



Cabinet Social Wellbeing Committee

Minute of Decision

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Data and Digital Infrastructure and Capability: Enabling Health System Transformation

Portfolio **Health**

On 20 October 2021, the Cabinet Social Wellbeing Committee:

- 1 **noted** that in April 2021, Cabinet agreed:
 - 1.1 to establish a tagged contingency of \$400 million over the forecast period to enable investment in data and digital infrastructure and capability that is needed to implement health sector reforms and improve health system performance;
 - 1.2 that the allocation of funding from this tagged contingency was subject to Cabinet's approval of health data and digital investment principles, guidance, and processes for investment approval;

[CAB-21-MIN-0116.14, Initiative 13164]
- 2 **agreed** that the proposed investment and governance frameworks set out in the submission under SWC-21-SUB-0158 meet the requirements to approve-drawdown of funding from the tagged contingency outlined in paragraph 1 above;
- 3 **noted** that the Ministry of Health engaged the sector to identify and prioritise the key capability uplift initiatives based on current digital maturity and assessed against the framework to identify the highest priorities for investment across District Health Boards and primary and community service providers from the tagged contingency;
- 4 **noted** that the highest priority initiatives include:
 - 4.1 Hira: which will, through improved access to, and use of, secure and trusted data and digital services across the health system, improve ways of working for our workforce; and empower people and whānau to manage their health, well-being, and independence;
 - 4.2 Cyber security: which has been identified as an initiative to proceed under urgency to enable immediate remediation of sector cyber security risk;
 - 4.3 Capability uplift: a portfolio of ten priority areas investing in data and digital infrastructure and capability for a range of health provider organisations to support a foundational standard of data and digital capability which will reduce risk, begin to address historic under investment and enable health system reform;
 - 4.3.1 interoperability;
 - 4.3.2 cloud desktop;

- 4.3.3 advanced analytics;
- 4.3.4 national identity and access management;
- 4.3.5 data sovereignty principles and guidelines (including Māori data sovereignty);
- 4.3.6 online Booking services;
- 4.3.7 a commercial/ procurement assessment and framework;
- 4.3.8 connectivity and collaboration;
- 4.3.9 care pathways (including referrals management);
- 4.3.10 hybrid cloud platform services;

Hira tranche one

- 5 **noted** that in March 2021, the Cabinet Government Administration and Expenditure Review Committee approved the Hira programme business case and invited the Minister of Health to report back seeking approval of the Hira tranche one business case [GOV-21-MIN-0008];
- 6 **noted** that the detailed business case for tranche one of Hira has been completed, including completion of all quality assurance steps;
- 7 **noted** that the expected cost of tranche one of Hira tranche one is \$337.7 million over ten years;
- 8 **approved** the detailed business case for tranche one of Hira, attached under SWC-21-SUB-0158;

Financial drawdown

- 9 **approved** the following changes to appropriations, to support implementation of tranche one of Hira, cyber security and the capability uplift initiatives, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
Vote Health Minister of Health					
Departmental Output Expense:					
Health Sector Information Systems (funded by revenue Crown)	40.6	54.5	71.5	28.2	25.9
Total Operating	40.6	54.5	71.5	28.2	25.9
Non-Departmental Capital Expenditure:					
Health Capital Envelope 2020-2025 (MYA)	159.9				-
Total Capital	159.9				-

10 **noted** that the indicative spending profile for the multi-year drawdown described in paragraph 9 above is as follows:

	\$m – increase/(decrease)				2025/26 & outyears
	2021/22	2022/23	2023/24	2024/25	
Indicative annual spending profile	48.800	33.200	30.400	47.500	-

11 **agreed** that the changes to the appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply.

12 **authorised** the Minister of Finance and Minister of Health to draw down the remaining capital and operating contingency of \$25.2 million, subject to officials providing information on forecast additional costs to support any additional drawdown requests;

13 **agreed** that the changes to appropriations in paragraph 9 above be charged against the tagged contingency established in Budget 2021, as noted in paragraph 1 above, with a corresponding impact on the operating balance and net core Crown debt;

14 **authorised** the Director General of Health, transitioning to the Health New Zealand Board, to allocate funding for the capability uplift initiatives from the funds drawn down in paragraph 9 above for any projects with whole-of-life costs less than \$15 million in line with CO (19) 6 ‘Investment Management and Asset Performance in the State Services’ and the digital portfolio investment and governance frameworks;

15 **noted** that for any projects with whole-of-life costs exceeding the \$15 million threshold, the Ministry of Health will seek the necessary approvals under CO (19) 6;

Cyber security

16 **noted** the need to begin delivery of the cyber security roadmap under urgency due to the current level of risk in the sector and the impact on system reform, and that the cyber security roadmap attached under SWC-21-SUB-0158 describes a good practice cyber security target state across hospital, primary and community services aligned to system reform;

17 **noted** that the Ministry of Health will engage the Government Chief Information Security Officer to further develop and implement the cybersecurity roadmap, and will continue to work closely with the Department of the Prime Minister and Cabinet (National Cyber Policy Office), Digital Public Service branch of Department of Internal Affairs and the Transition Unit to ensure alignment and potential benefit for the wider Public Service from the implementation of the cybersecurity roadmap;

18 **agreed** to the implementation of the cyber security roadmap attached under SWC-21-SUB-0158;

19 **approved** the allocation of \$10 million of already prioritised capital funding in the Health Capital Envelope 2020-2025 MYA appropriation in existing Vote Health baselines for the implementation of the cyber security roadmap;

Further investment and reporting

- 20 **noted** that further investment and an increase in ongoing operating funding will be required to continue to build a more cohesive and technology enabled healthcare system, and subject to the invitation of the Minister of Finance, a further budget bid will be prepared for capability uplift funding over and above that sought for the required cybersecurity investment for Budget 2022 onwards;
- 21 **directed** the Ministry of Health to monitor key portfolio performance and assurance data and provide a quarterly update on the overall portfolio of investment to the Ministers of Finance and Health,
- 22 **invited** the Minister of Health to provide an annual progress report to the appropriate Cabinet Committee.

Rachel Clarke
Committee Secretary

Present:

Hon Grant Robertson
Hon Kelvin Davis
Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon Poto Williams
Hon Damien O'Connor
Hon Kris Faafoi
Hon Peeni Henare
Hon Willie Jackson
Hon Jan Tinetti
Hon Dr Ayesha Verrall
Hon Meka Whaitiri
Hon Aupito William Sio
Hon Priyanca Radhakrishnan

Officials present from:

Office of the Prime Minister
Office of the SWC Chair
Officials Committee for SWC