NZQA's quality assurance approach to align with the ROVE reforms. The Unit acknowledges there are other entities in the system such as the WDCs and the RSLGs that are part of the collective and collaborative leadership approach underpinning ROVE reforms.

Treaty of Waitangi considerations and te ao Māori perspective

88. The development of a Te Tiriti framework was one of the first deliverables to be completed by Te Pūkenga, which is acknowledged by this Stocktake. Eight regional co-leaders and all the National Ako Network leads have been appointed, each of whom play an integral role in giving effect to Te Tiriti o Waitangi.
89. The legislation establishing Te Pūkenga sets out statutory expectations for partnerships with iwi, communities and hapū as set out in Schedule 13 of the Act. Te Pūkenga plans to accelerate a series of model partnerships – agreements will be signed, work under way and initial milestones completed by December 2023 for a series of test partnerships.
90. Several initiatives in the Te Tiriti Outcomes workstream have been put on hold and will proceed once the structural changes being consulted on are finalised in mid-August 2023.

Financial Implications

91. This stocktake has no financial implications.

Consultation

92. The Unit consulted Te Pūkenga, the Tertiary Education Commission, the Ministry of Education, Muka Tangata (the People, Food and Fibre Workforce Development Council), the Tertiary Education Union, the Chair of the Strategic Review 2022, and the Treasury.

Next steps

93. The next step is for you to meet the Minister of Education to discuss this Report. The Unit will then support you to report to Cabinet Priorities Committee on the findings of this Report.

Attachments:	Title	Security classification
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Briefing: Te Pūkenga - A stocktake of progress in establishing a new operating model	DPMC-2022/23-1578
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Attachment A:	Commissioning Brief	In confidence
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Proactively Released

Briefing: Te Pūkenga - A stocktake of progress in establishing a new operating model	DPMC-2022/23-1578
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Attachment A: Implementation Unit Commissioning Brief

Implementation Unit: Commissioning Brief

Te Pūkenga Stocktake

Commissioning Agent:	Minister of Finance
Commission to:	Implementation Unit, Department of Prime Minister and Cabinet
Commission:	A stocktake of progress in establishing a new operating model for Te Pūkenga – New Zealand Institute of Skills and Technology (<i>Te Pūkenga</i>)

Background

Te Pūkenga, established 1 April 2020, is the merger of 16 institutes of Technology and Polytechnics and the arranging training function of nine transitional industry training organisations making it New Zealand's largest tertiary education provider.

Te Pūkenga's objective is to integrate work-based, campus based and on-line learning into a unified system across the country, providing national and regional reach and long-term partners for firms and industries.

In the last quarter of 2022, Te Pūkenga completed the successful disestablishment and transition of all of the former Institute of Technology and Polytechnic subsidiaries into Te Pūkenga and the transition of the 'arranging training' function from Transitional Industry Training Organisations. As a result, all staff now sit within the same organisation and its governing Council has direct oversight of all operations across Te Pūkenga.

Te Pūkenga is currently designing its new organisational structure and how its operating model will work in practice. Te Pūkenga plan to implement its new organisational structure by the end of 2023.

Areas of Focus

The Implementation Unit will undertake a stocktake of progress in establishing a new operating model for Te Pūkenga focusing on some of the following areas:

1. Progress in planning for the implementation of IT systems and integration.
2. Sustainability of management and governance capability, and structures to lead the organisation through its transition pathway.
3. Plans to ensure ongoing financial sustainability.
4. Progress towards integrating work-based, campus based, and online delivery, including retaining and improving employer engagement; and
5. Identifying any key barriers to successful implementation of its transition programme.

Parties

The Unit will work with relevant senior leaders and teams within Te Pūkenga, the Tertiary Education Commission, Ministry of Education and other relevant agencies and stakeholders, including employers, unions and industry representatives. The Unit will consult the Treasury as required.

Timeframe

The Unit will report to the Minister of Finance on 16 June 2023.

Hon Grant Robertson
Month 2023

Briefing: Te Pūkenga - A stocktake of progress in establishing a new operating model

DPMC-2022/23-1578



Coversheet

Briefing: Stocktake of the Public Housing Register

Date:	23/06/2023	Report No:	DPMC-2022/23-1609
		Security Level:	IN-CONFIDENCE
		Priority level:	Medium

		Action sought	Deadline
Hon Grant Robertson Minister of Finance		agree to recs	07/07/2023

Name	Position	Telephone		1 st Contact
Maari Porter	Acting Executive Director Implementation Unit	N/A	9(2)(g)(ii)	✓
Chris McIntyre	Advisor Implementation Unit	9(2)(g)(ii)	9(2)(g)(ii)	

Departments/agencies consulted on Briefing
The Implementation Unit consulted with the Ministry of Social Development, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development, Kāinga Ora, Oranga Tamariki, and the Treasury.

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Briefing

Stocktake of the Public Housing Register

To: Hon Grant Robertson
Minister of Finance

Date	23/06/2023	Security Level	IN CONFIDENCE
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Purpose

1. To assess and identify opportunities to improve the operational processes that underpin the Public Housing Register ('the Register').

Executive Summary

2. The Register records applicants who are not in public housing but who are eligible and ready to be matched to a public house, and transfer requests from people already in public housing who are eligible to move to another house. The Ministry of Social Development (MSD) is responsible for operating the Register. Applicants and advocates spoken to reported instances of MSD staff going above and beyond to ensure good housing outcomes.
3. MSD assesses applicants and assigns each application a priority rating using the Social Allocation System (SAS). When a new public house becomes available, Kāinga Ora and Community Housing Providers (CHPs) generate a prioritised list from the Register from which to identify a suitable applicant for placement.
4. The Register is not a 'waitlist', as is sometimes assumed. It is better described as a pool of applications in priority order. Who is housed depends not on time spent waiting, but on who is the highest priority applicant willing to live in areas where public houses become available.

Growth in the Register places significant pressure on MSD's Register management processes

5. The Register grew from around 6,750 applications in June 2017 to a peak of 32,701 applications in April 2022. This growth placed pressure on MSD's Contact Centres. Operational decisions to manage the impacts of COVID-19, such as pausing outbound calling to check in with applicants on the Register, exacerbated growth pressures.
6. As at April 2023, there were 29,535 applications on the Register, of which 5,099 were transfers. The Register is now 10% smaller than its peak size, primarily because Budget 2022 funded MSD to restart and increase outbound calls to applicants, which can result in removal of ineligible applications from the Register where appropriate. Since the peak, the numbers of households added to, and housed from, the Register have remained relatively stable.

Register management is not integrated with other MSD services, which exacerbates pressure

7. MSD was made responsible for operating the Register in 2014. The primary intent was to separate housing assessments from housing provision, and there were also perceived benefits to integrating housing assessments with income and employment services.

8. The design of MSD's IT systems means that clients' public housing related information is held on a different record to their income and employment information. There are limited connections between the records and to other systems, such as the online MyMSD portal, and connections often rely on manual updates by frontline staff. MSD has made efforts to integrate where possible amid its competing priorities, but advises that full integration was not funded in 2014 or prioritised within its subsequent work programmes.

Operational issues create barriers to some applicants' housing needs being met

9. The Implementation Unit (the Unit) assesses that there are shortcomings in the Register's accuracy and reliability for implementation purposes. These arise from processes, business rules, and the lack of integration in MSD's IT systems. The principal issues are:
- a. The Register does not accurately record some applicants' housing needs due to technical limitations, the policy settings that underpin the SAS, and information on the Register being out of date. Its accuracy relies on manual workarounds by frontline staff.
 - b. Register processes create barriers for frontline staff to exercise their roles effectively, partly because technical limitations and privacy requirements prevent the smooth flow of information within MSD and to housing providers. Kāinga Ora and CHPs regularly talk to 20 to 50 applicants to fill one house, due to limitations in information from MSD.
10. Workarounds exist to ensure applicant's needs can be met, but in practice, not all frontline staff have the experience or time to navigate them. The result is that some applicants feel pressured to accept housing that has too few bedrooms or does not meet their needs.

Applicants without an experienced and connected navigator find the Register hard to navigate

11. Applicants find the Register difficult to navigate and there is low awareness of what evidence they can provide to support their application.
12. The Unit assesses that the applicants who have a 'navigator' from a CHP or experienced advocacy service are more likely to be assigned a priority rating that reflects their needs, relative to applicants who do not have a navigator. Navigators can use their knowledge of the system and relationships with MSD staff to help applicants compile evidence and ensure that workarounds are applied.

The fast-track for children in Oranga Tamariki's custody was applied to 18% of eligible applications

13. In 2019 a fast-track was established to prioritise applications on the Register from people who are caregivers of children in the custody of Oranga Tamariki. Fast-tracked applicants are given first consideration of newly available properties and are housed more quickly as a result.
14. In March 2023, a one-off data matching exercise identified that only one in five eligible applications received a fast-track indicator. The main reason is that applicants who become caregivers while on the Register do not have their circumstances updated, in part because many Oranga Tamariki social workers are not aware of the process, which relies on applicants passing documents from Oranga Tamariki to MSD.
15. Subsequently, MSD and Oranga Tamariki completed a full stocktake and found that 138 applications on the Register appeared to be eligible but were not assigned a fast-track indicator. As at 23 June 2023, 70 of the 138 applications have had eligibility confirmed and a fast-track indicator applied, and 68 applications are still being investigated.

16. In 2019, Cabinet agreed that a review of the fast-track should take place by the end of 2020 [SWC-18-MIN-0113 refers]. As at June 2023, the review has not yet taken place.

MSD advise that short-term changes to Register operations aren't a priority in its current work programme...

17. Short-term changes are unlikely to materially improve the overall operation of the Register but could meaningfully improve applicants' experiences of the system, the timeliness and quality of placement decisions by Kāinga Ora and CHPs, and the operation of the fast-track.

18. The Unit has identified a series of potential changes that could improve the Register in the short-term. Some of these improvements depend on IT systems changes, but MSD could potentially make some improvements by changing operational processes and business rules.

19. MSD advise that its near-term priorities for Register improvement relate to staff training and that it does not plan any other operational changes. MSD also advise that IT upgrades to improve Register management are not a current priority within its existing work programme and would need to be weighed against existing commitments, including Horizon One of its Te Pae Tawhiti transformation programme.

...but MSD plans longer-term changes from mid-2026 through its transformation programme

20. MSD advise that longer-term questions relating to service design and IT system upgrades will be considered under its Te Pae Tawhiti transformation programme. Housing services and supports will be considered under Horizon Two of Te Pae Tawhiti, which begins in July 2026. While it may be reasonable to use the transformation programme as the basis for longer-term changes, the trade-off is that material improvements to operational processes for the Register are unlikely before 2027 (subject to any reprioritisation of MSD's current work programmes).

21. In the meantime, the Unit recommends that MSD work with Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD), Kāinga Ora, Oranga Tamariki, and CHPs to investigate two areas in more detail. The first would look at streamlining what applicants are asked at each stage of the process and re-thinking who is best placed to undertake each stage. The second would evaluate how Register data can be made most useful as an input for wider housing system strategy and planning purposes. This work should be completed in time to inform the Detailed Business Case for Horizon Two of Te Pae Tawhiti.

Recommendations

We recommend you:

1. **note** that Register growth has created pressure on operational processes, but that the size of Register has started to decrease since April 2022 as MSD has called applicants on the Register more frequently and removed applicants who are ineligible or who request to be removed.
2. **note** that operational issues during assessments, Register management, and placement create barriers to some applicants' housing needs being met, that MSD could address in its short- and long-term work programmes.
3. **discuss** with the Associate Minister of Social Development and Employment (Housing), Minister of Social Development and Employment, and the Minister of Housing that:
 - 3.1. MSD should investigate and provide advice to Ministers on short-term improvements it could make to housing needs assessments, Register management, and placement processes. YES / NO
 - 3.2. MSD, HUD, and Kāinga Ora should report back to Ministers by March 2024 on how Register processes could be streamlined and how Register data could be improved as an input for housing system planning, to inform its planning for Horizon Two of Te Pae Tawhiti. YES / NO
 - 3.3. MSD should report back to Ministers by December 2024 on how it plans to make longer-term improvements to Register processes in its Detailed Business Case for Horizon Two of Te Pae Tawhiti. YES / NO
4. **note** that the Oranga Tamariki fast-track works well when correctly applied but that operational processes result in around four out of every five eligible applications not being fast-tracked correctly.
5. **discuss** with the Minister for Children, the Associate Minister of Social Development and Employment (Housing), Minister of Social Development and Employment, and the Minister of Housing that:
 - 5.1. Oranga Tamariki and MSD should investigate operational improvements for fast-tracking, such as a process to automatically fast-track eligible applications when a caregiver becomes eligible, and report back by 4 August 2023. YES / NO
 - 5.2. Oranga Tamariki and HUD, in consultation with MSD and Kāinga Ora, should undertake a review of the fast-track to assess the outcomes it has achieved and whether any changes are needed. YES / NO
6. **direct** the Implementation Unit to report on agencies' progress implementing any agreed recommendations in its monthly reports to the Minister of Finance. YES / NO
7. **agree** to proactively release this report, subject to any appropriate withholding of information that would be justified under the Official Information Act 1982. YES / NO



Maari Porter
Acting Executive Director
Implementation Unit

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Hon Grant Robertson
Minister of Finance

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Proactively Released

Background

22. The Register is the Government's mechanism to record and prioritise applications from people who are not in public housing but are eligible to be matched to a public house, and transfer requests from public housing tenants who are eligible to move to another public house.
23. In 2014, operational responsibility for the Register transferred to MSD from Housing New Zealand, the precursor to Kāinga Ora. The primary intent for the transfer was to establish MSD as the single purchaser of public housing places, which required it to undertake independent housing assessments [CAB-MIN-14-39/22 refers]. In 2018, HUD was established and made responsible for Register policy settings in consultation with MSD.
24. In 2019, a 'fast-track' mechanism was established to ensure that applications including children in the care of Oranga Tamariki receive first consideration of available public housing [SWC-18-MIN-0113 refers].

Scope of this report

25. This report assesses the operational processes by which people apply, are assessed, added, removed, and allocated housing from the Register, and identifies opportunities to improve Register operations and system coordination. The Commissioning Brief is in Attachment A.

Structure of this report

26. This report is in six sections:
 - a. Section one: Who administers the Register, and how does it work?
 - b. Section two: Why has the size of the Register started to decrease?
 - c. Section three: Are the operational processes of the Register fit for purpose?
 - d. Section four: Does the Register meet applicants' housing needs?
 - e. Section five: Does the Oranga Tamariki fast-track work as intended?
 - f. Section six: How could agencies improve the operation of the Register?

Section one: Who administers the Register, and how does it work?

27. MSD is responsible for operational policy and for operating the Register. HUD is responsible for system and strategic policy relating to the Register.
28. Kāinga Ora and CHPs are responsible for supplying public houses and allocating them to applicants from the Register, after which an application is removed from the Register. As at April 2023, Kāinga Ora operate 66,012 public houses (84%) and CHPs operate 12,239 (16%).
The Register has four stages: screening, assessment, 'Register maintenance', and placement
29. The key steps in each stage are described in Table 1. A more detailed diagram of the end-to-end process is in Attachment B and illustrates the priority order for matching people to houses.
30. After screening is complete, it takes between one and 30 days for an assessment to be completed, after which eligible applicants are added to the Register. Once an applicant is on the Register, the median time to be housed was 232 days in the quarter ending April 2023.

Table 1. High-level overview of the end-to-end process for the Register

Stage	Key steps	Responsible
Screening	1. An applicant calls MSD to apply for public housing or request a transfer. The MSD Contact Centre asks some initial questions to determine eligibility. For eligible applicants, the Contact Centre then books an assessment with a Case Manager Housing.	MSD Contact Centres
Housing Needs Assessment	2. A Case Manager Housing calls or meets with the applicant and uses the Social Allocation System ('SAS') to conduct a formal assessment. The SAS includes up to 300 questions to determine the applicant's circumstances and need.	MSD Case Managers Housing
	3. The application receives a priority rating and a number of bedrooms and is added to the Register once MSD has verified the applicant's need.	
Register maintenance	4. While an application is pending, MSD periodically calls the applicant to check and update details. MSD removes an applicant from the Register if they ask to be removed, or if they are no longer eligible. If MSD cannot contact an applicant, they are removed from the Register after MSD has texted, called up to five times, sent a letter, and called on one final attempt. This process takes around 11 weeks.	MSD Contact Centres
	5. Applicants may also call MSD to notify of changes in their circumstances and to request updates to their application.	
Placement	6. When a new public house becomes available, in most cases placement officers from Kāinga Ora and CHPs pull a prioritised shortlist of applications from the Register, and contact applicants on the shortlist in priority order to offer the house.	Kāinga Ora and CHP placement officers
	7. CHP placement officers can exercise discretion to identify applications from the Register that suit the CHP and its services.	
	8. When a suitable applicant is found, a tenancy begins and the application is removed from the Register.	

31. Applicants from the Register do not get first consideration of newly available public houses built by Kāinga Ora. Kāinga Ora maintains an internal list of 'Business Initiated Transfers' (BITs): tenants who are in public housing but who need to move at Kāinga Ora's direction, usually so that their house can be redeveloped as part of Kāinga Ora's build programme. Kāinga Ora generally gives first consideration for a new public house to its list of BITs, before considering applicants from the Register.

Section two: Why has the size of the Register started to decrease?

32. As at April 2023, there were 29,535 applications on the Register, comprising:

- a. 24,436 applications from people who are not currently living in public housing.
- b. 5,099 from people who are currently in a public house but who have requested a transfer.

33. MSD report that applicants' needs are increasingly complex, and almost all applications (92%) are in the highest priority 'A' category. Category A includes ratings from A20 (highest) to A9.

The Register has decreased around 10% from its peak due to more applicants exiting the Register

34. The Register peaked at 32,701 applications in April 2022 and was 10% smaller by April 2023.

35. Budget 2022 funded MSD with \$10.8m to increase outbound calling. The Unit assesses that the primary reason for the decrease is that Budget funding allowed MSD to increase the rate at which it removes applicants from the Register (per Table 1, step 4). Between June 2022 and Feb 2023, the number of households exiting the Register each month increased 125%.

The numbers of people applying to the Register or being housed off the Register are stable

36. Since April 2022, when the Register started to decline, the number of applications being added to the Register has remained relatively stable at around 1,700 per month.

37. The number of applicants housed by Kāinga Ora and CHPs over the period of the decline in the Register has also remained relatively stable at approximately 500 to 600 per month. While the Government has increased the total number of public houses, the Unit assesses that the number of households being housed from the Register is relatively stable due to:

- a. Fewer tenants leaving public houses, due to Sustaining Tenancies and tenancy review policies and tenants' needs becoming increasingly complex and unsuited to private rentals.
- b. The share of new houses Kāinga Ora allocates to BITs increasing, from 26% of placements in 2020 to 45% in April 2023. This allows Kāinga Ora's build programme to scale up more quickly, but means fewer people are housed from the Register in the interim.

Section three: Are the operational processes of the Register fit for purpose?

38. This section outlines issues that arise from the operational processes of the Register.

39. The Unit assesses that operational issues result in shortcomings in the Register's accuracy and reliability for implementation purposes. Operational processes and the limited integration in MSD IT systems result in the Register:

- a. not always accurately recording applicant's housing needs, partly because doing so often relies on workarounds, and partly because it is not updated frequently enough
- b. creating barriers for frontline staff to exercise their roles effectively, because of limitations on what information is passed within MSD and to Kāinga Ora and CHPs
- c. making some applicants feel pressure to accept housing that does not meet their needs.

40. These issues were identified and tested through more than 90 interviews with people at all stages of the process, representing frontline and head office staff from MSD, Kāinga Ora, HUD, Oranga Tamariki, more than ten CHPs, and a range of advocacy organisations and applicants who are currently, or have previously been, on the Register.

41. It is difficult to assess the proportion of applicants affected by the issues identified here. Not every applicant will experience each issue, and some will have a smooth end-to-end process. However, interviewees independently highlighted similar issues reasonably consistently.

42. Potential improvements to address some of these issues are outlined in Section Six.

The Screening and Housing Needs Assessment stages

A range of issues exist at each stage of the screening and assessment processes

43. After screening, the wait time for an assessment varies widely by region. In May 2023, wait times were as short as one day in the Bay of Plenty, to as long as 4-5 weeks in Wellington.

44. An applicant receives no specific timing for the call or warning that a call is coming. Case Managers Housing report that around two-thirds of calls are missed on the first try, and that when they send a text message in advance, fewer calls are missed. Advance warning would be helpful to applicants, as the assessment call takes around two and a half hours.
45. Case Managers Housing report that it is difficult and time-consuming to take an applicant's holistic circumstances into account in the assessment. While some Contact Centre Officers and Case Managers are trained to provide housing *and* income or employment services, in practice many staff are only trained on one or the other.
46. Information on housing is held on different records to information about income or employment. Case Managers Housing can only see limited client information if it is held on other records or systems and cannot transfer some information across records. For less experienced staff, this could lead to applicants being asked for information MSD already holds.
47. Case Managers Housing also report that the system requires them to ask questions which feel unnecessary or demeaning. For example, Case Managers Housing report that the system requires them to ask whether a child is on parole, smokes, or has gang affiliations. MSD advise that policy settings require some questions relating to risk, including parole and gang affiliations.
48. The initial housing assessment is a one-off exercise and the Case Manager Housing does not provide ongoing case management in most instances. Once an assessment is complete, further contact with MSD is through the Contact Centre unless an applicant receives other services that include a dedicated case manager, such as Emergency Housing.

The SAS records information on the Register that does not always reflect applicants needs

49. The SAS is the policy framework that guides the allocation of public housing. MSD use the SAS to assign applicants a priority rating and a number of bedrooms. The SAS has been in place since 2004 and remains substantively the same as when it was designed, though MSD has made a range of tweaks as policy goals have evolved.
50. The criteria of the SAS are out of the scope of this report. In 2021, officials advised Housing Ministers that SAS criteria were generally 'fit-for-purpose' [REP/21/3/227 refers] and made a series of minor changes. This advice considered the criteria of the SAS and not its operational processes or its impact on the operational processes of the Register as a whole.
51. The SAS records information on the Register that routinely requires adjustments or workarounds to accurately record applicants' needs. MSD advise that as applicants' needs have become increasingly complex, the SAS has become less effective as a prioritisation tool. For example, the SAS may record:
 - a. Too few bedrooms, due to not accounting for intergenerational or non-nuclear family structures, or families that include children over the age of 18.
 - b. The wrong priority rating, due to not accounting for shared custody arrangements, or the pending return of a child, or other personal needs.
52. CHPs report that it is unclear how the SAS assigns some of their clients, such as the chronically homeless, priority ratings of A16 or below (out of a maximum score of A20).

Workarounds exist to address shortcomings in SAS outputs, but are not always applied

53. A range of workarounds exist to 'adjust' SAS outputs so that they reflect applicant's needs in a way intended by policy settings: for example, MSD can 'join' an application from an 18-year-old child to their family's application.
54. In practice, not all frontline staff are aware of the workarounds, or have the experience or time to navigate them. The result is that some applicants' housing needs are not recorded on the Register in a way that policy intends, and as a result, those applicants may wait longer than is necessary for a public house and experience implicit or explicit pressure to accept housing that does not meet their needs or is too small.
55. If workarounds are not applied correctly, the barriers to housing for some applicants can be insurmountable. The Unit heard of a 'catch-22' arising for some applicants who are seeking to care for a child in the custody of Oranga Tamariki, including parents who are working towards children returning to their care, who could not get an extra bedroom without custody of their children, but could not get custody of their children without an extra bedroom.

The Register maintenance stage

Growth in the Register places the greatest pressure on MSD's Contact Centre

56. The growth in the Register placed significant pressure on Register management processes, which was exacerbated when MSD paused outbound calling to manage the impacts of COVID-19. Pressure from Register growth falls mostly on MSD's Contact Centre, whose workflow is directly impacted by the number of people on the Register at any one time.
57. Budget 2022 funded MSD to restart outbound calling, increase housing-focussed resourcing in its Contact Centre by around 40%, and undertake one-off exercises to text applicants with requests to update their details. MSD aims to contact applicants every 90 days, compared to every month prior to 2020.

Applicants cannot check the status of their Register application online

58. Limited connections between housing records and the MyMSD portal means that applicants cannot check or update their details or upload documents online. This contributes to:
 - a. A substantial volume of calls to the contact centre – Contact Centre staff report that up to 60% of inbound calls are people asking about the status of their application.
 - b. A substantial volume of manual updates to be made between records – some updates, such as a change in phone number, can only be entered manually and the backlog to process manual updates can take up to a month.
 - c. Applicants being asked for the same information multiple times – for example, technical limitations prevent some information sharing between income and housing records.
59. The Contact Centre team responsible for processing manual updates is also responsible for taking inbound calls and making outbound calls. Register growth creates a negatively-reinforcing cycle where more people on the Register means more inbound calls, more manual updates, and fewer outbound calls – contributing to the Register being out of date.

Register maintenance routinely identifies a high proportion of people who no longer need to be on the Register

60. Placement officers report that the Register frequently contains inaccurate or out of date information. MSD experience and anecdotal evidence from the Contact Centre indicate that around 10% to 20% of people contacted during outbound calling exit the Register. This indicates the Register may not be updated frequently enough to provide an accurate picture of housing need, which could contribute to less effective allocation of public houses.
61. Many interviewees reported seeing an applicant's priority rating decrease after entering Emergency or Transitional Housing (EH or TH). MSD advise that the SAS assigns people in EH or TH the highest possible score on the criterion relating to adequacy of current living arrangements. However, if an application is out of date, changes in an applicant's circumstances since their last assessment (such as losing custody of their children) may decrease the applicant's score on other criteria. When an applicant's assessment is updated upon entering EH or TH, it's possible the net result of their changes is a lower priority rating.

Uncontactable applicants are eventually removed, which can create additional work later

62. If the Contact Centre cannot contact an applicant that includes written correspondence, they are eventually removed from the Register (see Table 1, step 4). However, some applicants regularly change addresses or phone numbers, for example because it is cheaper to buy a new sim card with free credit, than it is to top up. If an applicant enquires about a closed application, they re-start the screening and assessment process from scratch.

The Placement stage

Information collected during the assessment is not always passed on to placement officers

63. MSD collects information during the assessment that is relevant to placement but not to prioritisation: for example, questions about accessibility requirements or pets. MSD generally does not share this information with placement officers at Kāinga Ora or CHPs or only shares in a limited form (sometimes due to privacy requirements). Even if information is passed on, it is not always correct as some applicants are understandably reluctant to share information that they perceive will reduce their likelihood of being housed, such as gang affiliations.
64. This results in assessments taking much longer than they need to and means that placement officers have to ask applicants the same questions again, which is frustrating for applicants.
65. The Unit assesses there is limited value in MSD asking questions that not directly related to prioritisation since the information is not passed on to placement officers or used to inform policy or planning. Some information could be captured in a placement interview instead.

When a new public house is available it is time-consuming to identify applicants from the Register

66. When a new public house becomes available, Kāinga Ora and CHPs can download a prioritised list of 20 applications from the Register (see Attachment B). Placement officers report it is normal to not be able to identify a suitable applicant from the prioritised list because the criteria used to filter the Register to generate the list are too broad, in two ways:
- Location:* Applicants nominate specific suburbs they wish to live in, but the list shows all applications willing to live in the same post code as the house. In some cases, the far

side of a post code may not suit an applicants' needs. In addition, the lists include people from across the country because some Case Managers incorrectly advise applicants to 'increase their odds' by listing every post code in New Zealand.

- b. *Bedroom size*: The list shows a selection of applications whose requirements are an approximate match for the available house. For example, for a two bedroom house, the list will include applications seeking one, two, and three bedroom houses.

67. Placement officers cannot set narrower parameters or filter what the Register generates, for example to only see applicants with requirements that closely match the house. Instead, they must waste time speaking to applicants who have no interest in the location or for whom the house is the wrong size. This means it takes longer to identify a suitable applicant.

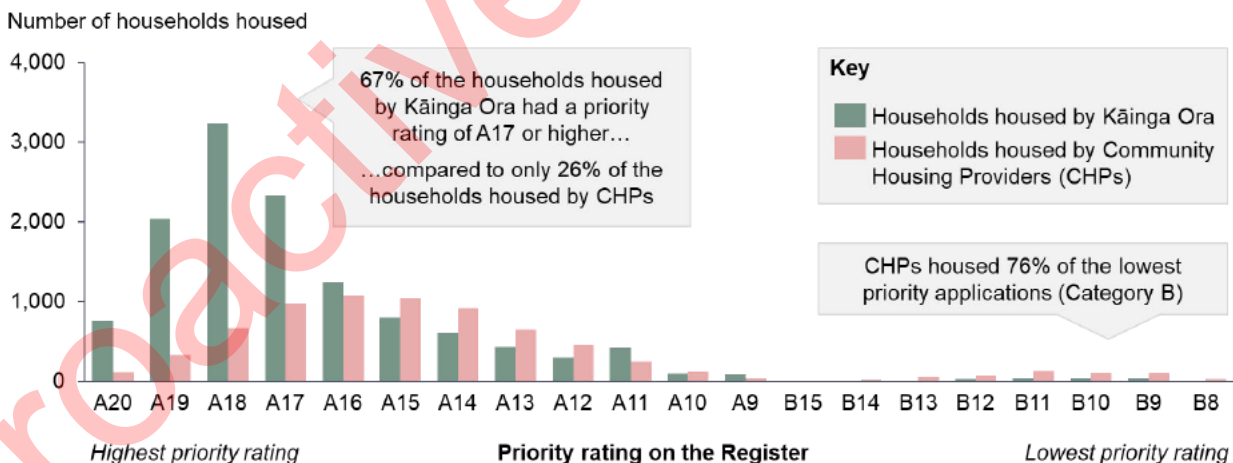
Discretion at the placement stage can result in some high-needs applicants being overlooked

68. When filling a new public house, Kāinga Ora considers applicants in priority order but does exercise discretion before placing a household, in part to avoid obviously negative outcomes (such as housing members of opposing gangs as neighbours). A side-effect is that some applicants with high priority ratings and complex needs may be consistently looked over by placement officers because it is harder to find them a suitable living arrangement.

CHPs tend to house applicants with lower priority ratings

69. While some CHPs follow the same placement process as Kāinga Ora, i.e., consulting a list from the Register in priority order, operational guidelines allow CHPs to exercise discretion when selecting applicants from the Register.¹ In general, CHPs exercise more discretion in who they house relative to Kāinga Ora, and the result is that Kāinga Ora house a higher proportion of the highest priority applicants while CHPs tend to house households with lower priority ratings (Figure 1).

Figure 1. Priority ratings of households housed in public housing from 1 April 2020 to 30 April 2023



70. The differences arise partly because some CHPs provide support services for specific cohorts (such as the elderly, or people with addiction issues) and aim to house applicants from their specific cohorts over higher priority applicants from outside the specific cohort.

¹ See 'CHP Operational Guidelines for Income Related Rent Subsidy Service Agreements', November 2018, version 01.

71. The Unit assesses that another contributing factor is that some CHPs exercise discretion to house applicants with lower priority ratings. Interviews surfaced anecdotal evidence that some CHPs may incorrectly perceive that lower priority ratings reflect applicants with less complex needs.
72. The Unit assesses that requiring CHPs with large public housing stocks to apply the same processes as Kāinga Ora would result in higher priority applicants being housed sooner and would avoid the highest priority applicants being concentrated in Kāinga Ora properties. This would likely require changes in operational processes and contracting parameters with CHPs.

CHPs use connections to regional offices as a workaround

73. Some CHPs use connections to MSD regional offices to get specific households added to the Register quickly, so that they can then be selected from the Register to be housed (refer Attachment B). Some CHPs report using this process to house people with urgent needs, while other CHPs report using the process because they perceive it will help them achieve the best result for people in their care. The result is that applicants who have a connection to a CHP are often better placed relative to applicants who do not. This is discussed in the following section.

Section four: Does the Register meet applicants' housing needs?

74. The key issue preventing applicants being housed is not Register processes but a shortage of public and affordable housing, and applicants and advocates spoken to reported MSD staff going above and beyond to ensure good housing outcomes within constraints. However, the operation of the Register can create uncertainty and barriers for many applicants.

The Register process is unclear to applicants and difficult to navigate

75. Applicants find the Register difficult to navigate and there is low awareness of what evidence they can provide to support their application. In general applicants do not know where they could go for information about the Register except to call the Contact Centre. Many call Kāinga Ora for MSD queries, or vice versa. MSD advise it is working with the Community Housing Association to provide workshops to build wider understanding of its policy and processes.
76. Some frontline staff report that applicants have unrealistic expectations about the process and about their timing or likelihood of being housed, especially if they have a low priority rating. In practice, applicants with a priority rating below A17 are unlikely to be shortlisted for placement except in locations with very low demand. However, over half of inbound calls to the Contact Centre are people checking their status or asking if a house is available – some calling weekly.

Applicants without an experienced and connected navigator find the Register hard to navigate

77. Applicants with a 'navigator' from a CHP or advocacy organisation have a significantly better chance of being housed because navigators or their organisations have the experience and knowledge necessary to navigate the system. Many navigators can use relationships to contact staff in regional MSD offices directly, which can speed up or smooth the application process. At a minimum, most CHPs and advocates can advise an applicant on the evidence they should provide to MSD to ensure their priority rating accurately reflects their needs.

78. The Unit assesses that people applying without a navigator may be less likely to be assigned a priority rating that reflects their level of housing need and also more likely to be removed from the Register, for example after changing their phone number. Some applicants report that the presence of an advocate improves how they are treated by frontline staff.

The operational issues outlined above directly impact applicants' experiences

79. Applicants report a range of issues attributable to operational processes, for example:

- a. Being asked the same questions or having to reshare sensitive and re-traumatising information at multiple stages of the process. This could be due to technical limitations and privacy requirements for sharing information within MSD and between agencies.
- b. Being told they cannot include children over the age of 18 in their household or have an additional bedroom to allow them custody of their children. This could be attributable to SAS outputs not reflecting applicants' needs and frontline staff not being aware of possible workarounds.
- c. Being asked to provide extensive information which MSD should already have, or providing documents only to be told they are not captured in the system. This could be attributable to the backlog of manual updates between systems.
- d. Being removed from the Register without receiving warnings from MSD (see Table 1, step 4). This could be attributable to applicants' details being out of date, due to not informing MSD or because of backlogs in MSD's queues of manual system updates.
- e. Challenges arising from not having an ongoing relationship with MSD staff who understand their needs and having to repeat their stories in one-off interactions with the Contact Centre.

Section five: Does the Oranga Tamariki fast-track work as intended?

Applications with a fast-track indicator get first consideration of available properties and are housed more quickly as a result

80. Caregivers of a child in the custody of Oranga Tamariki are eligible for the fast-track if the care arrangement is for at least 12 months or is an approved permanent care arrangement.

81. Fast-tracked applications appear at the top of the prioritised list that Kāinga Ora or CHP placement officers generate from the Register when filling a vacancy. Placement officers report that it is clear which applicants are fast-tracked, and that fast-tracked applications receive first consideration for every new vacancy in the applicants' preferred locations.

82. In the quarter ending March 2023, the median time to house applications on the Oranga Tamariki fast-track was 125 days – 80 days faster than the overall median for that period.

However, the Oranga Tamariki fast-track was only applied to around 18% of eligible applications

83. For this report, the Unit asked MSD and Oranga Tamariki to undertake a data matching exercise to identify how many children in the custody of Oranga Tamariki were included on applications on the Register. The initial analysis on March 2023 data indicated that only 15 of approximately 84 eligible applications (18%) were correctly flagged for the fast-track, comprising only 24 of 111 children. This finding highlighted the need for a full stocktake.

84. A full stocktake was completed in June 2023 and MSD confirmed that 138 applications on the Register appeared to be eligible but were not assigned a fast-track indicator. MSD and Oranga Tamariki are now investigating, confirming, and fast-tracking these applications.

85. As at 23 June 2023, MSD has assigned fast-track indicators to 70 of the 138 applications and is still investigating 68 applications.

Shortcomings in operational processes are the main reason that eligible applications are missed

86. There are two points at which MSD should assign a fast-track indicator: when an eligible person applies to the Register, and when a person on the Register becomes eligible.

87. When MSD adds a new application to the Register, there is a process in place by which Oranga Tamariki can identify whether the application includes children who are eligible for the fast-track. This process works reasonably well, but does not allow Oranga Tamariki to confirm whether the applicant does in fact have the children on the application in their care, as MSD only sends the names of children and not the applicant.

88. The Unit assesses that the main reason eligible applications are not flagged is that there is no process by which Oranga Tamariki can directly notify MSD when a person on the Register becomes eligible (i.e. at the point they become a caregiver).

89. Instead, the process relies on a social worker notifying an applicant that they are eligible. In some cases, this works as intended with support from MSD regional offices, but in general, the current approach has three main shortcomings:

- a. There is low awareness of the fast-track amongst Oranga Tamariki social workers. For example, the fast-track has not been incorporated into standard practice guidance and is difficult for social workers to find when searching internal systems.
- b. Some frontline staff at Oranga Tamariki, Kāinga Ora, MSD, and CHPs do not accurately understand eligibility criteria – for example, incorrectly assuming applicants who would be able to regain custody of their children if they had appropriate housing are ineligible.
- c. Even where social workers are aware of the fast-track, processes place the onus on applicants to pass documents between Oranga Tamariki and MSD. If MSD thinks an applicant is eligible, the applicant must request a letter from an Oranga Tamariki social worker, and then submit the letter to MSD through the Contact Centre. This process is more difficult for applicants than it should be.

90. MSD may identify fast-track eligibility during routine outbound calling, though there is no specific requirement for the Contact Centre to ask whether the applicant has a child in the custody of Oranga Tamariki in their care. MSD aim to call applicants every 90 days, so it may take up to three months for MSD to find and fast-track eligible applications.

Improvements are planned but Oranga Tamariki needs a process to notify MSD directly

91. Oranga Tamariki already plans to update practice guidance and improve training and awareness for social workers under the Oranga Tamariki Action Plan, a legislated commitment that also covers the Ministries of Education, Social Development, Health, and Justice, and the New Zealand Police. These changes will improve awareness of the fast-track but won't necessarily make the process easier for caregivers.

92. Oranga Tamariki and MSD have also established operational improvement meetings to investigate where improvements to operational practice could increase the proportion of eligible applications that are flagged.
93. Specifically, the Unit recommends exploring a process for Oranga Tamariki to directly flag to MSD when a caregiver becomes eligible for the fast-track, provided the caregiver consents to their information being shared. MSD would then check whether the caregiver is associated with an application on the Register and to fast-track where appropriate. This raises operational, privacy, legal, and policy considerations, but is the most direct way to ensure applications are correctly fast-tracked.

Agencies should review the fast-track as Cabinet requested in 2019

94. When the fast-track was established in 2019, the Cabinet Social Wellbeing Committee agreed that a review should take place by the end of 2020 [SWC-18-MIN-0113 refers]. An in-depth assessment under the Oranga Tamariki Action Plan also recommended a review take place.
95. As at June 2023 a review of the fast-track has not taken place. Oranga Tamariki remain supportive of undertaking a review. HUD are supportive, subject to Ministerial confirmation, and MSD and Kāinga Ora are willing to support HUD and Oranga Tamariki in the review.
96. The Unit recommends the review take place in two parts. The first part should assess whether the fast-track is achieving its intended outcomes as currently implemented, including the effect of any changes made as a result of this stocktake. The second part should consider, at a minimum, the inclusion of young people transitioning to independence from Oranga Tamariki care or youth justice system, per Cabinet's direction in 2019 [SWC-18-MIN-0113 refers].
97. Oranga Tamariki advise that the review should also consider whether the criteria adequately include the target population: applicants are only eligible for the fast-track if the care arrangement is for more than 12 months, but many care arrangements begin with a three to six month placement. Oranga Tamariki also advise that the review should consider expanding the fast-track to children and young people living in Emergency or Transitional Housing and households where a child or young person has had an interaction with the youth justice system or is at risk of coming into Oranga Tamariki care.
98. The Unit suggests the review could also consider the role of Kāinga Ora and CHPs in finding housing for fast-tracked applicants. In almost all cases, placement officers start with a house, and look for a suitable applicant. The review could explore the benefits of a formal, systematised process to start with an applicant and look for a house. This would avoid the risk that fast-tracked applicants are overlooked due to not appearing on placement officers' lists.

Section six: How could agencies improve the operation of the Register?

99. This section outlines short-term and long-term changes the Unit considers could address some of the operational issues identified in this report, along with MSD's response.
100. Short-term changes are unlikely to materially improve the overall operation of the Register. However, changes could meaningfully improve applicants' experiences, the timeliness and quality of placement decisions by Kāinga Ora and CHPs, and the fast-track.

Potential improvements that could be made in the short-term

101. The Unit has identified various changes to operational process, business rules, and IT systems that could address some of the issues identified in this report in the short-term. For example, MSD could consider texting applicants before calling for an assessment; providing more information to applicants about current wait times for their location or priority rating, and improving the prioritised lists used at the placement stage. Potential changes MSD could consider are outlined in Attachment C.

MSD advise that these changes are not a priority within its existing work programmes

102. MSD advises that it has already investigated some of the changes in Attachment B, and decided not to prioritise some of the changes within its existing work programmes. MSD advises that it prioritises work to give effect to legislation or that is necessary to address urgent technical risks. This involves trade-offs that result in deprioritising operational improvements or work for the sole purpose of improving clients' experience.

103. MSD advises that some operational issues arise from constraints in its IT systems, and that the current configuration of IT systems means that even minor changes can be complex, time-consuming, and costly. MSD advises that substantial upgrades would be needed for applicants to be able to see or update their Register application details online.

104. MSD advises that prioritising improvements to Register management would need to be weighed against existing commitments in its housing work programme, and the delivery of Horizon One of the Te Pae Tawhiti transformation programme that begins in July 2023.

More complex changes for agencies to investigate in the medium- to long-term

Te Pae Tawhiti is an opportunity for fundamental, long-term improvements to the Register, but won't result in operational improvements until mid-2026 at the earliest

105. Te Pae Tawhiti is a nine-year transformation programme that includes the design of a new operating model and IT system to support client-centred service delivery. It will result in substantial redesign of how clients interact with MSD across all its supports and services.

106. In June 2023, Cabinet approved the Detailed Business Case for Horizon One of Te Pae Tawhiti [GOV-23-MIN-0016 refers]. Horizon One starts in July 2023 and runs to June 2026, and focussed on building foundational IT systems, redesigning services for students, and establishing a digital employment platform. Horizon One does not include housing services and supports, or improvements to the operation of the Register.

107. MSD anticipates that housing will be included in Horizon Two, which is planned to commence in July 2026 and run into 2029. MSD will scope and plan housing services and supports, including the Register, over the next 12-18 months as part of the Detailed Business Case for Horizon Two. The Minister for Social Development and Employment is due to report back on the Detailed Business Case to the Cabinet Government Administration and Expenditure Review Committee in late 2024.

In the meantime, MSD should work with HUD, Kāinga Ora, Oranga Tamariki and Community Housing Providers to inform the Detailed Business Case for Horizon Two of Te Pae Tawhiti

108. To bridge the findings of this report with the Te Pae Tawhiti transformation programme, MSD should investigate two areas in more detail:

Area 1: Streamlining the Register process by re-examining who asks what at each stage

109. In this work, MSD, HUD, and CHPs could explore:

- a. *What information is collected at each stage:* questions not related to prioritisation could be removed from the initial assessment and asked only at placement. This would make assessments shorter and avoid issues sharing information to Kāinga Ora and CHPs.
- b. *Who is responsible for each stage:* Some interviewees reported that “register management is case management”, but that the one-off nature of Contact Centre interactions prevents applicants from building trusting relationships with MSD staff. MSD could consider whether Case Managers Housing could be responsible for more aspects of Register maintenance, and whether the Contact Centre could be responsible for initial one-off assessments. This could allow Case Managers Housing to better understand applicants’ needs and circumstances, and possibly provide ongoing case management for some applicants.
- c. *How transfers are managed:* At present, transfer applicants’ chance of being re-housed is low as they receive low priority ratings due to already being housed. Kāinga Ora reports it has limited visibility of transfer applications. Transfers applications from Kāinga Ora and CHP tenants could be managed internally by Kāinga Ora and CHPs to reduce demand on MSD’s Contact Centre. Tenancy managers are likely to have a sense of the client’s housing need and could work with placement officers without involving MSD. Kāinga Ora is willing in principle to explore this option further.
- d. *How to minimise reliance on workarounds:* This work could also undertake targeted analysis of SAS outputs to examine why workarounds are required and how reliance on workarounds could be avoided in a re-designed system.
- e. *Re-designing processes for identifying and fast-tracking applications*

Area 2: Improving quality of Register data as an input for housing strategy and planning

110. This work could explore how Register data could be made most useful to HUD, Kāinga Ora, the Treasury, and other agencies who use Register data in their work, for example to plan where to build public houses or to evaluate Budget bids.

111. The Register is only one of many inputs these agencies use and will never perfectly show housing demand. However, there is a risk that current Register data:

- a. does not reflect underlying housing need to the extent that would be helpful for planning purposes, based on the finding that SAS outputs routinely require adjustments by frontline staff in order to accurately reflect applicants’ housing needs.
- b. can be time-consuming or difficult to use for answering basic questions, such as how many houses to build or contract in a specific location.

112. Agencies report that it would be useful to be able to access information more easily about specific locations of demand, and applicants' income, housing requirements (including bedroom and accessibility needs) and demand for support services.
113. Some of this information is already collected and could be shared more routinely, but some new data may need to be collected. Before it redesigns its systems and processes through Te Pae Tawhiti, MSD should work with these agencies to understand what data its future system should collect and share, where feasible, to best serve agencies' wider needs.

Treaty of Waitangi considerations and te ao Māori perspective

114. Māori are more likely than other New Zealanders to be eligible for public housing and approximately half of the applicants on the Register are Māori. To the extent that there are general operational issues with the Register, these issues disproportionately affect Māori.
115. In addition, the Unit heard of some specific issues more likely to affect Māori:
- Māori tend to have larger families and intergenerational living arrangements and as a result are more likely to be assigned too few bedrooms relative to their needs.
 - Some Māori on the Register may be less comfortable sharing information through one-off interactions with a Case Manager Housing or the Contact Centre due to feeling whakamā, and would be better served by an ongoing case management relationship.
 - Information about whakapapa Māori and iwi affiliation is not necessarily collected or taken into account during assessment or placement.

Next steps

116. The Unit recommends it report to the Minister of Finance in its monthly reporting on agencies' progress towards implementing any agreed recommendations of this report.

Attachments	Title	Security classification
Attachment A	Commissioning Brief	IN CONFIDENCE
Attachment B	The end-to-end Public Housing Register process and how applicants are matched to houses	IN CONFIDENCE
Attachment C	Potential operational improvements at each stage of the Public Housing Register process	IN CONFIDENCE

Attachment A: Commissioning Brief

Implementation Unit: Commissioning Brief

Stocktake of the Public Housing Register

Commissioning Agent:	Minister of Finance
Commission to:	Implementation Unit, DPMC
Commission:	A stocktake of the Public Housing Register “the register” to identify how applicants are added to the register, which types of applicants are placed in houses from the register; and assess the operational processes that underpin the operation of the register.

Background

The register is administered by the Ministry of Social Development, Te Manatū Whakahiato Ora (“the Ministry”). It records applicants not currently in public housing who have been assessed as eligible for public housing, and who are ready to be matched to a public housing place. It includes the transfer register which records transfer requests from people already in public housing who are eligible to move to another property.

The Social Allocation System (SAS) is the mechanism used to assess all applicants applying for public housing and determine their eligibility and priority on the register. Eligible applicants must demonstrate an urgent or serious need for public housing assessed under five criteria: adequacy, suitability, affordability, accessibility, and sustainability.

As at 31 December 2022 there were 28,167 applicants on the public housing register, of which 5,040 are on the transfer register.

Areas of Focus

1. Assess how applicants are assessed, added, removed, and allocated public housing from the public housing register, including:
 - a. how applicants are allocated and prioritised, and where relevant are fast tracked, into public housing places in the order assigned by the SAS and in accordance with policy settings.
 - b. whether the register is updated at an appropriate frequency and is accurate and reliable for implementation purposes and is managed in accordance with policy settings and Ministerial decisions.
 - c. whether the matching and placement process of applicants into public housing reasonably meets their stated needs (i.e., number of bedrooms, accessibility, location).
2. Assess the appropriateness of and identify opportunities to materially improve the operational processes of the SAS, including strengthening system coordination and connections with Kāinga Ora, Community Housing Providers, and relevant government agencies.
3. Work with the Ministry and Oranga Tamariki to identify how many children who are in care with Oranga Tamariki are associated with adults (family and whanau) on the register, whether their applications are fast tracked as part of the assessment process and if their housing needs are met in accordance with current policy settings.

Parties

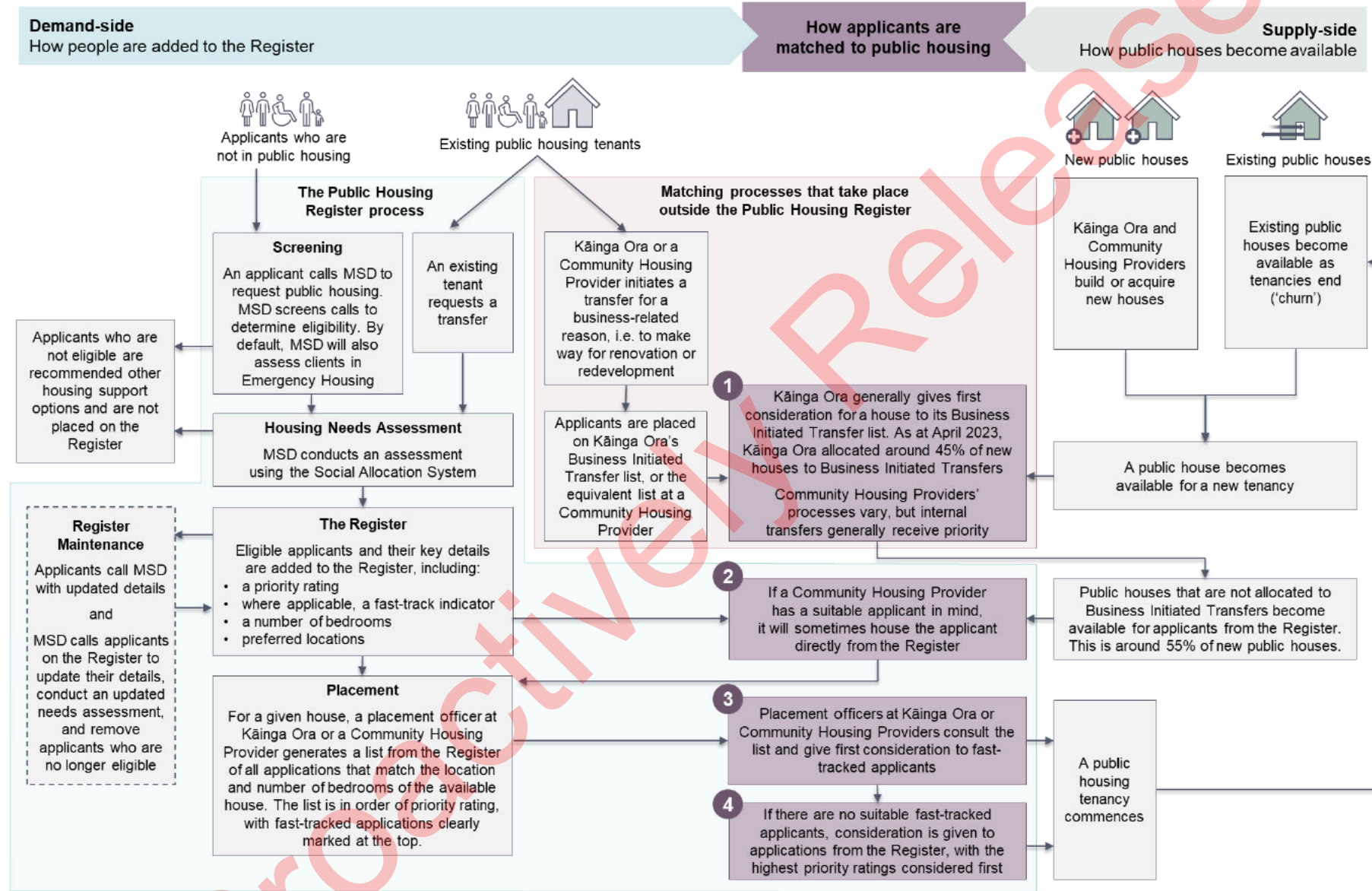
The Unit will work with relevant senior leaders and teams within the Ministry and engage with Oranga Tamariki, Kāinga Ora, Ministry of Housing and Urban Development Te Tūāpapa Kura Kāinga and community housing providers.

Timeframe

The Unit will report to the Minister of Finance on 31 March 2023.

Hon Grant Robertson
February 2023

Attachment B: The end-to-end Public Housing Register process and how applicants are matched to houses



Attachment C: Potential operational improvements at each stage of the Public Housing Register process

Stage	Potential operational changes MSD could investigate <i>* May require IT system change ^ May face legislative barrier</i>
Screening	<ul style="list-style-type: none"> * Allow Contact Centre officers more space to record additional notes that can be passed on to Case Managers Housing.
Housing Needs Assessment	<ul style="list-style-type: none"> • Send applicants a text message in advance of calling for assessment. • Reduce regional variation in waiting time, potentially by assigning Case Managers Housing to a national appointment list for assessments. • * Limit the number of locations an applicant can select, e.g. to five suburbs or three postcodes. • ^ Remove questions from the assessment that are not relevant to prioritisation. • ^ Remove questions from the assessment that Case Managers Housing deem unnecessary or demeaning (such as asking about a child's parole status). • Require Case Managers Housing to ask whether the applicant has a child or young person in the custody of Oranga Tamariki in their care. • ** Allow Case Managers Housing more space to record additional notes that can be passed on to placement officers. • Provide more information to applicants about the process including posting information online regarding median waiting times for each priority tier
Register maintenance	<ul style="list-style-type: none"> • * If MSD can't reach an applicant, place the application on hold for 12 months rather than removing from the Register, to avoid a new assessment if the applicant makes contact ('on hold' applications would not necessarily count towards the Register total). • Undertake outbound calling outside working hours (currently 9-5pm only). • Require Contact Centre to ask whether the applicant has a child or young person in the custody of Oranga Tamariki in their care. • * Explore whether it is possible to prioritise certain manual updates to the Register, such as tasks arising from the Oranga Tamariki fast-track process. • Create a process to trigger an update to ensure an update to the Register occurs when a person enters TH, so that it is not left solely to providers.
Placement	<ul style="list-style-type: none"> • * Increase the number of applications on the prioritised list from 20 to 100. • * Expand the list provided to Kāinga Ora to include priority ratings below A17. • * Allow placement officers to filter the lists they generate to vary the locations or number of bedrooms. • * Explore whether placement officers could filter lists for a wider variation of characteristics, such as accessibility requirements. • Require CHPs with large public housing stock to use the same placement criteria as Kāinga Ora • ** Provide more information to Kāinga Ora placement officers about other income and employment supports an applicant receives, subject to privacy protections. • Support interaction and connections between agencies' regional offices to build relationships and connections for placement and share feedback on processes.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Implementation Unit: Progress Report on Assignments as at August 2023

Portfolio Finance

On 21 August 2023, Cabinet:

- 1 **noted** that on 31 May 2023, the Implementation Unit (the Unit) delivered its *Assessment of Working Arrangements Between Agencies Following Implementation of the Health Reforms in July 2022* to the Minister of Finance and that he has discussed the Unit's recommendations with the Minister of Health;
- 2 **noted** that on 16 June 2023, the Unit delivered *Te Pūkenga: A stocktake of progress in establishing a new operating model* to the Minister of Finance, and that he has discussed the Unit's recommendations with the Minister of Education;
- 3 **noted** that on 23 June 2023, the Unit delivered its *Stocktake of the Public Housing Register* to the Minister of Finance and that he has discussed the Unit's recommendations with the Minister for Social Development and Employment, Minister for Children, Minister of Housing, and the Associate Minister for Social Development and Employment (Hon Willie Jackson);
- 4 **noted** that the Ministry of Social Development and Employment has agreed to report back to the Minister for Social Development and Employment, Minister for Children, and Minister of Housing by 1 September 2023 on short-term changes that could improve the operation of the Public Housing Register.

Rachel Hayward
Secretary of the Cabinet