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Health Quality & Safety Commission
Te Tāhū Hauora

Statement of Performance Expectations

Ngā Paearu Mahi

2026/27

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

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This Statement of Performance Expectations (SPE) is the first prepared under the Health Quality & Safety Commission Te Tāhū Hauora Statement of Intent (SOI) 2026–2030[1] and outlines our planned activities and performance expectations for 2026/27.

The SOI 2026–2030 provides a clear connection between our role, our work and the impact we seek to achieve across the health system under our three strategic priorities:

- strengthening consumer and whānau engagement
- reducing harm and avoidable mortality
- leading health care improvement through data and evidence.

Accordingly, this SPE sets out the key deliverables, measures and other activities that will guide our work programme during 2026/27 to deliver on our legislative role to support the health sector to improve the quality and safety of health services in Aotearoa New Zealand.

The Minister of Health's Letter of Expectations reinforces the importance of our role in supporting the wider health system through independent monitoring, trusted data and insights, consumer and whānau engagement and collaboration across the sector to improve quality and safety outcomes. This includes identifying areas of risk, harm and variation, improving transparency and supporting evidence-informed action and improvement.

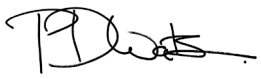
Over the last year, there have been changes in our leadership. At Board level, longstanding members Shenagh Gleisner, Dr Tristram Ingham, Professor Ron Paterson and David Lui were farewelled, and Rakesh Patel and Monica Goldwater welcomed. In August 2025, Professor Sunny Collings commenced as Chief Executive, as the Commission continues to evolve and deliver on its strategic priorities.

1 Health Quality & Safety Commission Te Tāhū Hauora. 2026. *Statement of Intent | Tauākī koronga 1 July 2026–30 June 2030.* URL: www.hqsc.govt.nz/statement-of-intent-2026-30

Board statement
Tauākī a te poari

In signing this statement, we acknowledge we are responsible for the information contained in the Statement of Performance Expectations for the Health Quality & Safety Commission Te Tāhū Hauora. This information has been prepared in accordance with the requirements of the Public Finance Act 1989 and the Crown Entities Act 2004 and to give effect to the Minister of Health's Letter of Expectations and the Enduring Letter of Expectations from the Minister of Finance and the Minister for the Public Service. It is consistent with our appropriations.

Rae Lamb
Chair, Board
30 June 2026



Dr Peter Watson
Deputy Chair
30 June 2026

1. **Introduction**
He kupu whakataki

This Statement of Performance Expectations (SPE) sets out the work programmes, deliverables and performance measures of the Health Quality & Safety Commission Te Tāhū Hauora (the Commission) for 2026/27.

The Commission is the national expert agency responsible for independent monitoring of quality and safety across the health system. For more than 15 years, we have been a stable and trusted presence in the health sector, leading a comprehensive programme of initiatives to improve health care and patient outcomes.

Under the Healthy Futures (Pae Ora) Act 2022 (the Act), our role is to lead and coordinate work across the health system to improve and monitor the quality and safety of services and support providers to improve that quality and safety. Our functions include:

- advising the Minister of Health (the Minister) and the health sector on quality and safety issues
- providing trusted quality and safety intelligence
- leading national mortality review
- supporting consumer and whānau engagement
- delivering improvement programmes
- identifying emerging risks
- strengthening system safety capability.

Through this role, we strengthen system learning and accountability, helping the health sector reduce potentially avoidable harm, save lives and improve access to care. We work with clinicians, the wider health workforce, and consumers and whānau to drive improvement, with a strong focus on meeting people's health needs and achieving equitable outcomes.

By convening cross-agency groups, supporting their responses to quality and safety issues and maintaining oversight of quality and safety, we enable the health system to perform in a more effective and integrated way. This work promotes coordinated responses to complex challenges that no single organisation can address alone.

We **'support and facilitate improvement'** through our single output class, working collaboratively with partners while maintaining the independence needed to provide impartial and credible insights. This enables us to identify risks, highlight variation in health care and outcomes, and contribute to informed action.

In our SOI, we have strengthened our performance framework to more clearly articulate the role we are expected to play in system improvement and how we actively contribute to the longer-term outcomes we seek to influence. This framework demonstrates how our work alongside our partners supports system-wide improvement in quality, safety and equity. It reflects the nature of our role, which involves achieving impact through our ways of working – Inquire, Involve, Inform, Influence and Improve – so that we enable improvement in health services rather than delivering them directly.

This SPE sets out how we will give effect to this approach in 2026/27. It covers our planned activities and how we will measure our performance.

2. **Our strategic intent and expectations**
Te rautaki me ngā kawenga

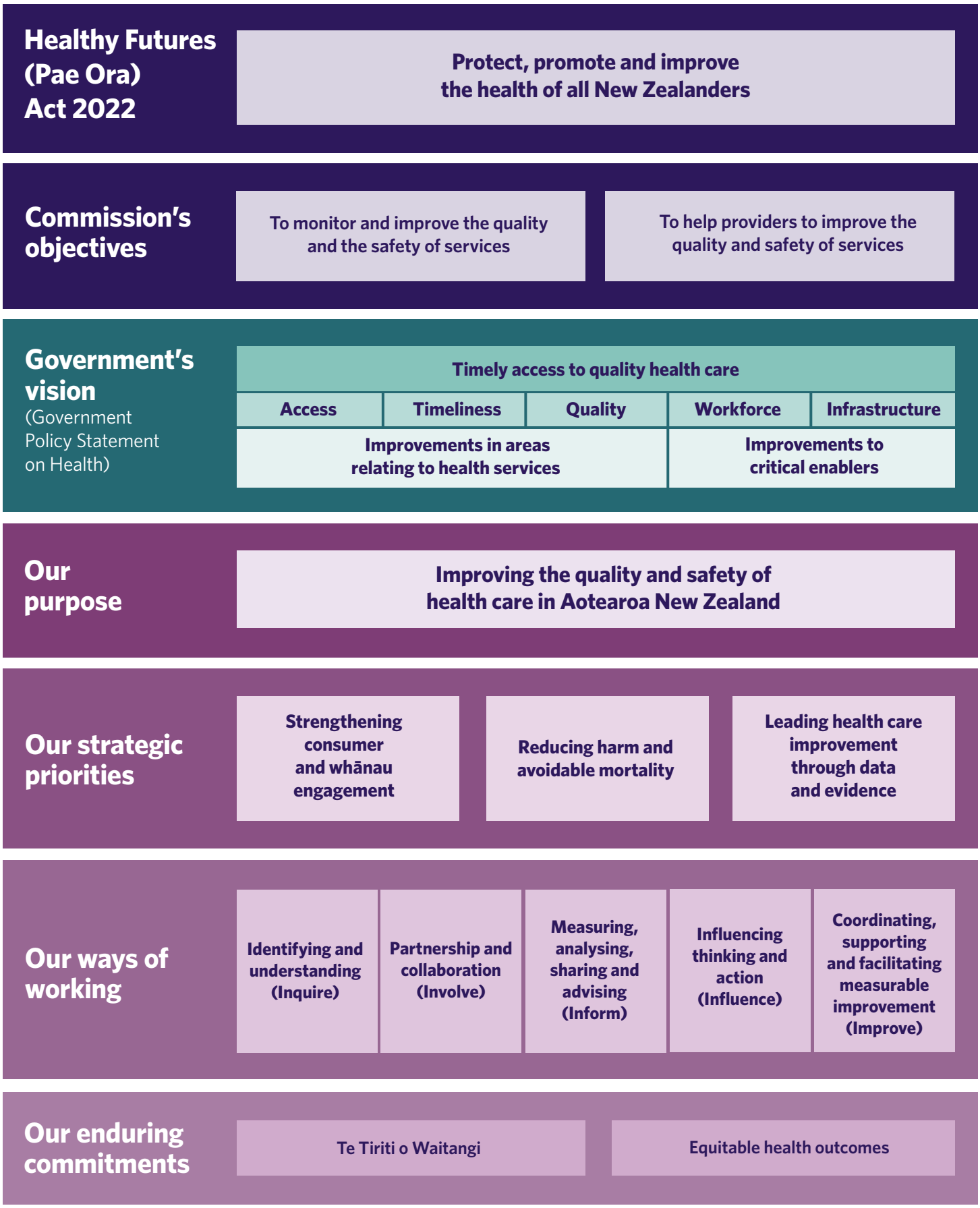
The Government is focused on improving health outcomes by ensuring timely access to quality health care from a financially sustainable health system, as set out in the *Government Policy Statement on Health 2024–2027.*[2]

Our strategic framework (see Figure 1) aligns with the Government's direction and supports the Minister and the wider health system to achieve its aims. It reinforces the expectation that the health system puts patients at the centre of every decision and delivers high-quality services in an efficient and financially sustainable way.

It reflects our role under the Act to monitor and improve the quality and safety of services, and to support providers to do the same. Our purpose and strategic priorities are outlined in our SOI.

2 Minister of Health. 2024. *Government Policy Statement on Health 2024–2027.* Wellington: Ministry of Health. URL: www.health.govt.nz/publication/government-policy-statement-health-2024-2027 (accessed 7 May 2026).

Figure 1: Our strategic framework



Our purpose and strategic priorities

Through our purpose of **'improving the quality and safety of health care in Aotearoa New Zealand'**, we contribute to a system that aims to deliver timely, high-quality, safe and equitable care for all, by focusing on:

- **strengthening consumer and whānau engagement**
- **reducing harm and avoidable mortality**
- **leading health care improvement through data and evidence.**

The Commission has selected these priorities because they reflect the areas where we can make the greatest contribution to improving the quality and safety of health care in New Zealand, consistent with our statutory role to support and facilitate improvement across the health system. Together, the priorities respond to persistent system challenges, Government expectations, evidence from quality and safety monitoring and feedback from consumers, whānau and the sector.

The priorities are also interconnected. Strengthening consumer and whānau engagement improves the design and delivery of care and helps identify where the system is not working well. Data and evidence provide the insight needed to understand variation, inequities, risks and opportunities for improvement. Reducing potentially avoidable harm and mortality is the ultimate outcome sought through safer systems and system learning and improvement activity.

This section sets out our key programmes of work and new initiatives, highlighting the areas of focus for 2026/27 that will support delivery of our legislative functions, advance our strategic priorities and drive meaningful improvements in the quality and safety of health care.

Strengthening consumer and whānau engagement

Involving consumers and whānau as partners in the design and planning of health care and improvement supports better patient experience, improves clinical outcomes.[3]

We recognise that the voices, experiences and insights of consumers and whānau are essential to understanding how care is experienced and where system improvement should be focused to create a safer, more responsive and equitable health system.

In 2026/27, we will support the health sector to meaningfully engage with consumers and whānau so that health services are shaped by the experiences, needs and priorities of the people who use them, leading to better and more equitable health outcomes.

This includes providing tools, guidance and opportunities to capture, understand and use consumer and whānau perspectives to inform system improvement, decision-making and system leadership, as outlined below.

Code of expectations for consumer and whānau engagement

We are mandated to develop the *Code of expectations for health entities' engagement with consumers and whānau* (code of expectations) to help embed consumer and whānau voices across the health system.

Following the release of the code of expectations in August 2022, we have supported its implementation and socialisation across the health sector, including with consumer, whānau and community organisations.

As one of the named health entities required to implement code of expectations,[4] we will continue to meet our obligations to give effect to it and report on this work annually. We also monitor this implementation through the consumer and whānau quality and safety marker (QSM).

In addition, this year, we will refresh the code of expectations to align with legislative changes and keep it fit for purpose.

3 Gerard C, O'Brien I, Shuker C et al. 2024. Patient experience surveys are vital in the twenty-first century: let's put some myths to rest. *New Zealand Medical Journal* 137(1588).

4 Under the Act, the health entities that must give effect to the code of expectations are Health New Zealand | Te Whatu Ora, Pharmac, the New Zealand Blood and Organ Service and the Commission.

Support to the health sector

We will continue to support health entities to engage effectively with consumers and whānau by:

- **helping to incorporate consumer and whānau perspectives** into the design, delivery and evaluation of health services
- providing **guidance and practical support to the health sector**, while monitoring progress through ongoing engagement
- continuing to build the **Consumer hub Ngā Pae Hiranga** (pathways towards excellence)[5] to offer accessible tools and resources that support engagement
- supporting the health sector to consistently and meaningfully **apply the code of expectations** (see below).

Primary and community care is a priority area of work in 2026/27. We will build on the consumer and whānau engagement guidance that we provided to primary care settings in 2025/26.[6] We will also strengthen the use of consumer and whānau insights to inform our primary care programme. This will reflect the Minister's explicit expectation that our work programmes support timely access to care and improved patient flow across the system (for more information, see 'Primary care programme', page 13).

Consumer health forum Aotearoa

We will continue to grow and strengthen the Consumer health forum Aotearoa[7] (established in 2021) as a key platform for consumer and whānau participation.

With over 1,000 members, the forum builds people's knowledge of how to engage with the health system along with their confidence to do so. It also facilitates opportunities for consumers and whānau to participate in national forums, regional workshops and wider sector activities.

Building on national events and workshops delivered through to 2025/26, we will continue to support consumers, whānau and communities to engage confidently through online and in-person forums and local workshops. These activities will bring people together to share their lived experience and in this way help to shape services to become safer, more accessible and easier to navigate.

We will monitor representation and participation in the forum to be sure that it engages consumers, whānau and communities. See Deliverable 1, Section 4.

5 Health Quality & Safety Commission Te Tāhū Hauora (nd). Consumer hub Ngā Pae Hiranga. URL: www.hqsc.govt.nz/consumer-hub (accessed 7 May 2026).

6 Health Quality & Safety Commission Te Tāhū Hauora. 2025. *Partnership in Care: Consumer, whānau and community engagement in primary and community health care.* Wellington: Health Quality & Safety Commission Te Tāhū Hauora. URL: www.hqsc.govt.nz/resources/resource-library/partnership-in-care-consumer-whanau-and-community-engagement-in-primary-and-community-health-care (accessed 9 June 2026)

7 Health Quality & Safety Commission Te Tāhū Hauora (nd). Consumer health forum Aotearoa Wāhi whakawhiti kōrero hauora. URL: www.hqsc.govt.nz/consumer-hub/consumer-health-forum-aotearoa (accessed 7 May 2026).

Reducing harm and avoidable mortality

Understanding and responding to the risks that arise when providing health care is fundamental to a safe, high-quality and equitable health system, and to improving outcomes for people, whānau and communities.

Harm can have lasting impacts on all involved, (consumers, their whānau and the workforce), and for some this can result a loss of trust in and disengagement with the health sector. Harm can put pressure on the health and wider social systems, including support services, and potentially lead to poorer health and social outcomes.

A system-focused approach to health care looks beyond individual actions to the interactions and conditions that shape experiences and outcomes, strengthening the health sector's ability to respond to harm and building the capacity for shared learning.

Mortality reviews help the health sector and other agencies identify trends. Insights from the reviews help us understand influencing factors, leading to opportunities for learning better ways to improve the health system and prevent future deaths.

Collective leadership for system safety extends beyond recognising and responding to harm and includes sharing responsibilities for designing services and systems that minimise risk from the outset.

The New Zealand Health and Disability System Safety Strategy (System Safety Strategy)[8] is grounded in modern safety science and informed by an understanding of how people interact with systems, environments and processes. The strategy requires a commitment to restorative learning to help the health system understand and respond to the needs of those affected by harm.

System safety

In 2026/27, we will support the delivery of the System Safety Strategy, released in June 2026, by working with partner agencies to develop an action plan. This will set out clear ownership of the strategy, and set how it will be implemented and monitored, providing a practical roadmap for coordinated, system-wide improvement.

Alongside this, we will support organisations across the health sector to build system safety capability. This includes delivering a programme of capability workshops on learning from harm, underpinned by our ***Healing, learning and improving from harm: National adverse events policy 2023***.[9] This national framework supports health service providers to report, respond to and learn from harm events, and then take action to improve safety for both consumers and the workforce.

These workshops, while delivered sector-wide, will be tailored to organisational needs, advancing learning, strengthening practice and embedding system learning.

8 Health Quality & Safety Commission Te Tāhū Hauora. 2026. *The New Zealand Health and Disability System Safety Strategy.* Wellington: Health Quality & Safety Commission. URL: www.hqsc.govt.nz/news-and-events/new-strategy-for-health-and-disability-system (accessed 24 June 2026).

9 Health Quality & Safety Commission Te Tāhū Hauora. 2023a. *Healing, learning and improving from harm: National adverse events policy 2023.* Wellington: Health Quality & Safety Commission. URL: www.hqsc.govt.nz/resources/resource-library/national-adverse-event-policy-2023 (accessed 12 June 2026).

Harm (adverse) events

We use indicators to measure the quality and safety of services and to publicly report on performance against them. These indicators include Severity Assessment Codes (SAC), which capture serious (SAC2) and sentinel (SAC1) events.

To make reporting easier for providers, we offer a harm (adverse) event submission portal. In addition, we provide detailed dashboards that providers, including Health New Zealand | Te Whatu Ora (Health NZ), can access to view and analyse their data at national, regional and local levels. These dashboards include tools such as control charts to identify statistically significant changes and patterns.

In 2026/27, we will:

- continue to maintain national oversight and identify system issues in relation to SAC reporting
- use harm (adverse) event data, triangulated with Accident Compensation Corporation (ACC) treatment injury data, Health and Disability Commissioner (HDC) data and relevant data from Health NZ
- work with Health NZ to establish a consistent, system-level approach to public reporting of harm (adverse) events, with the aim of identifying opportunities for system learning and improvement.

National mortality review

Mortality review provides critical information on potentially avoidable mortality. Since the Commission was established, we have held legislative responsibility for the national mortality review function, which is now set out under section 82 of the Act.

The **National Mortality Review Committee He Mutunga Kore** (the Committee),[10] established in July 2023, is the primary advisor on mortality review to our board.

By identifying and recommending areas for improvement, we aim to enhance systems and practices across services and communities to reduce morbidity and mortality. In 2026/27, the Committee will progress four focus areas agreed by the board.

1. **Annual reporting of avoidable mortality.** Strengthen system-level visibility of avoidable mortality through updated monitoring, cross-agency engagement, and publication of an Avoidable Mortality Report, supported by a mortality data management strategy. See Deliverable 2, Section 4.
2. **Maternal and perinatal mortality.** Address persistent inequities by improving data quality, extending monitoring of maternal mortality (including suicide) to one year postpartum, and embedding whānau voice and clinical expertise in review processes.
3. **Family violence death review.** Strengthen cross-sector collaboration and evidence on family violence impacts through improved data, reporting and targeted reviews, including a focus on people with disabilities and adults at risk.
4. **Experience of mortality in families.** Incorporate whānau experiences by strengthening the use of lived experience across all workstreams, improving accessibility of findings and developing a shared understanding of whānau in mortality review.

10 Health Quality & Safety Commission Te Tāhū Hauora (nd). About the National Mortality Review Committee He Mutunga Kore. URL: www.hqsc.govt.nz/our-work/national-review-of-avoidable-deaths/national-mortality-review-committee (accessed 8 May 2026).

Clinical governance

Over 2026/27, we will support the health system and individual organisations, including Health NZ, to apply ***Collaborating for quality: A framework for clinical governance***.[11] This framework is designed to embed and strengthen clinical governance across the sector, enabling improvements in safety, accountability and outcomes at all levels of the system.

The revised framework, released in November 2024, provides a high-level approach to clinical governance for health services, focusing on clear and consistent escalation pathways, strengthening clinical decision-making, enhancing accountability and creating a more responsive system for high-quality care. Together, these elements help create the conditions for safer care, improved outcomes and reduced harm.

Quality improvement

Strengthening quality improvement in community and home-based care

Through our quality improvement initiatives, we work closely with those in the health sector who can drive change to address specific challenges and strengthen the safety and quality of care in community settings, including aged residential care, home-based support and disability services.

These initiatives are concerned with early recognition of and response to risk, prevention of harm, and improving continuity of care. They focus particularly on populations with higher unmet health need, including the challenges of an ageing population and increasing complexity of health conditions.

In 2026/27, we will:

- support **national implementation of the Deterioration Early Warning System (DEWS)**,[12] which will provide practical tools, training and system support to enable earlier identification of and response to acute deterioration in aged residential care – see Deliverable 3, Section 4
- deliver initiatives to **prevent and better manage community-acquired harm**, such as pressure injuries, with a focus on timely recognition, early intervention and improving outcomes for Māori kaumātua and Pacific elders living at home
- facilitate the **Aged Residential Care National Quality Leads Forum** to provide a platform for strategic discussion, sector collaboration, and the identification of system level quality improvement opportunities within aged residential care
- explore **opportunities to partner** on research into how aged residential care health care assistants are using the recently developed Care Guide resource and identifying knowledge gaps, level of confidence, and preferred education formats
- partner with Disability Support Services to build sector capability in quality improvement and reduce preventable harm, including **preventing choking-related incidents for disabled people** receiving funded supports
- collaborate with Sepsis Trust NZ to convene the Sepsis Technical Advisory Group, which will promote the use of the **sepsis quality improvement package** and ensure it aligns with evidence-informed practice.

11 Health Quality & Safety Commission Te Tāhū Hauora. 2024. *Collaborating for quality: A framework for clinical governance.* Wellington: Te Tāhū Hauora. URL: www.hqsc.govt.nz/resources/resource-library/collaborating-for-quality-a-framework-for-clinical-governance (accessed 8 May 2026).

12 Deterioration Early Warning System (nd). URL: www.hqsc.govt.nz/our-work/improved-service-delivery/aged-residential-care/deterioration-early-warning-system (accessed 8 May 2026).

Trauma programme

The Trauma programme works in partnership with the Trauma National Clinical Network and ACC to deliver data driven intelligence, quality improvement and national coordination. This work supports more consistent, high quality care and improved outcomes for people who experience major physical trauma across New Zealand.

In 2026/27, key areas of focus will be to:

- undertake initiatives that support all people with major trauma to receive appropriate post-acute community rehabilitation and support
- improve understanding of the relationship between allied health interventions and in-hospital outcomes
- strengthen emotional and mental wellbeing following major trauma
- define what good care looks like for older adults with major trauma
- increase national consistency in the care of chest injuries through embedding evidence-based national guidelines.

Primary care programme

Primary and community care has been a longstanding area of focus for the Commission. Over many years, we have supported the sector through data and insights, clinical leadership, and practical improvement support, including by:

- developing primary care surveys to understand access, barriers and patient experience
- strengthening clinical governance in partnership with clinicians across hospital and primary care settings
- developing geo-mapping data and intelligence tools to identify variation, demand and unmet need
- providing practical resources to strengthen consumer and whānau engagement.

In the second half of 2025/26, we partnered with General Practice New Zealand to translate data from the newly established national primary care dashboard into practical insights. Primary health organisations and the wider sector can now use these insights to better understand demand and prioritise responses.

In 2026/27, we will further consolidate our focus through effective use of primary care data and insights to improve system understanding of access, continuity and transitions across health care settings. In particular, we will:

- analyse patient pathways across services to identify barriers and pressure points
- undertake a strategic scan to identify system gaps and opportunities
- better align our primary care activity to improve coordination and impact
- identify future priorities in partnership with sector leaders.

Leading health care improvement through data and evidence

High-quality, trusted and objective data and measurement provide meaningful insights that support informed decision-making, enable responsive action, drive system improvement and strengthen agency performance.

Through our monitoring role, we provide a system-wide view of performance, highlighting variation and inequities across health services and settings, identifying opportunities for learning and improvement, and strengthening accountability for quality and safety.

In 2026/27, we will broaden this role by strengthening our relationships with agencies that hold key patient safety data, including ACC and the HDC. This will enable a more joined-up approach to data and insights, deepen our understanding of harm, and support more coordinated action to improve quality and safety across the health system.

Publishing information on health care quality and safety

We publish and share our insights in a range of formats to reach different audiences, including through academic journals, data infographics and national reports. Our reports provide independent assessments of the quality and safety of the health system, highlighting areas of greatest need and identifying opportunities for action to improve care and patient experience.

These publications make our insights accessible, credible and actionable. They support clinicians, health sector leaders, government and communities to understand quality and safety issues, inform decision-making and drive improvement across the health sector.

Our ***Window on the quality of New Zealand's health care***[13] reports draw on national data and evidence to provide insights into the quality and safety of health care across New Zealand. The data and analysis are intended to support evidence-informed discussion across the health sector about where improvement is needed. Earlier reports provided a broad assessment of health system performance, while more recent editions have focused on specific areas of health need, including as disability, Māori health equity, Pacific people's health and the impacts of the COVID-19 pandemic. In 2026/27, we will return to a system-wide perspective, providing an updated assessment of the quality and safety of health care across the health system.

We also aim to further strengthen system safety monitoring and reporting through more integrated, system-level analysis of potentially avoidable harm, emerging risks, and opportunities for learning and improvement. This will include publishing – in collaboration with ACC, Health NZ and the HDC – a **cross-agency system safety report** that brings together data and insights on national harm events and identifies key system learning opportunities for improvement.

We will continue to provide **regular reporting to the Minister on the overall quality and safety of the health system**, using data and insights from our extensive measurement tools and information sources. This builds on the *Assessing system quality and safety:* Insights reports provided since 2024 and include consumer insights and qualitative data on the wellbeing of the health workforce.

We will develop all of these reports in consultation with other agencies and align them with the Government's priority areas. See Deliverables 4 and 5, Section 4.

13 Health Quality & Safety Commission Te Tāhū Hauora (nd). Window on the quality of health care Te kounga o te tauwhiro hauora. URL: www.hqsc.govt.nz/our-data/window-on-the-quality-of-health-care (accessed 8 May 2026).

Data measurement and monitoring tools

Our extensive analysis and interactive reporting tools track more than 300 measures of health care quality and safety, supporting health target monitoring and enabling the sector to respond quickly to emerging risks. This helps identify gaps and changes in quality and safety, highlight where improvement can have the greatest impact, and inform evidence-based action to strengthen system performance.

Our reporting tools focus on:

- the quality and safety of care through:
  - **quality alerts**, which bring together data from multiple sources to identify and signal key risks at national and regional levels
  - **quality and safety markers (QSMs)**, which show whether services are taking key safety actions and whether those actions are reducing patient harm, with a focus on priority areas such as falls, infections, surgical harm and medication safety and consumer engagement
  - **harm (adverse) events reporting** to measure the extent of serious (SAC2) and sentinel (SAC1) events
  - **mortality surveillance systems** to support improvements to our national mortality review function
- health need and variation through:
  - the **Atlas of Healthcare Variation**, a multi-indicator, online-only approach to presenting data for specific conditions and patient groups that continues to be used frequently in the system[14]
  - **patient experience surveys** (for more information see Patient-reported measures, page 16), reported through Experience Explorers for primary care and inpatient services[15]
- overall system performance through the **Dashboard of health system quality**,[16] which brings together aspects of safety, effectiveness, patient experience and equity, showing patterns of results for related measures, changes over time and variation between different parts of the country.

The quality of our data measurement tools relies on regularly updating them and monitoring their performance so they remain timely, relevant and fit for purpose. Through support, guidance and engagement, we also help users access and interpret data, as well as to apply it to their decision-making and improvement activities. See Deliverable 6, Section 4.

14 Health Quality & Safety Commission Te Tāhū Hauora (nd). Atlas of Healthcare Variation. URL: www.hqsc.govt.nz/our-data/atlas-of-healthcare-variation (accessed 8 May 2026).

15 Health Quality & Safety Commission Te Tāhū Hauora. (nd). Patient experience. URL: www.hqsc.govt.nz/our-data/patient-reported-measures/patient-experience (accessed 12 June 2026).

16 Health Quality & Safety Commission Te Tāhū Hauora (nd). Dashboard of health system quality. URL: www.hqsc.govt.nz/our-data/dashboard-of-health-system-quality (accessed 8 May 2026).

In 2026/27, alongside our ongoing monitoring and reporting, we will:

- provide analytical support on the re-establishment of the dashboard for the Falls and Fracture Outcomes Framework, in collaboration with ACC and Health NZ
- redevelop our data ecosystem to strengthen data integration, structure, governance and reporting
- explore new ways to share insights through a working paper series aimed at enhancing the transparency, credibility and capability of the sector
- develop a routine monitoring system to track and report on the issues identified in relation to changes in demand for care
- work with Health NZ to improve access to sources of key data, including data on workforce, general practitioner access and clinical coding.

Patient-reported measures

We manage the collection of patient-reported measures through validated, standardised **patient experience surveys**. Surveys are the most effective way of understanding the experience of a large population, such as people receiving health care.

In 2025 and 2026, we expanded the surveys to include maternity and mental health and addiction services, providing, for the first time, meaningful insights into people's experiences in these areas.

All of our patient experience surveys allow us to consistently collect, analyse and report on patient experiences. We use the results to track changes over time and support quality improvement across the health sector.

The surveys, which we will continue to undertake in 2026/27, are:

- the **adult hospital inpatient experience** survey (from 2014), inviting around 60,000 patients per year to participate and receiving feedback from around 17,000 patients
- the **adult primary care patient experience** survey (from 2016), inviting around 890,000 patients per year to participate and receiving around 133,000 responses
- the **adult hospital outpatient experience** survey (from 2023), inviting around 217,000 patients per year to participate and receiving around 47,000 responses
- the **home and community support services** experience annual survey (from 2024), inviting around 28,000 clients of 15 participating providers in 2025 and receiving 6,545 responses
- the **maternity inpatient experience** survey (from May 2025), receiving 1,846 responses from May 2025 to February 2026
- the **adult hospital inpatient experience, mental health and addictions** (from May 2026).

Collaborating to strengthen system oversight and improvement

We play a system leadership role by bringing together data, evidence and perspectives from across the health sector to strengthen accountability for quality and safety, identify opportunities for change, and support improvement across the health system.

This collaborative approach strengthens our collective understanding of system performance, enabling deeper insights, earlier identification of emerging risks, and more coordinated action to improve quality and safety.

The following examples of our expected activities for 2026/27 illustrate this approach.

- We will continue to strengthen the role of the **National Quality Forum**. This will involve bringing agencies[17] together to identify and escalate quality and safety issues, coordinate multi-agency action and drive accountability for quality and safety through shared data and insights, aligned with the New Zealand Clinical Senate[18] and its leadership model.
- We will embed the **refreshed data-sharing memorandum of understanding** with ACC, the HDC, Health NZ and the Ministry of Health. This work will include developing a shared implementation approach with partner agencies to enable broader, more effective use of data for sector and frontline improvement and delivery of health targets.
- We will further strengthen our working relationships with key partners, including other agencies that capture patient safety data – namely, ACC treatment injury data, HDC data and relevant data from Health NZ. This will support the **analysis and use of triangulated harm (adverse) events** to improve patient safety, health outcomes and system learning across agencies.
- Working with partners and stakeholders, we will support system-wide approaches to **monitoring data and outcomes to improve the timeliness and effectiveness of services for disabled people**, building on the *Window on Disability*.[19] Our key partnerships will be with Whaikaha | Ministry of Disabled People and national disability groups, and we will engage more broadly with Disability Support Services, immunisation programmes, medical schools, the Council of Medical Colleges, peak bodies and disability groups.

17 Members of the National Quality Forum currently are: consumer representatives; Commission executive team members; Ministry of Health – Office of the Chief Clinical Officers and senior leaders; Office of the Health and Disability Commissioner; Whaikaha | Ministry of Disabled People; ACC; Pharmac; primary care representatives; Health NZ; and Health NZ district professional groups.

18 The New Zealand Clinical Senate is a group of diverse health professionals and consumers. Its role is to give independent advice to the Health NZ board on system-wide issues that affect high-quality, affordable and efficient patient care. Health NZ. 2025. New Zealand Clinical Senate. URL: www.healthnz.govt.nz/about-us/who-we-are/expert-groups-and-networks/expert-groups/new-zealand-clinical-senate (accessed 8 May 2026).

19 Health Quality & Safety Commission Te Tāhū Hauora. 2026. Window on Disability. Wellington: Health Quality & Safety Commission. URL: www.hqsc.govt.nz/resources/resource-library/a-window-on-disability (accessed 8 June 2026)

Our directions from the Minister of Health

In addition to aligning with the Government's priorities (see Figure 1), our work programmes reflect the expectations the Minister sets out each year in the Letter of Expectations.

In 2026/27, the Minister expects the Commission to support a health system that is relentless in delivering more and better health services for New Zealanders, placing patient need at the centre of every decision and prioritising high-quality, safe care based on health need.

The Minister has directed us to focus on the following areas.

- **Strengthening monitoring**
  - » Strengthen relationships with agencies that capture patient safety data, including ACC and the HDC, to support a more comprehensive, system-wide monitoring role.
  - » Build on the refreshed data-sharing memorandum of understanding with partner agencies and the Ministry to improve the use of data to support frontline delivery and health targets.
- **Focusing on core responsibilities**
  - » Prioritise effort on areas with the greatest potential to shift performance, including by identifying risks and opportunities and providing practical recommendations for improvement.
  - » Regularly assess and report on the quality and safety of the health system, with a focus on service delivery.
- **Strengthening clinical decision-making and governance**
  - » Strengthen the role of the National Quality Forum to support accountability for quality and safety.
  - » Align the forum's work with New Zealand Clinical Senate and leadership model to support improvements in clinical governance.
- **Driving health system improvement**
  - » Invest in strong, trusted relationships with consumers and key agencies to combine perspectives with high-quality data and insights.
  - » Support the health sector and individual organisations to translate insights into improvement and better outcomes.
- **Supporting system priorities and programmes**
  - » Maintain a focus on primary and community care, including by strengthening understanding of patient flow across the system.
  - » Support the delivery of the System Safety Strategy and its implementation across the health sector.
  - » Maintain national oversight of harm (adverse) events and work with Health NZ on public reporting approaches.
  - » Review and update the *Code of expectations for consumer and whānau engagement*, as required to align with legislative changes.
- **Fiscal responsibility and performance**
  - » Deliver statutory functions and objectives in an effective, efficient and financially responsible way.
  - » Demonstrate value and impact, focusing resources on areas aligned with Government and system priorities.

3. **Measuring our performance**
Te ine i tā mātou mahi

We measure our performance through the contribution we make to improving the quality and safety of health care, supporting a system that is safer, more equitable and better able to learn and improve.

Many of the changes we seek – such as improved patient outcomes, reduced harm and avoidable mortality, and improved access to appropriate services – are influenced by multiple organisations across the health system and sit outside our direct control. The system as a whole works towards realising these longer-term health outcomes over time.

Our SOI sets out our purpose, strategic priorities and performance framework (for more detail, see Appendix 1). This framework reflects the nature of our role, linking the outputs we deliver to the changes we expect to see across the health system.

How we assess our performance

We assess our performance by measuring the contribution we make to improving the quality and safety of health care – in particular, where we add the most value in supporting system learning, strengthening accountability and enabling improvement.

Our information, data intelligence and evidence help identify quality and safety challenges and potential solutions, and support the health sector to implement changes that improve outcomes.

To understand how our work influences the health system, we monitor a range of **contribution indicators**, recognising the changes we seek depend on actions of the wider health system. These indicators demonstrate the sector's trust in and use of our outputs, and the impact our work has when applied effectively. This evidence signals that the conditions we have in place – including robust data, strong working relationships and clear delivery – support high-quality outputs that translate into the changes we seek.

In 2026/27, measurement of our contribution indicators will include:

- uptake of our tools, frameworks and guidance
- actions taken in response to recommendations
- use of our data and insights in decision-making
- participation in our capability and improvement programmes
- inclusion of consumer and whānau perspectives in health service design and delivery
- evidence of practice change and usefulness, supported by survey and evaluation feedback.

Demonstrating impact over time

When applied effectively, our work contributes to observable shifts in how the system operates, improves outcomes and drives **system change**.

That is, the sector is using trusted, accessible information for learning and accountability; there is widespread understanding of key risks and opportunities for improvement; and independent reporting informs decision-making at national, regional and local levels. We enable more timely responses to emerging risks, support evidence informed policy and practice, and strengthen targeted improvement initiatives.

Monitoring of long-term outcomes is an important part of our statutory role as the health system's expert monitoring agency of quality and safety. Together with our health sector partners, it helps us to assess whether the system is becoming safer, of higher quality and more equitable.

Section 4 sets out the specific outputs and performance measures for 2026/27, which will give effect to this approach. The outputs and measures are designed in line with The Treasury's service performance reporting standard (PBE FRS 48). They provide clear measures of quantity, quality and timeliness, and include our methods of seeking feedback on how our work is used and contributes to change across the health system, recognising our role is to support improvement rather than directly control outcomes.

4. **Priority work areas of focus in 2026/27**
Ngā mahi hei aronga mō 2026/27

Our role is to improve the quality and safety of health services for consumers and whānau by **'supporting and facilitating improvement'** (our single output class) across the health system.

In 2026/27, we will deliver a set of key outputs and initiatives across our work programmes that give effect to our legislative role and functions (for more detail, see Appendix 2) and advance our strategic priorities (for more detail, see Appendix 3). For each output, we set out the intended system impact, our contribution, what we will deliver, and how we will measure progress in a way that is aligned with our performance framework.

Many of our contributions and outputs remain consistent, reflecting our statutory responsibilities. However, we are refining some deliverables and the measures that we used in 2025/26 so that they reflect the progression and evolution of our programmes.

For this reason, we will combine two 2025/26 deliverables (Deliverable 6: Implementation of the Code of expectations and Deliverable 7: Consumer and whānau engagement) into a single Consumer and whānau engagement deliverable (Deliverable 1). We will also continue to build on the case study approach introduced in 2024/25 and used in 2025/26 to demonstrate and measure the downstream impact of our work (for example, in Deliverables 1 and 5).

We will remove two standalone deliverables that we had included in 2025/26. First, patient-reported measures in primary care (previously Deliverable 3) is now included within Deliverable 5: Assessment of the quality and safety of the health system, as part of the broader patient experience survey programme. Second, the National Quality Forum (previously Deliverable 4) will be reflected within our wider collaboration activities with health sector partners. While these and other programmes are not captured through specific measures, we continue to seek feedback from stakeholders to understand their value and impact.

Deliverable 1: Consumer and whānau engagement

Impact

We want **consumer and whānau voices to be heard and more influential in decision-making**, shaping the design, delivery and evaluation of health services. With this, meaningful consumer engagement is consistently reflected in practice across the system, supporting a more responsive, people-centred health system and resulting in improved patient outcomes.

Our contribution

We will support the health system to meaningfully engage consumers and whānau in the design, delivery and evaluation of health services. For more information on the broader consumer and whānau engagement work programme, see pages 8–9.

What we will deliver

1. Deliver at least three collaborative workshops (in-person or online) that build the capability and confidence of health entities and/or consumers and whānau to engage in meaningful and effective ways to improve health services.
2. Work with named health entities to strengthen their capability to engage effectively with consumers and whānau.

How we will measure progress

- Participants of the workshops report that they feel more capable and confident to engage with, or as, consumers and whānau in health service design, delivery and evaluation following Commission workshops and support (as measured through pre- and post-assessment).
- Health entities demonstrate that consumers and whānau have influenced their programmes or activities following Commission support. This includes providing evidence that consumer and whānau perspectives have informed service design, delivery or evaluation (as measured through follow-up and case study evidence).

Deliverable 2: National mortality review

Impact

We want to see a shared understanding – across health and other sectors – of the patterns and causes of avoidable mortality, as well as any inequities involved. Based on this shared understanding, we expect there will be **improved practice aligned with our insights and recommendations.**

Our contribution

We will provide the health and wider social sectors with critical insights from monitoring, life course analysis and National Mortality Review Committee recommendations, enabling them to shape priorities and action to address patterns, causes and inequities in potentially avoidable mortality. For more information on the broader national mortality review work programme and its focus areas, see page 11.

What we will deliver

1. Publish a report on one of the four focus areas of potentially avoidable mortality. This report will provide robust, independent and actionable insights on mortality patterns, causes and inequities to inform decision-making and system improvement.

How we will measure progress

- Stakeholder feedback indicates that mortality reporting is relevant and useful, and supports understanding of avoidable mortality.
- Our monitoring of agencies' actions provides evidence of how insights and recommendations are being used to improve system performance, strengthen patient safety and support learning.

Deliverable 3: Quality improvement

Impact

As a priority area within our wider quality improvement programme, this work will increase ARC staff capability and support **improved practice**, enabling more consistent use of early warning approaches. As a result, staff are able to recognise and respond to acute deterioration in residents earlier, improving patient outcomes significantly. For more information on the broader quality improvement work programme, see pages 12–13.

Our contribution

We will work with ARC facilities to implement the Deterioration Early Warning System (DEWS), which will strengthen capability, systems and practice to identify and respond to acute deterioration.

What we will deliver

1. Lead the roll-out of DEWS to Cohort 2 ARC facilities[20] by providing education (including learning modules), tools and ongoing implementation support that build staff capability to identify and respond to acute deterioration in residents.

How we will measure progress

- Collect and analyse outcome and process data from ARC facilities participating in DEWS implementation (Cohort 1) to assess the programme's impact and inform its ongoing improvement.
- Participating facilities in Cohort 2 demonstrate their practice has changed. Evidence for this comes from audit data, reported changes in clinical processes, and examples of how staff have applied DEWS to identify acute deterioration.
- ARC facilities implement DEWS, and the majority of their staff report they have greater confidence and capability to identify and respond to acute deterioration (as measured through post-implementation surveys).

20 The Commission is facilitating a structured roll-out of DEWS for groups of ARC facilities have submitted their interest. The first group (Cohort 1) implemented DEWS in 2025/26 and the second group (Cohort 2) will be supported to implement DEWS in 2026/27.

Deliverable 4: Publication of information on health care quality and safety

Impact

We want to see a shared understanding across the health sector of patterns and causes of harm, variation in health care, emerging quality and safety risks, and inequities in access and experience and health outcomes. As a result of this shared understanding, we expect **improvements in practice in response to system intelligence and recommendations**. These are also used to inform priorities, decision-making and action to improve the quality and safety of services.

Our contribution

We will provide accessible, independent reporting and work with the health sector so that people understand quality and safety information and use it to inform action. For more information on our publications, see page 14.

What we will deliver

1. We will publish a report on the quality of New Zealand's health care by 30 June 2027.[21]

How we will measure progress

- The majority of users (as measured through stakeholder feedback surveys) respond that our reports are accessible, usable, and inform and influence understanding of quality and safety.
- Seek feedback on how people across the health sector and those involved in public reporting use our reports to inform understanding, decision-making, planning or quality improvement (for example, through stakeholder feedback, references in policy, guidance, planning documents, practice or media coverage).
- Monitor the uptake and implementation of our recommendations, including evidence of actions taken in response and resulting changes in policy, practice or service delivery.

21 This measure relates to our Vote Health Estimate measure for 2026/27: 'A publication on the quality of New Zealand's health care is provided by 30 June'.

Deliverable 5: Assessment of the quality and safety of the health system

Impact

We want to see the Minister supported by robust, timely and evidence-based insights on quality and safety. Based on this advice, **decision-making, prioritisation and system direction increasingly address key risks and respond to patterns, causes and inequities** related to health outcomes.

Our contribution

We will provide the Minister with regular assessments of the quality and safety of the health system, including focused analysis of areas relevant to Government health priorities and emerging or persistent quality and safety risks.

What we will deliver

1. We will provide regular reports (a minimum of two) on the quality and safety of the health system using data and insights from our information and data measurement tools.[22]

How we will measure progress

- Develop advice through integrating multiple sources of evidence, including data, system intelligence, mortality reviews, and consumer and whānau experience.
- Seek feedback on how advice supports ministerial priorities, discussions and decision-making, including by engaging with other health entities to progress priorities, policy direction or system-level actions.
- Monitor the uptake of our recommendations, including by gathering evidence of how they are used in decision-making, policy development and changes in practice.

22 This measure relates to our Vote Health Estimate measure for 2026/27: 'Regular reports on the quality and safety of the health system using data and insights provided by Health Quality and Safety Commission's information and data measurement tools'.

Deliverable 6: Data measurement and monitoring tools

Impact

We want to see people across the health sector using quality and safety data consistently to identify risks, inform priorities and support decision-making. Through the shared understanding and use of data, we expect the health sector to **respond more rapidly, coordinate its responses more effectively** to improve the quality and safety of health services.

Our contribution

We will provide national and regional quality and safety data (including quality alerts) and support the health sector to access and understand this information and use it in making improvements and decisions. We will analyse data to identify risks and gaps and communicate these through alerts and updates. We will work with the sector to build shared understanding and support opportunities to improve quality and safety. For more information on our data measurement and monitoring tools, see pages 15–16.

What we will deliver

1. Provide four national quality alert reports to Health NZ, ACC and the Ministry of Health, and regional reports to the four Health NZ regions.[23]
2. Update at least two additional data measurement tools each quarter across the year.
3. Provide support, guidance and engagement to enable users to access, interpret and apply data to inform decision-making and improvement.

How we will measure progress

- Seek feedback from stakeholders on whether our reporting and data measurement tools are accessible and meaningful, and support informed decision-making and action.

23 We do not release the quality alerts publicly.

5. **Organisational health and capability**
Te whakahaere hauora me te matatau

This section outlines the areas we will focus on to continue to improve our organisation in 2026/27. We invest in our people, systems and organisational capability to ensure we can provide trusted insights, support improvement across the health system and deliver on our statutory functions effectively.

Our governance

We are governed by a board of no fewer than seven members, who are appointed by the Minister. Rae Lamb is our board chair.[24]

The board provides strategic oversight, ensures our work aligns with our statutory functions, and maintains the Commission's independence at the level needed to provide credible intelligence and advice. It has established clear processes for managing conflicts of interest, safeguarding the integrity of our reporting, and undertaking work that is evidence based and free from undue influence.

The board has an audit sub-committee, which provides assurance and assistance with our financial statements and internal control systems. A range of expert advisory groups and the National Mortality Review Committee also support and direct our work.

Our people and culture

Our people are central to the Commission's ability to deliver high quality intelligence, improvement expertise and engagement support. We employ around 80 staff whose skills and commitment underpin the Commission's performance.

We maintain a culture that values collaboration, integrity and learning. Our people uphold the Public Service Code of Conduct, which sets clear expectations for integrity, behaviour and engagement across the public sector.

We invest in their capability and wellbeing, using a professional development framework to build capability, nurture talent and support ongoing growth and development of our people. We manage remuneration prudently, taking account of affordability, internal relativities and relevant market information, so that we can attract and retain capable staff while ensuring fairness and value for money.

Areas where we focus on building capability are data and analytics, quality improvement, consumer and whānau engagement, cultural safety and Te Tiriti o Waitangi competencies. We also provide access to the Health Leadership (Micro-credential)[25] delivered through Health NZ, supporting the leadership development of both current leaders and those with strong leadership potential.

We support staff to balance their work with their whānau and personal commitments, and we proactively promote wellbeing so people can do their best work.

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24 Health Quality & Safety Commission Te Tāhū Hauora (nd). Board members | Ngā kanohi o te Poari. URL: www.hqsc.govt.nz/about-us/our-people/board-members (accessed 10 May 2026).

25 New Zealand Qualifications Authority (nd). Health Leadership (Micro-credential). URL: www.nzqa.govt.nz/nzqf/search/displayMicrocredentialOverViewWidgetJS.do?&selectedItemKey=5332 (accessed 10 May 2026).

Environmental sustainability strategy

We remain committed to reducing our carbon footprint and maintaining our Toitū carbonreduce certification, which we have held since our 2018/19 base year. Through Toitū Envirocare, we measure and independently audit our annual greenhouse gas emissions, track progress against our reduction targets, and maintain a clear and transparent emissions profile.

We have made strong progress over time. As reported in our 2024/25 Annual Report,[26] we have reduced gross emissions by 52 percent compared with our 2018/19 baseline, significantly exceeding our original goal of a 21 percent reduction by 2025/26.

This progress reflects sustained organisational commitment, improved data and emissions management, and changes in work practices over recent years. Our move to a shared office environment has also contributed to our smaller environmental footprint through more efficient use of space and shared infrastructure.

In 2026/27, our focus will shift from achieving reductions to maintaining and embedding these approaches that have proved successful while continuing to identify further opportunities for improvement. We have aligned with the Carbon Neutral Government Programme target of a 42 percent reduction in gross emissions by 2030 (from a 2018/19 baseline), which we have already met.

Information technologies security

Our information technology (IT) systems and Cyber Security Policy support the secure management and protection of our information assets. Our cyber security practices focus on preventing unauthorised access and safeguarding critical information across both digital and physical formats.

In 2026/27, we will focus specifically on data security, privacy and records management, including retention and disposal of records. We will continue to strengthen our network following our transition to the New Zealand-based Microsoft 365 Cloud in 2025/26. Hosting data locally supports stronger data governance, aligns with Māori data governance principles[27] and contributes to a more sustainable, ethical and future-focused digital environment.

We will also be developing a new, future-focused approach to data governance to strengthen transparency, build trust and support a high-integrity, inclusive data ecosystem for all services, communities, whānau and population groups across New Zealand. As part of our enduring commitment to Te Tiriti o Waitangi, we will actively protect and respect Māori data, as well as using it in ways that reflect Māori cultural values and aspirations.

Operationally, we maintain all computers with Microsoft Intune and Defender for Endpoint, improving visibility and protection across our network. Our organisation-wide phishing education programme, KnowBe4, will remain in place to reduce human risk and support ongoing cyber awareness. Recognising the sensitivity of the data we manage, we will also continue to regularly review our IT systems and processes to keep them fit for purpose.

26 Health Quality & Safety Commission Te Tāhū Hauora. 2025. *Annual report 2024/25*. Wellington: Health Quality & Safety Commission. URL: www.hqsc.govt.nz/assets/Core-pages/About-us/Annual-reports/Annual-Report-2024-25.pdf (accessed 9 June 2026).

27 Te Mana Raraunga. 2018. *Principles of Māori Data Sovereignty*. URL: www.temanararaunga.maori.nz/principles-of-maori-data-sovereignty (accessed 12 May 2026).

6. **Prospective financial statements for the four years ending 30 June 2029**

Ngā pūrongo tahua mō te whā tau nei atu ki te 30 o Pipiri 2029

Prospective statement of comprehensive revenue and expense

	Planned 12 months to 30 June 2026 $'000	Forecast 12 months to 30 June 2026 $'000	Planned 2026/27 $'000	Planned 2027/28 $'000	Planned 2028/29 $'000
Revenue					
Revenue from Crown	16,666	16,667	16,667	16,667	16,667
Interest revenue	195	138	120	120	120
Other revenue	1,488	1,687	1,741	1,741	1,741
Total operating revenue	**18,349**	**18,492**	**18,528**	**18,528**	**18,528**
Expenditure					
Salaries	11,528	11,777	11,909	12,129	12,249
Travel	294	214	244	251	259
Consultants and contractors	160	242	140	144	149
Board	218	210	217	264	312
Committees	165	227	174	174	174
Printing/communication	208	160	139	143	147
Lease costs	655	604	623	642	661
Overhead and IT expenses	1,267	1,467	1,293	1,293	1,293
Other expenses	17	2	9	9	9
Total internal programme and operating expenditure	**14,512**	**14,903**	**14,748**	**15,049**	**15,253**
Quality and safety programmes	2,917	2,560	2,821	2,497	2,339
Mortality review programmes	770	794	840	840	840
Total external programme expenses	**3,687**	**3,354**	**3,661**	**3,337**	**3,179**
Depreciation and amortisation	150	114	119	142	96
Total expenditure	**18,349**	**18,371**	**18,528**	**18,528**	**18,528**
Operating surplus/deficit	0	121	0	0	0

Note: Numbers are rounded. Board expenditure increases incrementally in out-years due to changes by Cabinet agreement to a revised Fees Framework.

The Commission has put forward a balanced budget for 2026/27 that allows for the delivery of all our proposed SPE measures (and all other non-SPE programme activity). No new activity (without a revenue stream) is included within these assumptions.

For 2026/27, revenue assumptions include:

- $16.667 million in Crown revenue, which includes $2.200 million continued funding for the patient-reported outcomes, consumer and whānau voices programme and $0.215 million for the Australian and New Zealand Intensive Care Society Centre for Outcome and Resource Evaluation registry
- $1.092 million from ACC to provide support for the Trauma National Clinical Network
- $0.562 million from Health NZ for the primary care patient experience survey
- $0.040 million for the home and community support services patient experience survey
- $0.049 million in conference and event revenue
- $0.120 million in interest.

For 2026/27 and 2027/28, revenue forecasts align with current Vote Health Estimates. They do not include any inflation or cost pressure increases as the Commission has been asked to prioritise efforts and resources in areas where we can add the most value to our collective understanding, while remaining within our financial parameters.

Current Vote Health Estimates include no cost pressure increases. Salary costs and other operating costs of $0.200-0.300 million per annum have been absorbed by reducing the levels of external programme expenditure. For 2026/27, all costs have been incorporated to ensure there is no compromised delivery of the SPE deliverables or our statutory functions.

The Commission levers to address future cost pressures, higher than-expected salary growth, or any shortfalls in non-Crown revenue in out-years include:

- factoring in a two to three FTEs efficient vacancy provision
- ensuring roles for one-off or time limited activities use temporary or fixed term FTE resource
- reprioritising and scaling external programmes occurs if required.

In addition, the Commission is reviewing the use of the prior year's historical surpluses to allow for additional one-off programme activities to be completed in 2026/27 and possible out-years. In conjunction with this, we will ensure prudent levels of reserves are maintained. Any use of prior-year surpluses would be one-off in nature and not for the funding of core operations or ongoing expenditure requirements and would require pre-approval by the board.

Prospective statement of changes in equity

	Planned 12 months to 30 June 2026 $'000	Forecast 12 months to 30 June 2026 $'000	Planned 2026/27 $'000	Planned 2027/28 $'000	Planned 2028/29 $'000
Contributed capital					
Balance at 1 July	500	500	500	500	500
Repayment of capital	0	0	0	0	0
Balance at 30 June	500	500	500	500	500
Accumulated surplus/(deficit)					
Balance at 1 July	1,957	1,850	1,971	1,971	1,971
Net surplus/(deficit) for the year	0	121	0	0	0
Balance at 30 June	1,957	1,971	1,971	1,971	1,971
Total equity	**2,457**	**2,471**	**2,457**	**2,471**	**2,471**

Note: Numbers are rounded.

Prospective statement of financial position

	Planned 12 months to 30 June 2026 $'000	Forecast 12 months to 30 June 2026 $'000	Planned 2026/27 $'000	Planned 2027/28 $'000	Planned 2028/29 $'000
Accumulated funds	**2,457**	**2,471**	**2,471**	**2,471**	**2,471**
Represented by current assets					
Cash and cash equivalents	3,323	3,865	3,519	3,384	3,480
GST receivable	256	82	83	80	78
Debtors and other receivables	93	0	109	109	109
Prepayments	60	126	60	62	64
Total current assets	**3,731**	**4,073**	**3,771**	**3,635**	**3,731**
Non-current assets					
Property, plant and equipment	139	188	69	197	101
Intangible assets	0	0	0	0	0
Total non-current assets	**139**	**188**	**69**	**197**	**101**
Total assets	**3,870**	**4,261**	**3,840**	**3,832**	**3,832**
Current liabilities					
Creditors	748	672	682	661	655
Employee benefit liabilities	665	1,118	687	700	707
Revenue in advance	0	0	0	0	0
Total current liabilities	**1,413**	**1,790**	**1,369**	**1,361**	**1,362**
Total liabilities	**1,413**	**1,790**	**1,369**	**1,361**	**1,362**
Net assets	**2,457**	**2,471**	**2,471**	**2,471**	**2,471**

Note: Numbers are rounded.

Prospective statement of cash flows

	Planned 12 months to 30 June 2026 $'000	Forecast 12 months to 30 June 2026 $'000	Planned 2026/27 $'000	Planned 2027/28 $'000	Planned 2028/29 $'000
Cash flows used in operating activities					
Cash provided from:					
Crown revenue	16,666	16,667	16,667	16,667	16,667
Interest received	195	138	120	120	120
Other income	1,395	1,639	1,632	1,741	1,741
Cash disbursed to:					
Payments to suppliers	(6,785)	(6,469)	(6,425)	(6,280)	(6,191)
Payments to employees	(11,415)	(11,603)	(12,340)	(12,116)	(12,242)
Net GST	50	186	0	3	2
Net cash flows from (used in) operating activities	106	**558**	(346)	135	96
Cash flows used in investing activities					
Cash disbursed to:					
Purchase of property, plant, equipment and intangibles	(40)	(39)	0	(270)	0
Net cash flows (used in) investing activities	**(40)**	**(39)**	**0**	**(270)**	**0**
Cash flows used in financing activity					
Equity injection					
Net cash flows (used in) finance activities	**0**	**0**	**0**	**0**	**0**
Net increase/(decrease) in cash and cash equivalents	**66**	**519**	**(346)**	**(135)**	**96**
Plus, projected opening cash and cash equivalents	**3,256**	**3,346**	**3,865**	**3,519**	**3,384**
Closing cash and cash equivalents	**3,323**	**3,865**	**3,519**	**3,384**	**3,480**

Note: Numbers are rounded.

Declaration of the board

The board acknowledges its responsibility for the information contained in the Commission's forecast financial statements. The financial statements should also be read in conjunction with the statement of accounting policies in Section 7.

Key assumptions for proposed budget in 2026/27 and out-years

In preparing these financial statements, we have made estimates and assumptions about the future, which may differ from actual results.

Estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

Our financial management is considered strong, enabling us to deliver better services and outcomes for New Zealanders. The forecast financial statements for the 2026/27 year and out-years are in line with generally accepted accounting practices. The statements include:

- an explanation of all significant assumptions underlying them
- other information needed to reflect our forecast financial operations and financial statements fairly.

Key assumptions are listed below.

- Although personnel costs have been assessed on the basis of expected staff mix and seniority, these may vary. Total expenditure will be maintained within forecast estimates, even if individual line items vary. There may be movements between salary, contractor and programme costs.
- Out-year costs in the operating budget are based on a mix of no general inflationary adjustment and limited general inflationary adjustment of around 2 to 3 percent.
- The timing of the receipt of Crown revenue is based on quarterly payments made at the beginning of the quarter on the fourth of the month.
- The next replacement of the full laptop fleet is planned for the beginning of the 2027/28 financial year.

7. **Statement of accounting policies**
Pūrongo o ngā kaupapa here kaute

Reporting entity

The Health Quality & Safety Commission Te Tāhū Hauora (the Commission) is a Crown entity as defined by the Crown Entities Act 2004 and the Healthy Futures (Pae Ora) Act 2022, and is domiciled in New Zealand. As such, the Commission is ultimately accountable to the New Zealand Crown.

Our primary objective is to provide public services to New Zealanders rather than to make a financial return. Accordingly, the Commission has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards.

Basis of preparation

Statement of compliance

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004. This includes meeting the Act's requirement to comply with the New Zealand generally accepted accounting principles (NZ GAAP).

The prospective financial statements have been prepared in accordance with tier 2 public benefit entity accounting standards.

The prospective financial statements have been prepared for the special purpose of this SPE to the New Zealand Minister and Parliament. They are not prepared for any other purpose and should not be relied on for any other purpose.

These statements will be used in the annual report as the budgeted figures.

The SPE narrative in previous sections informs the prospective financial statements, and the document should be read as a whole.

The preparation of prospective financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual financial results achieved for the period covered are likely to vary from the information presented, and variations may be material.

Measurement system

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars. The functional currency of the Commission is New Zealand dollars.

Significant accounting policies

The accounting policies outlined will be applied for the next year when reporting in terms of section 154 of the Crown Entities Act 2004 and will be in a format consistent with NZ GAAP.

The following accounting policies, which significantly affect the measurement of financial performance and of financial position, have been consistently applied.

Budget figures

The Commission has authorised these prospective financial statements for issue in June 2026.

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies the Commission adopted to prepare the financial statements. The Commission is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosure. It is not the intention to update the prospective financial statements after they have been published.

Revenue

Revenue is measured at fair value. It is recognised as income when earned and is reported in the financial period to which it relates.

Revenue from the Crown

The Commission is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Commission meeting its objectives as specified in this SPE. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest income is recognised using the effective interest method.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Commission are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the prospective statement of financial performance.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term, highly liquid investments, with original maturities of three months or less.

Debtors and other receivables

Debtors and other receivables are measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

Inventories

Inventories held for sale (if any) are measured at the lower of cost (calculated using the first-in first-out basis) and net realisable value.

Property, plant and equipment

- Property, plant and equipment asset classes consist of building fit-out, computers, furniture and fittings, and office equipment.
- Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.
- The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.
- Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the prospective statement of financial performance.
- Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.
- The costs of day-to-day servicing of property, plant and equipment are recognised in the prospective statement of financial performance as they are incurred.

Depreciation

Depreciation is provided using the straight-line (SL) basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Computers 3 years 33% SL
- Office equipment 5 years 20% SL
- Furniture and fittings 5 years 20% SL

Intangibles

Software acquisition

- Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.
- Costs associated with maintaining computer software are recognised as an expense when incurred.
- Costs associated with developing and maintaining the Commission's website are recognised as an expense when incurred.

Amortisation

- Amortisation begins when the asset is available for use and ceases at the date the asset is de-recognised.
- The amortisation charge for each period is recognised in the prospective statement of financial performance.
- The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:
  - » Acquired computer software 3 years 33% SL

Impairment of non-financial assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Appendix 1: Our performance framework

Āpitihanga 1: Te anga mahi

Commission performance
(our responsibility)

Strategic priorities

Strengthening consumer and whānau engagement

Reducing harm and avoidable mortality

Leading health care improvement through data and evidence

Our core delivery

Consumer and whānau engagement: engagement frameworks, experience tools, partnerships, co-design, and governance approaches that embed consumer and whānau voice

Quality and safety intelligence: national measurement and system safety/harm reporting, mortality review and system safety and clinical governance frameworks

Quality improvement programmes: structured improvement programmes, tools and collaboration, supported by national frameworks

→ Our **evidence and insights** are robust, independent and timely

→ We have **strong relationships with trust and credibility** across the sector and communities

→ We **work with the sector to shape recommendations** that are practical and able to be implemented

→ Our **delivery** combines clear messaging, strong change support, proven methods and timeliness

Our focus and core delivery ... → **when done right ...**

Year 1 delivery


System performance
(shared responsibility)
Contribution indicators
Use of Commission tools, frameworks and guidance across the sector
Actions taken in response to mortality review recommendations
Use of Commission insights and data intelligence in decision-making
Participation in Commission capability and improvement programmes
Inclusion of consumer and whānau input in health sector activities
Evidence of practice change and usefulness, supported by survey and evaluation feedback
Impact
Consumer and whānau voices are heard and influential
Improved practice in response to information, education and recommendations
Rapid response to emerging risks
Stronger relationships, shared understanding and trust
Improved practice from specific quality improvement initiatives
Long-term outcomes
Improved access to appropriate services
Improved patient outcomes
Reduced harm and avoidable mortality
Equitable health outcomes
are used and trusted across the system ...
driving changed behaviours in the short to medium term ...
ultimately contributing to the outcomes and improved results we want to see
18–24 months post-delivery
3–5 years post-delivery

Appendix 2: Our legislative objectives and functions

Āpitihanga 2: Ko ā mātou whāinga me ā mātou āheinga

Our objectives

The objectives of the Health Quality & Safety Commission Te Tāhū Hauora (the Commission)[28] are to lead and coordinate work across the health sector for the purposes of –

(a) monitoring and improving the quality and safety of services; and

(b) helping providers to improve the quality and safety of services.

Our functions

1. The functions of the Commission are –
   (a) to advise the Minister on how quality and safety in services may be improved; and
   (b) to advise the Minister on any matter relating to –
      (i) health epidemiology and quality assurance; or
      (ii) mortality; and
   (c) to determine quality and safety indicators (such as serious and sentinel events) for use in measuring the quality and safety of services; and
   (d) to provide public reports on the quality and safety of services as measured against –
      (i) the quality and safety indicators; and
      (ii) any other information that the Commission considers relevant for the purpose of the report; and
   (e) to promote and support better quality and safety in services; and
   (f) to disseminate information about the quality and safety of services; and
   (g) to support the health sector to engage with consumers and whānau for the purpose of ensuring that their perspectives are reflected in the design, delivery, and evaluation of services; and
   (h) to develop a Code of expectations for consumer and whānau engagement in the health sector for approval by the Minister; and
   (i) to make recommendations to any person in relation to matters within the scope of its functions; and
   (j) to perform any other function that –
      (i) relates to the quality and safety of services; and
      (ii) the Commission is for the time being authorised to perform by the Minister by written notice to the Commission after consultation with it.
2. In performing its functions, the Commission must, to the extent we see as appropriate, work collaboratively with a wide range of stakeholders: the Ministry of Health; the Health and Disability Commissioner; Health New Zealand; providers, professional bodies; consumer groups and any other organisations, groups or individuals with an interest in our work.

28 The Health Futures (Pae Ora) Act abbreviates Health Quality & Safety Commission Te Tāhū Hauora as HQSC.

Appendix 3: Our alignment with Government expectations

Āpitihanga 3: Te hāngai ki ā te Kāwanatanga kawenga

Government expectations	Where our work supports the expectations: SPE deliverable number or response page number						
Government Policy Statement 2023–27 priorities	**1**	**2**	**3**	**4**	**5**	**6**	**Other, see page:**
Access	✓	✓	✓	✓	✓	✓	Page 26 of our Statement of Intent 2026–30 outlines how our work addresses the Government's priorities by strengthening the conditions for improved and more equitable health outcomes.
Timeliness		✓	✓	✓	✓	✓	
Quality	✓	✓	✓	✓	✓	✓	
Workforce		✓	✓	✓		✓	
Infrastructure				✓	✓	✓	
Minister's expectations specific to the Health Quality & Safety Commission	**1**	**2**	**3**	**4**	**5**	**6**	**Other, see page:**
Strengthening monitoring • Strengthen relationships with agencies that capture patient safety data. • Build on the refreshed data-sharing memorandum of understanding with partner agencies and the Ministry.		✓		✓	✓	✓	Page 17 provides further information on the refreshed data-sharing memorandum of understanding.
Focusing on core responsibilities • Prioritise effort on areas with the greatest potential to shift performance, including by identifying risks and opportunities and providing practical recommendations for improvement. • Regularly assess and report on the quality and safety of the health system, with a focus on service delivery.		✓	✓	✓	✓	✓	
Strengthening clinical decision-making and governance • Strengthen the role of the National Quality Forum to support accountability for quality and safety. • Align the forum's work with New Zealand Clinical Senate and leadership model to support improvements in clinical governance.	✓					✓	

Government expectations	Where our work supports the expectations: SPE deliverable number or response page number						
Minister's expectations specific to the Health Quality & Safety Commission	**1**	**2**	**3**	**4**	**5**	**6**	**Other, see page:**
Driving health system improvement • Invest in strong, trusted relationships with consumers and key agencies to combine perspectives with high-quality data and insights. • Support the health sector and individual organisations to translate insights into improvement and better outcomes.	✓	✓	✓	✓	✓	✓	
Supporting system priorities and programmes • Maintain a focus on primary and community care, including by strengthening understanding of patient flow across the system. • Support the delivery of the System Safety Strategy and its implementation across the health sector. • Maintain national oversight of adverse events and work with Health NZ on public reporting approaches. • Review and update the Code of expectations for consumer and whānau engagement, as required to align with legislative changes.	✓		✓		✓	✓	Page 12 further provides information on the implementation of the *Collaborating for quality: A framework for clinical governance* within health agencies and the wider primary and community health care sector.
Fiscal responsibility and performance • Deliver statutory functions and objectives in an effective, efficient and financially responsible way. • Demonstrate value and impact, focusing resources on areas aligned with Government and system priorities.	✓	✓	✓	✓	✓	✓	

Statement of Intent 2026–30	SPE deliverable number or response page number						
Strategic priorities	**1**	**2**	**3**	**4**	**5**	**6**	**Other, see page:**
Strengthening consumer and whānau engagement	✓	✓		✓	✓	✓	
Reducing harm and avoidable mortality		✓	✓	✓	✓	✓	
Leading health care improvement through data and evidence	✓	✓	✓	✓	✓	✓	

New Zealand Government
Te Kāwanatanga o Aotearoa