PSA Submission to the Pae Ora Legislation Committee

Pae Ora Healthy Futures Bill

December 2021

For a better working life
New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi

Me mahi tahi tātou mo te oranga o te katoa

We must work together for the wellbeing of all

'[Being a health worker] is my mahi, my life, my purpose.'
PSA member, November 2021

'I am honoured to serve, protect and help the ones in my care and be an advocate for my people who can't speak up for themselves.'[1]
PSA member, November 2021

About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 80,000 members. We are a democratic and bicultural organisation representing people working in the public service, the wider state sector (the district health boards, Crown Research Institutes and other Crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in health, social services and community sectors. Te Rūnanga o Ngā Toa Āwhina is the Māori arm of the PSA.

The PSA has been advocating for strong, innovative and effective public and community services since our establishment in 1913. People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace, and to have an independent public voice on the quality of public and community services and how they're delivered.

Over a third of our members (**over 30,500 members**) work in hospitals or in community services as part of the health and disability system.

The PSA is the principal union for the following occupational groups in the **DHB sector**[2]**:**

- Mental health and public health nursing and support
- Allied and scientific health professions – including dieticians, laboratory staff, scientists, physiotherapists, social workers, health protection officers, Kaimahi Hauora Māori, dental therapists, pharmacists and pharmacy technicians, and clinical engineers

[1] All quotes in the document are from PSA members who participated in our survey on the health reform between 23-28 November 2021. They are quoted in italics.

[2] The Allied, Public Health and Technical Multi Employer Collective Agreement (APHT MECA) includes an indicative list of about 120 occupations.

- Technical professions –including anaesthetic technicians, and sterile supply technicians
- Administrative and clerical – including medical secretaries, clinical coders, surgical bookers and schedulers, clinical transcriptionists, ward clerks, and team administrators.

Our members in the **community public services (CPS) or NGO sector** include:

- Support workers and coordinators in home support and disability support services
- Administrative and clerical workers
- Workers in mental health and addiction services
- Registered professionals, including social workers and health professionals such as occupational therapists.

The PSA is affiliated to the **New Zealand Council of Trade Unions (CTU) Te Kauae Kaimahi**, Public Services International (PSI), and UniGlobal. Through the CTU, we work closely with other unions who represent health sector workers. We participate in the tripartite (government/employer/union) **Health Sector Relationship Agreement (HSRA)** meetings and we are a member of the HSRA Oversight Group.

Our values

Solidarity - Kotahitanga

We champion members' interests with a strong effective voice. We stand together, supporting and empowering members, individually and collectively.

Social justice - Pāpori Ture Tika

We take a stand for decent treatment and justice. We embrace diversity and challenge inequality.

Integrity and respect - Te Pono me te Whakaute

Our actions are characterised by professionalism, integrity and respect.

Solution focused - Otinga Arotahi

We are a progressive and constructive union, constantly seeking solutions that improve members' working lives.

Democratic - Tā te Nuinga e Whakatau ai

We encourage participation from members. We aim to be transparent, accessible and inclusive in the way we work.

Structure of the submission

1. Who contributed to this submission?
2. Summary of the PSA position

We support:

- Implementing an integrated, national, public health and disability system, with an integrated service delivery and workforce across both the current DHB and community sector
- Promotion of tripartism and worker voice in the health and disability system
- Prioritising adequate funding and accountability of funded activities
- Commitment to secure and decent work across the health and disability system.

3. Detailed commentary and recommendations
4. A table detailing our recommendations on the Pae Ora Bill

Appendix 1: Summary of PSA members' responses to the Pae Ora Bill

1. Who contributed to this submission?

> *'With all my heart, I hope this is a better system than what we have now.'*
> *PSA member, November 2021*

The Pae Ora Bill is of direct importance to PSA members and will impact on their work every day. It sets the framework for the way the health entities and providers operate. It will affect the quality of their working lives, and their ability to do a good job and to make a real difference for all people living in New Zealand. PSA members seek to provide high quality, equitable and accessible health services for all. The design of the health system directly impacts on the ability of PSA members to do this.

Over a third of our members (ca. 30,500 members) work in hospitals or in community services as part of the health and disability system. This represents approximately **12% of all employees in the health and disability system**[3]. Our members play a crucial role in ensuring the health and disability system reforms do not fail. They are instrumental in future-proofing the system to turn the challenges of the future into opportunities and wellbeing for all people living in New Zealand. In addition, most of our 80,000 members working across the public sector will have interacted with the health and disability system in New Zealand either because they were in need themselves, or they supported whānau.

PSA members contributed to this submission through over **1,212 individual responses to an online survey**, multiple online meetings for members from around the country, and member discussions: particularly among the PSA Health Delegates Working Group, which was formed at the end of April 2021 after the Minister's announcement of the health reforms. This working group is made up of delegates from DHBs and the NGO sector and provided invaluable discussion of the reforms across sector and organisational boundaries. Further discussions took place among the PSA DHB Sector Committee and the PSA Community Public Services (CPS) Sector Committee. These committees bring together PSA members working in each DHB and from community organisations delivering health and disability services around the country. The quotations provided throughout this submission were contributed by PSA members as part of this process.

Members of Te Rūnanga o Ngā Toa Āwhina, the Māori structure of the PSA also contributed through online meetings as did Te Tira Hauora, which brings together Māori PSA delegates working for DHBs. Their responses have shaped Te Rūnanga's submission, which should be read as a partner to this submission.

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[3] According to a report published in November 2020 by the Health Workforce Advisory Board the health care and social assistance sector is the largest industry employer in Aotearoa New Zealand. It represents 11% of all employees across New Zealand. 'In December 2019 there were 246,500 people employed in the health care and social assistance sector. This included 213,100 people employed in hospitals, medical and other health care services, and residential care services. Another 33,400 were employed in social assistance services.'
Ministry of Health. 2020. The cost and value of employment in the health and disability sector. Wellington: Ministry of Health, p.1

The consultation period for this Bill is short and coincided with a heightened degree of pressure and stress for our members working in the health system. The continued spread of COVID-19 led to a lockdown situation in Auckland and the Waikato for months, an increased focus on vaccination rates, a new protection framework (traffic lights), higher demand for mental health services and generally an immense pressure and uncertainty for our health workforce in both hospitals and in the community. Despite these challenges, PSA members have actively engaged in shaping this submission.

Our members suggested the main focus of this submission: worker participation as an integral part of an integrated health and disability system. Workers must be actively engaged and enabled to participate if the reforms enabled by this Bill are to succeed. Over 9 out of 10 workers say it is important or very important to have worker participation at the highest level in our health system.

Generally, our members support the reform. Of those who felt very well or well informed almost 65% strongly agree or agree that the health reforms will enable the health system to deliver better outcomes and services. Around a third of workers agree that the proposed reforms will future proof our health system. Just under two thirds of workers think the proposal to develop a NZ Health Charter is positive[4].

We would like to present this submission to the Pae Ora Legislation Committee.

[4] For more information, please see Appendix 1. To further increase support for the health reform more and better information should also be provided.

2. Summary of the PSA position

> *'I want to see a fair and equitable system for all that works efficiently delivering health services to all New Zealanders to achieve the best health outcomes for all people of New Zealand. I want to see the health workers' voices respected.'*
> *PSA member, November 2021*

> *'Put the people first.'*
> *PSA member, November 2021*

We support the implementation of an integrated, national, public health and disability system, with an integrated service delivery and workforce across both the current DHB and community sector

Our expectation for the health and disability system is that of an **integrated, national, public health service and workforce** across both the DHB and community sectors so that the health system operates as a whole of health system. The PSA supports the changes that will enhance national planning and national consistency such as the creation of Health NZ, the Māori Health Authority and the creation of a National Public Health Service. We also support the changes to enhance accessibility to health and disability services and allow for regional responsiveness to meet local population needs, for instance through a coherent commissioning approach, a population health approach, the creation of localities, and the involvement of whānau, iwi and communities.

Promotion of tripartism and worker voice in the health and disability system

We recommend that tripartism and worker voice is at the heart of the health and disability system. The health and disability system (including community services) of the future cannot afford to cut itself off from one of its most important sources of information, experience and innovation: its workforce. To implement plans to reduce inequities in access and outcomes, the PSA recommends that the system draws on those who work towards better access and outcomes in the spirit of service every day. Representation of workers' voice should be an integral part of the system – from the community's frontline to the national governing boards. The Health Sector Relationship Agreement (HSRA) continues to remain an important document and body. The HSRA Oversight Group should be utilised to assist and facilitate the intended system change. We believe significant improvements in the delivery of public health services will be achieved through workplace relations which are based on **principles of industrial democracy** and implemented through a high-performance/high-engagement (HPHE) workplace culture which maximises worker voice.

Prioritising adequate funding and accountability of funded activities

The PSA believes that there is a role for not-for-profit, community-based organisations and iwi in the design and delivery of public services to improve the wellbeing of communities, where these organisations have connections with communities and a primary mission of service delivery or are working in partnership with or under the auspices of Health NZ or the Māori Health Authority.

Community organisations can ensure high engagement with clients to choose, access and use the services they need if well-funded, and so long as they do not replicate corporate business models. The workers employed by these organisations want to make a real and sustainable difference to communities. To do so they need secure, safe and fairly paid decent work which enables them to continuously develop their skills to serve our communities.

This whole of system approach cannot rely on for-profit organisations to deliver services e.g. home support services. The PSA stands for **publicly delivered, quality, universal healthcare and disability services** that have decent working conditions. We recommend the introduction of a mechanism to ensure **accountability for spending public money** so that there is no lessening of service quality, and so funding flows through to workers to guarantee safe staffing, equal pay and secure work. All parts of healthcare should be considered important enough to be publicly delivered and controlled. Currently, primary health services and oral health, for instance, rely on a private for-profit model for a significant proportion of their services delivery. This limits access and therefore equity of outcomes, particularly for already disadvantaged people, and needs to be re-thought.

Although increased funding for health services has been made available by the government, the PSA recommends that for NGO mental health and addiction services and home support services, the **funding model as well as the level of funding** is significantly changed. Providers' business models and workers' conditions are fundamentally, and detrimentally, shaped by funding models and the level of funding. There is, for example, currently a lack of paid breaks for home support workers because they are not fully funded and not factored into work schedules. The lack of safe rostering practices and standard shifts of work, along with the lack of guaranteed hours of work for home support workers, means that workers are facing insecure work arrangements and schedules (and consequently insecure pay) every week, sometimes every day. **Competitive tendering** (i.e. providers being awarded contracts primarily because of offering the delivery of services at cheaper rates than competitors) supports the undercutting of pay, terms and conditions, and services, and so is a flawed model.

Commitment to secure and decent work across the health and disability system

We support valuing and recognising our members' work through decent employment conditions (including equal pay) and increased funding and staffing to reduce workload. Common and quality standards of terms and conditions should apply across the health system. Delivering a high standard of service requires valuing and recognising both the needs of those receiving services as well as the skills and knowledge required to deliver these services. According to the Health Workforce Advisory Board report, healthier workers are more productive, and adequate staffing numbers are a condition for a strong and responsive health system. Research has also proven that a good work environment and high job security lead to better health outcomes.[5]

This means that a well-functioning health and disability system requires that its workforce enjoys decent employment conditions (including equal pay) and the protection of health and safety, including through safe staffing levels. Regular training and engagement with workers in the design and delivery of services will assist with recruitment and retention. The PSA strongly recommends including criteria

[5] Ministry of Health. 2020. The cost and value of employment in the health and disability sector. Wellington: Ministry of Health, p.3/p.26

in funding contracts requiring common standards for decent terms and conditions of work, secure work, training and equal pay.

3. Detailed commentary and recommendations

An integrated, national, public health and disability system, services and workforce across both the current DHB and community sector

We support that a health service in the 21st century must be people-centred, equitable, accessible and cohesive. The PSA believes that a system based on the voice of those who deliver the services, and all who use the services – including Māori, Pacific peoples, Deaf and disabled people – will enable us to design and deliver the best possible services that work for our communities. A people-centred approach in practice means that no one is excluded – and that includes the workers who deliver the services. The health workforce is the system. Without them, simpler and better access to services and equitable outcomes cannot be achieved. A single, cohesive health service is only possible if workers cooperate, work together and commit every day to making a difference.

> *'I am passionate about improving the outcomes for people I work with and helping them to regain what's important to them - social roles, whānau roles, community roles, work and ambitions, hobbies and activities, dreams and goals.'*
> *PSA member, November 2021*

> *'Community is the heart of New Zealand. Communities are not a single identifiable entity but a collection of individuals with common purposes, belief systems or geographic locations. Everybody belongs to multiple communities. No-one survives alone and because of this we need to harness communities and empower them to deliver what is in the best interest of their community no matter the problem that is trying to be alleviated. Communities are best placed to fix and solve their own problems we exist to ensure they can, not dictate solutions and answers*.'
> *PSA member, November 2021*

> *'(…) my work is meaningful and helpful to the community. I am not interested in helping businesses push money around to provide shareholders with profit. Being part of the public service is important to me.'*
> *PSA member, November 2021*

We support the five key shifts **underlying the proposed legislation**[6] to deliver improved access and outcomes. We believe it is crucial to focus on eliminating health inequity and improving outcomes for disadvantaged groups, including Māori. We support that the Bill reinforces the intention to give effect to the principles of Te Tiriti o Waitangi. As a founding document of New Zealand, we have a responsibility to implement it – particularly in the area of health which is a fundamental building block for individual, communal and societal wellbeing.

We support a population health approach. We believe that a holistic approach to health which includes addressing socio-economic determinants such as housing, employment, education, and inequalities in wealth and power is essential to successful reforms. A population health approach can only be delivered within an integrated health and disability system.

> *'I would add that 'health' cannot stand alone. Poverty, housing, education and parenting all impact on health and wellbeing, and if we are to have a more preventative approach, then these (and probably more) issues need to be addressed. In my experience, many health issues are caused by poor parenting (e.g. parental substance use, poor attachment etc.), poverty, lack of education (not just health education), poor nutrition and many other issues that are not included in this document.'*
>
> *PSA member, November 2021*

> *'Māori health issues are complicated by many contributing factors such as poverty, unhealthy homes, lack of support for mental health issues, drugs and alcohol. It's incredibly hard for many to get help or for Māori voices to be heard. We have an obligation under Te Tiriti to work in genuine partnership, which means listening to Māori about the best approach to health issues for them and making access to help easier.'*
>
> *PSA member, November 2021*

We support the suggested future system operating model based on **centralised planning, commissioning, and delivery of services** if regional responsiveness is provided to ensure local population needs are met.

> *'I feel if there are more consistency around process and procedures etc. that hospitals will be able to save a bit of money and serve the public better with regards to services availability etc. as currently a lot of DHBs have different systems and models and therefore some public/locations are under resourced etc.'*
>
> *PSA member, November 2021*

[6] 1. The health system will reinforce Te Tiriti principles and obligations
2. All people will be able to access a comprehensive range of support in their communities
3. Everyone will have access to high quality emergency and specialist care when they need it
4. Digital services will provide more people the care they need in their homes and communities
5. Health and care workers will be valued and well-trained for the future system

'Centralising patient data will allow a more seamless and immediate provision of care to patients. Allowing patients access to national health services rather than the current DHB system which restricts their care to that region, will allow all New Zealanders equal access to decent health outcomes. It is an equitable system which we need to have if we are serious about addressing inequality in Aotearoa.'
PSA member, November 2021

'Hopefully with organisation being centralised, delivery will be equally available wherever people live, rather than 'luck of the draw' depending where they live.'
PSA member, November 2021

'Centralising everything could be a good thing as it could mean a more seamless health service for patients who see multiple service providers, especially if medical records are easier for them to access. But centralisation could also be a bad thing if it isn't responsive to local-level details. The establishment of the Māori Health Authority is probably going to be the most beneficial part of the new bill as it could help fix some of the inequalities that are inherent in our current health system, as long as it is flexible and responsive to local-level concerns - it won't help if higher-ups spend months/years arguing about something and patients have to just wait for the higher-ups to make decisions (…).
PSA member, November 2021

'Health NZ makes sense to consolidate and standardise care to minimise the current, postcode lottery.'
PSA member, November 2021

We support the establishment of a Māori Health Authority. It is important to consider how the board of the Māori Health Authority will work with the Iwi Leaders' Forum and CTU Health Union Runanga. The PSA supports efforts to ensure consistency of kaupapa Māori services in terms of funding and quality.

'For Māori by Māori in areas that give Tangata Whenua Mana Whenua. That there is recognition to partnership and mana motuhake under the Treaty of Waitangi. That there be delivery that gives recognition to Māori Aotearoa Hauora alongside or independent of Western approaches to health.'
PSA member, November 2021

We support the incorporation of **mātauranga Māori** (Māori knowledge) into all aspects of the system. Around two thirds of workers do not believe that the health system currently has the people and skills needed to deliver for Māori. More and better training of staff in hospitals and the community sector is required to fully incorporate mātauranga Māori. Training and development are an investment into the future of the health system. Cultural competency is an indispensable skill for a health and community worker. It can be achieved through employing more Māori and Pacific workers, but also through increased training programmes for all workers. The PSA supports avoiding the siloing of different areas of health and wellbeing such as physical and mental health. The PSA proposes that the development and implementation of the Māori workforce strategy and workforce plans are done with involvement of Māori PSA representatives.

'Every person working in the health system must understand how they contribute to the outcomes for Māori, or how they are a barrier to health and wellbeing outcomes. As a start, workers need to know how to greet people, pronounce their name correctly and be respectful of their whakapapa. Ko wai koe is reciprical. Ko wai ahau. Who are you? Where are you from? How do I connect with you, your mountain, your river, your people?'

PSA member, November 2021

We recommend the participation of Māori workers **in the establishment of a Māori Health Authority as well as on the workplace level across the health system**. Māori worker participation is essential to making progress on creating equity of access and outcome in the workplace up to national discussions about the health and disability system. If services are commissioned locally, the PSA recommends that workers and community are included and are part of developing procurement standards. The PSA Ngā Kaupapa principles [7] should inform the work and service delivery of the health system including funded service providers.

We recommend that the whole health system, including the funded activities, i.e. the community services as well as the health entities **must have regard to the NZ Health Charter**. The health reform will not achieve its intended promise to create an integrated system nor its intended outcomes of equitable, cohesive and people-centred access and outcomes if the New Zealand Health Charter only applies directly to those who are employed by the health entities such as Health NZ and the Māori Health Authority. The health system will not operate as one if values, principles and behaviours guide exclusively the work of the health entities and their workers.

The Bill does not specify that the common values, principles and behaviours to be specified in the Charter apply in relation to both the delivery of services by agencies and funded providers and in their conduct of workplace relations. We recommend that S50 is amended to require this.

Just under two thirds of our members who responded to our survey think the proposal to develop a NZ Health Charter is positive. Two thirds of workers agree that the Charter should be explicitly extended to include all health-related services.

'To avoid creating a 'them and us' situation. Many important health services are provided outside the public health sector.'

PSA member, November 2021

'We must be united with a common language and goal.'

PSA member, November 2021

'It will increase accountability and aim to provide a consistent level of service and values.'

PSA member, November 2021

[7] Accessible at: https://www.psa.org.nz/about-us/te-runanga/nga-kaupapa/

'Because they are as much needed as the public health sector to continue the care in the community'
PSA member, November 2021

'To be effective, I think it should be sector wide. It would make it easier for people to move between roles and employers and make it easier for patients/consumers of the services to know what can be expected.'
PSA member, November 2021

'Employment conditions and care standards should be consistent in both sectors.'
PSA member, November 2021

'You cannot have consistency and accessibility without total participation. You cannot expect true change by changing one part of a system when it is clear it is the whole of the system that needs to be changed.'
PSA member, November 2021

'What is the point of having an NZ Health Charter and a National System if it doesn't include everyone, that's just ridiculous. If we are being inclusive and equitable it shouldn't be an us and them system.'
PSA member, November 2021

Promotion of tripartism and worker voice in the health and disability system

We recommend that tripartism and worker voice are placed at the heart of an integrated health and disability system. Over 9 out of 10 PSA members who responded to our survey (see Annex 1) say it is important or very important to have worker participation at the highest level in our health system. Worker representation needs to be included in the membership of boards such as those from Health NZ and the Māori Health Authority. In workplaces, accountability in workplace relations must be implemented through involving workers in decision making on service design and delivery and their terms and conditions of work. Providing information and consulting workers is necessary but insufficient to create a future-proofed health system. It has been tried before and failed. Involving workers also ensures ownership of change.

The NZ Council of Trade Unions (CTU) is the internationally recognised peak body for worker representation within NZ to which unions are affiliated. Hence the CTU is the appropriate body to convene health unions and to engage with Health NZ and the Māori Health Authority. The HSRA Oversight Group (including CTU affiliated health unions) is a pivotal group within the health sector and an enabler of the planned system. It can provide national level guidance and advice. The PSA recommends drawing on the HSRA Oversight Group as a key group to assist and facilitate any redesign and implementation of system change now and in the future. We recommend considering the establishment of a tripartite sub-group made up of community providers, the funder (i.e. Health NZ and the Māori Health Authority), and unions who are representing workers in the community sector to solve issues of national relevance and impact. It is also a mechanism to coordinate and plan for the

workforce across the whole health system. In addition, the PSA recommends that unions are included in the development and the implementation of the Charter for Health NZ, NZ Health Outcomes and Services Plan (NZ Health Plan), commissioning and contracting policies and the Digital and Data Plan.

> *'Unions should be involved or consulted as a minimum in strategy formulation and service delivery including outcomes deliverables. It is impractical that individuals are utilised at this level (which is why we use unions) and if it is left to individual SMEs as part of project work in strategy development or planning this could lead to nepotism for preferred outcomes.'*
> *PSA member, November 2021*

> *'Pathways for worker participation on committees, boards, advisory groups etc. at all levels of the health sector from community interest groups right through to Ministry of Health and even regular meetings with the Minister of Health and opposite health spokesperson.'*
> *PSA member, November 2021*

> *'Strong and democratic worker representation at all levels of decision-making (including at the 'highest' level, following extensive input from the flax-roots). Surveys aren't sufficient, there first needs to be opportunities for getting full information, discussing, and hearing different points of view.'*
> *PSA member, November 2021*

> *'I think there needs to be more visibility, sharing and communication. There are so many layers of leadership within and across the health system that we often end up working in silos and this results in a lot of duplication of work. There are so many passionate workers in our service who have great ideas and are developing innovations to support our patients every day. There needs to be one place where all of these ideas and innovations can be shared so that we can learn from each other and work together.'*
> *PSA member, November 2021*

> *'To me, the people in the workplace have the greatest understanding and knowledge of the current procedures and where these might 'best' be improved. They are MORE likely to embrace the change IF they have an active role in its design.'*
> *PSA member, November 2021*

> *'As a community worker volunteer who also sits on a number of health boards especially to give voice for Pasifika people as they are considered (and are) one of the most vulnerable groups of people in New Zealand. Their voices need to be heard and the information delivered in a manner which is understood (beyond language) with understanding this information and approach is for everyone - including Pasifika people - staff, workers and community.'*
> *PSA member, November 2021*

Prioritising adequate funding and accountability of funded activities

We support the focus on creating better access to a comprehensive range of support in people's communities. Ongoing funding must be sustainable to ensure strong and equitable public health, mental health, disability support and home support services.

'I have a special role to contract for, manage and monitor public health services that is at times humbling when I see what NGOs do. I see my role as walking alongside as NGOs are the community experts we can either enable, hinder or add no value whatsoever.'
PSA member, November 2021

We recommend including workers from the sector in the design and delivery of better services to improve access to a comprehensive range of community services. The NZ Health Charter is one vehicle that could ensure private providers adhere to a common set of principles, values and behaviours. For this key shift to occur the Charter must explicitly apply to the whole health system.

We recommend the abolition of the competitive tendering model which supports the undercutting of pay and terms and conditions. We recommend including criteria in funding contracts (such as cooperation and standard, decent terms and conditions) to ensure accountability for intended funding outcomes. The development of a transparent pricing model which covers the actual cost and delivery of high-quality services is essential moving into an integrated system within which community services can truly serve their communities.

'I agree with the [health system] principles but would like to see something about the workers in the health system, acknowledging their contribution and looking after their needs.'
PSA member, November 2021

'I agree with the [health system] principles but wonder about accountability. Currently DHBs pay lip service to Māori health needs and equity concerns and public health is undervalued. There needs to be a commitment to investing in communities and the workforce rather than managers making ridiculous salaries while their teams have little resource to do their jobs.'
PSA member, November 2021

'Everyone in NZ should be able to walk into health service and receive a comparable standard of care - contracting out to reduce the costs of service provision needs to end. NGO contracts should be awarded on an actual cost of provision basis (when have we ever contracted someone to build a bridge but said here's 60% of the actual cost, you can fundraise to make up the difference???). We also need to hold private entities (esp. in aged care provision to the same standards as the rest of the system - profiteering from the vulnerable should not be acceptable).'
PSA member, November 2021

'There needs to be accountability by every health provider for every dollar provided. Every provider should be contracted to OBJECTIVE goals and they report publicly against them quarterly.'
PSA member, November 2021

Particular measures are needed for the Home Support Services (HCSS) Sector. Home support workers are an essential part of the health and disability system. They support people to live at home within their own communities for longer by providing health services in people's own homes.

Home support workers are still not receiving guaranteed hours and paid rest breaks in large areas of the sector, despite this being agreed as part of the care and support equal pay settlement and In-Between Travel Settlement Agreement. They are also disproportionately likely to be subject to violence and assaults. Both workers delivering services and users of services suffer. Funding for HCSS must be appropriate, adequate and sustainable to ensure safe and effective services. A national contract is required which ensures consistency of funding rates and case mix to enable the realisation of minimum standard national employment entitlements. The funder of services (i.e. Health NZ) should design and build in a mechanism to ensure compliance with employment entitlements.

Regularisation of work[8] is needed, including paid training for all support workers to Level 4 (which is fully funded and at the usual hourly rate of the worker). Provisions covering employment status, guaranteed hours, and changes to hours of work also need to be included in workers' employment agreements. The health and disability system reform provides an opportunity to fundamentally improve the provision of community services to help communities to stay well – including their community workers.

> *'Take HCSS back 'in-house' the way it used to be, and not contracted out to 'for profit' providers who DO NOT CARE about their client.'*
> *PSA member, November 2021*

> *'[This private provider] abuses its support workers. Constant mistakes in the computer system, constant phone calls, clients always missing cares. Support workers overworked, no paid break times. Not enough manpower in the system to get jobs done. Too much sub-contracting out; companies trying to make a profit at support workers' expense. Only giving us temporary or part time contracts; expecting us to be available full time for company. No paid phone consultation fee, no overtime rate, no penal rates for weekend work…'*
> *PSA member, November 2021*

> *'[We need] a say in better work contracts that are fare [sic] whereby [this private provider] is not getting us on the cheap and wriggling out of expenses and saving money.'*
> *PSA member, November 2021*

[8] A regularised workforce is defined as a workforce in the home and community health sector with the employment status, shift model of guaranteed, continuous hours of work including travel time and breaks, paid training at the usual hourly rate of the worker included in workers' employment agreements.

It is further defined in the 2014 In-Between Travel Settlement Agreement

Commitment to secure and decent work across the health and disability system

We support the commitment to valuing and training health and support workers (both the regulated and unregulated workforce). This key shift is a necessity without which the necessary system change will not be successful. We understand that the NZ Health Charter will contribute to ensuring the workforce is valued and well-trained. It is essential that: improvements in leadership and governance of the health system are put in place; workplace behaviours and ways of working are respectful, inclusive and cooperative; and workplaces foster health, safety and wellbeing. We also expect to see quality terms and conditions apply across the health system.

> *'At the moment, there are many discrepancies between pay and conditions for workers employed by the DHBs and those working for NGOs and contractors, and they are basically not as good. DHBs and Ministries like MoH and MSD have been enabled by the contacting process to keep wages and conditions low and deny workers the same conditions that DHB and Ministry employed workers enjoy. If the NZ Health Charter applied to all health workers, this could not happen. All health workers should be acknowledged and valued for their contribution to the health of everyone in the community.'*
>
> *PSA member, November 2021*

We urge the Committee to take this opportunity to enhance employment conditions of the entire Health New Zealand and Māori Health Authority funded workforce. Currently the community health and disability workforce (the NGO sector) faces insecure hours including piecemeal work, poor employment conditions and low pay. This has also led to significant gender and ethnic pay gaps. Competition between community providers for funded contracts has resulted in reduced entitlements for this workforce. Contracts can currently be awarded to the least costly providers who are willing to bid for contracts at a price which means they will strip worker entitlements. We submit that funders should be prevented by this legislation from continuing to fund community public services in this way.

To avoid workers continuing to bear the brunt of the current funding model, it is essential to put in place standard funding contracts that give effect to the Charter and set expectations of quality common terms and conditions across the community sector and we recommend that this be required by this Bill. This will be consistent with current obligations under Schedule 1B of the Employment Relations Act 2000 *Code of good faith for public health sector*.
The responsibility for access, equity and quality of health services remains with Health NZ and MHA when contracting out services. Health NZ and Maori Health Authority retain their obligation to users of the health system in relation to access to quality services whether the delivery of services is contracted out or not.

To ensure worker voice in governing the process used to develop this content for standard funding contracts, **we recommend establishing a process and dedicated unit or entity to support and facilitate a bipartite (union and employer) process for the period after the Pae Ora Bill has been enacted**. This dedicated support is necessary to ensure that the continuing transition beyond 1 July 2022 is smooth and avoids disruption for the health workforce and the services that people deliver.

3. Detailed recommendations for the Pae Ora Bill

Section and Topic	Recommendations for Changes to the Bill	Comment
Section 4 - Interpretation	The definition of '***health system***' in the Bill excludes health services funded by ACC. The PSA strongly recommends that health services funded by ACC are included.	The inclusion of ACC funded services under the health system is essential to ensure that services are cohesive. If a single, cohesive NZ health service is the vision to achieve, ACC funded services need to be brought in to provide consistent, high-quality health services for all people (regardless of the cause of their unwellness).
Section 6 - Te Tiriti o Waitangi (the Treaty of Waitangi)	**Giving effect to te Tiriti o Waitangi** Places Tiriti-informed decision making at the heart of the system.	We seek regular ongoing statutory reviews to ensure this is occurring.
Section 7 - Health system principles	Health system principles should include worker participation, be broadened out to funded activities, and use stronger language. Amend to say: **(1)** ***(b)****The health system [instead of should] engage with Māori, other population groups,* ***workers of the health system*** *[added] and other people to develop and deliver*	Worker participation must be recognised as an important component of any engagement process as part of the health system. The health system is nothing without the services it provides. These services in turn are provided by the health workforce with its expertise, skills and experience. The health system principles must explicitly apply to funded activities, i.e. the NGO sector as well.

	services and programmes that reflect their needs and aspirations […] **(2)** ***The health system [instead of a health entity]*** *must when performing its functions under this Act be guided by the health system principles*	
Section 12 - Board of Health New Zealand; **Section 22 - Board of Māori Health Authority**	Add a requirement for the Boards of both Health NZ and the Māori Health Authority to have worker representation in form of members nominated by employees in the health sector to represent them via the CTU.	The CTU brings together affiliated unions who represent workers in all industries in NZ including the health sector. The CTU is the peak body of unions in New Zealand and therefore appropriately placed to nominate a worker representative for the Boards. The health unions (including the PSA) participate in the tripartite (government/employer/union) **Health Sector Relationship Agreement (HSRA) meetings.** The HSRA Oversight Group is a vehicle that should be maintained and linked into the health system governance structure e.g. in an advisory, monitoring and evaluation function of health workforce related matters.
Section 14 - Functions of Health New Zealand	Add: *(m) evaluate the delivery and performance of services provided or funded by Health New Zealand which* ***includes the state of the workforce*** *(n) provide accessible and understandable information to the public on the health system performance* ***including the state of the workforce***	Union/HSRA input must be considered particularly on workforce matters. Health NZ must have the power to take action if the health system (meaning the health entities and all activities funded by them) fail to achieve their intended outcomes. This includes the fulfilment of the outlined principles for the health system and the workforce charter.

	(r) take action if the health system fails to achieve outcome	
Section 41 - Process for making health strategy	Add: *(1) When preparing a health strategy, the Minister must-* *(c) consult with* ***the workforce and its representatives***	The inclusion of the workforce and its representatives is important because the strategy includes an assessment of the current state of outcomes and the performance of the health system (including funded activities), trends and risks, opportunities and priorities for improving the health system over at least the next 5-10 years, **including workforce development.** Workers and their unions bring experience and insight to all of those points and should be acknowledged as explicit stakeholders who must be consulted.
Section 47 – (New Zealand Health Plan) Process	Add: *(1) In preparing the NZ Health Plan, Health NZ and Māori Health Authority must engage with* ***(d) the workforce and its representatives***	This is important because it identifies desired improvements in health outcomes and priorities for these desired improvements, describes how the health system will deliver service and investment changes to achieve the desired improvements and sets out how key services and activities are delivered and key performance measures. Workers and their unions bring experience and insight to all of those points and should be explicitly identified as stakeholders who must be consulted.
Section 49 - Locality plans	Add: *(3) In developing a locality plan for a locality, Health NZ must* ***(d) consult with the workforce and its representatives***	This is important because the locality plan sets out priority outcomes and services for locality. The local health workforce is aware of significant service issues and inequities that need to be addressed. Locality plans may also have significant impacts on existing workforces. Therefore, workers and their unions should be

		acknowledged as explicit stakeholders who must be consulted.
Section 50 - Minister must determine New Zealand Health Charter	Add: Provides values, principles and behaviours for organisations and workers in the health system (2) The purpose of the charter is to provide common values, principles, and behaviours to guide the health entities and their workers, **and the entities funded to provide activities and their workers, both in the delivery of services and in their conduct of workplace relations.**	The NZ Health Charter must explicitly **apply across the health system** including the health entities and activities funded by them. The common values, principles and behaviours must be in relation to both the delivery of services by agencies and funded providers and in their conduct of workplace relations. We would expect that the the charter will include **expectations of standard terms and conditions** across the community sector which are required and set by standard funding contracts within the Charter is essential to avoid workers continuing to bear the brunt of current competitive funding models. This will be consistent with current obligations under Schedule 1B of the Employment Relations Act 2000 *Code of good faith for public health sector*.
Section 51 - Health entities must have regard to charter	Change the title of this section to ***Health system must give effect*** to charter. Change (a) from '***have regard*** *to the New Zealand Health Charter when planning for and contracting services* 'to'***give effect*** *to the New Zealand Health Charter when planning for and contracting services*'	Should apply explicitly to funded activities as well if the key shift is meant to be achieved (more and better services are provided in the communities).

	The health system [instead of a health entity] must (b) report annually on how it has given effect to the charter	
Section 89	We seek a requirement under s89 to ensure **exemplar employer practices are required** so that employment terms and conditions in relation to safe rostering, secure hours of work and pay are set under Crown funding arrangements. We seek this to **ensure entitlements of workers delivering services are not compromised by competition between providers and to ensure Crown funding is tied to exemplar employer practises**. We also seek a requirement to comply with the **good employer obligations under s 118 of the Crown Entities Act 2004** for all government funded employers in this sector.	
Subpart 2 - Provisions that apply to health entities **Sections 92-95**		Health NZ is proposed to be a Crown agent (ref cl 11). This means that it can be directed to give effect to Government Policy (s 103 Crown Entities Act 2004) along with the other accountability documents that are mentioned. The PSA is seeking a provision to ensure accountability of funded activities. We understand that it is the responsibility of Health NZ and the Māori Health Authority to ensure performance of the health system, and that this cannot be avoided through the contracting of services to another provider (i.e. funded activities). This might be done through directions to Health NZ by way of Ministerial Letter of Expectation or under s 103 of the Crown Entities Act 2004.

		Health NZ will be subject to the Government Procurement Rules which include rules around quality employment outcomes (rule 18A) and improving conditions for NZ workers (rule 19).
Schedule 1, Subpart 4 - District Health Boards **Schedule 1 clause 9 (1)(e).** **Schedule 1 clause 15(1)(b)** **Schedule 1 clause 15(2)**	Add: We seek the addition of the words *in the same capacity and* immediately after *becomes an employee of Health New Zealand* in Schedule 1 clause 9 (1)(e). (…) every employee of a DHB becomes an employee of Health New Zealand **in the same capacity** [add] Delete: (b) may be replaced by Health New Zealand by written notice**.** Delete: We seek the deletion of the words: ***that is reasonably likely to have a material effect on employees*** from this clause. We seek this because it is our view that all employment policies are likely to have a material effect on employees.	The PSA supports Clause 9(1)(e) which provides that every employee of a DHB becomes an employee of Health New Zealand on the same terms and conditions as applied immediately before they became an employee of Health New Zealand. However simply transferring on the same terms and conditions is not acceptable, **the transfer must also be to a role in the same capacity.** In order to achieve this, immediately after an individual *becomes an employee of Health New Zealand* we seek the addition of the words *in the same capacity and* in Schedule 1 clause 9 (1)(e). This change is consistent with the process followed under the Health (Transfers) Act 1993. We support the **preservation of current DHB specific entitlements for transferring employees** and for the continuation of the collective agreements and the anticipated offer of the collective agreement and coverage to future new employees of Health NZ. **We support clause 15(1)(a) so that the employment policies of DHBs continue to apply** within Health New Zealand. **The PSA is opposed to the power conferred on**

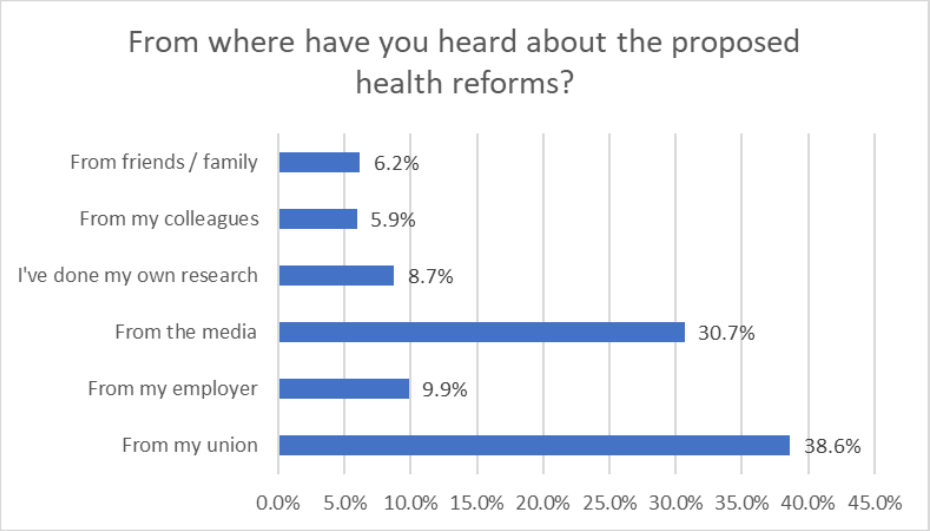
		Health New Zealand by clause 15(1)(b) that it can replace any employment policy by written notice. Policy change at Health New Zealand should be subject to the usual employment requirements which apply to other employers. Policy changes should at the very least require consultation and agreement where possible and require agreement where this is required within by the policy itself. Clause 15(2) introduces the **incorrect assumption that there may be employment policies which will not have a material effect on employees** and so will not require consultation. We do not agree with this assumption and object to this.
Schedule 1, Subpart 6- Transfer of employees	**In clause 20(3)** Replace "*employment contract*" with "*employment agreement*" Replace "*bargaining agent*" with "*union*". **In clause 22** Amend to provide clarity that employment will also be treated as continuous for all contractual entitlements. We seek an additional protection, a new subclause to Schedule 1 Clause 22(1)(d) ***entitlements under their employment agreement***	Clause 20(3) **uses outdated statutory language** (based on the terms used in the Employment Contracts Act 1991 and therefore 20+ years out of date)). *Employment contract* should be changed to *employment agreement,* and *bargaining agent* should be changed to *union.* Clause 22 The PSA supports treatment of employment as continuous for annual leave, public holidays, sick, bereavement, family violence leave and Parental Leave and Employment Protection Act 1987 entitlements and Kiwisaver. We seek an additional protection, a new subclause to Schedule 1 Clause 22(1)(d) ***entitlements under their employment agreement***.

		The PSA also notes the amount of change in the health system, including those required as a result of COVID 19, have created significant challenges to collective bargaining. It would be very useful for this **Bill to recognise these challenges and to mandate an extension to the collective agreements currently under negotiation** within the health system to 31 October 2021.

Appendix 1: Summary of PSA members' responses to the Pae Ora Bill

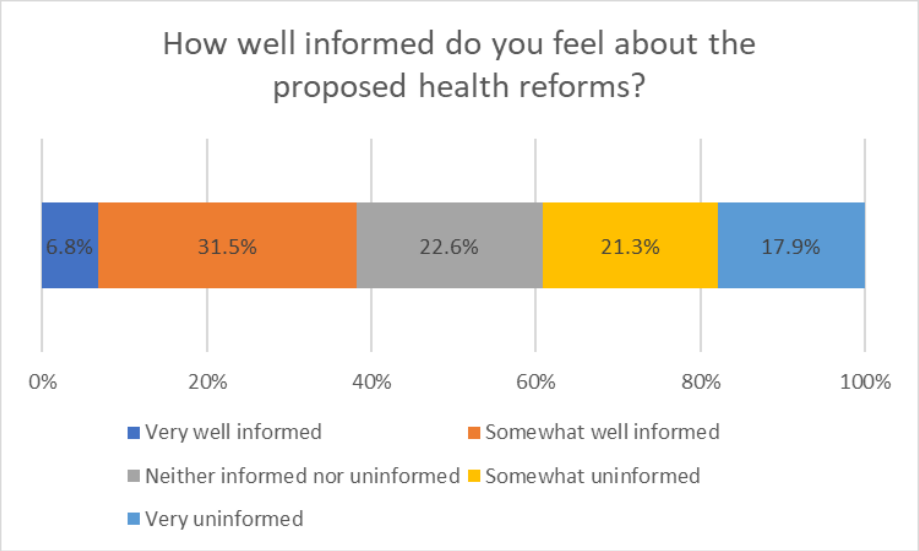
Question 1: From where have you heard about the proposed health reforms?

People were most likely to have heard about the proposed health reforms from their union (4 in 10 heard about this from their union) or from the media (3 in 10). Only 1 in 10 workers had heard about the reforms from their employer.



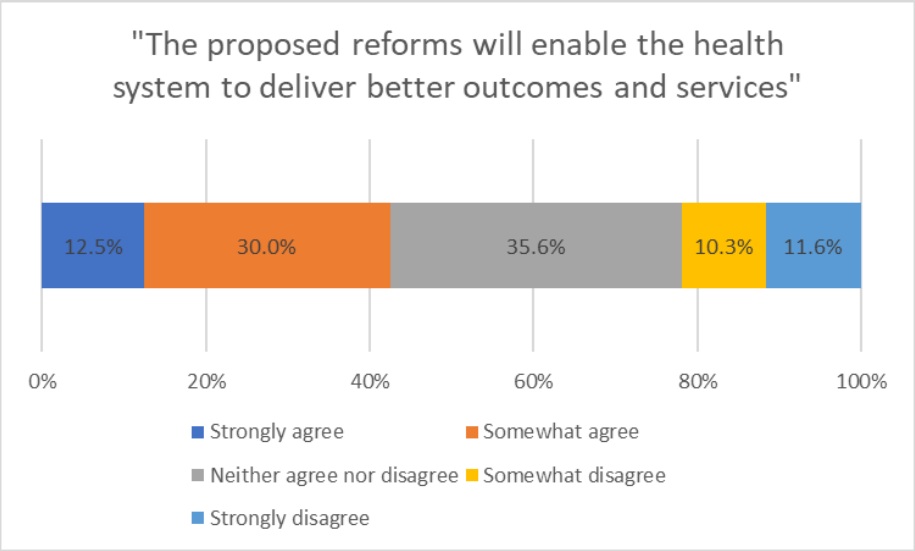
Question 2: How well informed do you feel about the proposed health reforms?

Fewer than 4 in 10 workers feel well informed about the proposed health reforms.

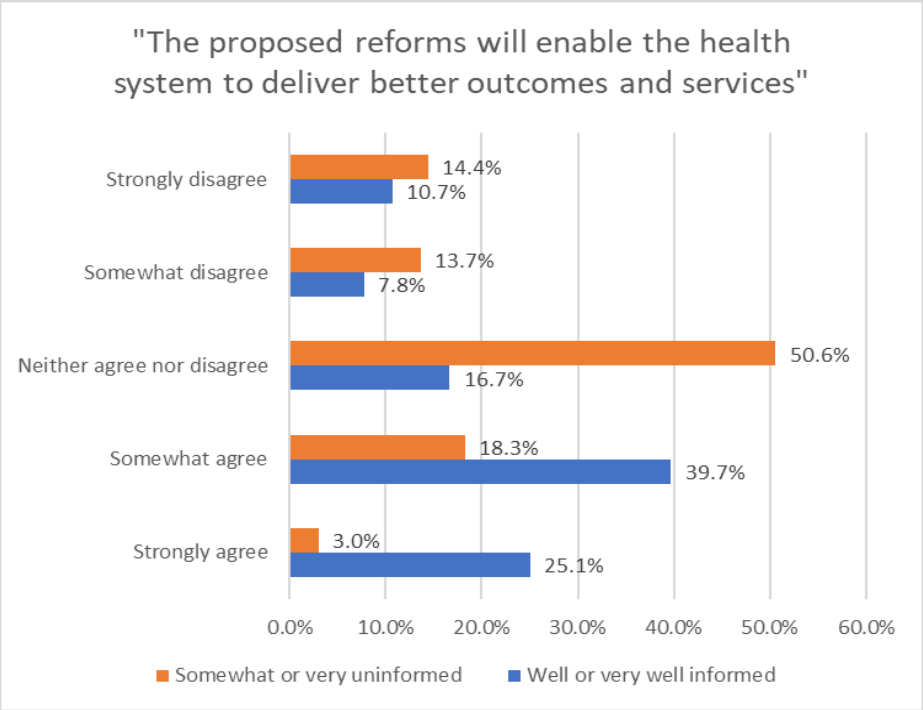


Question 3: Based on what you know about the reforms, how strongly do you agree or disagree with the following statement? "The proposed reforms will enable the health system to deliver better outcomes and services."

Just over 4 in 10 workers agree or strongly agree that the proposed reforms will enable the health system to deliver better outcomes and services. Almost the same number are unsure.

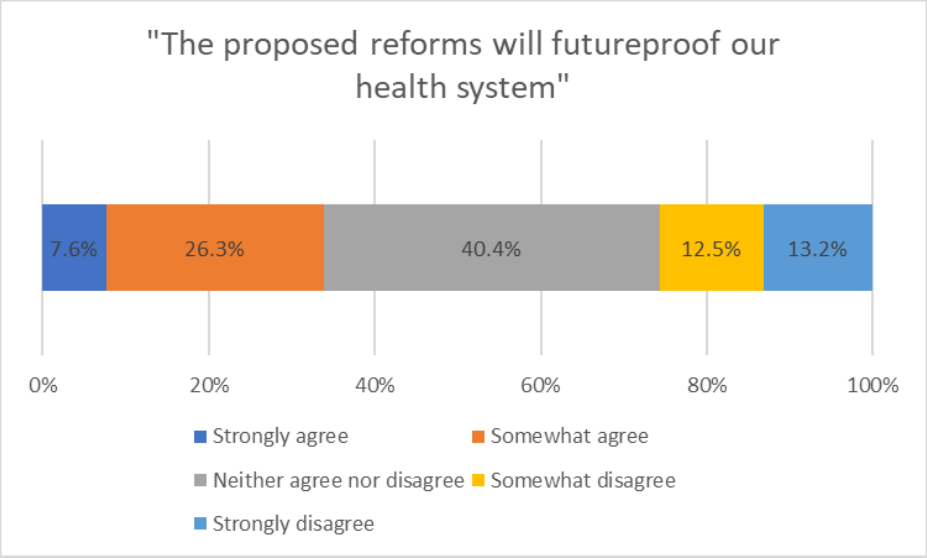


How well-informed workers feel about the reforms has a marked impact on how positively they view them. Only 2 in 10 workers who feel uninformed about the reforms think they will have a positive effect on outcomes and services, compared with two-thirds of those who feel well informed.



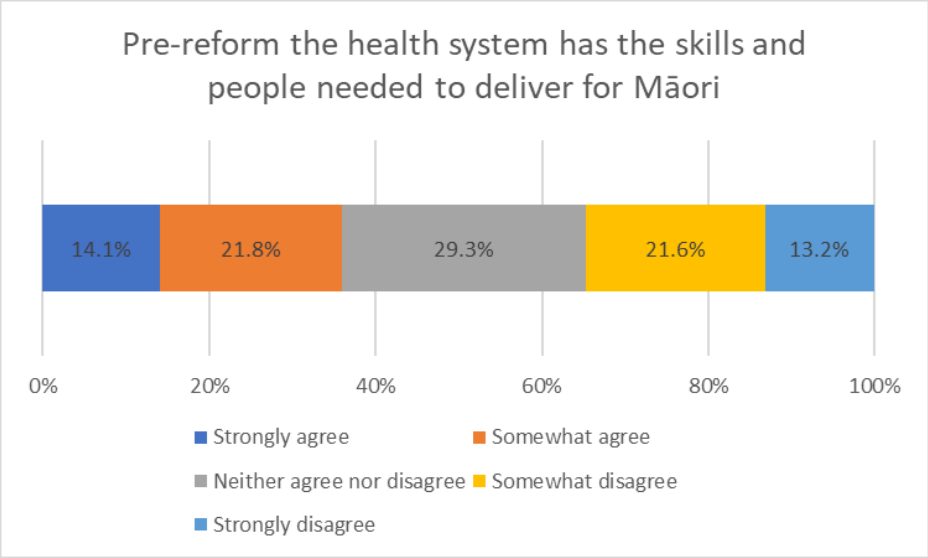
Question 4: Based on what you know about the reforms, how strongly do you agree or disagree with the following statement? "The proposed reforms will futureproof our health system."

Around a third of workers agree that the proposed reforms will futureproof our health system.



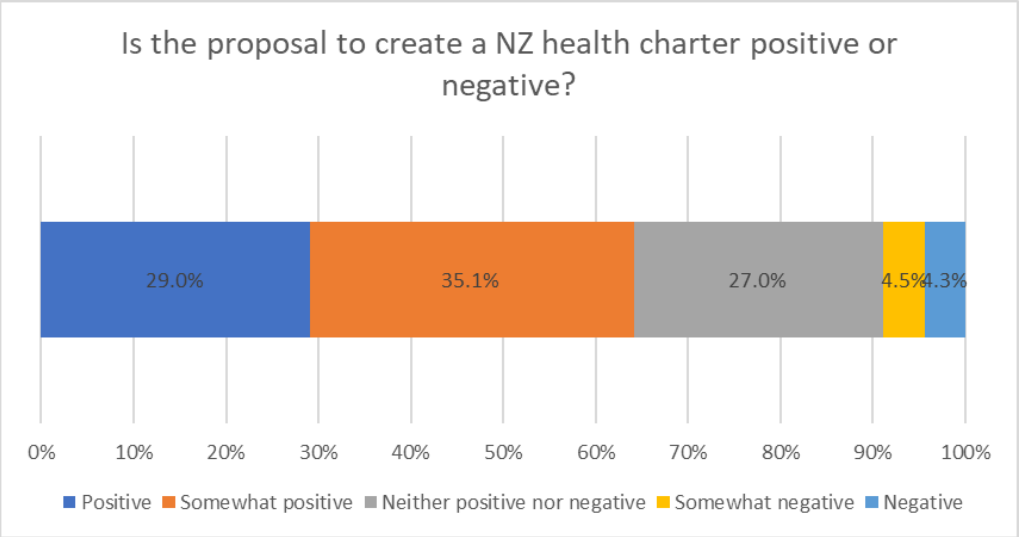
Question 5: The Bill states a purpose of the reforms is to achieve equity by reducing health disparities, in particular for Māori. It also proposes requirements of the health system, to give effect to the principles of te Tiriti o Waitangi (see here: https://bit.ly/3cyjgQS). How strongly do you agree or disagree that, pre-reform, the health and community sector currently has the people and skills needed to deliver for Māori?

Around a third of workers agree that, pre-reform, the health system has the people and skills needed to deliver for Māori.



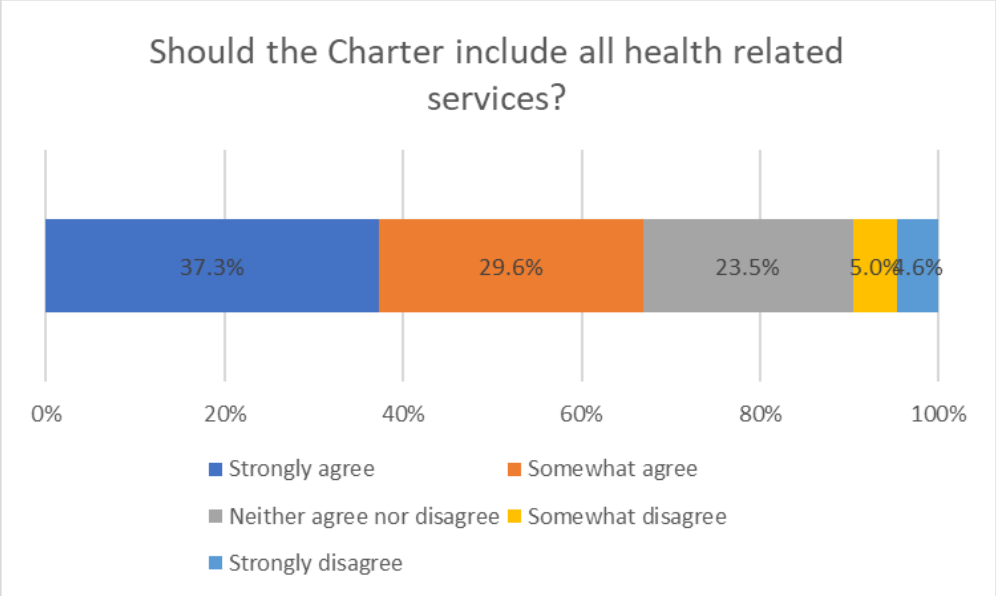
Question 6: One of the proposals in the reform is to create an NZ Health Charter to provide common values, principles, and behaviours to guide health entities and their workers. This Charter would be developed in partnership with the workforce. Do you think this is, on balance, a positive or negative proposal?

Just under two thirds of workers think the proposal to develop a NZ Health Charter is positive.



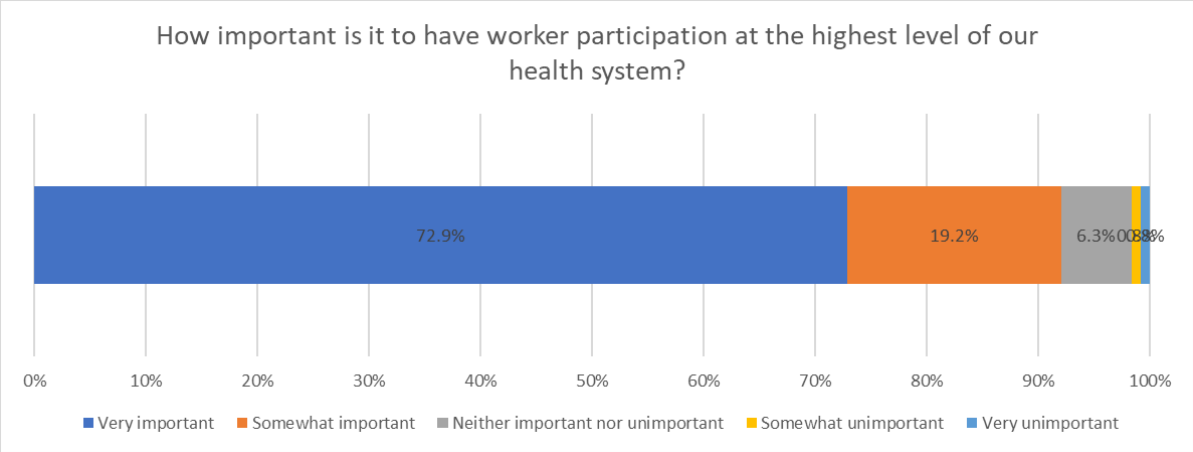
Question 7: In the current proposal, the NZ Health Charter would only apply to people employed by the new national health entities. Do you agree that the Charter should be explicitly extended to include all health related services (e.g. health services provided by NGOs and other organisations outside of hospitals)?

Two thirds of workers agree that the Charter should be explicitly extended to include all health-related services.



Question 8: In your opinion, how important is it to have worker participation at the highest level of our health system?

Over 9 out of 10 workers say it is important or very important to have worker participation at the highest level in our health system.



Thank you for considering our submission.

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