Briefing for decision

To support the presentation of accountability documents for the Health Quality & Safety Commission

Date due to MO:	13 November 2025	**Action required by:**	20 November 2025
Security level:	IN CONFIDENCE	**Reference:**	H2025075159
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
Kirsten Stephenson	Group Manager, Health System Monitoring, Performance and Governance	s 9(2)(a)
Stephanie Buick	Principal Advisor, 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☐ See Minister's Notes	☐ Withdrawn	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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To:	Hon Simeon Brown, Minister of Health		

Purpose of report

1. This briefing provides a review of the Health Quality & Safety Commission (HQSC) 2024/25 annual report, including an overview of the associated audit findings and a summary of year-end performance. It also outlines the process for presenting the 2024/25 annual report, along with the 2025/26 Statement of Performance Expectations (SPE) to the House of Representatives, which is a requirement 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 13 November 2025 the HQSC provided to your office a 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 HQSC and the associated audit report. The audit opinion is that the HQSC's financial statements and performance information fairly represent the HQSC's performance as at 30 June 2025, 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). The SPE was published on their website at the time it was 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 20 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** HQSC's 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 20 November 2025. **Yes/No**

Kirsten Stephenson, Group Manager
Health System Monitoring
Performance and Governance
Date: 13 November 2025

Hon Simeon Brown
Minister of Health
Date:

To support the presentation of accountability documents for the Health Quality & Safety Commission

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 Statement of Intent, 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. Publishing requirements are slightly different, as Crown entities are required to publish their SPEs as soon as practicable after providing the final document to the Minister, which the HQSC have 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 20 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 HQSC and the associated audit report and notes:

    a. The annual report complies with the requirements of the CE Act and the HQSC has achieved all its performance measures for 2024/25.

    b. Having assessed:

        i. the statement of financial position,

        ii. the statement of comprehensive revenue and expenses,

        iii. statement of changes in equity

        iv. statement of cash flows for the 2024/25 financial year, and

        v. the performance information reported in the annual report.

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

12. The audited financial result for 2024/25 shows a surplus of $0.058 million, this was against a planned breakeven position. The favourable variance is due to personnel costs, contractor and travel expenditure being lower than planned. The results for 2024/25 are in line with the HQSC's results for 2023/24.

	2024/25 Audited Actuals	2024/25 Budget per SPE	2023/24 Audited Actuals
HQSC	$0.058 million	$0.000 million	$0.088 million

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

13. 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. The HQSC also has an additional role in supporting health entities implement the code. They do this through providing implementation guides and resources, as well as having health entities report six monthly through the consumer Quality and Safety Marker to demonstrate how they are involving consumers, whānau and communities in the design, delivery and evaluation of health sector initiatives or services.

14. Specific examples relating to the HQSC work during 2024/25 include:

    a. having the consumer advisory group engage with the Board on a regular basis

    b. collection and sharing of patient experiences through the patient experience surveys

    c. co-design resources to support consumers with their consumer advisory group

    d. the facilitation of two regional consumer workshops in Hokitika and Reefton to support consumer and whānau to engage with health service improvement activities.

Next steps

15. Crown entities have provided the required number of copies of these documents to your office (which include the copies required for the House office) who are waiting for your office to provide the necessary authorisation for these accountability documents to be presented to the House.

ENDS.