



1 November 2022

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Ref: OIA-2022/23-0153

Dear [REDACTED]

Official Information Act request relating to Health Transition Unit (HTU) cost and external contractors

Thank you for your Official Information Act 1982 (the Act) request received on 16 September 2022. You requested:

Costs of the health and disability review transition unit to date
Brief commentary on performance of the transition unit, preferably attributable to a named official.
List of the top ten external contractors used for the unit and amounts paid to them.
How many core staff did the unit use during the project?
Of these how many of these were contracted from EY?
If there were more than five staff contracted from any other business/organisation please list the organisation with a brief description of the work done, the number of staff and the amount spent.

Response to your request

The Health and Disability System Review Transition Unit (the Unit or HTU) was established in within the Department of the Prime Minister and Cabinet (DPMC) in August 2020 and was disestablished on the completion of its work in September 2022. The total expenditure for the Unit from Vote Prime Minister and Cabinet for the three financial years of its existence was \$29,379,000 (GST exclusive). I note that a portion of the expenditure included in the 2022/2023 financial year is unaudited until the completion of the department's audit for the year.

The recommendations of the Simpson Review of the health and disability system pointed to a broad and far-reaching reform agenda, and a complex multi-year implementation process. The work encompassed changes in policy, legislation, system priorities, values and behaviours, and organisational structures and accountabilities. It comprised a mix of strategic and operational initiatives, foundational enablers, significant interdependencies across work streams, and the need for extensive stakeholder engagement and communications within an effective change management approach.

The HTU led delivery of this reform programme through the three years of its existence. It delivered high-quality results to support the Government's health reform programme, transforming the future shape of the health system. All matters relating to the performance of the Unit, including strong Ministerial satisfaction with the Unit's performance, are in the DPMC Annual Report 2021/22 which is available on the department's website <https://dpmc.govt.nz/publications/annual-report-2022>. You can find copies of the proactively

released material produced by the Unit on DPMC's website here [Proactive Release: Health and Disability System Reform Briefings](#).

During its life, the Unit was resourced according to the demands and expertise required using public servants, secondments, fixed-term employees, contractors, and consultancy. The Unit started initially with a very small number of staff and grew to a maximum of 135 staff at its peak. Once the interim Health NZ and the interim Māori Health Authority were established as departmental agencies within the Ministry of Health, functions and staff were transferred from the Unit to these entities leading to a significant reduction in the size of the Unit. By 31 May 2022, the head count of the Unit was 38 people, and by August 2022, there were very few people in the Unit.

The below table sets out the top ten external companies contracted to the Unit and the total amount paid to them from the establishment of the HTU in August 2020 to its disestablishment on 30 September 2022. Figures exclude GST, expenses, and any all-of-government fees.

Contractor/Consultancy Company Name	Total expenditure \$000 (GST excluded)
Arkus Communications Ltd	458
Ernst & Young	11,906
Finora Management Services Ltd	530
Inside Executive Recruitment Ltd	1,096
JacksonStone & Partners	334
Kahui Tautoko Consulting Ltd	174
NZIER	279
Robert Walters	974
Sonia Wansbrough and Associates	297
Sue Suckling Ltd	341

A total of 24 Ernst & Young (EY) contractors, including the Director, worked in the Unit from its establishment in August 2020 until its disestablishment on 30 September 2022. Not all of these people were full-time. They provided programme leadership and support across various workstreams.

Organisations in addition to EY that had more than five staff working on the HTU included:

- Ministry of Health with secondments to support the policy/legislation work
- Sapere Research Group Ltd with the funding and modelling work.

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the Act.

This response will be published on DPMC's website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Yours sincerely



Clare Ward
Executive Director
Strategy, Governance and Engagement