

# Briefing for information

## Assurance of Health NZ programme delivery

**Date due to MO:** 28 February 2025      **Action required by:** N/A

---

**Security level:** IN CONFIDENCE      **Reference:** H2025062376

---

**To:** Hon Simeon Brown, Minister of Health

---

**Consulted:** Health New Zealand:

---

**Proactive release:** This **title** is proposed by the Ministry of Health for proactive release:

---

## Contact for telephone discussion

Name	Position	Telephone
<b>Simon Medcalf</b>	Deputy Director-General, Regulation and Monitoring, Ministry of Health	s 9(2)(a)
<b>Kirsten Stephenson</b>	Group Manager, Health System Monitoring, Regulation and Monitoring, Ministry of Health	

## Minister's office to complete:

- Approved     
  Decline     
  Overtaken by events
- 
- Needs change     
  Seen
- See Minister's Notes     
  Withdrawn

Comment:

# Briefing for information

## Assurance of Health NZ programme delivery

---

**Security level:** IN CONFIDENCE      **Date:** 28 February 2025

---

**To:** Hon Simeon Brown, Minister of Health

---

### Purpose of report

1. In your meeting with Ministry officials on 20 February, you asked how the Ministry assures and monitors the delivery of programmes and projects by Health New Zealand (Health NZ), including performance against milestones and the relative value of programmes. This briefing outlines our role and approach.

### The Ministry's monitoring role

2. The Ministry has a broad monitoring function that encompasses strategic, system-level monitoring of trends and collective risks; focused monitoring of entity performance; and assurance of delivery of specific government priorities.
3. The starting point for our approach is to monitor the governance of entities and provide assurance on how effectively it is discharging its functions. Our aim is to complement rather than duplicate the role of a board itself to monitor and manage the performance of the entity.
4. This means that the Ministry's routine monitoring of entity performance tends to be at a strategic level, more risk-based and less granular than might be expected of a well-functioning board. However, our monitoring role also supports a more targeted focus to track the delivery of government priorities, including where those priorities are delivered through discrete programmes or projects.
5. The particular type of Health NZ programme or project that we monitor broadly falls into three categories:
  - a. Budget initiatives
  - b. capital investments for infrastructure projects
  - c. other priority programmes, which may be the result of a Ministerial direction or agreement with the entity, align with the Government Policy Statement, and should be included in the NZ Health Plan.
6. For these types of projects, we have both:
  - a. an assurance role: to provide advice and challenge before programmes and projects are initiated, ensure their alignment to government priorities, and consider the potential value of the programme and the case for investment
  - b. a monitoring role: to track the performance of programmes and projects over time against their intended milestones and outcomes

## Assurance and monitoring of programmes and projects

### Budget initiatives

7. Assurance of Budget initiatives takes place in the context of the annual Budget process, through which we provide advice to support bids and business case development. This advice will routinely include an assessment of alignment with government policy, feasibility of delivery and potential value of investment, to support ministerial decisions.
8. Previously, monitoring of Budget initiatives has been integrated into the wider performance monitoring of entities. For instance, we would expect Budget initiatives to be incorporated into the NZ Health Plan. This has placed those initiatives in the context of overall service delivery (recognising that Budget initiatives tend to be smaller investments or ancillary to wider service improvements); however, it has meant that there has not always been sufficient visibility for the delivery of these specific initiatives. In relation to Health NZ, progress on Budget initiatives has not been reported separately unless at the request of Ministers.
9. From 2025/26 we intend to set clear requirements for Health NZ (and other entities where relevant) to monitor and report on Budget initiatives specifically, as an identifiable part of wider performance reporting. This will allow for a focus on the delivery of programmes and projects, and support intervention where necessary. We intend to specify this requirement in the next formal monitoring plan for Health NZ for 2025/26.

### Capital investments

10. We provide you with advice on the strategic direction and management of the infrastructure portfolio (including physical and non-physical projects), and regular advice on specific projects with the whole of life cost over \$25 million or that are high risk.
11. Assurance of capital investments is part of the business case approval process, through which the Ministry provides advice to Health NZ and to Ministers on the merits and value of individual investments. In the past, business cases have not always been tied to a particular Budget process and have often been developed out of cycle, making it harder to monitor the overall pipeline for new projects. However, the new approach of linking business case approvals to explicit Budget timetables from this year onwards creates an opportunity to clarify expectations of Health NZ and strengthen process.
12. Monitoring of the delivery of infrastructure projects sits primarily with Health NZ (as with other aspects of service delivery), who are expected to report to you monthly. Health NZ's reporting should include an overview across the portfolio of in-flight projects and specific detail on high value (over \$25 million) or high-risk projects that includes:
  - a. progress against implementation milestones and KPIs
  - b. known delivery risks and proposed mitigations
  - c. notifications of upcoming projects for approval.
13. Based on the above, the Ministry provides advice to you on overall delivery, changes requiring your approval (e.g., proposed changes to scope or timeframe) and key risks, with a focus on priority projects. This advice is integrated into routine monitoring reports, but we have not been able to routinely add Ministry commentary to Health NZ reports, as they have been provided to the Minister direct with little time for feedback.

14. Looking forward, we will seek to brief you directly or use our Weekly Report to provide more specific commentary on project delivery to accompany Health NZ's reports. We will also review a number of projects over time to assure the quality of reporting.
15. The Ministry's monitoring relies on timely and complete information from Health NZ. While reporting for Health NZ's physical infrastructure projects has been improving over the past two years, there is more to do to ensure that reports are accurate and indicate changes to delivery. For data and digital, however, there is limited current reporting at either portfolio or project-level and the information is not sufficient to advise you on performance. This remains a significant gap, which we are working with Health NZ to address and will reaffirm through consideration of the Digital Investment Plan.

### Other priority programmes and projects

16. Health NZ delivers a range of priority programmes and projects that are not directly part of the Budget process or requiring capital investment, and are delivered out of baseline funding. These include national service programmes (e.g. screening programmes) that are linked to government priorities and objectives in the Government Policy Statement.
17. Within the current accountability settings, the NZ Health Plan is the key vehicle for confirming priority programmes. The process of developing the NZ Health Plan (to support your approval) provides the basis for assurance of programmes and projects in line with government priorities. Similarly, subsequent reporting by Health NZ on delivery of the NZ Health Plan would be expected to include visibility on project milestones.
18. The delay to the production of the NZ Health Plan means that at present there is no agreed plan for service activity, programmes and projects. While routine reporting of data by Health NZ allows overall monitoring of services to continue, there is no single plan that specifies priority projects, nor a consolidated mechanism for reporting against project milestones. As a result, Health NZ programme reporting is piecemeal and reactive to Ministerial requests rather than integrated into a core framework.
19. Addressing this situation is important and requires both finalisation of the NZ Health Plan and inclusion of priority programmes into Health NZ's internal performance framework and reporting to you. We have been clear with Health NZ of these expectations and will also include them in our formal monitoring plan for 2025/26. We will also advise you on the NZ Health Plan (including relevant programmes and projects) in due course when this becomes available for review.

### Recommendations

We recommend you:

- a) **note** the contents of this briefing.

  
Simon Medcalf

**Deputy Director-General, Regulation & Monitoring**

Date: 28 February 2025

Hon Simeon Brown

**Minister of Health**

Date:

PROACTIVELY RELEASED