



Cabinet paper for lodging: State care institutions: lifting the standard of care by strengthening agency collaboration

Date:	22 August 2023		
To:	Hon Andrew Little, Minister for the Public Service		
Action Sought:	Submit the attached letter to the Minister of Finance and lodge the attached Cabinet paper	Due Date	24 August
Report No:	2023-0245		
Contact:	Callum Butler, Policy Director, Strategy and Innovation Policy, 9(2)(a) privacy		
Encl:	Yes – Cabinet paper in tracked and untracked versions, and letter to Minister of Finance	Priority:	Medium
Security Level:	IN CONFIDENCE		

Recommended Action

We recommend that you:

- a **note** that following Ministerial consultation we have made minor changes to the attached draft Cabinet paper which proposes to establish a Care System Board
- b **submit** the attached letter to the Minister of Finance seeking pre-approval for any future potential out-of-cycle funding requests which may arise through the Care System Board's work
- c **lodge** the attached Cabinet paper by 24 August 2023 for consideration at the Cabinet Governance and Administration Committee on 31 August 2023
- d **agree** that Te Kawa Mataaho release this briefing in accordance with proactive release requirements and guidance once the relevant Cabinet decisions have been taken.

Agree/disagree.

Hon Andrew Little
Minister for the Public Service

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Purpose of Report

1. This report updates you on changes we have made to the draft Cabinet paper to establish a Care System Board, in response to feedback received through Ministerial consultation.
2. It seeks your agreement to lodge the attached final Cabinet paper on 24 August 2023 for consideration at the Cabinet Governance and Administration Committee (GOV) meeting on 31 August 2023.

You recently sought Ministerial feedback on the draft Care System Board Cabinet paper

3. We have been preparing a draft Cabinet paper which proposes to establish an interdepartmental executive board to support collaboration and co-ordination across State care systems (the 'Care System Board'). As you know, in discussion with the chief executives of Oranga Tamariki—Ministry for Children and the Ministry of Education, we revised the proposed role for the Care System Board to focus on clear objectives around supporting greater alignment between different care settings.
4. On 2 August 2023 we sought your agreement to circulate the amended paper to your colleagues for Ministerial consultation [2023-0132 refers]. Alongside Ministers who will consider the paper at GOV, your office shared the paper with additional Ministers who have relevant portfolio interests (the Minister for Children and the Ministers of Disability Issues, Education and Health). We also received feedback from Te Whatu Ora – Health New Zealand and Te Aka Whai Ora – Māori Health Authority through the Minister of Health.

We have updated the draft Cabinet paper to reflect key feedback

5. We have made minor changes to the paper to respond to feedback we received through Ministerial consultation. Below is a summary of the key changes we have made:
 - a. In response to feedback from the **Minister for Social Development**, we have added a sentence in paragraph 39 clarifying that the board will need to confirm the detailed scope of its work, including the extent to which this applies to certain aged care settings.
 - b. In response to feedback from the **Minister of Health**, we refined some of the descriptions of examples of care that are likely to be in scope for the board's work in paragraph 38 for accuracy.
 - c. In response to feedback from the **Associate Minister of Health (Māori Health)**, we added a sentence in paragraph 31 to confirm that the board is not expected to seek greater consistency between different care settings in all instances, but only where it considers this would be useful to take a common approach to address shared issues. We also added wording at paragraph 32 and 39 to confirm that the board is expected to work with relevant agencies, which could include Te Aka Whai Ora, as it develops its targets, intended work programme and scope.
 - d. In response to feedback we received directly from the **Treasury**, we have amended paragraph 52 to clarify that when the board is considering any financial implications arising from its work programme, it should consider resourcing options including reprioritisation of funding,

transfers between agency baselines, cost recovery between agencies, and potentially seeking new funding through the Budget process.

- e. In response to feedback we received directly from the **Ministry for Pacific Peoples**, we have amended paragraph 12 to refer to the Royal Commission of Inquiry into Abuse in Care's investigation into the experiences of Pacific people in care.
6. We have attached two updated versions of the Cabinet paper. **Appendix A** includes tracked changes to show changes we have made to respond to Ministerial feedback, and **Appendix B** is a 'clean' version ready for lodging.

Agencies raised some broader issues which we have not reflected in changes to the paper

7. We received several points of feedback through Ministerial consultation which we did not reflect in the paper. Some of these related to matters that the board will need to consider further once it has been established.
8. In particular, Te Aka Whai Ora gave feedback on several areas:
 - a. **The timing of the proposals** – They raised concerns over the intent to establish an interdepartmental executive board ahead of the Royal Commission releasing its final report in March 2024. While we agree that this work should not pre-empt the Royal Commission's findings, we consider there is an opportunity to start making improvements in areas where the Royal Commission has already identified issues that need to be addressed. The proposals in this Cabinet paper respond to comments that the Royal Commission made at its 2022 institutional hearings that there appears to be a broader lack of accountability for addressing cross-cutting issues between different State care settings. As noted in the Cabinet paper, once the Royal Commission releases its final report there could also be consideration of whether the board and its work programme should be expanded to respond to elements of that report.
 - b. **Enabling Tiriti-based and kaupapa Māori approaches** – They argued that to effectively transform State care systems, the Crown should take a wider cross-agency, whole-of-system view that is informed by the views of Māori and draws on Te Tiriti o Waitangi, kaupapa Māori and equity-based approaches. We agree with this and consider that once the Royal Commission has released its final report, there will be further opportunities for Government to consider more significant system changes to respond to its findings. Paragraph 36 in the Cabinet paper clarifies that these proposals are not intended to respond to or pre-empt all of the Royal Commission's findings, and that Government will be best placed to consider these in full following the release of the Royal Commission's final report.
 - c. **Opportunities for Te Aka Whai Ora to be involved** – They asked to be involved in the development of the board's terms of reference and in decisions on its membership, scope and governance, particularly to ensure that the voices of Māori and people with lived experience can be heard. Our view is that it would not be appropriate for Te Aka Whai Ora to be involved in decisions on the board's membership, as this is to be determined by the Public Service Commissioner once Cabinet has approved the board's broader remit. However, as noted in the Cabinet paper we would expect the board to work with relevant agencies, including Te Aka Whai Ora, as it develops its targets, work programme and scope.
9. The Ministry of Health, Te Whatu Ora and Te Aka Whai Ora noted that there is a range of cross-government initiatives and existing regulatory mechanisms which could relate to the board's work. They have shown interest in how the board will work alongside these initiatives in ways that do not

add to or duplicate existing work. As noted in the Cabinet paper, we consider that the board will need to have an on-going focus on how its work will connect with and support these other key initiatives.

10. The Ministry for Pacific Peoples asked for further information about the role it may be expected to take supporting the board's work. We will continue to work with the Ministry to discuss this future role.

The Minister of Finance has asked you to seek his pre-approval for any out-of-cycle funding

11. As noted in the Cabinet paper, the board will be expected to develop proposed targets and a work programme to strengthen polices, standards and processes across different care settings.
12. Because this process could potentially identify future areas of work which may require additional funding, the Minister of Finance has asked that you send him a letter seeking pre-approval for any future out-of-cycle funding requests. We have prepared this letter for you to send to the Minister of Finance.

Next steps

13. We recommend that you:
 - a. submit the letter included in **Appendix C** to the Minister of Finance seeking pre-approval for any future out-of-cycle funding requests
 - b. lodge the Cabinet paper included in **Appendix B** by 24 August 2023 for consideration at GOV on 31 August 2023. This is the last GOV meeting before the general election.
14. Following Cabinet agreement to the proposal, an Order in Council will be needed to formally establish the Board. Given there will be no further Cabinet Legislation Committee sessions after 31 August 2023, the formal establishment of the Board would happen after the general election. In the meantime, chief executives can operate as an informal board and begin work with the appropriate Minister to develop the targets and measures they will work towards once agreed by Cabinet.