



THE FUTURE OF
DIGITAL HEALTH
IN AOTEAROA
NEW ZEALAND -
**VOICE OF THE
WORKFORCE**

[A HiNZ Special Report](#)

FEBRUARY 2025

Context of the report

Health New Zealand | Te Whatu Ora is proposing to cut \$100 million a year from the budget of digital services and reduce its workforce from 2,400 to 1,285 roles.

This is on top of more than \$380 million in digital funding recalled as part of Budget 2024.

The new Digital Services budget of \$658m annually equates to just 2.2% of the overall operating spend of Health NZ and proposed job losses would mean just 1.4% of the Health NZ workforce is dedicated to this critical area—figures that fall significantly below international benchmarks.

The cuts have raised widespread concerns, particularly given Health NZ's stated commitment to prioritising digital solutions to address the current health crisis. This commitment has been emphasised multiple times by Commissioner Levy and reaffirmed in the most recent Government Policy Statement on Health.

HiNZ ran a Health Funding Impact Survey over two weeks in December 2024 in order to understand the impact of these proposed cuts on frontline care and patient safety, and to understand the opportunities to mitigate these impacts through targeted investments.

The survey garnered 358 responses from experts in digital health from across the sector. More than a quarter of respondents were health professionals involved in direct patient care.

Executive summary

“Data and digital services affect care provision across the spectrum because there is an element of digital health in every healthcare interaction - from referral, booking, reminders, care documentation and management of service delivery. If progress is not being made then we are not just stagnating, we are falling behind in how health services are being provided in Aotearoa NZ.”

survey participant

New Zealand’s healthcare professionals and digital health experts, have voiced deep concerns about the erosion of digital and data capabilities due to recent budget cuts, with 97.5% of respondents to a HiNZ survey believing the current cuts will either worsen or delay improvements to patient care.

Survey participants highlighted several critical impacts, including increased administrative burdens, outdated systems compromising patient safety, and vulnerable populations facing even greater barriers to care. Clinicians overwhelmingly reported that these changes would worsen staff burnout and further accelerate workforce attrition, particularly in frontline roles.

Despite these challenges, the report identifies actionable opportunities for digital transformation. Respondents emphasised the importance of targeted investments in five key areas: national shared health records, AI-driven diagnostics,

telehealth and remote patient monitoring expansion, real-time hospital tracking, and predictive analytics.

These initiatives, supported by international evidence, promise to deliver significant cost savings while improving access, timeliness, quality, workforce sustainability, and infrastructure resilience.

However, without a committed and substantial increase in digital health funding, New Zealand risks falling behind international benchmarks and jeopardising its ability to achieve equitable and effective healthcare.

Frontline voices: the human cost of budget cuts

Those surveyed describe an untenable situation where:

System failures delay care and create risk of patient harm:

Outdated and underfunded IT systems frequently crash, delaying critical care and increasing the risk of errors.

“Digital infrastructure requires maintenance; these cuts will push it below the sustainable levels.” - survey participant

Administrative burden creates less time for patient care:

An overwhelming 94.3% of respondents outlined how slow and less efficient IT systems are leading to frontline staff spending more time on administration and less with patients.

“Every minute spent wrestling with an outdated system is a minute I’m not with my patient. It’s demoralising and dangerous.” - survey participant

Fragmented care wastes time and creates risk:

95.5% of respondents identified that limited interoperability between systems is a critical issue that will only worsen. This leaves clinicians without a full picture of patient histories, often wasting time searching for information, wasting resources and delaying care by referring for investigations that may be unnecessary, and increasing the likelihood of misdiagnoses.

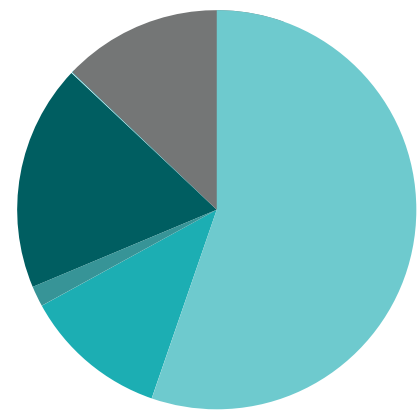
“Not having integrated/connected services will decrease the efficiency and ability of frontline staff to make critical clinical decisions on the best course of action for patient care.”

Outdated and over complicated systems are leading to staff burnout and staff leaving the public health system:

Staff are frustrated by being unable to provide timely, quality care to their patients due to poor information systems and outdated technology. 88.4% of respondents reported the cuts will worsen their ability to explore digital innovations that could significantly improve the care they provide. They are reporting high levels of stress, reducing job satisfaction and many are actively looking outside the public system for jobs.

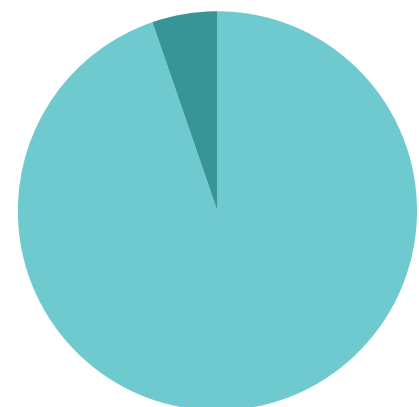
“We are already disillusioned. Simple basic IT functionality will now get in the way of us delivering care and impede research into how we can improve. We will burn out.”

WHICH PART OF THE HEALTH OR WIDER SECTOR ARE YOU CURRENTLY EMPLOYED?



- HEALTH NZ | TEWHATU ORA 55.3%
- PRIMARY HEALTH INCLUDING GP, NGO, KAUPAPA MAORI HEALTH PROVIDERS 11.7%
- HOME CARE SUPPORT SERVICES/ AGED RESIDENTIAL CARE 1.7%
- PRIVATE COMPANY, SELF EMPLOYED, NON-PROFIT 18.4%
- IWI MĀORI PARTNERSHIP BOARD 0.3%
- OTHER 12.6%

DO YOU BELIEVE BUDGET CUTS TO DATA AND DIGITAL SERVICES WILL AFFECT THE FRONTLINE HEALTH WORKFORCE?



- YES 94.7%
- NO 5.3%

Impact on patients

The downstream effects on patients are stark:

Delayed care: 72.6% of respondents felt that patients face longer wait times in urgent, routine and preventative care. Comments outlined the likelihood of increased inefficiencies in scheduling, diagnostics and information sharing with current systems falling even further behind as delays increase to system maintenance and upgrades. They highlighted the increased burden this will place on clinicians to complete tasks, resulting in less time for direct patient care and longer waiting times to see patients.

“Patients are waiting longer for less. We are seeing the cracks widen, especially for those already on the margins.”

Inequities amplified: Respondents highlighted that research clearly shows Māori, Pacific Peoples, and Disabled people are the most likely to be impacted by changes. The current poor data on these populations was frequently mentioned, with many commenting this was likely to become worse.

“These cuts will force rationalisation of resources to only the largest easiest to target groups.”

Increased risk of patient harm: Gaps in data sharing lead to fragmented care, increasing the risk of adverse outcomes through missed information in a patients

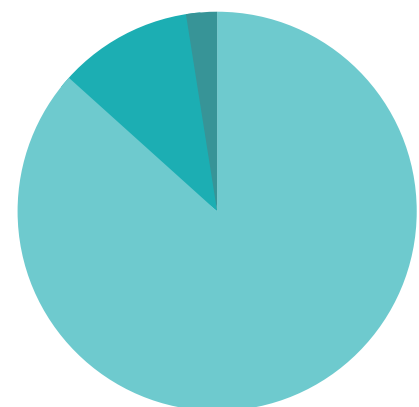
history, delay in care through unnecessary diagnostics or limited information on referrals, and increased wait times for diagnostics and specialist assessment.

“Budget cuts in the data and digital space are already impacting an overwhelmed and underperforming health service. I cannot, in good faith, reassure my patients that they are receiving high quality, equitable care.”

Lack of ability for people to manage their own health: Reduced investment in digital platforms such as patient portals and telehealth systems has limited access to personal health records and essential tools for informed decision-making. This diminishes opportunities for proactive self-care, leading to increased dependence on overburdened health services and worsening inequities in care access.

“Significant budget and staff cuts will negatively impact the ability to drive earlier diagnoses and interventions, improve outcomes, and support more engaged patients.”

IN YOUR OPINION, WILL BUDGET CUTS TO DATA AND DIGITAL SERVICES NEGATIVELY IMPACT PATIENT CARE?



- YES **86.6%**
- NO, BUT THEY WILL CEASE/SLOW ANY IMPROVEMENTS TO CARE **10.95%**
- NO **2.5%**

Health priorities at risk

Survey participants consistently linked digital services budget cuts to challenges in achieving key health priorities:

1. Improving access to services

“Patient Anywhere Clinician Elsewhere” services including telehealth and remote patient monitoring are critical for rural and underserved communities, but remain underfunded, keeping essential services out of reach.

2. Timeliness

The absence of AI-driven triage tools exacerbates ED overcrowding, overbooked GP clinics and long wait lists for specialists and investigations, leaving both patients and staff in crisis mode.

3. Quality

Predictive analytics and shared care records, tools pivotal for quality care, are sidelined, increasing preventable illnesses and long-term costs. Already overburdened clinicians will have even less time to trial new and innovative treatments that have the potential to improve quality of life and reduce burdens on the healthcare system.

4. Workforce

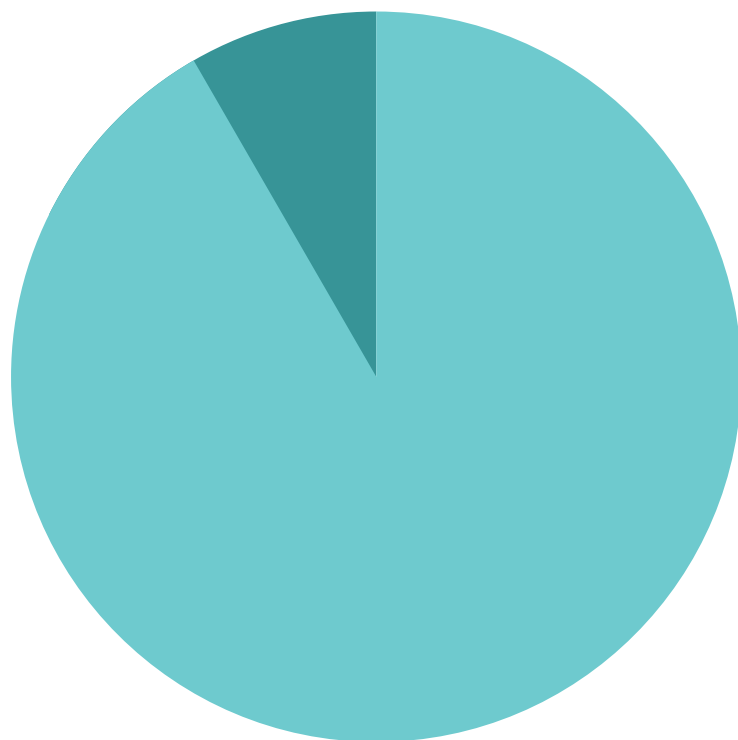
Clinicians report rising burnout and inefficiency as administrative tasks overshadow patient care, leading to many proactively looking at opportunities outside Health NZ. Automation and robust IT systems are urgently needed but remain inaccessible.

5. Infrastructure

The under investment in digital infrastructure and workforce compared to international standards is leading to a system that increases patient risk by delaying care and reducing access to critical information.

“While budget cuts might appear to save money in the short term, they can have long term consequences on patient care by reducing efficiency, increasing errors, limiting access to care, and impeding technological innovation. Ensuring that data and digital services are adequately funded is crucial to maintaining high-quality healthcare.”

DO YOU BELIEVE BUDGET CUTS TO DATA AND DIGITAL SERVICES WILL LEAD TO FRONTLINE WORKFORCE LEAVING THE PROFESSION/GOING OVERSEAS?



- YES **91.6%**
- NO **8.4%**

Opportunities to lead the way

There are numerous opportunities to advance healthcare using digital health solutions. Respondents highlighted 5 priority areas that will result in faster, more accurate diagnostics, improved access to care, and a deeper understanding of bottlenecks in the system. These solutions were those identified as being most likely to both significantly reduce patient harm and achieve substantial cost savings.

1. National shared health records

Clinicians overwhelmingly supported the implementation of shared health records, emphasising their potential to reduce redundant tests, improve care coordination, and enhance patient safety. National shared health records have been shown to provide almost 10% savings in hospital related patient care costs.

2. AI-driven diagnostics

Respondents highlighted AI's role in improving diagnostic accuracy, reducing clinician workloads, and expediting treatment, particularly in high-stakes areas like cancer care. A recent publication by the National Bureau of Economic Research in the United States has shown that implementation of AI could lead to savings of 5-10% of overall healthcare spend.

3. Patient anywhere clinician elsewhere expansion

Professionals called for expanded telehealth and remote monitoring services to bridge access gaps for rural and priority populations that experience inequity, reducing the strain on emergency departments. Studies have shown up to 35% reduction in hospital visits and up to 50% reduction in ED visits for patients with chronic health conditions using remote patient monitoring, leading to significant cost savings.

4. Smarter patient flow

Improved data systems for real-time hospital tracking were seen as essential for reducing bottlenecks and improving patient outcomes. Studies have shown that implementing such systems can reduce ED wait times by one hour per patient, and reduce hospital stay lengths by 6.5% as well as reduce readmissions by 2%.

5. Predictive analytics

Respondents emphasised the need for predictive models to anticipate healthcare demand, ensuring resources are allocated effectively and proactively. Using predictive analytics has been shown to have the potential of significant cost savings in preventative care, management of high resource and patients, and up to 20% reduction in length of hospital stays overall.