



Health Quality &  
Safety Commission  
Te Tāhū Hauora

# Statement of Performance Expectations

**Ngā Paearu Mahi**  
2025/26





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

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## Foreword

### Kōrero takamua

In 2025/26, we are focused on identifying and addressing quality and safety opportunities and risks across the health system to support the Government's priorities to make immediate improvements to the delivery of health services.

We play a critical role as an independent and expert monitor of quality and safety across our health system.

We will continue to provide insights to the Minister of Health and sector on critical challenges and will work closely and support Ministry of Health – Manatū Hauora and Health New Zealand | Te Whatu Ora by providing high-quality advice, data and intelligence. We will also work in partnership across the health sector, including strengthening relationships with other agencies such as the Accident Compensation Corporation and with primary and community care.

Through the National Quality Forum, we bring together senior leaders and consumers to tackle emerging issues and drive improvements in quality and safety. We are also strengthening mechanisms for patient feedback, building capability to learn from harm, supporting clinical governance, and reviewing mortality to reduce avoidable deaths and illness.

We have a proven track record of improving safety, outcomes and efficiency in health care to deliver better, safer care for New Zealanders.



# Board statement

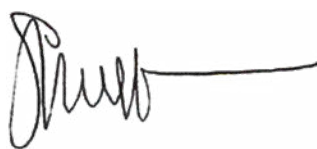
## Tauākī a te poari

In signing this statement, we acknowledge we are responsible for the information contained in the Statement of Performance Expectations for 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 2025



**Shenagh Gleisner**  
Chair, Board Audit Committee  
30 June 2025



# 1. Introduction

## He kupu whakataki

As the health system's independent expert monitor of quality and safety, Health Quality & Safety Commission Te Tāhū Hauora (the Commission) works to reduce harm and improve care by driving improvements across Aotearoa New Zealand's health system and services.

When people do not have access to high-quality, safe health care, they and their whānau can experience avoidance harm, lose trust and have reduced quality of life. These impacts, along with added pressure on the health system, can lead to longer hospital stays, readmissions, and increased use of resources.

By regularly measuring and monitoring the quality and safety of services, we assess and escalate risks, identify opportunities for performance improvements and highlight the improvements that can have the greatest impact.

Through our monitoring, reviews, interventions and partnerships, we:

- **reduce the number of people harmed, save lives, and improve access to and quality of care**, helping consumers to experience services that meet their health needs and aspirations
- **increase efficiency and generate financial savings** within the health sector, allowing resources to be reinvested and reducing the overall cost and burden on both the system and consumers.

Conservatively, we can point to 1,700 avoided serious harms over the last 10 years. These better outcomes accelerate as more improvement schemes are delivered.

Serious avoided harms that occur with hospitals include life-threatening infections, falls that lead to broken hips and cardiac arrests. Each harm has a direct cost in the tens of thousands of dollars and typically costs about six months to two years of healthy life (which is a measure combining reduced life expectancy with reduced quality of life) (see Figure 1).

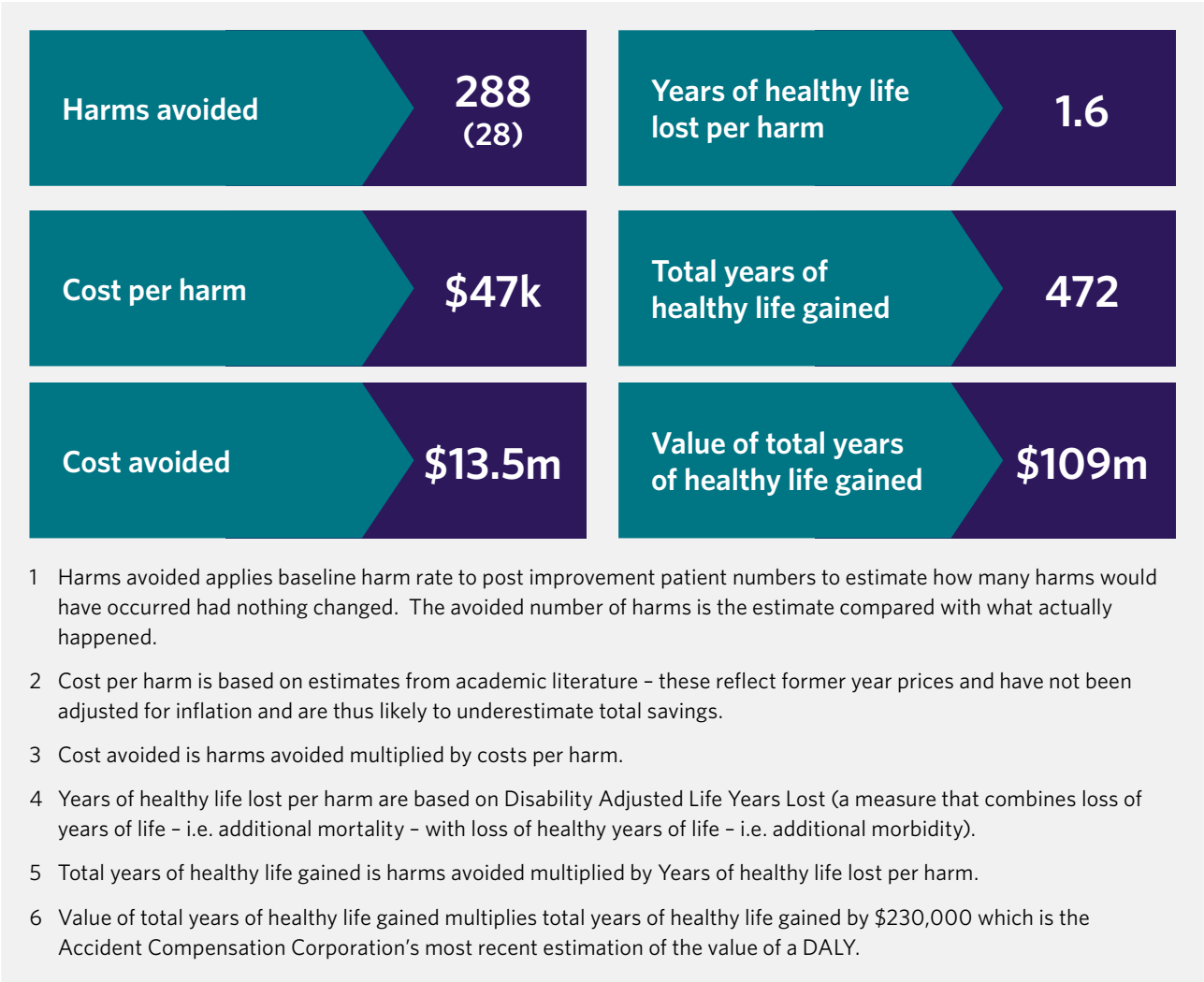
Based on very conservative estimates, since 2015 our harm avoidance quality improvement programmes alone have saved over \$450 million both directly in health cost savings and through achieving healthier lives.<sup>1</sup>

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<sup>1</sup> The total of \$454 million in savings is made up of \$44 million in avoided costs of harm and \$410 million in avoided disability-adjusted life years (DALYs).



**Figure 1: Estimated savings and health improvements from avoided falls leading to hip fracture (Fractured Neck of Femur)**



Our initiatives contribute to stronger clinical and system responses to early signs of quality risks. They also help to reduce hospital-acquired infections, increase consumer participation in care planning and decision-making, and provide better support for the health workforce through research, education and best-practice guidance.

We provide regular, evidence-informed reports to the Minister of Health on the quality and safety of the health system. These reports, which include some key health targets, offer valuable insights and actionable recommendations that align with Government priorities and can drive meaningful improvements in the health system and services.

We work collaboratively with sector partners – including health entities, clinicians and providers – to support the delivery of more effective and safer health services. Our clear and accessible analysis plays an essential role in keeping the health system informed of and accountable to the needs of patients, whānau and the wider public.



## 2. Our strategic intent and expectations

### Te rautaki me ngā kawenga

The Government is focused on and committed to improving health outcomes by providing timely access to high-quality services, delivered by a financially sustainable health system.

Our strategic framework supports the Minister of Health and the wider health system to achieve this goal. It outlines our approach to advancing the Government's long-term vision for health and wellbeing: 'Longer life expectancy and improved quality of life for all' (see Figure 2) set within the *Government Policy Statement on Health 2024-2027*.<sup>2</sup>

Our vision, mission and priorities are outlined in our *Statement of Intent 2023-27*.<sup>3</sup>



- 
- 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](http://www.health.govt.nz/publication/government-policy-statement-health-2024-2027) (accessed 18 April 2025).
- 3 Te Tāhū Hauora Health Quality & Safety Commission. 2023. *Tauākī koronga / Statement of Intent, 2023-27* (updated). Wellington: Te Tāhū Hauora. URL: [www.hqsc.govt.nz/resources/resource-library/statement-of-intent-2023-27/](http://www.hqsc.govt.nz/resources/resource-library/statement-of-intent-2023-27/) (accessed 18 April 2025).



**Figure 2: Our strategic framework**





This section outlines our work and new initiatives or areas of focus to deliver on our legislative objectives and functions (see Appendix 1) and deliver on the expectations of the Minister of Health (see page 16) within our strategic priorities (see Figure 2).

All are aimed at improving health outcomes, particularly for people with the greatest health needs, while also delivering savings and efficiencies for the Government and the health sector.

## Monitoring health quality and safety

Measurement and reporting play a critical role in driving improvement. When used well, data can highlight both strengths and areas needing attention, creating a clearer picture of where to focus improvement efforts.

As the system leader for monitoring for quality and safety of care, we identify current and emerging trends, challenges and gaps in health care quality and safety. Our work delivers system-wide insights to drive data-informed quality improvement.

Our collection of data and information supports the need for comprehensive reporting against health targets. Previously, we have provided advice to Ministry of Health – Manatū Hauora (the Ministry) on the implementation of the Government's health target regime, focusing on avoiding unintended consequences through contributory and balancing measures.

In 2025/26, in addition to our ongoing monitoring, we will:

- work with the Ministry to **develop a well-informed and suitable primary care access target**, with a focus on identifying the complexities surrounding access such as by using consumer perspectives and experiences captured through our patient-reported measures to drive improvement in service delivery
- assist Health New Zealand | Te Whatu Ora (Health NZ) with **robust monitoring of clinical quality and safety** and contribute to regular reporting as Health NZ increases the volume of elective treatment procedures to reduce the waitlist
- **strengthen and formalise our relationship with the Accident Compensation Corporation (ACC), the Health and Disability Commissioner and the Ministry** with a view to broadening our monitoring role and enabling front-line agencies to deliver on the Government's health targets
- support system approaches to data monitoring and outcomes to make **services for people with disabilities timelier and more effective** through our partnerships with Ministry of Disabled People – Whaikaha and national disability groups.

## Data measurement and monitoring tools

Our interactive analytic and reporting tools help to track over 300 measures of health care quality and incorporate insights from consumers and whānau, the workforce and other stakeholders. This data is widely used across the system.

We deliver trusted and credible analysis, reporting and monitoring of key quality indicators within critical focus areas, driving genuine improvements over time. These tools focus on:

- the quality and safety of care through:
  - » **quality alerts**, which bring together widespread sources of data on key measures of risk at the local level
  - » **quality and safety markers (QSMs)**, a more comprehensive form of targets from the early 2010s that linked process targets to expected safety outcomes<sup>4</sup>
  - » patient experience through **patient experience explorers** reporting the results of primary care and inpatient surveys
  - » **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<sup>5</sup>
  - » other bespoke reporting tools covering specific issues commissioned by third parties

- overall system performance through:
  - » the **Dashboard of health system quality**,<sup>6</sup> 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
  - » **published reports** on different aspects of health service quality and safety (for more information, see 'Quality and safety reporting and publications').

The discussion on SPE deliverables 1 and 2 in Section 4 provides more detail on our measurement and monitoring work.

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4 Health Quality & Safety Commission Te Tāhū Hauora. (nd). Quality & Safety Markers. URL: [www.hqsc.govt.nz/our-data/quality-and-safety-markers](http://www.hqsc.govt.nz/our-data/quality-and-safety-markers) (accessed 18 April 2025).

5 Health Quality & Safety Commission Te Tāhū Hauora. (nd). Atlas of Healthcare Variation. URL: [www.hqsc.govt.nz/our-data/atlas-of-healthcare-variation](http://www.hqsc.govt.nz/our-data/atlas-of-healthcare-variation) (accessed 18 April 2025).

6 Health Quality & Safety Commission Te Tāhū Hauora. (nd). Dashboard of health system quality. URL: [www.hqsc.govt.nz/our-data/quality-dashboards/dashboard-of-health-system-quality](http://www.hqsc.govt.nz/our-data/quality-dashboards/dashboard-of-health-system-quality) (accessed 18 April 2025).

## Quality and safety reporting and publications

We publish in a range of ways, such as in academic journals, popular press, data infographics and formal publications. The following are two of our key regular publications.

- Our **system quality and safety: insights reports** provide the Minister of Health and the wider sector with regular assessments of the overall quality and safety of the health system, drawing on data and insights from a wide range of measurement tools and information sources. This work builds on the Assessing system quality and safety: insights reports provided to the Minister in 2024 and publicly released in March 2025.<sup>7, 8, 9</sup>
- **A window on the quality of Aotearoa New Zealand's health care series**<sup>10</sup> draws on national data sets to provide insights into the specific areas of quality and safety of health care. Previous areas have included Māori health equity, Pacific health and the impacts of the COVID-19 pandemic.<sup>11</sup> In 2025/26, the Window report focuses on disability and is being completed in partnership with lived experience and the disability community. For more information, see SPE deliverable 2 in Section 4.

## Patient-reported measures

We manage and deliver the collection of **patient-reported measures** through validated and standardised primary care and adult hospital experience surveys.<sup>12</sup> These surveys enable systematic collection, analysis and reporting and allow us to identify how patient experience has changed over time. These surveys include 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
- adult **primary care** patient experience survey (from 2016), inviting around 890,000 patients per year to participate and receiving around 133,000 responses
- adult hospital **outpatient** experience survey (from 2023), inviting around 217,000 patients per year to participate and receiving around 47,000 responses
- **home and community support services** experience annual survey (from 2024).

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7 Te Tāhū Hauora Health Quality & Safety Commission. 2024, September. *Assessing system quality and safety: insights report*. Wellington: Te Tāhū Hauora. URL: [www.hqsc.govt.nz/assets/Core-pages/About-us/Insights-reports/Te-Tahu-Hauora-Assessing-system-quality-and-safety-insights-report-September-2024.pdf](http://www.hqsc.govt.nz/assets/Core-pages/About-us/Insights-reports/Te-Tahu-Hauora-Assessing-system-quality-and-safety-insights-report-September-2024.pdf) (accessed 18 April 2025).

8 Te Tāhū Hauora Health Quality & Safety Commission. 2024, November. *Assessing system quality and safety: insights report*. Wellington: Te Tāhū Hauora. URL: [www.hqsc.govt.nz/assets/Core-pages/About-us/Insights-reports/Te-Tahu-Hauora-Assessing-system-quality-and-safety-insights-report-November-2024.pdf](http://www.hqsc.govt.nz/assets/Core-pages/About-us/Insights-reports/Te-Tahu-Hauora-Assessing-system-quality-and-safety-insights-report-November-2024.pdf) (accessed 18 April 2025).

9 We developed these reports by collating data sets that we hold, additional data from Health NZ and information from interviews with clinicians, other health workers and consumers.

10 This provides a snapshot of the quality of health care in the country. For more information, see Health Quality & Safety Commission Te Tāhū Hauora. 2023. *Te kōunga o te tauwhiro hauora | Window on the quality of health care*. Wellington: Health Quality & Safety Commission. URL: [www.hqsc.govt.nz/our-data/window-on-the-quality-of-health-care](http://www.hqsc.govt.nz/our-data/window-on-the-quality-of-health-care) (accessed 18 April 2025).

11 For more information, see *ibid*.

12 Health Quality & Safety Commission Te Tāhū Hauora. (nd). Patient experience. URL: [www.hqsc.govt.nz/our-data/patient-reported-measures/patient-experience/](http://www.hqsc.govt.nz/our-data/patient-reported-measures/patient-experience/) (accessed 18 April 2025).



The results of these surveys show sustained and ongoing improvements in several key areas. The proportion of inpatients who reported feeling as involved in decisions about their care as they wanted to be, and who felt they had enough information to manage their condition or recovery after leaving the hospital, has increased by 15 percent, now standing at over 75 percent. Given that there are more than 700,000 publicly funded inpatient discharges each year (excluding day cases),<sup>13</sup> this improvement represents approximately 100,000 more inpatients each year who feel adequately involved and informed in their care and recovery. For more information, see SPE deliverable 3 in Section 4.

In 2025/26, this programme will support the **development of a primary care access target** for what information people want to engage with and what their experience is. In addition, it will focus on implementing two new surveys – experience of those receiving **maternity inpatient** services and the experience of **mental health** service users. It will also improve reporting on existing surveys.

### Supporting local decision-making

We are strengthening our focus on primary and community health care stakeholders by establishing **geo-mapping data and intelligence tools**. By visually representing geographic data, we aim to support primary and community health care providers by providing local data they can use to:

- identify priorities, allocate resources and improve access to health services
- target interventions to health challenges in their communities.

## Leadership and collaboration

We lead programmes across the sector and collaborate with other agencies to ensure a joined-up approach and response to complex quality and safety challenges that no single organisation can address alone.

By convening cross-agency solutions and maintaining direct oversight of the health system's overall quality and safety, we help meet the increasing need for more effective and integrated oversight.

We have well-established networks and partnerships nationally and internationally.

- **Collaborating and leading improvements** in the quality and safety of the health system and its services includes working with our partner agencies like the Ministry, Health NZ, ACC, Ministry of Disabled People, providers, clinicians, the wider health workforce, professional bodies, consumer groups and any stakeholders invested in improving health services.
- Our partnership with the **Health and Disability Commissioner** through regular updates and insights from the Commissioner helps to highlight issues of national significance.
- The participation of our chief executive in the **Health Leadership Forum**, chaired by the Director-General of Health, alongside other national agency chief executives, provides a platform for whole-system leadership and oversight.
- Through our relationships with **international health quality and safety counterparts and agencies**,<sup>14</sup> we share knowledge and understanding of international best practices, and align our efforts with global health, policy and research initiatives.

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<sup>13</sup> Health New Zealand | Te Whatu Ora. 2024. Hospital events web tool.  
URL: <https://tewhatuora.shinyapps.io/hospitals-web-tool/> (accessed 18 April 2025).

<sup>14</sup> We work with the Australian Commission on Safety and Quality in Health Care and the Health Services Safety Investigations Body (England).



In 2024/25, some of our quality improvement initiatives, including the formal education programme 'Improving Together', were transferred to Health NZ to support system-wide integration under the strategic priority 'Enabling the workforce as improvers'. We continue to strengthen the health workforce's role in quality and safety improvement through seminars, workshops and conference presentations.

### National Quality Forum

We convene the National Quality Forum and co-chair it alongside consumers to **drive health gains and reduce harm** in health care.<sup>15</sup> The forum is:

- a collaboration of Government health agencies and stakeholder representatives<sup>16</sup>
- a venue for raising or escalating complex quality and safety issues
- a platform for planning multi-agency interventions with clear responsibilities, actions and outcomes.

We are **strengthening the forum's role in driving accountability for quality and safety** by providing up-to-date data analysis, highlighting and escalating emerging issues and enhancing cross-agency collaboration. The forum is also working to strengthen patient feedback mechanisms, build capability to learn from harm, support improvements in clinical governance across the health entities. We are also seeking to align this work with the Health NZ Clinical Senate.<sup>17</sup> For more information, see SPE deliverable 4 in Section 4.



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15 Since 2022/23, a consumer representative has co-chaired the forum, alongside our chief executive, to strengthen the consumer voice.

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

17 The Health NZ Clinical Senate will be made up of a mix of professions and specialties from across New Zealand, and a clinical advisory board will be established to provide insights and advice to the leadership team. These bodies will work alongside the clinical leadership and networks we have established across disciplines.



## Strengthening systems for quality services

Our work strengthens and enhances the quality and safety of systems and services. We define and help shape key system enablers that support the health sector in improving the quality of health services.

- We revised the clinical governance framework ***Collaborating for quality: A framework for clinical governance***, released in November 2024,<sup>18</sup> to provide a high-level approach to health services. It focuses on clear and consistent escalation pathways, strengthening clinical decision-making, enhancing accountability and creating a more responsive system for high-quality care. These elements are designed to help teams improve care delivery and reduce harm.
- Our ***Healing, learning and improving from harm: National adverse events policy 2023***<sup>19</sup> is a national framework to improve safety for consumers and health care workers by supporting health and disability service providers in how to report, heal, learn and improve after a harm has occurred.
- Our ongoing development of a **system safety strategy** (a national quality and safety framework) in collaboration with others builds on New Zealand's commitment to minimise harm in health care and improve system safety, as specified in the *Government Policy Statement on Health 2024-2027*.

We see strong connections with our system enablers in supporting the system's response to the recommendations in the final report of the Royal Commission of Inquiry on abuse in care, *Whanaketia – Through pain and trauma, from darkness to light*.<sup>20</sup> We will be engaging with our partners across the health and disability sector to contribute to and provide leadership on the changes that are needed, particularly in recognising the importance of consumer and whānau voice and identifying and elevating issues through monitoring and networks.

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18 Te Tāhū Hauora Health Quality & Safety Commission. 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/](http://www.hqsc.govt.nz/resources/resource-library/collaborating-for-quality-a-framework-for-clinical-governance/) (accessed 18 April 2025).

19 Te Tāhū Hauora Health Quality & Safety Commission. 2023. *Healing, learning and improving from harm: National adverse events policy 2023 | Te whakaora, te ako me te whakapai ake i te kino: Te kaupapa here ā-motu mō ngā mahi tūkinō 2023*. Wellington: Te Tāhū Hauora.

20 Abuse in Care Royal Commission of Inquiry. 2024. *Whanaketia – Through pain and trauma, from darkness to light: Whakairihia ki te tihi o Maungārongo*. Wellington: Royal Commission of Inquiry. URL: [www.abuseincare.org.nz/reports/whanaketia](http://www.abuseincare.org.nz/reports/whanaketia) (accessed 18 April 2025).



## Reducing harm

Potentially avoidable harm consumes health system resources. For example, it leads to longer hospital stays, use of more medicines and consumables, returns to the operating theatre, more scans and tests and, above all, additional staff time. Each of these flow-on effects increases the cost of the case and often reduces benefit to the consumer at an individual level, as well as reducing the system's capacity to provide access to elective (planned) care more generally.

We play an active and vital role in identifying opportunities to reduce harm by working alongside our partners.

- We use **quality alerts** for identifying and escalating emerging concerns related to quality and safety. This approach enables timely responses to potential risks and supports our ongoing commitment to continuous improvement, learning and system responsiveness.
- We use **quality and safety indicators** (such as serious (SAC2) and sentinel (SAC1) events)<sup>21</sup> to measure the quality and safety of services and to publicly report on performance against these indicators. We do this by:
  - » conducting annual statistical analysis that informs the public-facing annual reports on national learning from harm
  - » undertaking in-depth, focused thematic analysis to guide improvement opportunities

- » triangulating data to inform system learning opportunities in partnership with other providers
- » sharing learnings from event reports with relevant stakeholders as appropriate.

- Our national quality improvement initiatives, such as the **Deterioration Early Warning System in aged residential care** and the **Paediatric Early Warning System** implemented in 2023, support clinical decision-making by helping to identify changes that may be acute deterioration. For more information, see SPE deliverable 5 in Section 4.
- Our **Trauma Quality Improvement Programme**, funded by ACC,<sup>22</sup> works to ensure that patients with major trauma access the post-discharge rehabilitation services that can meet their needs.

Our work on system-level improvements and quality improvement initiatives helps everyone to access care and experience health services that meet their health needs and aspirations. These improvements are measurable – preventing harm, reducing hospital stays, lowering morbidity and mortality rates, and adding healthy years to the lives of New Zealanders.<sup>23</sup> These improvements have led to savings for the health system, equating to an estimated value of \$454 million<sup>24</sup> and generating a minimum return on investment of 2 to 1.<sup>25</sup>

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21 Te Tāhū Hauora Health Quality & Safety Commission. 2023 (updated March 2024). Severity Assessment Code rating and process tool for Healing, learning and improving from harm. URL: [www.hqsc.govt.nz/resources/resource-library/severity-assessment-code-sac-rating-and-process-tools/](http://www.hqsc.govt.nz/resources/resource-library/severity-assessment-code-sac-rating-and-process-tools/) (accessed 5 June 2025)

22 ACC funds us to provide intelligence and improvement support to the Trauma National Clinical Network to June 2027.

23 These improvements have resulted from reductions in the number of disability-adjusted life years (DALYs) lost due to complications and in the number of poor outcomes in areas such as in-hospital fractured neck of femur, infections following heart, hip and knee surgery and in-hospital cardiac arrests.

24 \$454 million is made up of \$44 million avoided costs of harm and \$410 million of avoided DALYs.

25 This figure is based on return of key quality improvement programmes against our total funding of approximately \$200 million since 2011.



## Improving experience for consumers and whānau

Greater consumer and whānau involvement in care improves health outcomes and reduces costs.<sup>26,27</sup>

Our legislative role in engaging with consumers and whānau provides an important, unique perspective on health quality and safety issues. Through co-designing with consumers, supporting local forums and promoting patient-centred care, we have made services more responsive and effective, while increasing consumer confidence.

We are committed to ensuring the health system consistently prioritises consumer and whānau engagement in designing, delivering and assessing services, helping to build a system that is firmly centred on their needs.

### Implementation of the Code of expectations for consumer and whānau engagement

We are leading and supporting the system's efforts to embed consumer and whānau voices in the health system, guided by the Code of expectations for health entities' engagement with consumers and whānau (the Code of expectations).<sup>28</sup>

Under the Pae Ora (Healthy Futures) Act 2022 (the Pae Ora Act), named health entities, including the Commission,<sup>29</sup> are required to implement and report on the Code of expectations, which is secondary legislation under the Legislation Act 2019.

Health entities report to us through the **consumer and whānau engagement QSM**,<sup>30</sup> providing examples of progress in involving consumers, whānau and communities in designing, delivering and evaluating the New Zealand health system. All submissions and progress ratings are publicly available.<sup>31</sup> We are also engaging with other health providers, especially those in primary and community care, who are keen to report on their progress. For more information, see SPE deliverable 6 in Section 4.

### Consumer health forum Aotearoa

Alongside the launch of the Code of expectations, from 2022 we have convened the consumer health forum Aotearoa. Now comprising over 1,000 members, the forum helps build knowledge and confidence among consumers and whānau to engage with the health system and facilitate their opportunities to engage in health agency and service activities.

The forum focuses on increasing the diversity of consumer and whānau voices within the health sector and encouraging active partnerships between communities and the sector. For more information, see SPE deliverable 7 in Section 4.

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26 Hibbard JH, Stockard J, Mahoney ER, et al. 2004. Development of the Patient Activation Measure (PAM): conceptualizing and measuring activation in patients and consumers. *Health Services Research* 39(4 Part 1): 1005–26.

27 Greene J, Hibbard JH. 2012. Why does patient activation matter? An examination of the relationships between patient activation and health-related outcomes. *Journal of General Internal Medicine* 27(5): 520–6.

28 Te Tāhū Hauora Health Quality & Safety Commission. 2022. Code of expectations for health entities' engagement with consumers and whānau. Wellington: Te Tāhū Hauora. URL: [www.hqsc.govt.nz/resources/resource-library/code-of-expectations-for-health-entities-engagement-with-consumers-and-whanau](http://www.hqsc.govt.nz/resources/resource-library/code-of-expectations-for-health-entities-engagement-with-consumers-and-whanau) (accessed 20 April 2025).

29 Under the Pae Ora Act, the health entities that must give effect to the Code of expectations are Health NZ, Pharmac, the NZ Blood and Organ Service and the Commission.

30 Health Quality & Safety Commission Te Tāhū Hauora. 2024. Consumer and whānau engagement quality and safety marker. URL: [www.hqsc.govt.nz/consumer-hub/engaging-consumers-and-whanau/consumer-engagement-quality-and-safety-marker/](http://www.hqsc.govt.nz/consumer-hub/engaging-consumers-and-whanau/consumer-engagement-quality-and-safety-marker/) (accessed 20 April 2025).

31 Health Quality & Safety Commission Te Tāhū Hauora. (nd). Consumer and whānau engagement quality and safety marker self-assessment summary. URL: <https://reports.hqsc.govt.nz/content/ce4ea63e-68e6-4ac1-93ae-32ace685bdc6/#!/supporting-self-assessment> (accessed 20 April 2025).

## National mortality review

We have held legislative responsibility for the national mortality review function since the Commission was established, which is now set out under section 82 of the Pae Ora Act. The National Mortality Review Committee He Mutunga Kore (the Committee), established in July 2023,<sup>32</sup> is the primary advisor on mortality review to our board. For information on the members of the Committee, see our website.<sup>33</sup>

As a contributor to reducing mortality, our mortality review programme provides **critical information on potentially avoidable deaths**. In doing so, it supports the ongoing assessment and improvement of people's health, including efforts to improve the quality and safety of the health system.

Our ultimate goal is to reduce both morbidity and mortality, acknowledging that the improvements achieved from some initiatives may take years to demonstrate through measurable changes in outcomes. By identifying areas needing improvement and gaps in progress, we help strengthen systems and enhance practices across services and communities.

For example, our review and reporting of perioperative mortality shows risk-adjusted mortality has fallen by approximately 10 percent since 2018, as detailed in the 2024 Perioperative Mortality Review (Explorer). This improvement has been achieved despite an increase in the complexity and risk of surgical procedures performed during this period.

For more information, see SPE deliverable 8 in Section 4.

## Our directions from the Minister of Health

In addition to being guided by the Government's and Minister of Health's priorities (see Figure 2), we have specific expectations that the Minister sets for us in the Letter of Expectations each year.

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

The Minister has directed us to focus on:

- **strengthened monitoring:**
  - » strengthen our relationships with other agencies that capture patient safety data, including ACC and the Health and Disability Commissioner, with a view to broadening our monitoring role
  - » formalise these relationships through a refreshed memorandum of understanding between these agencies and the Ministry, to better enable front-line agencies to deliver on the Government's health targets

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32 The formal statutory powers that previous mortality review committees had under schedule 5 of the Pae Ora Act transferred to the National Mortality Review Committee on 1 July 2023.

33 Health Quality & Safety Commission Te Tāhū Hauora. (nd). About the National Mortality Review Committee. URL: <https://www.hqsc.govt.nz/our-work/national-review-of-avoidable-deaths/about-the-national-mortality-review-function/> (accessed 20 April 2025).



- **reporting on health targets:**
  - » use our data to support comprehensive reporting against health targets, including a primary care target aimed at improving access and urgent care
  - » channel the perspectives and experiences of consumers to drive delivery improvement, particularly in relation to the health targets
  - » continue developing the work on patient-reported measures to better understand what preventive health care services people want to engage with and their experience of those services
- **electives boost:**
  - » work closely with Health NZ to monitor clinical quality and safety of an increased number of elective procedures
  - » contribute to regular reporting, including with weekly updates to the Minister on progress
- **core responsibilities:**
  - » focus resources on areas with the highest potential for impact, working alongside ACC to drive improvement
  - » regularly assess the quality and safety of the health system, with a clear focus on service delivery
- **clinical decision-making:**
  - » strengthen the National Quality Forum's role to drive accountability for quality and safety
  - » align the forum's work with Health NZ's Clinical Senate and leadership model
- **fiscal responsibility:**
  - » continue to deliver on our statutory obligations and objectives in an effective, efficient and fiscally responsible manner
  - » deliver high performance and value for users of health services.



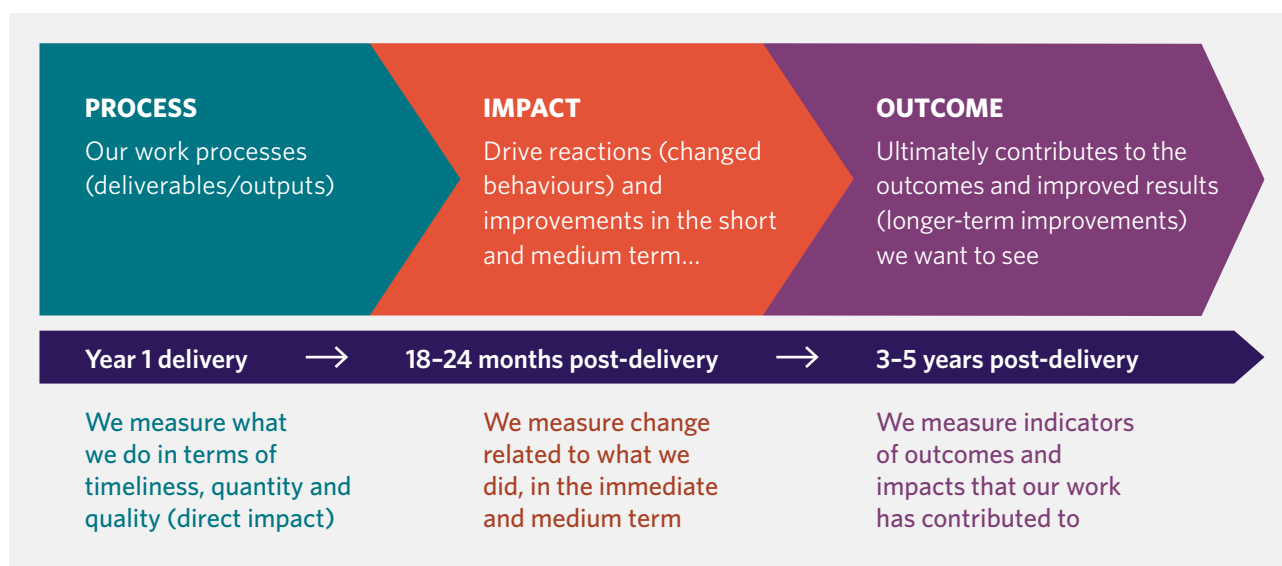
### 3. Measuring our performance

#### Te ine i tā mātou mahi

Our sources of information, intelligence and evidence identify quality and safety challenges, along with potential solutions, to support and facilitate the health system and services in implementing **changes** that will drive improved results and **outcomes**.

Results and outcomes improve over time. The effects of our work to improve policy, service provision and health outcomes within any given year may not be seen until several years later (see Figure 3). This has implications for reporting the measurable impact of our work within the one-year timeframe of this SPE. We continue to report on longer-term impacts through other accountability mechanisms.

**Figure 3: Measuring our performance and impact over time**





In year 1, we can report on whether we have delivered the products and services we said we would for the purposes of driving change. While we have robust quality design and assurance processes in place, evaluating their effectiveness – how well they meet the needs of our stakeholders – often requires more rigorous assessment.

Our experience indicates that accurately assessing a change in process or behaviour typically takes 18-24 months following the delivery of a quality improvement activity.

Confirming changes in outcomes takes longer still. For proximal outcomes closely linked to the change in practice being promoted, confirmation can take 3 – 5 years. For broader societal impacts, such as overarching mortality rates, it can take even longer, and demonstrating the causal link with certainty is difficult.

For the Commission, the outcomes (or the longer-term improvements) that our work contributes to are aligned with our enduring and strategic priorities and support the Government’s direction to understand and deliver health needs-based services. We maintain a close eye on areas we can measure that provide assurance that our work is contributing to improvement.

Table 1 outlines the specific medium- and long-term outcomes we have been measuring over the past four years. We have reported on these each year in our annual reports and will do so again in 2025/26. Our Annual Report 2023/24 provides our most recent reporting information.<sup>34</sup>



34 Te Tāhū Hauora Health Quality & Safety Commission. 2024. *Pūrongo ā-tau | Annual Report 2023-24*. Wellington: Te Tāhū Hauora. URL: [www.hqsc.govt.nz/resources/resource-library/annual-report-202324/](https://www.hqsc.govt.nz/resources/resource-library/annual-report-202324/) (accessed 20 April 2025).

**Table 1: The medium- to long-term outcome measures for our enduring and strategic priorities**

| Enduring priorities                                | What impacts and outcomes we expect to see and have been measuring and reporting in our annual reports (and the time anticipated to be able to see change)                       |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Embedding and enacting Te Tiriti o Waitangi        | Improved Māori patient experience survey results (percentages) from baselines (3–5 years)                                                                                        |
|                                                    | Qualitative and quantitative measures and reporting across programme areas that show improved health equity for Māori (3–5 years)                                                |
|                                                    | Improved Māori health outcome measures (5–10 years)                                                                                                                              |
| Pursuing health equity                             | Maintained or improved patient experience survey representativeness, particularly for groups experiencing health inequity (3–5 years)                                            |
|                                                    | Reductions in unwarranted health care variation measures across population groups (3–5 years)                                                                                    |
|                                                    | Greater health equity in our system and programme measures (3–5 years)                                                                                                           |
| Strategic priorities                               | What impacts and outcomes we expect to see and have been measuring and reporting in our annual reports (and the time anticipated to be able to see change)                       |
| Improving experience for consumers and whānau      | Improved consumer and whānau experience as a result of improvements made by providers, which they were supported to make by learning from patient experience surveys (3–5 years) |
|                                                    | Consumer and whānau measures and reporting across our programme areas (qualitative and quantitative) indicating improvement in engagement and experience (3–5 years)             |
| Enabling the workforce as improvers                | Health sector has increased use of quality improvement evidence from Te Tāhū Hauora tools, publications and education (1–3 years)                                                |
|                                                    | Improvement in outcomes as a result of quality improvement approaches (3–5 years)                                                                                                |
| Strengthening systems for quality services         | Improved quality and safety measures within our programme areas (2–5 years or longer)                                                                                            |
|                                                    | Reduced bed-days within our programme areas (2–5 years or longer)                                                                                                                |
|                                                    | Reduced number of disability-adjusted life-years lost due to complications and poor outcomes within our programme areas (2–5 years)                                              |
| Leading health quality intelligence                | Health sector has increased capability in using data to improve quality and safety (3–5 years)                                                                                   |
| Guiding improvement to prevent avoidable mortality | Reduced mortality over time in mortality review cohort groups (long term, intergenerational)                                                                                     |



## 4. Priority work areas of focus in 2025/26

### Ngā mahi hei aronga mō 2025/26

Our role is to improve the quality and safety of health services for consumers and whānau by **‘supporting and facilitating improvement’** (our output class) within the health system. This one output class captures the work we will do, as we describe in this SPE, to achieve our strategic priorities and our vision.

In 2025/26, we achieve this through seven key deliverables. For each deliverable, we describe how we will assess and monitor our progress and performance in completing work across measures of timeliness, quantity and quality, and how we will assess the impact of our planned work.<sup>35</sup>

These deliverables will be tailored, where appropriate, to address the Government’s health priorities and to monitor performance against targets effectively.

We have updated some of our deliverables and measures from 2024/25 as our programmes have advanced or changed. This year, we are including three new deliverables to reflect core parts of our work programme:

- patient-reported measures in primary care (deliverable 3)
- convening of the National Quality Forum (deliverable 4)
- and a quality improvement initiative in aged residential care (deliverable 5).

We are continuing to develop case studies introduced in 2024/25 to demonstrate and measure the downstream impact of our work (eg, deliverables 6 and 7). This year we are also tracking the uptake of Expressions of Interest from the health sector to measure the volume of engagement and impact (eg, deliverable 7).

Further, while our activities and the value they provide are not captured through specific measures, we regularly survey our stakeholders to assess them (eg, deliverables 3, 6 and 7).

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<sup>35</sup> From 2026/27, as part of our next Statement of Intent, we will be refining our approach to performance measures. Rather than using multiple measures for each output, we intend to shift to a more streamlined model. Our revised approach will focus on clearer, more purposeful measures that better align with our strategic objectives and the impact we aim to achieve.

**Deliverable 1: Publication of health information<sup>36</sup>**

**We assess and report on the quality and safety of the health system, identifying areas with the greatest need for improvement to guide health system action that enhances the quality and safety of the health system and overall patient care and experience.**

We publish for a variety of audiences (including professionals, experts and the public) in a range of publications (including academic journals, popular press and our own formal publications).

In 2025/26, as part of our three reports we will publish the Window on disability, the eighth report in the Window series.<sup>37</sup> The analysis and interpretation of the data for this report have been undertaken in partnership with lived experience. Development and production continue to involve the disability community. The other two reports are to be confirmed.

In 2025/26, we will be providing regular reporting to the Minister of Health on the overall quality and safety of the health system using data and insights provided from across our extensive data measurement tools and information sources. These reports expand on the *Assessing system quality and safety: insights report* provided to the Minister and publicly released in March 2025<sup>38, 39</sup> and will include consumer insights and qualitative data on the wellbeing of the health workforce.

All reports will be developed in consultation with other agencies and consumers, addressing the Government’s priority areas.

| Deliverable                                                                                                                                      | Timeliness/quantity                                                                          | Quality (process)                                                                                                                                   | Impact                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provide usable and reliable reports that provide information on the quality and safety of the health system for the health sector and the public | Delivery of at least three reports by 30 June 2026. A range of reporting options may be used | Each publication analyses and reports by ethnicity and other population groups, where appropriate, to identify those with the greatest health needs | Information about the quality and safety of the health system and emerging quality risk areas will be disseminated to key partners for them to act on |

36 This measure relates to our Vote Health Estimate measures for 2025/26: ‘A publication on the quality of Aotearoa New Zealand’s health care is provided by 30 June’ and ‘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’.

37 Originally scheduled for release in 2024/25, the Window report on disability will now be published in 2025/26 to include data from the Disability Survey by Stats NZ, released on 27 February 2025.

38 Te Tāhū Hauora Health Quality & Safety Commission 2024, September, *op. cit.*

39 Te Tāhū Hauora Health Quality & Safety Commission 2024, November, *op. cit.*



## Deliverable 2: Data measurement tools

**We analyse and present key metrics on quality, safety and patient experience to support health target monitoring and enable the health sector to respond rapidly to emerging risk – strengthening the delivery of a high-quality, safe health system.**

Each year, we rigorously measure and analyse health data. This work provides numerous interactive analytic and reporting tools for the sector and public to use to inform policy and practice in our health system.<sup>40</sup> In this way, we identify current gaps and changes in health care quality and safety, enabling us to highlight areas where performance improvement will have the greatest impact and to make evidence-informed recommendations for quality improvement initiatives.

This year, we will update our memorandum of understanding with ACC, the Health and Disability Commissioner and the Ministry to ensure access to, and the analysis of, the most relevant data sets. Strengthening these relationships enhances our use of data to support comprehensive monitoring and reporting against health targets. This data will also help us to monitor clinical quality and safety across the electives programme and to report regularly on this programme.

We routinely record and analyse how users are responding to the tools through various means, including a case tracking system and communication files. We also regularly update our tools and monitor their quality to ensure that they are timely, relevant and fit for purpose. For more information about our data measurement tools see Section 2.

| Deliverable                                                                                                                                                                                             | Timeliness/quantity                                                           | Quality (process)                                                                                                                           | Impact                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Provide data measurement tools (eg, the Atlas of Healthcare Variation, quality and safety markers, and quality alerts) to enable the health system to explore the quality and safety of health services | Update at least three tools each quarter, across the year ending 30 June 2026 | The tool analyses and reports on ethnicity and other population groups, where appropriate, to identify those with the greatest health needs | We will monitor sector use of the tools to ensure the sector is using them to drive system or service change and deliver impact |

<sup>40</sup> Our numerous interactive analytic and reporting tools include publicly available data measurement tools (quality and safety markers, Atlas of Healthcare Variation, experience explorers, quality dashboard and adverse events reporting) and some tools with restricted access (quality alerts, perioperative mortality explorer tools, REACH and Whaitua).

### Deliverable 3: Patient-reported measures in primary care

**We assist the health sector to identify, plan and support local solutions focused on improving health access and outcomes.**

The Commission coordinates New Zealand's adult primary care patient experience survey. The survey provides information about the experience of care for a selection of adults aged 15 years and over who were enrolled with their general practice and had a consultation or other contact with that practice during the survey period. This survey covers different aspects of the experience of primary care patients, including communication, partnership, physical and emotional needs, cultural safety and access to care.

Surveys are the most effective way of understanding the experience of a large population, such as people receiving health care. The act of regularly undertaking surveys, and then sharing and publishing the results, improves performance both directly and indirectly.<sup>41</sup> Such improvement has been shown over the first five years of New Zealand's inpatient experience survey (2014-19). Around half of all measures in the survey showed a significant, sustained improvement in patient experience when compared with the first, baseline year.<sup>42</sup>

The Commission uses survey results for quality improvement. This includes producing specific reports for general practices to use their survey results for improvement. For more information about our patient experience surveys, see Section 2.

| Deliverable                                                               | Timeliness/quantity                                                        | Quality (process)                                                                                                                                                                                                                     | Impact                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provide and report patient experience across primary health care settings | Publish four reports on patient experience in primary care by 30 June 2026 | We will seek feedback from stakeholders, which we will use to guide refinements to the surveys to ensure they reflect community needs<br><br>Well-designed reporting provides clear direction and targeting of improvement activities | Surveys enable primary and community health care stakeholders to identify, plan and support local solutions focused on improving health access and outcomes<br><br>Improvements in reported patient experience are maintained |

41 Fung C, Lim Y, Mattke S, et al. 2008. Systematic review: the evidence that publishing patient care performance data improves quality of care. *Annals of Internal Medicine* 148: 111-23.

42 See Te Tāhū Hauora Health Quality & Safety Commission. 2020. *Adult Hospital Patient Experience Survey: What have we learned from 5 years' results?* Wellington: Te Tāhū Hauora . URL: [www.hqsc.govt.nz/resources/resource-library/adult-hospital-patient-experience-survey-what-have-we-learned-from-5-years-results/](http://www.hqsc.govt.nz/resources/resource-library/adult-hospital-patient-experience-survey-what-have-we-learned-from-5-years-results/) (accessed 21 April 2025).

#### Deliverable 4: National Quality Forum

**We convene a forum of key health sector leaders and share data insights to support continuous improvement in quality and safety.**

As a core part of our work, we support and facilitate the National Quality Forum.

The forum provides a platform for collaborative leadership to drive continuous improvement in quality and safety across New Zealand's health system. It is dedicated to reducing unwarranted variation in health need and ensuring equitable access to high-quality care and support for all.

In 2025/26, the forum's work programme focuses on improving maternity outcomes, optimising medicines use, strengthening quality and safety data and insights, and undertaking effective horizon scanning to identify and respond to emerging trends, risks and opportunities in the health system.

| Deliverable                                                                                                                                   | Timeliness/quantity                                                                                                                                                                                                                         | Quality (process)                                                                                                                                             | Impact                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Convene and strengthen the role of the National Quality Forum to identify emerging health issues and drive improvements in quality and safety | Coordinate the annual work plan for the National Quality Forum and facilitate quarterly meetings to ensure progress and delivery<br><br>Provide quarterly, up-to-date data analysis on system safety to inform decision-making by the forum | Collectively (across agencies) support identified work programmes to progress their key deliverable activities, and identify sector improvement opportunities | We will report on what has been delivered and the progress made in the key areas outlined in the annual work plan, highlighting how this addresses the key health sector quality and safety issues prioritised by the National Quality Forum |



### **Deliverable 5: Quality improvement**

**Through our quality improvement initiatives, we directly address specific challenges by working closely with those in the health sector who can drive improvements, enhancing the effectiveness of those initiatives to improve outcomes for consumers.**

The Deterioration Early Warning System (DEWS) is a series of tools that support staff working in the aged residential care (ARC) sector to recognise when a resident may be getting acutely unwell and to respond early. DEWS is novel internationally and the tools were developed in New Zealand specifically for staff working with older people living in care.

DEWS comprises three tools that were co-designed with the ARC sector and supported by the Ageing Well National Science Challenge. To facilitate roll-out, we have developed an implementation package that includes a comprehensive implementation guide, education package and measurement framework.

In 2024, the Commission worked with five ARC facilities to test and evaluate the feasibility of implementing DEWS widely across the sector and to refine the DEWS tools and supporting resources. The findings were published in a report on a DEWS feasibility study and were presented at a webinar in May 2025.

The initiative and tools have been well received by the sector, and we are currently exploring options for integrating electronic versions of the DEWS tools into ARC resident management systems. We are developing an e-learning package to support DEWS implementation and looking to roll out the programme more widely to the sector.

In the next year we will work with ARC providers to begin this roll-out. Our initial focus will be on understanding the impact of the tools on ARC staff. In the years that follow, we will measure the impact and outcomes of these tools for residents.



| Deliverable                                                                                                                                       | Timeliness/quantity                                                                            | Quality (process)                                                                                                                                                                                                                                 | Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Roll-out of a national DEWS quality improvement initiative that uses standardised tools across New Zealand aged residential care (ARC) facilities | Deliver DEWS with a minimum of 20 ARC facilities implementing and embedding it by 30 June 2026 | <p>Develop e-learning modules by 30 December 2025</p> <p>Establish and engage with a network comprised of the 20 ARC facilities to embed the tools in their work flows</p> <p>Use feedback from the network to improve the programme delivery</p> | <p>At least 70 percent of relevant staff in the ARC facilities implementing DEWS will complete the DEWS e-learning module by 30 June 2026</p> <p>To understand the effectiveness of the programme, we will survey clinical staff that have a role in DEWS at participating ARC facilities to achieve the following impact:</p> <ul style="list-style-type: none"><li>▪ at least 70 percent of surveyed staff demonstrate, through examples, that DEWS supports them to accurately identify acute deterioration events and respond according to the facility's escalation pathway</li><li>▪ at least 70 percent of staff surveyed have increased confidence in clinical reasoning</li><li>▪ at least 70 percent of surveyed staff have improved communication with ARC team members</li></ul> |

**Deliverable 6: Implementation of the Code of expectations**

**We lead and support the health sector to meaningfully engage with consumer and whānau voices to strengthen service design and delivery.**

After releasing the Code of expectations in August 2022, we have continued to support its implementation and socialisation within the health sector and among consumer, whānau and community organisations. As a named health entity in the Code of expectations, we must also give effect to it.

In 2024/25, we built on previous work to develop guidance and support the application of the Code of expectations, helping health entities engage with consumers and whānau to incorporate their perspectives in the design, delivery and evaluation of health services. During the same period, we also reviewed the Code of expectations to keep it relevant, effective and aligned with the principles of equity, partnership and meaningful engagement with diverse communities.

In 2025/26, in addition to meeting regularly with health entities and monitoring the reporting of their engagement through the consumer and whānau QSM, we intend to expand our support to health care providers, in particular within primary and community care, to embed any amendments to the Code of expectations from the 2024/25 review process.

| Deliverable                                                                                                                                                                                                                                     | Timeliness/quantity                                                                                                                                                                                                                                                  | Quality (process)                                                                                                         | Impact                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Guide health entities and providers in engaging consumers and whānau in the design, delivery and evaluation of health services through the implementation of the Code of expectations for health entities' engagement with consumers and whānau | Engage at least quarterly with the named health entities required to give effect to the Code of expectations, support its implementation and develop capability in this area<br><br>Expand support to health care providers in implementing the Code of expectations | Gather and act on feedback from health entities and providers to enhance our approach in supporting them more effectively | We will report on health entities and health care providers' self-assessment of their maturity in engaging with consumers and whānau to reflect their perspectives in the design, delivery and evaluation of the health system over time<br><br>We will publish at least four case studies from health entities and health care providers on the implementation and impact of the Code of expectations |

## Deliverable 7: Consumer and whānau engagement

**We provide consumer and whānau with increased confidence and knowledge to engage in the design, delivery, and evaluation of health services.**

In 2025/26, we are building on the success of the national events and regional workshops held in 2024/25 and previous years. We will continue to support and facilitate consumers, whānau and communities to engage confidently in online and in-person national forums and local workshops.

We continue to support and engage consumers through the consumer health forum Aotearoa (established in 2021). We remain focused on ensuring that groups with the greatest health needs are well represented on the forum, in line with our enduring priorities. We regularly track the representation of diverse groups and evaluate our efforts to attract and retain key participants.

We measure the impact of our work through case studies. These are a valuable tool for showcasing best practices in consumer and whānau engagement, while highlighting the journey towards greater engagement and influence of their voices on the health system.

| Deliverable                                                                                                                                                                                              | Timeliness/quantity                                                                                                                                                                                                                                                                                                                                                                  | Quality (process)                                                                                                                                                              | Impact                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support and equip consumers, whānau and health care providers to enable increased engagement with the health system and health service improvement activities through the consumer health forum Aotearoa | <p>Plan and facilitate at least three consumer forums (a mix of online and in-person workshops) to support consumers to engage in health service improvement activities, including in primary care, by 30 June 2026</p> <p>Maintain the diverse membership of the consumer health forum Aotearoa and facilitate opportunities for members to engage in health service activities</p> | Engage widely with the health sector and consumer groups, specifically with health care providers, to develop content for the workshops so they are meaningful to the audience | <p>We will monitor and track consumer engagement and uptake of Expressions of Interest from the health sector, submitted through the consumer health forum Aotearoa</p> <p>We will publish at least three case studies highlighting consumer experiences and levels of engagement, and the impact of their involvement in opportunities facilitated through the consumer health forum Aotearoa</p> |

## Deliverable 8: National mortality review

**Through rigorous analysis and review, we lead system and service improvements aimed at preventing avoidable mortality and morbidity.**

Mortality review activities focus on deaths that are potentially avoidable. The National Mortality Review Committee He Mutunga Kore is tasked with reviewing and reporting on specified classes of deaths of people, or deaths of people of specified classes, with a view to reducing the numbers of deaths of those classes or people.<sup>43</sup>

In 2024/25, we updated the perioperative mortality explorer infographic and dashboards. We also released the Family Violence Death Review ninth report, *Femicide: Deaths resulting from gender-based violence in the context of Aotearoa New Zealand*, and we initiated a health sector response to address the persistently high rates of sudden unexpected death in infancy.

In 2025/26, the areas for review include annual reporting of avoidable mortality, with a focus on deaths due to a lack of access to quality treatment, experience of avoidable mortality in families, maternal and perinatal mortality, and family violence. We will work with partner agencies across government and community organisations to drive action in these areas.

| Deliverable                                                                                                                                                     | Timeliness/quantity                                                                                                                                                                                                                      | Quality (process)                                                                                                                                                                                                                                                                                                                                                                                                                                               | Impact                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Publish quantitative and qualitative information on areas of mortality for providers, agencies and other stakeholders and those with influence in system change | <p>Publish a minimum of two publications or analytical tools reporting on mortality review by 30 June 2026</p> <p>A range of reporting options will be used to provide the information in a useable format for the intended audience</p> | <p>The publications or tools will be peer-reviewed by the established subject matter expert groups (which include representation from relevant communities) and the National Mortality Review Committee</p> <p>Recommendations for improving systems and services to prevent and reduce avoidable mortality and morbidity will be co-designed with key sector stakeholders, and those impacted (families, whānau and services) to maximise potential impact</p> | <p>The publications or tools will increase understanding and awareness, within and outside of the health system, of the impact of avoidable mortality</p> <p>We will assess the impact of our publications and tools, and track the implementation of any recommendations to determine whether they have been addressed</p> |

<sup>43</sup> Section 82 of the Pae Ora Act gives the National Mortality Review Committee powers to acquire and use information and set up the regime that applies to that information and those accessing it. This includes obligations of confidentiality and offence provisions for non-compliance.





## 5. Organisational health and capability

### Te whakahaere hauora me te matatau

This section outlines our areas of focus for continued improvement to our organisational health and capability in 2025/26.

#### Supporting our people

Since July 2024, we have successfully implemented organisational changes to ensure we are effectively aligned and well-structured to deliver on our priorities, making the best use of our available resources. As an improvement organisation, we are building our capability and capacity to support the health sector in improving quality and safety and to support the Government's priorities for providing timely access to high-quality health care.

In 2025/26, we welcome a new Chief Executive following the resignation of Dr Peter Jansen due to health reasons.<sup>44</sup>

We will continue to support and develop our people, who bring purpose, energy and commitment to the Commission's vision of 'Quality health for all'.



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<sup>44</sup> At the time of writing the new Chief Executive was confirmed but yet to be announced.



### Governance and strategic advice

We are governed by a board of at least seven members appointed by the Minister of Health under section 28 of the Crown Entities Act 2004. Board members<sup>45</sup> provide advice and guidance on our strategic intentions and future direction.

The board works alongside our Māori advisory group, Te Kāhui Piringa,<sup>46</sup> and our consumer advisory group, Te kāhui mahi ngātahi,<sup>47</sup> to put both Māori world views and lived experience at the centre of our work.

The board also has an audit subcommittee, which provides assurance and assistance to the board on our financial statements and internal control systems.

Our work programmes also receive specific programme-related content advice from expert advisory groups and the National Mortality Review Committee.

### Environmental sustainability strategy

Through Toitū Envirocare’s carbonreduce programme, we track our annual greenhouse gas emissions and set targets for reducing them. Our baseline figure, set in 2028/29 is 736 tonnes.

By consistently reducing emissions by at least 3.5 percent per year, we have already achieved our initial 21 percent reduction goal, as reported in our Annual Report 2024/25.

In 2025/26, we are strengthening our commitment by aligning with a broader goal of a 42 percent reduction by 2030, based on our 2018/19 baseline (see Figure 4). Having already reached this target within the first five years, our focus now shifts to maintaining these gains and identifying further opportunities to improve our performance, particularly in managing travel emissions and reviewing our paper use and printing practices.



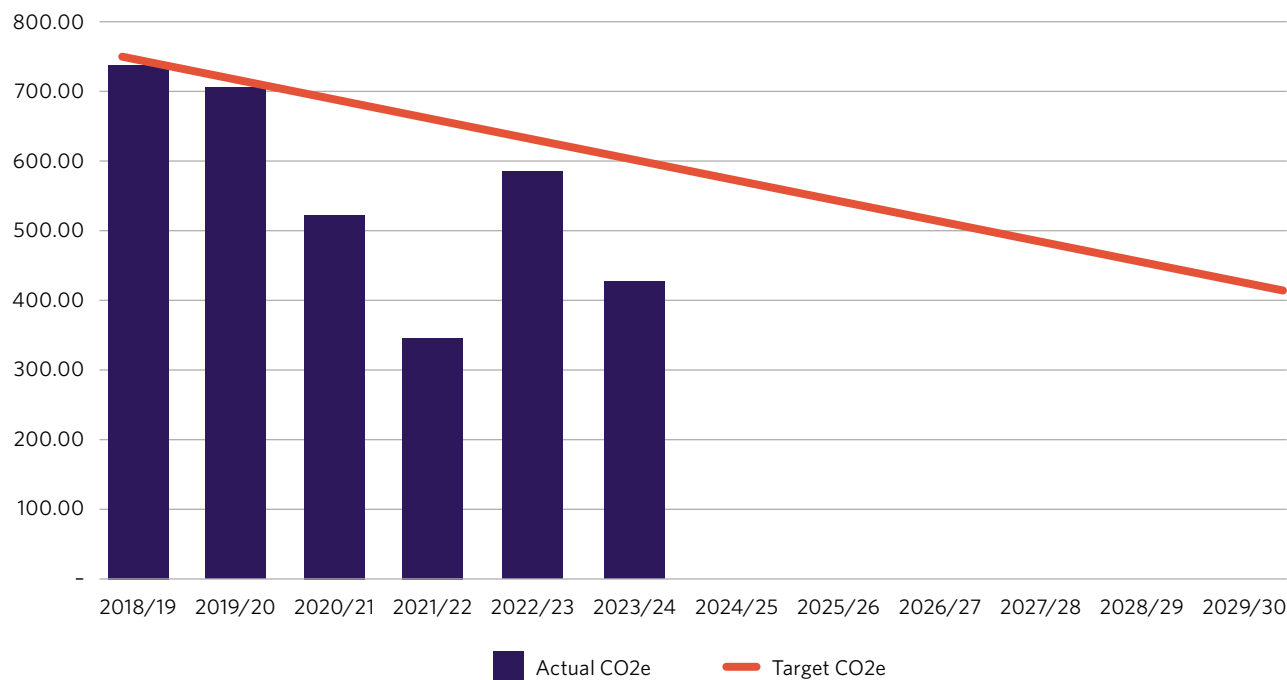
45 Health Quality & Safety Committee Te Tāhū Hauora. 2025. Ngā kanohi o te Poari | Board members. URL: [www.hqsc.govt.nz/about-us/our-people/board-members](http://www.hqsc.govt.nz/about-us/our-people/board-members) (accessed 22 April 2025).

46 Health Quality & Safety Committee Te Tāhū Hauora. 2025. Te Kāhui Piringa. URL: [www.hqsc.govt.nz/about-us/te-ka-hui-piringa](http://www.hqsc.govt.nz/about-us/te-ka-hui-piringa) (accessed 22 April 2025).

47 Health Quality & Safety Committee Te Tāhū Hauora 2025. Te kāhui mahi ngātahi | Our consumer advisory group. URL: [www.hqsc.govt.nz/consumer-hub/partners-in-care/our-consumer-advisory-group](http://www.hqsc.govt.nz/consumer-hub/partners-in-care/our-consumer-advisory-group) (accessed 22 April 2025).



**Figure 4: Carbon emission reduction target to 2030**



**Information technologies security**

Our information technologies (IT) and the Cyber Security Policy aim to keep information safe. All our cyber security practices are focused on keeping electronic data free from unauthorised access. Our systems protect critical information across both digital and analogue formats.

In 2025/26, we will continue our move to the New Zealand-based Microsoft 365 Cloud. Hosting data locally supports stronger data governance, aligns with Māori Data Governance principles and contributes to a more sustainable, ethical and future-focused digital environment.

Operationally, we have upgraded all computers with Microsoft Intune and Defender for Endpoint, improving visibility and protection across our network. Our organisation-wide phishing education programme, KnowBe4, remains in place to reduce human risk and support ongoing cyber awareness.

We regularly review our IT systems and processes to keep them agile and fit for purpose, given the sensitivity of the data we manage.

As part of our commitment to Te Tiriti o Waitangi, we are embedding Māori Data Sovereignty principles<sup>48</sup> across our digital infrastructure. This ensures Māori data is protected, respected and used in ways that reflect Māori cultural values and aspirations. We are also developing a new, future-focused Data Governance Framework to further strengthen transparency, build trust, and support a high-integrity, inclusive data ecosystem for all services, communities, whānau and population groups across New Zealand.

48 Te Mana Raraunga. 2018. *Principles of Māori Data Sovereignty* (Brief #1). URL: [www.temanararaunga.maori.nz/nga-rauemi](http://www.temanararaunga.maori.nz/nga-rauemi) (accessed 22 April 2025).

## 6. Prospective financial statements for the 4 years ending 30 June 2028

Ngā pūrongo tahua mō te 4 tau nei atu ki te 30 o Pipiri 2028

### Prospective statement of comprehensive revenue and expense

|                                                           | Planned                      | Forecast                     | Planned       | Planned       | Planned       |
|-----------------------------------------------------------|------------------------------|------------------------------|---------------|---------------|---------------|
|                                                           | 12 months to<br>30 June 2025 | 12 months to<br>30 June 2025 | 2025/26       | 2026/27       | 2027/28       |
|                                                           | \$'000                       | \$'000                       | \$'000        | \$'000        | \$'000        |
| <b>Revenue</b>                                            |                              |                              |               |               |               |
| Revenue from Crown                                        | 16,666                       | 16,666                       | 16,666        | 16,666        | 16,666        |
| Interest revenue                                          | 208                          | 298                          | 195           | 195           | 195           |
| Other revenue                                             | 4,173                        | 3,702                        | 1,488         | 1,518         | 1,548         |
| <b>Total operating revenue</b>                            | <b>21,047</b>                | <b>20,666</b>                | <b>18,349</b> | <b>18,379</b> | <b>18,409</b> |
| <b>Expenditure</b>                                        |                              |                              |               |               |               |
| Salaries                                                  | 12,647                       | 12,354                       | 11,528        | 11,759        | 11,749        |
| Travel                                                    | 460                          | 421                          | 294           | 294           | 294           |
| Consultants and contractors                               | 304                          | 325                          | 160           | 160           | 160           |
| Board                                                     | 218                          | 218                          | 218           | 218           | 218           |
| Committees                                                | 253                          | 194                          | 165           | 165           | 165           |
| Printing/communication                                    | 223                          | 163                          | 208           | 193           | 193           |
| Lease costs                                               | 655                          | 655                          | 655           | 655           | 655           |
| Overhead and IT expenses                                  | 1,376                        | 1582                         | 1,267         | 1306          | 1345          |
| Other expenses                                            | 23                           | 17                           | 17            | 17            | 17            |
| <b>Total internal programme and operating expenditure</b> | <b>16,159</b>                | <b>15,929</b>                | <b>14,512</b> | <b>14,767</b> | <b>14,797</b> |
| Quality and safety programmes                             | 3,520                        | 3,608                        | 2,917         | 2,692         | 2,692         |
| Mortality review programmes                               | 1,143                        | 808                          | 770           | 770           | 770           |
| <b>Total external programme expenses</b>                  | <b>4,663</b>                 | <b>4,416</b>                 | <b>3,687</b>  | <b>3,462</b>  | <b>3,462</b>  |
| Depreciation and amortisation                             | 225                          | 156                          | 150           | 150           | 150           |
| <b>Total expenditure</b>                                  | <b>21,047</b>                | <b>20,501</b>                | <b>18,349</b> | <b>18,379</b> | <b>18,409</b> |
| <b>Operating surplus/deficit</b>                          | <b>0</b>                     | <b>165</b>                   | <b>0</b>      | <b>0</b>      | <b>0</b>      |

Note: Numbers are rounded.



The Commission has put forward a balanced budget for 2025/26 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 2025/26, revenue assumptions include:

- \$14.466 million Crown revenue (this has reduced by \$1.400 million in 2024/25 with previous 3-year additional cost pressure resource funding ceasing)
- \$2.200 million Crown revenue for continued funding for the patient-reported outcomes, consumer and whānau voices programme
- \$0.844 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
- \$0.215 million for the Australian and New Zealand Intensive Care Society Centre for Outcome and Resource Evaluation registry
- \$0.050 million conference and event revenue
- \$0.195 million 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. Salary growth of around 3 percent would be the equivalent of a minimum cost of around \$0.350 million per year.

No revenue or cost pressure increases will mean that, to remain within available out-year revenue assumptions, salary growth will be funded from within existing budgeted salary levels for 2025/26 or by reducing external programme expenditure.



### Prospective statement of changes in equity

|                                      | Planned                      | Forecast                     | Planned      | Planned      | Planned      |
|--------------------------------------|------------------------------|------------------------------|--------------|--------------|--------------|
|                                      | 12 months to<br>30 June 2025 | 12 months to<br>30 June 2025 | 2025/26      | 2026/27      | 2027/28      |
|                                      | \$'000                       | \$'000                       | \$'000       | \$'000       | \$'000       |
| <b>Contributed capital</b>           |                              |                              |              |              |              |
| 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          |
| <b>Accumulated surplus/(deficit)</b> |                              |                              |              |              |              |
| Balance at 1 July                    | 1,799                        | 1,792                        | 1,957        | 1,957        | 1,957        |
| Net surplus/(deficit) for the year   | 0                            | 165                          | 0            | 0            | 0            |
| Balance at 30 June                   | 1,799                        | 1,957                        | 1,957        | 1,957        | 1,957        |
| <b>Total equity</b>                  | <b>2,299</b>                 | <b>2,457</b>                 | <b>2,457</b> | <b>2,457</b> | <b>2,457</b> |

Note: Numbers are rounded.

## Prospective statement of financial position

|                                      | Planned                      | Forecast                     | Planned      | Planned      | Planned      |
|--------------------------------------|------------------------------|------------------------------|--------------|--------------|--------------|
|                                      | 12 months to<br>30 June 2025 | 12 months to<br>30 June 2025 | 2025/26      | 2026/27      | 2027/28      |
|                                      | \$'000                       | \$'000                       | \$'000       | \$'000       | \$'000       |
| <b>Accumulated funds</b>             | <b>2,299</b>                 | <b>2,457</b>                 | <b>2,457</b> | <b>2,457</b> | <b>2,457</b> |
| <b>Represented by current assets</b> |                              |                              |              |              |              |
| Cash and cash equivalents            | 3,028                        | 3,256                        | 3,323        | 3,433        | 3,240        |
| GST receivable                       | 315                          | 306                          | 256          | 248          | 250          |
| Debtors and other receivables        | 261                          | -                            | 93           | 95           | 97           |
| Prepayments                          | 60                           | 66                           | 60           | 62           | 64           |
| <b>Total current assets</b>          | <b>3,664</b>                 | <b>3,628</b>                 | <b>3,731</b> | <b>3,838</b> | <b>3,651</b> |
| <b>Non-current assets</b>            |                              |                              |              |              |              |
| Property, plant and equipment        | 332                          | 249                          | 139          | 29           | 219          |
| Intangible assets                    | 0                            | 0                            | 0            | 0            | 0            |
| <b>Total non-current assets</b>      | <b>332</b>                   | <b>249</b>                   | <b>139</b>   | <b>236</b>   | <b>124</b>   |
| <b>Total assets</b>                  | <b>3,996</b>                 | <b>3,877</b>                 | <b>3,870</b> | <b>3,867</b> | <b>3,870</b> |
| <b>Current liabilities</b>           |                              |                              |              |              |              |
| Creditors                            | 967                          | 868                          | 748          | 732          | 735          |
| Employee benefit liabilities         | 730                          | 552                          | 665          | 678          | 678          |
| Revenue in advance                   | 0                            | 0                            | 0            | 0            | 0            |
| <b>Total current liabilities</b>     | <b>1,697</b>                 | <b>1,420</b>                 | <b>1,413</b> | <b>1,410</b> | <b>1,413</b> |
| <b>Total liabilities</b>             | <b>1,697</b>                 | <b>1,420</b>                 | <b>1,413</b> | <b>1,410</b> | <b>1,413</b> |
| <b>Net assets</b>                    | <b>2,299</b>                 | <b>2,457</b>                 | <b>2,457</b> | <b>2,457</b> | <b>2,457</b> |

Note: Numbers are rounded.

## Prospective statement of cash flows

|                                                             | Planned                      | Forecast                     | Planned      | Planned      | Planned      |
|-------------------------------------------------------------|------------------------------|------------------------------|--------------|--------------|--------------|
|                                                             | 12 months to<br>30 June 2025 | 12 months to<br>30 June 2025 | 2025/26      | 2026/27      | 2027/28      |
|                                                             | \$'000                       | \$'000                       | \$'000       | \$'000       | \$'000       |
| <b>Cash flows used in operating activities</b>              |                              |                              |              |              |              |
| <b>Cash provided from:</b>                                  |                              |                              |              |              |              |
| Crown revenue                                               | 16,666                       | 16,666                       | 16,666       | 16,666       | 16,666       |
| Interest received                                           | 208                          | 298                          | 195          | 195          | 195          |
| Other income                                                | 4,227                        | 3,516                        | 1,395        | 1,516        | 1,546        |
| <b>Cash disbursed to:</b>                                   |                              |                              |              |              |              |
| Payments to suppliers                                       | (8,099)                      | (7,231)                      | (6,785)      | (6,489)      | (6,509)      |
| Payments to employees                                       | (12,597)                     | (13,571)                     | (11,415)     | (11,745)     | (11,749)     |
| Net GST                                                     | 0                            | (177)                        | 50           | 8            | (1)          |
| <b>Net cash flows from (used in) operating activities</b>   | <b>404</b>                   | <b>(499)</b>                 | <b>106</b>   | <b>150</b>   | <b>148</b>   |
| <b>Cash flows used in investing activities</b>              |                              |                              |              |              |              |
| <b>Cash disbursed to:</b>                                   |                              |                              |              |              |              |
| Purchase of property, plant, equipment and intangibles      | (450)                        | (285)                        | (40)         | (40)         | (340)        |
| <b>Net cash flows (used in) investing activities</b>        | <b>(450)</b>                 | <b>(285)</b>                 | <b>(40)</b>  | <b>(40)</b>  | <b>(340)</b> |
| <b>Cash flows used in financing activity</b>                |                              |                              |              |              |              |
| Equity injection                                            | 0                            |                              |              |              |              |
| <b>Net cash flows (used in) finance activities</b>          | <b>0</b>                     | <b>0</b>                     | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>(46)</b>                  | <b>(784)</b>                 | <b>66</b>    | <b>110</b>   | <b>(192)</b> |
| <b>Plus, projected opening cash and cash equivalents</b>    | <b>3,074</b>                 | <b>4,040</b>                 | <b>3,256</b> | <b>3,323</b> | <b>3,433</b> |
| <b>Closing cash and cash equivalents</b>                    | <b>3,028</b>                 | <b>3,256</b>                 | <b>3,323</b> | <b>3,433</b> | <b>3,240</b> |

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 2025/26 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.

In Budget 2021, the Government provided additional historical cost pressure funding of \$1.4 million per year to support our work. In Budget 2022, it provided a further \$0.583 million. Additional cost pressure funding of \$0.692 million was included for 2023/24. This additional funding enabled us to sustain our work programmes in response to Government and sector demands while allowing us to respond appropriately to emerging quality issues. The historical cost pressure funding of \$1.4 million per year ceased for 2024/25, so budgeted expenditure and resourcing have decreased accordingly.

Our financial management is considered strong, enabling us to deliver better services and outcomes for New Zealanders. The forecast financial statements for the 2025/26 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.
- 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.
- Salary budgets currently include minimal general remuneration increases for 2025/26. Any increases that do occur would have to be funded from within existing budgeted salary levels for 2025/26 or via a reduction in programme expenditure. Limited salary increases may be a risk for staff retention; however, we are following the *Government Workforce Policy Statement on the Government's expectations for employment relations in the public sector*.<sup>49</sup>
- We are working within the assumption of keeping reserve levels of around \$1.5 million. This means approximately \$0.5 million of reserves is available as a contingency for any additional one-off costs or activity.
- A total of \$0.040 million per year for furniture and other equipment replacement is planned across 2025/26 to 2027/28. A full replacement of the full laptop Fleet occurred in 2024/25. The next replacement is planned for 2026/27.

49 Public Service Commission. 2021. *Government Workforce Policy Statement on the Government's expectations for employment relations in the public sector*. URL: [www.publicservice.govt.nz/assets/Statement-Government-Workforce-Policy-Statement-on-Employment-Relations.pdf](http://www.publicservice.govt.nz/assets/Statement-Government-Workforce-Policy-Statement-on-Employment-Relations.pdf) (accessed 22 April 2025).



## 7. Statement of accounting policies

### Pūrongo o ngā kaupapa here kaute

#### Reporting entity

The Commission is a Crown entity as defined by the Crown Entities Act 2004 and the Pae Ora Act 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 of Health 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 2025.

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 legislative objectives and functions

## Āpitihangā 1: Ko ā mātou whāinga me ā mātou āheinga

### Our objectives

The objectives of the Health Quality & Safety Commission Te Tāhū Hauora (the Commission)<sup>50</sup> 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.<sup>51</sup>

### 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.<sup>52</sup>

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.<sup>53</sup>

50 The Pae Ora Act abbreviates Health Quality & Safety Commission Te Tāhū Hauora as HQSC.

51 Section 79 of the Pae Ora Act.

52 Section 80(1) of the Pae Ora Act.

53 Section 80(2) of the Pae Ora Act.







**Te Kāwanatanga o Aotearoa**  
New Zealand Government

