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Kia ora Sarah

Budget 2023/2024

As we indicated at Kāhui Kōkiri last week, we want to ensure unions are aware of the work we have underway to help manage our budget for the 2023/24 financial year.

Health New Zealand | Te Whatu Ora, along with the other parts of the public service, has to manage significant cost pressures in what is a challenging economic environment. We are currently operating with a deficit and cannot end the financial year in this situation.

Covid-19 had a major impact across the health system. Our people worked incredibly hard to support communities through the disruption. As a system, we had to be agile and adopt a range of approaches and responses. Time has moved on and we need to return to business-as-usual practices. We must live within our means as we deliver health services to New Zealanders.

We have been using several levers to help manage rising costs in several areas, such as clinical supplies and the funding of new drugs. We have been reducing wastage and improving the management of our clinical supply stock. Measures of this nature alone will not keep us within budget.

We must address personnel related costs and have more room to do this given the significant progress made on workforce shortages, such as filling nurse vacancies. The latest published workforce data for the last calendar year shows we recruited a net additional 2,493 nursing FTEs.

Our executive leadership team has considered and confirmed that Health New Zealand should be actively managing personnel costs as follows:

Annual leave and public holidays

- Identify staff with high annual leave balances who have not taken leave in the past 12 months and putting in place leave plans.
- Encourage as many staff as possible to take Friday 26 April as annual leave, and to take annual leave as much as possible alongside other public holidays in June (King's Birthday and Matariki).

Extra staff/penal payments/rosters

- Two people on annual leave on every shift with minimal back fill per CCDM.
- There will be no double shifts.
- Lunch breaks should not be missed to avoid additional payments being triggered.
- Public holiday staffing arrangements will include no staff on call or at work who do not need to be.
- Time off in lieu only where it is part of an agreement.
- Agreement to use alternate days where a lot of hours have been worked in the previous four weeks.
- Review of the use of casuals.

Sick leave

- There will be no backfill in corporate services or wards except night shifts (subject to CCDM).
- High or unusual sick leave or patterns of usage will be reviewed by each HR Lead and investigated where required.

Recruitment

- Outside of change and EOI processes, start dates in non-clinical areas will be post 1 July other than as agreed by an ELT member.
- Following resignations, roles must be filled at the same rate of remuneration – we must avoid any salary creep.
- Review of unfilled roles, other than roles being recruited as part of confirmed new structures. and consider permanent removal of these as part of the budget processes.

We are communicating with our leaders and staff about these moves in the coming days, and the role they can play in helping us to manage our budgets.

Ngā mihi



Sue Gordon

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