# Briefing for decision

## To support the presentation of accountability documents for the Health Research Council of New Zealand

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| **Date due to MO:** | 11 November 2025 | **Action required by:** | 18 November 2025 |
| **Security level:** | IN CONFIDENCE | **Reference:** | H2025075079 |
| **To:** | Hon Simeon Brown, Minister for 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 |
|---|---|---|
| **Kirsten Stephenson** | Group Manager, Health System Monitoring, Performance and Governance | s 9(2)(a) [redacted] |
| **Nicola Holden** | Acting Manager, Crown Entity Monitoring, Performance and Governance | |

## Minister's office to complete:

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| ☐ See Minister's Notes | ☐ Withdrawn | |

Comment:

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| **Security level:** | IN CONFIDENCE | **Date:** | 11 November 2025 |
| **To:** | Hon Simeon Brown, Minister of Health | | |

## Purpose of report

1. This briefing provides a review of the Health Research Council of New Zealand (HRC) 2024/25 annual report, including an overview of the associated audit findings, and a summary of its year-end performance. It also outlines the process for presenting the 2024/25 annual report and the 2025/26 Statement of Performance Expectations (SPE) to the House of Representatives, as required under the Crown Entities (CE) Act.

## Summary

2. All Crown entities are required to produce an annual report as soon as practicable after the end of each financial year under the CE Act. On 11 November 2025 the HRC provided to your office an electronic copy of their 2024/25 annual report, which has been audited by Audit New Zealand on behalf of the Office of the Auditor-General.

3. The Ministry has reviewed the annual report of the HRC and the associated audit report. The audit opinion is that the HRC's financial statements and performance information fairly represent the HRC's performance as at 30 June 2025. The HRC annual report complies with generally accepted accounting practice in New Zealand and does not identify any audit qualifications or matters of emphasis.

4. The Ministry reviewed the 2025/26 SPE and provided formal feedback on your behalf (H2025066764 refers). Both documents were published on their website at the time they were finalised. However, as part of the final process under the CE Act, you are required to present the 2024/25 annual report, along with the 2025/26 SPE to the House of Representatives by 18 November 2025.

## Recommendations

We recommend you:

a) **Note** the responsible Minister of the Crown entity must present the Crown entity's annual report to the House of Representatives within 5 working days after the responsible Minister receives the annual report.

b) **Note** the 2024/25 annual report, and 2025/26 SPE should be presented to the House of Representatives together.

c) **Agree** to present the accountability documents outlined in recommendation (b) to the House of Representatives, by 18 November 2025. **Yes/No**

Kirsten Stephenson
Group Manager, Health System Monitoring
**Performance and Governance**
Date: 11 November 2025

Hon Simeon Brown
**Minister of Health**
Date:

# To support the presentation of accountability documents for the Health Research Council of New Zealand

## Background

5. Under the requirements of the CE Act, all Crown entities must provide a series of accountability documents for presentation in the House of Representatives by their responsible Minister. These entity specific documents include the SPE and annual report.

6. The annual report provides information on a Crown entity's performance for the 2024/25 financial year, measured against requirements specified in their 2024/25 SPE and Letter of Expectations.

7. All Crown entities are required to produce an audited annual report as soon as practicable after the end of each financial year under the CE Act. To do this, once audited, Crown entities are required to provide their annual report to their responsible Minister no later than 15 working days after receiving the audit report. The responsible Minister must then present the Crown entity's annual report to the House of Representatives within 5 working days of receiving the annual report, and Crown entities must publish their annual report within 10 working days of supplying it to the Minister.

8. SPEs are generally completed earlier in the year, and the publishing requirement for SPEs is slightly different, as Crown entities are required to publish their SPEs as soon as practicable after providing the final document to the Minister, which HRC has already done.

9. No matter the timeframe of completion, as part of the final process under the CE Act, you are required to present both documents: the 2024/25 annual report, and the 2025/26 SPE to the House of Representatives by 18 November 2025.

10. The Ministry supports the process by ensuring accountability documents from Crown entities are provided to your office and to the House office within statutory timeframes, and you receive summary information about the documents to be presented.

## Annual Report

11. The Ministry has reviewed the annual report of the HRC and the associated audit report and notes:

12. The annual report complies with the requirements of the CE Act and the HRC has achieved 13 out of 14 performance measures for 2024/25. The one unachieved measure was *Strengthen the role of the Standing Committee of Therapeutic Trials (SCOTT)* by adopting a revised terms of reference (ToR) which has been informed by public consultation. HRC has explained that the new ToR has been drafted and will be published and implemented following final approval by MedSafe, which is expected by the end of this calendar year. The Ministry does not have any concerns with this performance measure.

13. Having assessed:

    a. the statement of financial position,
    b. the statement of comprehensive revenue and expenses,

c. statement of changes in equity,
d. statement of cash flows for the 2024/25 financial year, and
e. the performance information reported in the annual report.

Audit New Zealand believes the information presents fairly the performance of the HRC in all material respects and complies with generally accepted accounting practices in New Zealand.

14. The audited financial result for 2024/25 shows a surplus of $0.043 million, this was against a planned deficit of $(4.937) million. The favourable variance is due to underspends in research grants costs, personnel, other expenditure and higher interest income. The result for 2024/25 is slightly lower than the HRC result for 2023/24 which showed a surplus of $1.795 million.

| | **2024/25 Audited Actuals** | **2024/25 Budget per SPE** | **2023/24 Audited Actuals** |
|---|---|---|---|
| HRC | $0.043 million | $(4.937) million | $1.795 million |

*Code of Expectations for health entities' engagement with consumers and whānau (the code)*

15. Section 60 of the Pae Ora (Healthy Futures) Act 2022 (Pae Ora Act), requires health entities to report annually on how they have given effect to the code. Although HRC is not defined as a health entity under the Pae Ora Act, they have acknowledged the code in their Annual Report.

## Next steps

16. HRC will provide the Ministry with the required number of hard copies of these documents shortly and these will be forwarded to your office. Once received, your office will support you to provide the necessary authorisation to the House office so these accountability documents can be presented to the House.

**ENDS.**