

Annex 7: Additional Policy Advice Information

1. The following outlines the Ministry's overall FTE pathway since 2003:
 - Growth in Ministry FTE in 2003 was attributable to the merger of the Health Funding Authority into the Ministry of Health and incremental growth occurred in 2004
 - Additions to the services the Ministry was funded to deliver led to FTE increases in 2005 – 2007. This included changes in HealthPAC processing and systems changes; and the establishment of a national drug policy secretariat (both 2005); the establishment of the Health Eating Healthy Action work programme; additional funding for elective surgery; the establishment of the Cancer Control Council and implementation of the Cancer Control Strategy (all 2006); and the development of the National Systems Development Programme (NSDP) (2007).
 - Ongoing additional programme and policy requirements were addressed when the Ministry's new structure came into effect on 1 July 2007. These expectations led to continued systems development (NSDP and the NZ Health Information Strategy; national Health Targets; and increased programme delivery within the national cervical screening programme. There were also a range of other activities including B4 schools checks (free health checks for 4 year olds); effective interventions in the criminal justice system; Quality Improvement Committee related projects; and increased health sector-focused capacity to deliver to Government outcomes.
 - This saw an establishment level agreed at 1675 for the 2008/2009 year. In the course of this year the Ministry has reviewed all staffing and output areas. This has seen the Ministry's FTE cap drop 200FTE to 1475FTE (as at 30 June 2009) with an additional undertaking, as part of establishing a National Health Board Business Unit within the Ministry of Health, to drop to 1290FTE by 30 June 2011.
 - In November 2009 the Ministry took action to ensure that only critical vacancies are recruited to and any new staff are to be employed on fixed term employment agreements (with an end date of 30 June 2010) while the Ministry undergoes the organisational change programme.

2. With a reduction in FTE, the Ministry is focused on ensuring that it is still able to deliver on the priorities set by Government and on increasing the capability of a reducing staff base, including policy staff. To that end, the following initiatives are being undertaken to develop the Ministry's policy capability:
 - a. Review and enhancement of the Ministry's Policy Analysis programme.
 - b. Focus being placed on building culture and capability within policy directorates.
 - c. Implementation of workshops to equip managers with skills to lead staff more effectively.
 - d. Building engagement so that staff are clear about what is expected of them and that they are working in an environment which enables them to perform more effectively.

3. The following table shows the quantity of policy advice that the Ministry measured and reported on from 2003 to 2008. These figures do not reflect the amount of work required to produce a piece of policy advice.

Year ended	Written Parliamentary Questions	Ministerial Correspondence	Health Reports
2003	1420	5456	2131
2004	1993	5032	2323
2005	2111	4138	2162
2006	2807	4692	2862
2007	2486	4703	2736
2008	1043	4373	2545

4. The NZIER review in December 2008 outlined the Ministry's policy advice as varied in quality. Whilst papers audited were brief, had appropriate attachments and were written by subject matter experts, they also required further work to ensure that they were written with the reader in mind, were polished and contained impact and risk analysis.
5. The following table shows the cost of policy advisors as a proportion of Vote Health and shows a reducing trend since 2007:

	Total Gross Pay (\$m - salary paid employees only*)	Vote Health Operating Expenditure	% of Total Vote Health operating expenditure
Year ended	(\$m)	(\$m)	
2003	13.16	6946.90	0.1894%
2004	16.37	7641.40	0.2142%
2005	18.56	9366.32	0.1982%
2006	18.86	9099.59	0.2073%
2007	20.10	9557.60	0.2103%
2008	21.91	10772.20	0.2034%
2009	23.18	11621.22	0.1995%

* excludes overheads