

Peke Waihanga

Artificial Limb Service

Orthotic Service

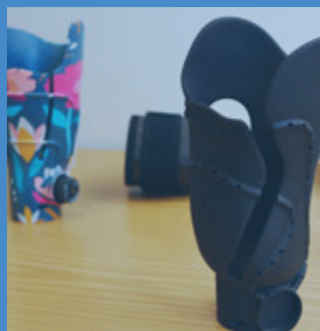
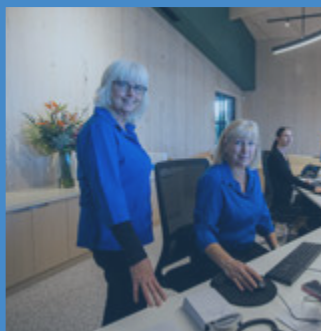
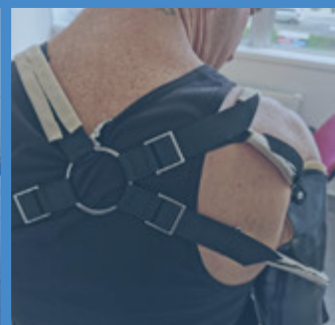
Peer Support Service

E.12A

Statement of Intent

2024–2028

Presented to the House of Representatives
pursuant to Section 149 of the
Crown Entities Act 2004



Our Vision

**Kia riro ia te mana motuhake o
tōna ao, kātahi ā mātou tūroro ka
whai hua.**

Independent and productive lives for
the people we care for.



Our Mission

**Kia noho motuhake te tūroro
mā te whakarato i ngā
ratonga peke waihanga me te
whakarauora.**

To enable our patients to achieve
independence by delivering
prosthetic, orthotic and rehabilitation
services.

Rarangī Take

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Who We Are

Peke Waihanga (New Zealand Artificial Limb Service) is a specialist healthcare provider which manufactures high technology medical devices, mainly prosthetics and orthotics, for individual patients with integrated rehabilitation, coordination of care, and peer support services.

In 2022-23 Peke Waihanga provided artificial limb and rehabilitation services to over 4,700 amputee patients, orthotic services to over 22,600 patients and a peer support service to over 900 recipients delivered by over 100 volunteer amputees.

Peke Waihanga's services are provided from eight main centres nationwide and 17 regional clinics in other areas of the country, supported by a national office in Wellington. Its centres are in Auckland, Hamilton, Tauranga, Wellington, Christchurch, and Dunedin. It also has a mobile workshop which currently delivers services to hard-to-reach patients in the Far North in collaboration with iwi health providers.

Peke Waihanga has an expert workforce of over 160 staff including rehabilitation medicine physicians, orthopaedic surgeons, general practitioners, nurses, prosthetists and orthotists, podiatrists, physiotherapists, occupational therapists, prosthetic and orthotic device manufacturing technicians, and support staff.

Peke Waihanga is an autonomous Crown Entity under the Crown Entities Act 2004 and Artificial Limb Service Act 2018 and is required to comply with the Public Finance Act 1989.

Its legislative functions (under the NZ Artificial Limb Service Act 2018) are:

- to manufacture, import, export, market, distribute, supply, fit, repair, and maintain artificial limbs.

- to provide rehabilitative and other services to persons in connection with artificial limbs.
- to carry out research and development in relation to artificial limbs
- to advise the Minister on matters relating to artificial limbs

A recent High Court decision confirmed that the act does not limit Peke Waihanga to only providing artificial limbs and it can legally provide orthotic services.

Peke Waihanga is different from other Crown entities in that it is not funded by Government appropriation. Rather it is fully funded through service contracts with the Accident Compensation Corporation and Te Whatu Ora/Health NZ for which it is in competition with the rehabilitation industry and other private entities. It has an operating revenue of \$35.9 million and net equity of \$24 million.

Peke Waihanga is overseen by a Board of six members who have a wide range of backgrounds including medical professionals, business practitioners, community workers, and amputees. Te Whatu Ora/Health NZ has a legislated member on the board.



Foreword From the Board

Nau mai haere mai

Mate atu he tētē kura, ara mai he tētē kura.

When one fern frond expires, another takes their place. We are constantly renewing and strengthening our organisation.

Our patients are at the centre of everything we do, receiving from Peke Waihangā whole-of-life, world-class services that deliver what they need at each stage of their journey.

This Statement of Intent outlines the high-level direction for Peke Waihangā over four years from 2024 to 2028. It summarises our objectives and some of the challenges and opportunities we face over this period.

These objectives have been identified with a strong input from the independent feedback gathered from our consumers – i.e. our patients - and from the deeply thoughtful contributions of our staff.

The Accident Compensation Corporation (ACC), Health New Zealand, the Amputee Federation of NZ and the Ministry of Social Development (MSD) have also participated in developing our strategic objectives.

We are delivering our services in difficult times. We have funding pressures caused by rising costs and an inequitable and unfair service agreement with Health New Zealand. This is

exacerbated by an upsurge in demand for both our orthotic and prosthetic services.

We have had a 176% increase in referrals from Health NZ/Te Whatu Ora in five years, mostly because of the rise in diabetes and vascular disease which accounts for over 50% of all amputations.

As amputees, these patients present with highly complex needs as the disease is associated with other severe health conditions like heart disease and stroke. These patients need more of our time and care.

Both type 2 and type 1 diabetes are increasing and are currently costing the country \$2.1 billion annually. According to Diabetes NZ, the number of New Zealanders with type 2 diabetes is expected to increase by 70-90% in the next 20 years, with a projected cost increase of 63% to \$3.5 billion. As amputees, these patients present with highly complex needs and require more of our time and care.

We are proud that we continue to deliver a world class service with minimal waiting times

for our patients within the current operating environment. However, this will not continue as funding pressures mount, and we will inevitably see waiting times grow and services reduced unless there is a resolution.

These strategic objectives focus on providing equitable access to a worldclass service delivered by an expert workforce underpinned by an increasing use of technology to improve

patient experience and achieve operational efficiencies.

Kia kaha, kia māia,



George Reedy
Chair



Kate Horan
Board Member

Tō mātou koronga Our Intent

Objectives

Service objectives

1. Improve service outcomes.
2. Enhance patient service and support.
3. Form prevention partnerships.

Equity objectives

4. Foster equitable access to services.

Expert workforce objectives

5. Enhance team communication and collaboration.

6. Develop a sustainable workforce.

7. Advance workforce training and development.

Technology research and development objectives

8. Innovate product development and expand the product market.

9. Maximise operational, manufacturing and product technology.

10. Utilise smart partnering.

Nature and scope

Artificial limb service – prescribing, manufacturing, and fitting prosthetic devices.

Orthotic service – prescribing, manufacturing, and fitting orthotics; prevention of progressive amputation and the deterioration of the contralateral limb.

Rehabilitation service – providing nursing, physiotherapy, occupational therapy and specialist rehabilitation medicine support to ensure rehabilitation plans are tailored to individual goals and needs.

Coordination service – provided by key workers and service coordinators.

Peer support service – provided to patients by patients who have lived through a similar experience.

Operating environment

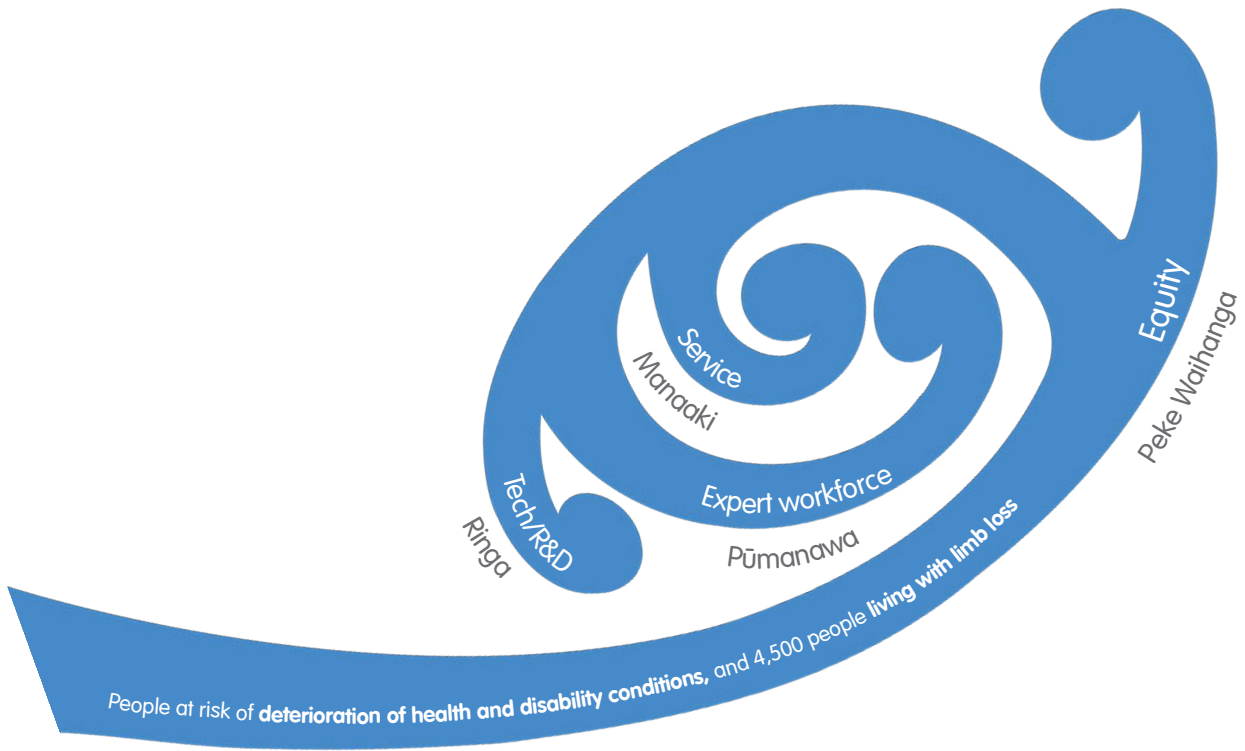
There is **an increased demand for services** as the burden of diabetes and vascular disease increases patient complexity and amputation rates.

There are **funding pressures** because of rising costs and the Government's desire to return to surplus.

Inequitable funding exists between ACC and Health NZ patients.

Māori and Pasifika have poor health outcomes.

There are **health workforce shortages** exacerbated by international competition for prosthetists and orthotists who must be recruited from overseas.

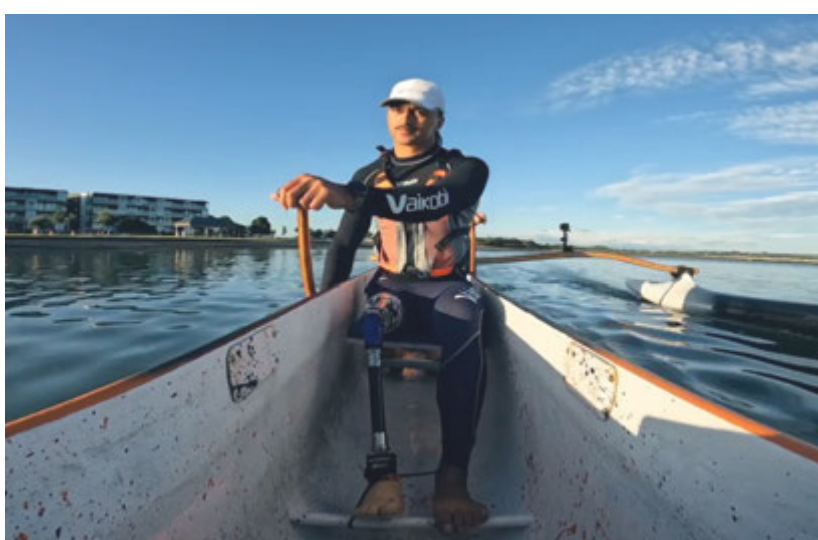


How we will deliver	Capability	Assessing performance
<p>Maximise use of technology to improve patient outcomes and achieve operational efficiencies.</p> <p>Negotiate equitable funding.</p> <p>Design, partner and collaborate for equitable access to improved services, effective care pathways, and amputation prevention.</p> <p>Implement quality prosthetic and orthotic manufacturing standards.</p> <p>Develop new products and commercialise.</p> <p>Strengthen expert workforce for recruitment, retention, and training.</p>	<p>Skills – prescription and manufacture of individualised medical devices; integrated rehabilitation and coordination of care.</p> <p>Processes – effective service delivery, clinical and health and safety processes.</p> <p>Technologies – custom patient management system; digitally connected workforce.</p> <p>Workforce – a team of 160+ multidisciplinary health professionals.</p> <p>Facilities – eight centres with medical device manufacturing workshops and rehabilitation space; 17 regional clinic locations; one mobile workshop.</p>	<p>Continual review of outcomes against our strategic objectives.</p> <p>Medical device quality check process.</p> <p>Health and safety monitoring.</p> <p>Independent and autonomous feedback satisfaction surveys of patients and staff.</p> <p>Third-party audits of our services, finances and health and safety requirements.</p>

Organisational Health and Capability

Peke Waihanga (New Zealand Artificial Limb) 2024-2028 objectives to secure its future health and capability include:

- 1. Successful negotiation of a more equitable Health New Zealand service agreement to ensure equitable service provision for patients.**
- 2. Exploring the commercialisation of some of its products:**
 - particularly its 3D and silicone products as a potential income generator.
- 3. Maximising use of technology to increase operational efficiencies, advance the knowledge and skills development of its workforce and achieve better service outcomes for patients.**
- 4. Refine its established operational systems:**
 - particularly those around risk management and health and safety.
- 5. Improve recruitment, retention and training for its workforce to overcome health workforce shortages and continue to quickly develop, adapt and adopt innovation and technology.**



Operating Environment

Increased Demand for Services

- There has been a substantial increase in referrals to our services, driven by a rise in diabetes and vascular disease - the leading causes of amputation in New Zealand. Service demand has been driven by the rising number of amputations and the high and the increasingly complex needs of patients with diabetes and vascular disease.
- Peke Waihanga has experienced a rapid expansion of its orthotic services. Since being awarded its first orthotic service delivery contract over five years ago, it has acquired contracts in Auckland, Bay of Plenty, Counties Manukau, Tairāwhiti, Waitemata, Waikato, West Coast and Canterbury. There is significant and increasing demand for orthotic services in all districts of New Zealand.



Funding Environment

- The Government has a stated intention to return its operating expenditure to surplus after being in deficit since 2019. It expects Crown entities such as Peke Waihanga to operate under strict fiscal management as part of reducing public expenditure.
- Peke Waihanga holds two national prosthetic contracts with quite different funding models. Under the ACC artificial limb service agreement, amputees receive an optimal prosthetic prescription and rehabilitation plan. Whereas the Te Whatu Ora prosthetic service agreement is an underfunded, bulk funded service, unchanged for two decades, which does not meet amputees' prosthetic and rehabilitation needs.
- To continue to meet patient needs and implement operational efficiencies, Peke Waihanga needs to invest in product and service innovations, staff training, new facilities, enhancing its digital patient management system and cyber security.

Workforce Challenges

- As there is no tertiary qualification for orthotists and prosthetists in New Zealand, Peke Waihanga must recruit from overseas. However, there is considerable international competition for all the health professions we need to recruit and retain.
- Te Whatu Ora recently settled allied health, nursing and administration/clerical pay equity claims. This has had a significant impact on our ability to retain and pay our expert workforce a relative salary. Specifically, many of our staff could earn 20-25% more by working for Te Whatu Ora.



Ratonga Service Objectives

Our patients are at the centre of everything we do, receiving from Peke Waihanga whole-of-life, world-class services that deliver what they need at each stage of their journey.

1. Improve Service Outcomes

Optimise device fitting: A well-fitted device is a fundamental and crucial outcome for patients.

How:

- Implement quality standards and improve communication to enhance device fit, look, alignment and patient use.
- Use technology.

Design effective care pathways: Wrap around, integrated services with effective referral pathways are essential for treating patients with high and complex needs.

How:

- Improve referral requirements and processes.
- Provide more direct access to orthotic services.
- Work with Health NZ/Te Whatu Ora to treat patients who have needs across different parts of the health system.
- Collaborate with other service providers to develop packages of care.

2. Enhance Patient Service and Support

Optimise patient communication and support through technology: Listening and responding to individual consumer's needs and concerns drives continual service improvement.

How:

- Co-ordinate all aspects of care through clear communication channels using Manaaki and other technology opportunities.
- Use telehealth to increase remote provision of care.
- Develop a patient portal and app.

Personalise rehabilitation: Effective rehabilitation improves patient independence.

How:

- Implement individual rehabilitation plans based on need, personal situation, activity level and lifestyle challenges.

3. Form Prevention Partnerships

Peke Waihanga cannot prevent increasing amputation rates caused by diabetes and vascular disease on its own.

How:

- Form partnerships with other health organisations to work on amputation prevention and effective management of diabetic feet.







Mana Taurite Equity Objectives

Peke Waihanga supports equitable amputee access to technology and services based on need.

4. Foster Equitable Access to Services

Ensure equitable access to services: In Aotearoa New Zealand, people have differences in health that are not only avoidable but unfair and unjust. Equity recognises different people with different levels of advantage require different approaches and resources to get equitable health outcomes (MoH definition of equity).

How:

- Map underserved patients.
- Enable equity via technology, advocacy and education. Maximise use of mobile workshop.
- Offer services in co-location spaces.
- Strengthen relationships with local iwi and community groups.

Negotiate equitable funding: Unlike the Peke Waihanga ACC service agreement, the Health NZ/ Te Whatu Ora prosthetic service agreement is an underfunded, bulk funded service, unchanged for two decades, and does not meet amputees' prosthetic and rehabilitation needs.

How:

- Renegotiate Te Whatu Ora prosthetic service contract and ensure expectations are contained within funding and service model resourcing.
- Use data to enable equitable outcomes — incentivise using demonstrable data and measure improvements.



Hunga Mahi Mātanga

Expert Workforce

Objectives

Our expert workforce is responsive and able to develop, adapt and adopt innovation and technology to continually improve the service and outcomes for our patients.

5. Enhance Team Communication and Collaboration

Peke Waihanga staff numbers have increased over 134%* over the past four years and its workforce is spread over multiple sites nationwide. Good, clear communication and collaboration internally and externally is essential in achieving a seamless patient experience.

How:

- Hold regular, discipline-specific national meetings.
- Use of a range of digital communication technologies.
- Promote internal intranet as the source of organisational information.
- Hold region-specific team meetings.
- Conduct staff wellbeing surveys and follow-up on feedback.
- Structure business planning.

** This staff increase was necessitated from Peke Waihanga being awarded an openly tendered contract because it was judged as the best value for money provider. The contract resulted in a 538% increase in patients receiving our services.*

6. Develop a Sustainable Workforce

Make Peke Waihanga an employer of choice: There is an industry wide shortage of health staff. Peke Waihanga has no funding to achieve pay parity for its staff. There is no tertiary qualification for orthotists and prosthetists in New Zealand and a quarter of orthotists and prosthetists are expected to retire over the next 5-10 years. For many roles, Peke Waihanga must recruit from overseas. However, there is considerable international competition for all the health professions Peke Waihanga needs to recruit and retain. Recruitment and retention must also align with our Peke Waihanga policy of equal access to employment opportunities based on merit, without fear of discrimination or harassment.

How:

- Attract and retain skilled staff.
- Provide an excellent orientation and induction.
- Provide ongoing support and professional development opportunities.
- Negotiate pass-on benefits of Health NZ/Te Whatu Ora's allied health staff agreement to Peke Waihanga staff to ensure pay parity.
- Provide a healthy and safe workplace environment.
- Review Peke Waihanga EEO policy and employment statistics every three years to ensure equal access to employment opportunities.
- Evolve an innovative workforce with an inclusive work culture.

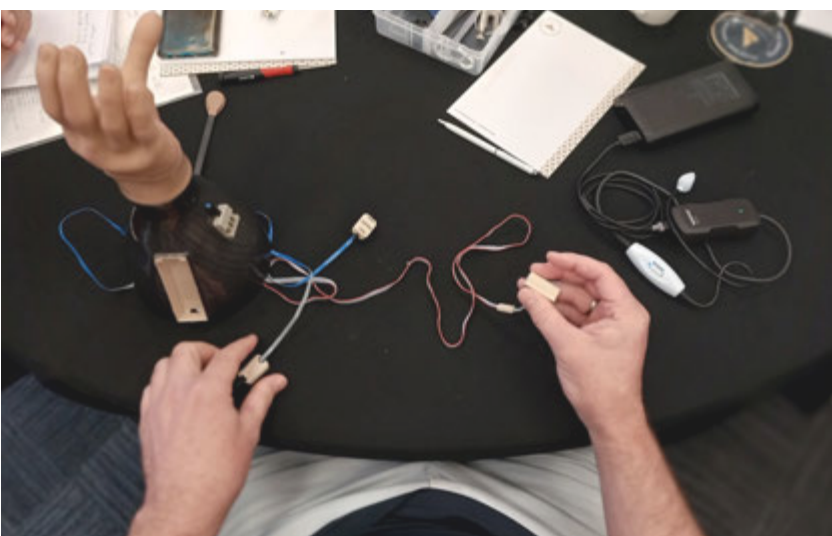
7. Advance Workforce Training and Development

Workforce training is a cost-effective way of improving internal capability, boosting patient satisfaction and improving employee retention. Our clinical staff need to stay up to date with the rapid technological advances in medical device manufacturing and componentry.

How:

- Design and implement training and continued professional development programmes for technicians, orthotists, prosthetists and allied health professionals.
- Leverage internal skills and experience, as well as overseas training, to upskill our staff.
- Request the Government funds a graduate programme for orthotists and prosthetists.
- Prioritise staff training on new technologies.
- Embrace technology to train staff.
- Continue the development of our people leaders.
- Embed staff performance development plans.





Hangarau, Rangahau me te Whakawhanaketanga Technology, Research and Development Objectives

We adapt and customise technology to change the lives of our amputees. Peke Waihanga has a responsibility to our amputees to understand, access and bring them the best technological solutions and initiatives that budget allows.

8. Innovate Product Development and Market Expansion

Peke Waihanga has invested in new prosthetic technologies such as 3D printing and silicone technologies and there is potential for this to become an income stream.

How:

- Invest in Research and Development for new manufacturing technologies.
- Commercialise products and explore national and international expansion.
- Foster a culture of learning and adaptability.

9. Maximise Operational, Manufacturing and Product Technology

New technology offers Peke Waihanga many opportunities to achieve operational efficiency, manufacture and fit better medical devices and streamline the patient journey.

How:

- Use and maximise current technology; Make informed decisions on investment in operational, clinical and product technology.
- Plan to adopt and integrate new technology quickly.

10. Utilise Smart Partnering

Collaborating with external partners to develop new technology and products, shares risk, costs, resources and responsibilities, expands pertinent competencies, knowledge and experience and increases innovation capacity and creativity.

How:

- Explore collaboration with universities and external providers.

Assessing Strategic Performance

We will continually review outcomes against our strategic objectives by:

1. Analysing data from Manaaki patient management system.
2. Conducting clinical notes audits.
3. Checking manufactured devices against a quality check list as part of job management flow.
4. Manage identified critical health and safety risks by monitoring mitigation controls; including monitoring the health and safety of staff working with machinery and hazardous substances, monitoring of exposure to airborne pollutants and noise during manufacturing and recording staff health and safety training.
5. Gathering patient and staff feedback including Cemplicity (independent client service satisfaction survey of patients), annual workplace well-being survey of staff and individual feedback phone interview with peer support service recipients.
6. Third-party audits of our services, finances and health and safety requirements.
7. Requiring staff to have individual development plans.



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