Outsourcing, Specialist Training and the Future of New Zealand's Public Health System

Specialty Trainees of New Zealand (STONZ)
September 2026

Executive Summary

New Zealand's health system faces significant challenges, including workforce shortages, rising demand, ageing infrastructure, and growing waiting lists for planned care. In response, successive governments and Health New Zealand have increasingly relied on outsourcing publicly funded procedures to private providers as a mechanism for reducing wait times and improving access to care.

STONZ recognises that outsourcing can provide short-term benefits for some patients waiting for treatment. However, the increasing transfer of publicly funded procedures from public hospitals into private facilities has created a significant and growing unintended consequence: the loss of training opportunities for New Zealand's future specialists.

This issue is now being reported across multiple surgical and procedural specialties.

As procedures are increasingly outsourced to settings that often exclude trainees, Resident Medical Officers (RMOs) are losing access to the hands-on experience required to develop competence and complete vocational training, creating an immediate threat to the supply of specialists who will be practising in New Zealand within the next one to five years.

STONZ believes that Health New Zealand, the Government, and the wider health sector must urgently recognise this as a training and workforce sustainability issue. New Zealand cannot solve today's waiting lists by compromising tomorrow's specialist workforce.

The health system must achieve two objectives simultaneously:

1. Deliver timely care to patients today.
2. Train the specialists needed to deliver care tomorrow.

Failure to do both will ultimately worsen health outcomes, increase reliance on overseas recruitment, and further weaken the public health system.

STONZ Position

STONZ does not support outsourcing as a long-term substitute for investment in public healthcare capacity.

Our position is that publicly funded patients should, wherever possible, receive care within publicly funded and publicly delivered services. This supports continuity of care, workforce sustainability, specialist training, and long-term system resilience.

Where outsourcing occurs, it must not occur at the expense of specialist training. Any organisation receiving public funding to provide healthcare should participate in the development of New Zealand's future health workforce.

Training opportunities must follow patients and procedures.

STONZ supports collaborative solutions involving Health New Zealand, private providers, medical colleges, ACC, vocational training programmes and trainee representatives. However, training considerations must become a mandatory component of outsourcing decisions, funding contracts and health system planning.

The Current Challenge

Outsourcing Is Increasing

Since first raising concerns in 2023, STONZ has observed increasing volumes of publicly funded care being delivered outside public hospitals through outsourcing arrangements. While this may assist some patients to receive treatment sooner, the movement of procedures into private hospitals has meant that trainees are increasingly left behind.

For many specialties, particularly surgical and procedural vocational training programmes, operative exposure is not supplementary training. It is the core training experience required to become a competent specialist.

When procedures leave public hospitals, training opportunities often leave with them.

The Public System Is Already Struggling to Deliver Training

Ideally, vocational training opportunities would remain within public hospitals where RMOs are employed and supervised.

However, this has become increasingly difficult due to:

- Workforce shortages.
- High service demands.
- Increasing acute workloads.
- Reduced procedural capacity.

- Competition for operating theatre access.
- Consultant workforce shortages.
- Increasing use of outsourcing.

Consequently, many RMOs report that their roles are becoming more service-delivery focused at the expense of training opportunities.

Without significant workforce and infrastructure investment, STONZ does not believe the public system alone can restore lost procedural opportunities in the short to medium term.

Why Outsourcing Creates Training Problems

Training Does Not Follow the Work
The primary problem is that RMO's can't go to private and are excluded from outsourced care leaving them with the complex patients in public.

Unlike public hospitals, private hospitals generally:

- Do not employ RMOs.
- Do not have established training structures.
- Prioritise efficiency and throughput.
- Have commercial expectations regarding operating times and productivity.
- Focus on consultant-led models of care.

As a result, publicly funded procedures continue to be delivered while trainees lose access to essential learning opportunities, compromising the long-term progression of the current New Zealand Health Workforce.

Loss of Foundational Training Opportunities
Patients selected for outsourced procedures tend to be those with fewer comorbidities and lower anaesthetic risk. As these lower complexity cases are increasingly performed outside the public system, the caseload remaining in public hospitals is becoming progressively more complex.

This shift is affecting trainee access to operative experience. Higher complexity cases with more unwell patients are often less suitable for trainees and are more likely to require direct involvement from Fellows or Senior Medical Officers (SMOs), reducing opportunities for trainees to develop their procedural skills.

While exposure to higher complexity cases has educational value and can help develop trainees who can manage challenging clinical situations, it also means that many routine cases that form the foundation of procedural training and early skill development are becoming increasingly scarce within the public system. As a result, trainees face a steeper

learning curve and have fewer opportunities to gain the volume and variety of experience required throughout their training. Higher complexity cases in concurrence with pressure for theatre access further diminishes training opportunities with an increasing emphasis on the "most senior person" available completing the surgery under the guise of efficiency.

Current Funding Models Create Barriers
Current funding arrangements often unintentionally discourage trainee participation.

Examples include:

- ACC-funded procedures that generally require consultant-only delivery.
- Contracts that make no provision for trainee participation.
- Funding models that recognise service delivery but not workforce development.
- Lack of contractual obligations requiring private providers to support training.

These arrangements reflect a service-focused model rather than a workforce sustainability model.

Workforce Risks
A health system that increasingly relies on private provision without training responsibilities creates substantial future workforce risks.

These include:

Reduced Specialist Competency
Future specialists may qualify with substantially less procedural experience than previous generations.

Delayed Training
RMOs may require longer to complete vocational training because they cannot access required case numbers. This then leads to fewer trainee positions available each year for specialist programs, worsening the pipeline for future workforce planning.

Increased Reliance on Overseas Recruitment
New Zealand may become increasingly dependent on internationally trained specialists to meet workforce needs.

Loss of Domestic Workforce Development
Significant work has been undertaken to build a locally trained workforce reflective of New Zealand communities. Failure to invest in current trainee's places this at risk as they look for better training opportunities elsewhere.

Risks to the Public Health System
STONZ's concerns extend beyond specialist training.

Increasing reliance on outsourcing raises broader questions about the future sustainability of the public health system.

Over time, healthcare professionals may increasingly be attracted toward private work due to:

- Better remuneration.
- More predictable work patterns.
- Improved infrastructure.
- Reduced service pressures.

STONZ does not criticise individuals who make these choices. However, we are increasingly concerned that strengthening private capacity while public hospitals remain under-resourced risks accelerating workforce migration and weakening public services.

Our concern is that expanding long-term outsourcing arrangements may risk further weakening public hospital capability if underlying workforce and infrastructure constraints are not addressed.

Patient Impacts
The outsourcing debate must not be viewed solely through the lens of training. Patients are also affected by system fragmentation.

Concerns raised by clinicians include:

- Reduced continuity of care.
- Potential duplication of services.
- Separation of procedures from ongoing public-sector treatment.
- Difficulty maintaining coordinated care pathways.
- Potential long-term impacts on service accessibility.

The current outsourcing model risks creating inefficiencies across the health system. While procedures may be performed in the private sector, pre-operative workups, post-operative follow-up, and the management of complications frequently remain within the public system. This effectively transfers only part of the patient's care pathway, leaving public services to absorb significant increased workload without additional resourcing.

While outsourcing may reduce waiting times for some patients at a specific point in their journey, STONZ believes these benefits must be balanced against the longer-term sustainability of the health system.

Recommendations

Recommendation 1: Recognise the Issue as Urgent

Health New Zealand, the Government, and private providers must recognise that the loss of procedural training opportunities is an urgent workforce issue requiring immediate action.

Training must be treated as a core component of health system planning.

Recommendation 2: Introduce Mandatory Training Impact Assessments

Before outsourcing arrangements are approved, Health New Zealand should assess:

- Training implications.
- Specialist workforce implications.
- College accreditation consequences.
- Effects on procedural exposure.
- Long-term workforce sustainability.

No further major outsourcing arrangements should proceed or be varied without understanding its training consequences.

Recommendation 3: Make Training Obligations a Condition of Public Funding

Any organisation receiving public funding should share responsibility for training New Zealand's future workforce.

Contracts should include:

- Training requirements.
- Supervision expectations.
- Reporting obligations.
- Workforce development measures.

Recommendation 4: Establish National Public-Private Training Pathways

Health New Zealand should create nationally consistent arrangements allowing RMOs to access training opportunities within private settings.

These pathways should:

- Maintain Health NZ employment.
- Preserve salaries and employment protections.
- Count towards vocational training requirements.
- Be supervised by accredited specialists.
- Focus on procedural opportunities unavailable in sufficient volumes within public settings.

Recommendation 5: Reform Funding Models

Funding settings should be reviewed to remove barriers to trainee involvement.

This review should include:

- ACC contracts.
- Planned care contracts.
- Elective service agreements.
- Public-private outsourcing arrangements.

Funding must support both service delivery and workforce development.

Recommendation 6: Invest in Public System Capacity
Outsourcing should never replace investment in public-sector capability.

Government investment should prioritise:

- Theatre capacity.
- Workforce retention.
- Specialist recruitment.
- Infrastructure.
- Training and supervision.
- Long-term workforce planning.

Recommendation 7: Learn from the Australian Public-Private Training Model
New Zealand should undertake a formal review of how Australia integrates specialist training across both public and private healthcare settings, particularly in surgical and procedural specialties where comparable workforce and service delivery challenges exist.

Australia has developed a more mature model of public-private integration, with trainees across specialties reporting that they are able to access accredited training opportunities across both sectors while maintaining educational oversight through hospitals, employers, and specialist colleges. This has enabled training opportunities to follow procedural volumes and workforce demand while supporting timely patient access to care.

The Australian experience demonstrates that private-sector involvement in healthcare delivery does not need to occur at the expense of specialist training, provided there are clear governance arrangements, accreditation standards, funding mechanisms, and workforce planning frameworks in place.

Private Training Principles

STONZ only supports training in private settings where the following principles are met:

- The primary purpose is to address gaps in clinical exposure and training.
- RMOs remain employed and rostered by Health New Zealand.
- Training focuses on operative and procedural experience.
- The supervising consultant remains responsible for patient care and theatre management.
- Initial programmes should focus on publicly funded patients treated in private facilities.
- Private providers are not expected to become full training institutions.
- Training activity counts toward vocational training requirements.

These principles balance patient safety, service efficiency and workforce development.

Conclusion

STONZ supports timely patient access to healthcare and recognises the enormous challenges facing New Zealand's health system.

However, outsourcing cannot be evaluated solely by the number of procedures completed or waiting-list targets achieved.

The ultimate measure of success is whether New Zealand can continue to produce highly competent specialists capable of delivering safe, high-quality care for future generations.

Without decisive action, New Zealand risks creating a system where today's waiting lists are reduced at the cost of tomorrow's workforce.

STONZ therefore calls on Health New Zealand, the Government, private providers, and political parties across the spectrum to work collaboratively on a sustainable solution that protects public healthcare, preserves specialist training, and ensures training opportunities follow publicly funded care wherever it is delivered.

Advocacy to Date

2022

STONZ completed a membership survey in December 2022 which was completed by 180 members who shared their experiences and helped form our initial advocacy efforts.

Districts	The largest number of responses were received from the Auckland (32), Canterbury (26), Waikato (23) and Southern (20) Districts. There were no respondents from South Canterbury, Tairawhiti, Wairarapa and West Coast.
Positions	Responses were received from all position types. Training Registrar (73), Advanced Trainee (51), Non Training Registrar (48), House Officer (4), Senior House Officer (3).
Specialties	Responses were received from 29 of the 43 specialty options in the survey.

Key takeaways

Outsourcing is impacting training opportunities	Cases suitable for training are being outsourced with minimal opportunities to attend these procedures.
Out-listing is having mixed impacts on training	For some out-listing is working better than lists in public, for others rostering / staffing issues mean they are not able to attend these lists.
Districts do **not** have plans in place to address impacts on training	In most cases were training has been impacted by outsourcing or out-listing Districts do NOT have plans in place to address the impact. Outsourcing - plans in place Yes = 15, No = 88. Out-listing - plans in place Yes = 8, No = 73.

2023

At its first Executive Committee meeting of 2023, STONZ formally raised concerns regarding outsourcing and its impact on training with Te Whatu Ora | Health NZ Chair Rob Campbell and Chief Executive Margie Apa.

STONZ highlighted that any public-private arrangements would need to enable RMOs to follow publicly funded patients and procedures into private settings, while preserving training, supervision and patient safety.

The issue was also raised publicly as part of a pre-election opinion piece printed in the Herald.

Later that year, STONZ briefed incoming Minister of Health Dr Shane Reti on the issue and proposed solutions.

2024

STONZ continued engagement with Health New Zealand and the Minister of Health to ensure trainee concerns remained visible as waiting-list reduction initiatives accelerated.

2025

Formal discussions regarding training in private settings gathered momentum.
STONZ worked closely with:

- Minister Simeon Brown.
- National Chief Medical Officer Dame Helen Stokes-Lampard.

- The HNZ Group Manager Future of Health Workforce.

During this period, Health New Zealand developed principles and memorandum arrangements with private providers and sought feedback from STONZ regarding safeguards for trainees.

STONZ also wrote an article published in The Post about how outsourcing health care risks the next generation of specialists.

2026

Discussions continue with the Minister of Health who assured us that his office's view was that if public money was going to fund private, there should be an obligation for training as part of those agreements.

Pilot programmes enabling trainee participation within private settings commenced, with evaluation underway.

Within the SECA bargaining process, STONZ negotiated to have the following included as an agreement:

> *Clause 36.0: Outsourcing*
> *Te Whatu Ora | Health New Zealand will act in good faith and, in accordance with the Health Sector Code of Good Faith, will consult with STONZ on any proposal to outsource work that may impact RMOs' training requirements. Where appropriate, early engagement with STONZ will occur to support formative discussions to inform proposals.*
>
> *Health NZ will provide STONZ with reasonable written notice of any proposed change, including the reasons for the proposal, subject to applicable confidentiality obligations. STONZ will be given a genuine opportunity to comment on any such outsourcing proposal and to provide feedback before any final decision is made.*

STONZ remains concerned, however, about reports of new long-term outsourcing contracts that appeared inconsistent with previous assurances that workforce development and training would remain central considerations.

These concerns have been raised directly with Health New Zealand and the Minister of Health again in September and we await further response.