



1 December 2022

[REDACTED]
[REDACTED]
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Ref: OIA-2022/23-0355

Dear [REDACTED]

Official Information Act request relating to external costs of Health Transition Unit

Thank you for your Official Information Act 1982 (the Act) request received on 22 November 2022. You requested:

Can DPMC release the external costs of the health transition unit headed by Stephen McKernan to today's date. If the unit has finished its work please state when that happened. If it is now working under a different part of Government please provide details.

Break those costs down by entity – including, but not limited to, EY. Please also provide travel and accommodation costs, including international travel and MIQ-related costs. Please state how many people have worked in the unit at its height, how many are working within it (currently, or when its work finished), and which organisation they were seconded from/contracted to. ""

Response to your request

1. *Can DPMC release the external costs of the health transition unit headed by Stephen McKernan to today's date.*
2. *If the unit has finished its work please state when that happened.*

The Health and Disability System Review Transition Unit (the Unit or HTU) was established within the Department of the Prime Minister and Cabinet (DPMC) in August 2020 and was disestablished on the completion of its work on 30 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.

3. *If it is now working under a different part of Government please provide details.*

All remaining responsibilities have transferred to health system entities in accordance with the Pae Ora (Healthy Futures) Act 2022.

4. *Break those costs down by entity – including, but not limited to, EY.*

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

5. *Please also provide travel and accommodation costs, including international travel and MIQ-related costs.*

The following table contains the travel and accommodation costs incurred by the Health Transition Unit from inception to 31 October 2022. There was no international travel undertaken or MIQ-related costs incurred.

Cost category	Total
Travel flights	90,961.36
Accommodation	40,028.01
Travel Other	6,761.24
Total Travel	137,750.61

6. *Please state how many people have worked in the unit at its height, how many are working within it (currently, or when its work finished), and which organisation they were seconded from/contracted to.*

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.

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.

The organisations in addition to EY that had more than five staff working on the HTU included the Ministry of Health with secondments to support the policy/legislation work and 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 the Department of the Prime Minister and Cabinet'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



Chris Gianos
**Head of Operations and Risk
Strategy, Governance and Engagement**