

Briefing

Monitoring: reporting requirements in the new health system

Date due to MO:	22 February 2023	Action required by:	N/A
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To:	Hon Dr Ayesha Verrall, Minister of Health		
Consulted:	Health New Zealand: <input checked="" type="checkbox"/> Māori Health Authority: <input checked="" type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
Jess Smaling	Acting Deputy Director-General, Te Pou Mahi Pūnaha (System Performance and Monitoring)	s 9(2)(a)
Hayden Luscombe	Acting Associate Deputy Director-General Te Pou Mahi Pūnaha (System Performance and Monitoring)	

Minister's office to complete:

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Decline | <input type="checkbox"/> Noted |
| <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn | |

Comment:

Monitoring: reporting requirements in the new health system

Security level: IN CONFIDENCE **Date:** 22 February 2023

To: Hon Dr Ayesha Verrall, Minister of Health

Context

1. On 16 February 2023, you requested information on the rhythm and legislative requirements of reporting related to monitoring the health system and statutory health entities, including the internal monitoring processes of Te Whatu Ora. This information is to support a meeting on 28 February with officials from Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora, ahead of the Joint Ministers' meeting on 28 February 2023.
2. The information in this briefing is focused on Te Whatu Ora – Health New Zealand and Te Aka Whai Ora – Māori Health Authority.
3. A table to support this paper is attached as Appendix 1, titled *Monitoring roles and interdependencies of Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora*. Appendix 2 outlines the existing Manatū Hauora expectations on reporting products.
4. This report discloses all relevant information.

Manatū Hauora – monitoring the system and entities

5. The role of Manatū Hauora in whole-of-system monitoring has been reinforced in the health system reform. Our role is to assess and provide you with advice on the overall performance of the health system, including monitoring the activities of entities.
6. We are working to incrementally mature our approach to system performance monitoring and continue to monitor the 6 well-established health entities¹ while supporting the ongoing establishment of the 2 newest entities.
7. A coherent approach to monitoring should combine system performance and entity performance:
 - a. *System performance* means accountability for delivery of outcomes and objectives across the whole health system, including the performance and contribution of individual health organisations to those system outcomes. Decisions, rules and frameworks at this level are set or approved by Ministers.
 - b. *System performance for Māori* shares the same scope as overall system performance, but with a focus on Māori. Sharing data, information and intelligence with iwi and Māori as Te Tiriti o Waitangi partners is a key aspect. The Pae Ora (Healthy Futures) Act 2022 (Pae Ora

¹ The 6 well-established Crown entities Manatū Hauora monitors are: Health and Disability Commissioner (HDC); Health Quality & Safety Commission (HQSC); Te Hīringa Mahara - Mental Health and Wellbeing Commission; Health Research Council of New Zealand (HRC); New Zealand Blood and Organ Service (NZBOS); Pharmac.

Act) requires Manatū Hauora, Te Aka Whai Ora and Te Puni Kōkiri to collectively undertake this monitoring.

- c. *Entity performance* means accountability of organisations to carry out their functions, including the performance and delivery of health services, and how decisions are made. Decisions, rules and frameworks at this level are set by the entities themselves within their delegated authority and must be aligned with Ministerial expectations and directions.
8. Manatū Hauora remains your agent and system steward responsible for monitoring entity and system performance, noting that the Boards of Te Whatu Ora and Te Aka Whai Ora are the primary monitors accountable for their entity's performance.
9. Operational monitoring and reporting will be provided to you by Te Whatu Ora and Te Aka Whai Ora.
10. Manatū Hauora will receive and review the information provided to you by health entities and combine this with additional context and insight to brief you on areas where there may be opportunity, risk or need for further assurance.

Monitoring reform implementation

11. It is critical that the immediate and short-term work in implementing the health reforms yields early success and visible improvements to encourage Te Whatu Ora and Te Aka Whai Ora to continue to champion and sustain the hard mahi needed to reform the health system.
12. We will measure the implementation progress of the reform by examining the following, and advise you on this as part of our upcoming quarter 2 reporting:
 - a. progress in entity establishment and organisational health
 - b. short term measures used to demonstrate early progress towards reform themes
 - c. the measures we recommend using to demonstrate longer term success of the reforms, framed around the 'five system shifts' and drawing from the iGPS, and current progress against these measures
 - d. examples collected from entities of achievements at national, regional and local levels.
13. We will keep our reporting to you on reform progress separate to Crown entity monitoring reporting. While there are aspects of performance that will contribute to both, we need to separate what relates to entity accountability and performance from wider system progress.
14. Crown entity performance insights will feed into the upcoming reform progress update.
15. Our health system monitoring work is focused on the delivery of health outcomes, the improvement of which is the aim of the health reform, and this also informs monitoring reform implementation.

System performance monitoring and reporting

Development of our system performance monitoring approach

16. Manatū Hauora recognises the need for balance between monitoring shorter-term entity establishment and continuity of care, with our longer-term stewardship and strategic advisor roles.
17. We are developing a comprehensive system performance approach that covers delivery against expectations in the short and medium term, as well as longer-term population-level

insights. Some of this exists and some data and information processes will need to be built to ensure we are answering the right questions to give us a clear picture of how the health system is delivering for New Zealanders.

18. To begin with, there will be a reliance on information that already exists in health data collections, organisational performance reporting and surveys.
19. Over time we will widen our reporting to build a comprehensive picture of system performance by including more data and other information, such as whānau and consumer voice (as required in the Pae Ora Act), information from across government and community sources on the determinants of health.
20. In our system performance work programme, we will begin with outlining a principles-based position of what an effective collaborative approach will look like. This will be used for engagement with our system partners including Te Whatu Ora and Te Aka Whai Ora to reach an agreement on how we will work together in a practical, day-to-day sense. We are aiming to have an agreed position by July 2023.

Te Aka Whai Ora - Monitoring system performance for hauora Māori

21. As an outcome from the Waitangi Tribunal's report on part of a wider report about health services and outcomes for Māori (Wai 2575), the Tribunal recommended the Crown ensure that measures relevant to Māori health outcomes are reported on separately. The Tribunal also recommended these measures and the reporting against them be made public and be easily understandable and accessible. Te Aka Whai Ora considers strong accountability mechanisms and robust, public measuring and reporting as enabling Iwi Māori to monitor hauora Māori.
22. The reforms have introduced new entities focused on improving the performance of the health system for Māori: Te Aka Whai Ora, the Iwi-Māori Partnership Boards, and the Hauora Māori Advisory Committee. These all have a role in monitoring system performance for Māori and how this is communicated to iwi and Māori generally, at local, regional and national levels.
23. The Pae Ora Act requires Manatū Hauora to monitor the performance of the publicly funded health sector for Māori in cooperation with Te Puni Kōkiri and Te Aka Whai Ora. This will build on the system monitoring outlined above with specific focus on health equity for Māori and enabling iwi, hapū and whānau to exercise rangatiratanga over their health. The agencies have had initial discussions on how we will approach this task and have a cross-agency wānanga scheduled for 24 March 2023.

Entity performance monitoring and reporting

24. Broadly speaking, government agencies operate as either:
 - a. *monitor and strategy-policy agencies* – this includes Manatū Hauora, the Health Quality and Safety Commission (HQSC), Te Hīringa Mahara – the Mental Health and Wellbeing Commission and Te Aho o Te Kahu – the Cancer Control Agency. These agencies provide advice to Ministers on whether the system is delivering on its objectives, and on policy and strategic settings to address issues. They will not ordinarily be primarily responsible for the delivery of services that may require intervention; or
 - b. *service delivery agencies* – this includes Te Whatu Ora, Pharmac and the New Zealand Blood and Organ Service. These agencies have primary responsibility for planning,

commissioning, funding and managing frontline services – and will have in-house performance monitoring and improvement functions to support quality; or

- c. *agencies with a focus on consumer rights and research* –the Health and Disability Commissioner has a role in protecting people's rights as set out in the Code of Health and Disability Services Consumers' Rights, including resolving complaints in a fair, timely, and effective way. The Health Research Council is responsible for allocation of the government's investment in public-good health research.

- 25. Te Aka Whai Ora is unique as it is both a 'monitor and strategy-policy agency' and a 'service delivery' agency. It has a policy function and monitoring responsibilities over service delivery for Māori, while also having significant direct planning and commissioning, and co-commissioning responsibilities.
- 26. Our approach to entity monitoring is underpinned by the *It takes three: operating expectations framework*. This was written by Te Kawa Mataaho – Public Service Commission as a principles-based framework of the roles, responsibilities and expectations for ministers, service delivery entities, and monitoring departments – the 3 parties of the Crown entity monitoring system.
- 27. The framework is based on 4 principles:
 - a. Clear and shared understanding of roles and responsibilities, including how to meet statutory obligations and adherence to the 'no surprises' convention.
 - b. Strategic alignment of policies to ensure entities and agencies are driven by the same principles towards the same outcomes.
 - c. Customised, efficient and effective monitoring of performance, data collection, and risk assessment and management.
 - d. The 3 parties' commitment to good practice to ensure relationships are trusting and productive.
- 28. In terms of our system and entity accountability arrangements and monitoring of Te Whatu Ora and Te Aka Whai Ora, these principles are applied in the following ways, supported by regular engagement:
 - a. Shared understanding of roles and responsibilities – the roles and responsibilities are set out in the Pae Ora Act, this is also noted in the Output Agreements with the entities and in the Letters of Expectations.
 - b. Alignment of policies – for years 1 and 2 we are building on existing measures and reporting frameworks. The iGPS guides the strategic direction of the entities and Te Pae Tata is their shared plan towards achieving the iGPS objectives. For year 3 onwards Manatū Hauora, in collaboration with the entities, is developing new accountability arrangements within the system architecture programme, to ensure alignment and line of sight.
 - c. Customise and effective monitoring – for years 1 and 2 we are building on existing measures and reporting frameworks and a tripartite agreement regarding data is in place. We also need to ensure satisfaction with the entities' reporting to their boards, and we have raised concerns that we don't yet have that assurance. For year 3 onwards Manatū Hauora, in collaboration with the entities, is developing new accountability arrangements within the system architecture programme, to ensure alignment and line of sight.

- d. Good practice - The expectations for good practice and relationships are clarified in the Output Agreements with the entities and are also include in the Letters of Expectations.
29. These principles inform our 'cycle of accountability' (visually illustrated in Appendix 3) which begins with accountability documents to set expectations, followed by agreeing and documenting plans to meet those expectations, against which progress is then monitored.
30. We are responsible for monitoring 8 statutory health entities; 6 of these are well-established and have routine reporting and monitoring practices in place that continue to function well. Our current focus is on monitoring and supporting the 2 newest entities, Te Whatu Ora and Te Aka Whai Ora, in their establishment phase to build a good foundation for robust monitoring and reporting practices.
31. *Understanding of progress, risks and mitigations*
32. Fundamental to our monitoring roles is our ability to assess progress in areas of priority and to determine the extent to which the entities have identified performance risks and have management actions in place to address these.
33. Due to the material impact on sustainability, there is dedicated focus on financial management, capital infrastructure and employment relations in addition to health service delivery.
34. We are working with both entities to gain a deeper understanding of how they are monitoring and reporting on their progress internally, including how they are managing their risks and providing updates to key decision makers including you as Minister.

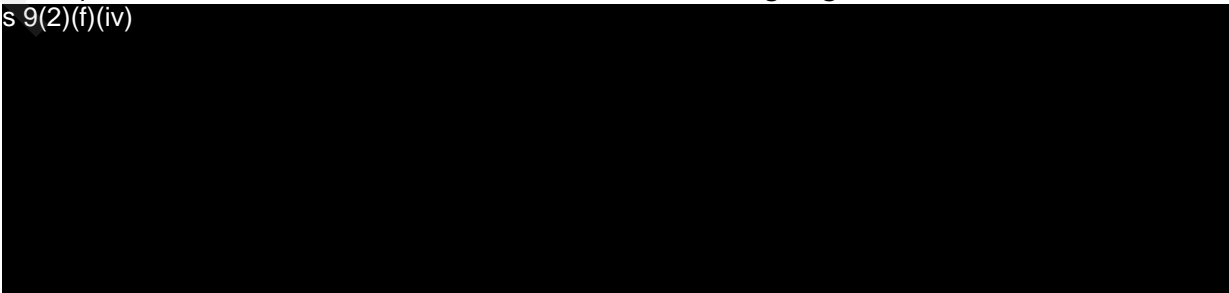
Financial and capital monitoring

35. Manatū Hauora and the Treasury have had significant ongoing engagement with the Chief Financial Officer and financial team at Te Whatu Ora. We continue to seek a greater level of detail in their forecasting and assumptions to better understand financial risk.
36. Manatū Hauora monitors and provides assurance on the performance of Te Whatu Ora across the investment lifecycle (ie planning, investment decision-making, delivery and benefit realisation).
37. We will continue to review and advise on key outputs from Te Whatu Ora, including the National Asset Management Strategy and Investment Plan (due to you in December 2023), and provide you with advice on major investments requiring your approval or that of Cabinet.
38. Te Whatu Ora provide monthly reporting on the capital projects. Manatū Hauora is working with Te Whatu Ora to support improvements in the quality of reporting.
39. We are developing a wider capital monitoring framework, which will assess elements of Te Whatu Ora performance and provide clear expectations for capital matters. Further engagement with Te Whatu Ora, and timely access to information from Te Whatu Ora, will be key to this work.
40. Te Whatu Ora is still building maturity across its infrastructure portfolio including clearly identifying risks and providing management plans.
41. We meet with the Treasury weekly and have monthly meetings with them at Chief Executive level to collaborate on emerging risks and options for intervention. We also meet with the Office of the Auditor-General monthly to discuss key issues and risks.

Statutory Reporting

42. The Crown Entities Act 2004 requires statutory reporting from all Crown entities. Te Whatu Ora and Te Aka Whai Ora are required to provide additional (or slightly varied) reporting through the Pae Ora Act.
43. In addition, the Board of a Crown entity must supply to its responsible Minister, or the Minister of Finance, any information relating to the operations and performance of the Crown entity that the Minister requests. The Pae Ora Act also allows for the Director-General of Health to request information from a health entity.
44. Statutory reporting and planning requirements are annual, or less frequent – some every 3, 5, or 10 years. To ensure a current clear and ongoing shared understanding of the performance of the health system and entities, we have developed agreed routine reporting cycles for the provision of information on a more frequent basis, to support annual statutory reporting.

Best practice and agreed reporting

45. Manatū Hauora monitors organisational, financial and service performance of the health entities by meeting with organisation leadership and governance and via monitoring system-wide performance, but primarily through entities' regular reporting to you:
 - a. Weekly Reports
 - b. Monthly financial reporting, to ensure an ongoing current oversight of financial performance and key risks.
 - c. Quarterly reporting which gives a more in-depth review of the entities' financial and non-financial performance against:
 - i. key Ministerial and government priorities
 - ii. organisational performance measures
 - iii. performance against key accountability documents (eg Te Pae Tata, iGPS. and Planned care implementation planning)
46. In early 2022, we worked with the interim entities and the Treasury to agree what routine reporting would look like from Day 1 of the new health system, for the early stages of the establishment period. This agreed approach was presented to Joint Ministers in May 2022 and continues to be built on.
47. This approach incorporated the principles of It Takes Three and statutory reporting requirements.
48. The reporting approach that was agreed with the interim entities informed the output agreements signed by previous Minister of Health in November 2022. The agreements were then provided to Te Whatu Ora and Te Aka Whai Ora for signing.
49. s 9(2)(f)(iv)

50. A high-level outline of current expected and statutory reporting is provided in the table attached as Appendix 2. The 2 new entities are working towards established regular reporting,

but the information currently provided is not yet in line with the expectations outlined in this information. We acknowledge there are many challenges associated with the ongoing establishment of an entity of the size and scope of Te Whatu Ora, and with the new scope of Te Aka Whai Ora; we continue to work with the entities as they mature their approach.

51. We are seeking to understand each entities' approach to the development of its reporting. We will also advise the entities on what information is essential to provide you with assurance on their performance.

Options for escalation and intervention

52. Monthly and quarterly progress and performance discussions between each entity and Manatū Hauora are part of the regular cycle of engagements to support the delivery of assurance to you on progress being made. These discussions have a focus on performance to date, raising monthly and quarterly issues as required. In the establishment phase, we also expect to discuss the progress of change and establishment for each organisation. We will use this opportunity to follow up on previous discussions and actions to ensure the entities are considering our advice and implementing change effectively to improve performance.
53. Legislation, including the Crown Entities Act 2004, sets out existing powers and responsibilities that apply to Ministers and Crown entities. In the new health system, these arrangements are supplemented by the Pae Ora Act, giving additional powers and responsibilities specific to the health system.
54. Interventions should begin with non-statutory levers, starting with agencies themselves tackling potential issues at the lowest level, with internal escalation while keeping Ministers informed as appropriate. There are 3 levels of intervention:
- a. *Internal performance improvement.* Entities are equipped to manage issues themselves, with appropriate supervision and support from monitoring agencies, and updates to Ministers on a 'no surprises' basis. Entities should have their own performance monitoring approach, including expectation setting, reporting, application of levers and incentives. The Board and executive should be able to give assurance that performance risks are being identified, prioritised and mitigated through clear actions.
 - b. *Cross-agency involvement.* Monitors become formally involved in responding to the issue at hand, taking on roles in providing the expertise and levers to identify, understand and tackle issues. This may include the involvement of other monitoring entities such as the Treasury and Office of the Auditor-General. We have regular engagements with both entities to keep them informed of current state, or discussion of risks or issues we may need their support on. Ministers are kept regularly informed and may need to make key decisions.
 - c. *Statutory intervention.* Where levels of confidence in responding agencies do not meet Ministerial or public expectations, statutory intervention uses legal powers to offer Ministers more direct control over responses to issues.
55. In the new system, non-statutory levers should be used more proactively, effectively, and with more regularity to ultimately lessen the need for the deployment of the 'harder' end of statutory powers. For example, respective Boards would be expected to seek independent advice on their own operations where risks and challenges emerge in advance of involvement by Manatū Hauora. This will create a culture of accountability for performance, where key actors across the system work together to ultimately drive better outcomes.

56. Appendix 4 provides a list of type of interventions, and legislative powers.

Te Whatu Ora – internal performance monitoring

57. Te Whatu Ora is a Crown agent under the Crown Entities Act 2004. The Te Whatu Ora Board is the primary monitor of the entity's performance. The Te Whatu Ora Board works with the Minister of Health to agree performance objectives through key accountability documents and regularly reports to the Minister on performance against these.
58. Performance monitoring by the Board is supported by seven committees, comprising members of the Te Whatu Ora Board, as well as at least one Te Aka Whai Ora attendee:
- a. Capital and Infrastructure
 - b. Clinical Quality and Assurance
 - c. Data, Digital, and Innovation
 - d. Finance and Audit
 - e. Health, Safety, and Wellbeing
 - f. People, Culture, Development and Change
 - g. Public Health, Primary and Community Care.
59. The Te Whatu Ora Executive Leadership Team meets weekly and has two committees: Delivery and Enabling. The Delivery Committee includes services, such as acute demand and planned care and public health. The Enabling Committee includes services that support frontline delivery – workforce, capital infrastructure and data and digital.
60. The Te Whatu Ora System Accountability and Performance Team produces monthly and quarterly financial and non-financial reports against key accountability documents (iGPS, Statement of Intent and Statement of Performance expectations, Te Pae Tata) for the Executive Leadership Team and the Board.

Te Whatu Ora – monitoring progress against Te Pae Tata

61. Te Whatu Ora is monitoring and reporting progress on Te Pae Tata actions to provide transparency and build confidence that Te Whatu Ora is enabling the change needed to deliver on Government expectations.
62. Te Whatu Ora noted in their Quarterly Performance Report for quarter ending 30 September 2022, that in addition to quarterly reporting, the Te Whatu Ora Board has approved the publication of an initial health dataset across 12 measures to provide regular transparent monthly reporting of key performance metrics:
- a. Immunisation Rates at 24 months
 - b. Ambulatory Sensitive (Avoidable) Hospitalisations (0-4)
 - c. Under 25s Mental Health Access Rates
 - d. Ambulatory Sensitive (Avoidable) Hospitalisations (45-64)
 - e. Acute Hospital Bed Day Rates
 - f. Faster Cancer Treatment (31 days)
 - g. Patients waiting > 4 months for their first specialist assessment

- h. Patients given commitment to treatment but not treated <4 months
 - i. People waiting for elective services for >365 days
 - j. Emergency department attendances
 - k. Emergency department admissions
 - l. Shorter Stays in ED performance
63. We strongly support public accountability and transparency through proactive publication of information. We are working with Te Whatu Ora to find a balance between creating reports suitable for publication and ensuring you are provided robust and thorough information as the shareholding minister. Information that will most interest the public can differ from that which most interests the responsible minister.

Next steps

64. We will discuss the contents of this paper with you at the meeting on 28 February 2023.

Recommendations

We recommend you:

- a) **Note** the contents of this paper will be discussed with officials and further information can be provided ahead of this meeting at your request.



Dr Diana Sarfati
Director-General of Health
Te Tumu Whakarae mō te Hauora
Date: 22 February 2023

Hon Dr Ayesha Verrall
Minister of Health
Date:



Jess Smaling
Acting Deputy Director-General
Te Pou Mahi Pūnaha
System Performance and Monitoring
Date: 22 February 2023

Appendix 1 – Monitoring roles and interdependencies of Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora

Appendix 2 – Agreed reporting from Te Whatu Ora and Te Aka Whai Ora

Appendix 3 – Entity Monitoring and the Accountability Cycle

Appendix 4 – Graduated intervention framework (including statutory intervention options) for Te Whatu Ora and Te Aka Whai Ora

Minister's Notes

PROACTIVELY RELEASED

Monitoring roles and interdependencies of Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora

Manatū Hauora: Government Department

System role	Monitoring role	How performance is monitored across entities
<p>To set direction and policy for the health system, advise the Government on funding and system settings, regulate the health system and monitor health outcomes.</p>	<p>The monitoring roles are primarily set out in the Crown Entities Act 2004, Pae Ora (Healthy Futures) Act 2022 – Part 4 s 96, and obligations under the Public Finance Act for financial monitoring.</p> <p>The responsible Minister (or delegate) may require information from health entities for the purposes of monitoring the performance of any health entity or the health sector in general with the health entity required to reply within the specified time frame.</p> <p>Entities monitored</p> <p>Te Whatu Ora – Health New Zealand, Te Aka Whai Ora – Māori Health Authority, Pharmac, New Zealand Blood and Organ Service, Health Research Council of New Zealand, Health and Disability Commissioner, Health Quality & Safety Commission, Mental Health and Wellbeing Commission - Te Hiringa Mahara.</p>	<p>Evolving process:</p> <ul style="list-style-type: none"> • Regular reporting (weekly, monthly, quarterly, annually, ad hoc – depending on the entity). • Monitoring and reporting against Te Pae Tata (Interim NZ Health Plan) and interim Government Policy Statement - depending on the entity. • Monitoring and reporting against entities' Statements of Intent (SOI) and Service Performance Expectations (SPE). • Regular engagement, progress and performance meetings with entities. • Weekly Joint Leader's meeting (Strategy, Policy and Legislation directorate as lead), Te Whatu Ora CE, Te Aka Whai Ora CE, DDG SPM and Associate DDG SPM. • Reporting of information from reports/investigations/advice/joint work from Te Aka Whai Ora, OAG, Office of the Ombudsman, Treasury, Health and Disability Commissioner, HealthCert, Mental Health and Wellbeing Commission, Health Quality and Safety Commission, Public Service Commission, ACC, Te Puni Kōkiri, Te Aho o Te Kahu, Whaikaha, Social Wellbeing Agency, Work Safe New Zealand, Health Research Council. • Advice/guidance from other departments (e.g., MBIE/MSD). • Advice to support Ministerial, Manatū Hauora and agencies' knowledge and decision-making via recommendations based on evaluation of inputs. • Inclusive relationships, no surprises/consultative approach – sharing data, information, and knowledge at appropriate levels to support issue resolution and future planning. • Support through subject matter expertise and lines of enquiry/deep dive partnerships. • Escalation where required, including active use of levers (policy, regulation, and advice on Ministerial powers) to address risks and issues.

PROACTIVELY

Entities Manatū Hauora monitors and/or have overlapping monitoring roles

Expectations across all entities:

- Transparency in performance – financial, non-financial, engagements and relationships
- Effective Board governance and relationships with CE/Executive, including escalation where required to address risks and issues
- Inclusive relationships, no surprises/consultative approach – sharing data, information, and knowledge at appropriate levels to support issue resolution and future planning
- Support through subject matter expertise and lines of enquiry/deep dive partnerships.

Te Whatu Ora (Health New Zealand): Crown Agent – must give effect to policy that relates to the entity’s functions and objectives if directed by the Minister. The Minister appoints Board members.

System role	Monitoring role	How performance is monitored
To design, arrange and deliver services to achieve the purpose of Pae Ora in accordance with health sector principles, to encourage, support and maintain community participation in health improvement and service planning, to promote health and prevent, reduce and delay ill-health, including by collaborating with other agencies, organisations, and individuals to address the determinants of health.	<p>Manatū Hauora monitors the Te Whatu Ora performance, supports Te Whatu Ora to produce fit for purpose accountability documents, provides strategic support to ensure the Te Whatu Ora operations are aligned with government and Manatū Hauora priorities, provides advice on the Te Whatu Ora performance to responsible Ministers and supports Te Whatu Ora appointments processes.</p> <p>The Board monitors the performance of the entity to ensure it is acting in a manner consistent with Te Pae Tata and the interim Government Policy Statement (iGPS) and works collectively with Te Aka Whai Ora, operates in a financially responsible manner and maintains systems and processes to ensure that Te Whatu Ora has the capacity and capability to perform its functions and to understand Te Tiriti o Waitangi, mātauranga Māori, and Māori perspectives along with duties under the Crown Entities Act 2004.</p>	<p>Evolving process:</p> <ul style="list-style-type: none"> • Reporting to Board and subcommittees. • Regular reporting (weekly, monthly, quarterly, annually, ad hoc). • Monitoring and reporting against Te Pae Tata and iGPS. • Monitoring and reporting against SOI and SPE. • Manatū Hauora monthly meetings with Chief Executive. • Manatū Hauora quarterly meetings with Board Chairs. • Reports from local and regional entities. • Delivery on contracts from health service providers contracted by Te Whatu Ora and Te Aka Whai Ora. • Advice to support decision making via recommendations based on evaluation of inputs.

Te Aka Whai Ora (Māori Health Authority): Independent statutory entity

System role	Monitoring role	How performance is monitored
To ensure that planning and service delivery respond to the aspirations and needs of whānau, hapū, iwi, and Māori; design, deliver and arrange services in accordance with health sector principles and to achieve best possible health outcomes for whānau, hapū, iwi and Māori in general, and to promote Māori health and prevent, reduce, and delay the onset of ill-health for Māori, including by collaborating with other agencies, organisations and individuals to address the determinants of Māori health.	<p>Manatū Hauora monitors the Te Aka Whai Ora performance, supports Te Aka Whai Ora to produce fit for purpose accountability documents, provides strategic support to ensure the Te Aka Whai Ora operations are aligned with government and Manatū Hauora priorities, provides advice on the Te Aka Whai Ora performance to responsible Ministers and supports Te Whatu Ora appointments processes</p> <p>Overlapping monitoring role: In cooperation with Manatū Hauora and Te Puni Kōkiri, Te Aka Whai Ora monitors the performance of the publicly funded health sector in relation to Hauora Māori. Te Aka Whai Ora’s monitoring functions need to be compliant and consistent with</p>	<p>Evolving process:</p> <ul style="list-style-type: none"> • Reporting to Board and subcommittees. • Regular reporting (weekly, monthly, quarterly, annually ad hoc). • Monitoring and reporting against Te Pae Tata and iGPS. • Monitoring and reporting against SOI and SPE. • Manatū Hauora monthly meetings with Chief Executive (proposed). • Manatū Hauora quarterly meetings with Board Chairs (proposed). • Delivery on contracts from health service providers contracted by Te Whatu Ora and Te Aka Whai Ora. <p>Evolving Process (By Te Aka Whai Ora):</p> <ul style="list-style-type: none"> • Monitoring performance of Te Whatu Ora and Te Aka Whai Ora against accountability documents, e.g., SPE, SOIs, Te Pae Tata. • Monitoring the performance of the localities or national services. • Monitoring evidence against enabling whānau, hapū and iwi to achieve tino rangatiratanga.

System role	Monitoring role	How performance is monitored
	<p>the Pae Ora legislation, Te Tiriti o Waitangi obligations and Tino Rangatiratanga aspirations.</p> <p>This includes:</p> <ul style="list-style-type: none"> • Monitoring the delivery and performance of services provided by or funded by Te Whatu Ora. • Supporting the monitoring operation of Iwi Māori Health Partnership Boards. • Monitoring the development and implementation of Te Pae Tata. • Monitoring the delivery and performance of services provided and funded by Te Aka Whai Ora. • Monitoring Te Manatū Hauora as the chief steward of the health <p>There is also a focus on monitoring how employment relations activity fits into wider expectations for Te Whatu Ora in achieving outcomes for Māori.</p> <p>The Hauora Māori Advisory Committee advise the Minister on managing the Board of Te Aka Whai Ora and on other matters.</p>	<ul style="list-style-type: none"> • Monitoring performance of health determinants impacting hauora Māori outcomes. • Implementing baseline monitoring framework • Developing tino rangatiratanga aligned approach

PROACTIVELY RELEASED

Report	Owner(s)	Ministerial involvement Unless otherwise specified, MoH will provide additional advice to the Minister on reporting from entities.	Focus of reporting	Development process	Is the report legislatively required?	Publication requirements While not all documents are legislatively required to be published, it is good practice to publish a range of information that helps the public understand the work being done and the progress. We would expect Ministers to be adequately briefed before publication.
Monthly						
Monthly entity performance update report	Te Whatu Ora Te Aka Whai Ora Manatū Hauora	For noting	Overview of financial performance compared to previous month, including budget to actual operating and capital, and capital programme updates. Updates included on HSIs, workforce, service delivery, B22 initiatives, and delivery of NZHP.	Te Whatu Ora and Te Aka Whai Ora develop individual financial reports. Drafts are sent to MoH and TSY for review. MoH develops a report on the performance of each entity, informed by the entities' performance reports, information gathered during regular engagements and other intelligence. MoH consults with the entities. Feedback is incorporated then Te Whatu Ora and Te Aka Whai Ora provide the reports to the Minister.	No - Best practice reporting	Publication is not legislatively required
Quarterly						
Quarterly entity performance reports	Te Whatu Ora Te Aka Whai Ora Manatū Hauora	For noting Informs Minister's quarterly report back to Cabinet on health reform implementation	Delivery against objectives over the reporting period, including areas of risk. Entity and Board performance, and Budget tracking Financial sustainability Workforce Reform implementation Implementation of iNZHP Implementation of the health strategies	Te Whatu Ora and Te Aka Whai Ora develop individual entity performance reports and consult with MoH. MoH develops a report on the performance of each entity, informed by the entities' performance reports, information gathered during regular engagements and other intelligence. MoH consults with the entities. Te Whatu Ora, Te Aka Whai Ora, and MoH each provide their reports to the Minister.	No - Best practice reporting	Publication is not legislatively required
Quarterly system performance report	Manatū Hauora	For noting Informs Minister's quarterly report back to Cabinet on health reform implementation	Overall system performance including reform implementation, service delivery, health outcomes for New Zealanders, the wider government, and non-health influencers.	MoH assess the performance of the whole-of-health-system performance, looking at outcomes for New Zealanders and non-health influences affecting outcomes.	No - Best practice reporting	Publication is not legislatively required

Document 14
Appendix 2: Agreed Reporting from Te Whatu Ora and Te Aka Whai Ora

<p>Reform implementation progress</p> <p>(This is current state, but we are incorporating into our quarterly system reporting)</p>	<p>Manatū Hauora</p>	<p>For noting</p> <p>Informs Minister's quarterly report back to Cabinet on health reform implementation</p>	<p>Whole-of-system view on reform implementation progress</p>	<p>Manatū Hauora reform PMO works with Te Whatu Ora and Te Aka Whai Ora to compile a report of key issues and risks.</p> <p>Report is shared with entity Board Chairs.</p> <p>MoH incorporates feedback and provides the final report to the Minister.</p>	<p>No - Best practice reporting</p>	<p>Publication is not legislatively required</p>
<p>Annually</p>						
<p>Statement of Performance Expectations (SPE) - planning document</p>	<p>Te Whatu Ora Te Aka Whai Ora</p>	<p>For feedback and direction</p> <p>To present to the House of Representatives</p>	<p>Identify reportable output classes, provide forecast financial statements for the year, and includes a statement of significant assumptions. The document provides a base for performance assessment.</p>	<p>Each entity must provide their draft statement to the Minister for feedback, and work with the Minister to finalise and present the statement.</p>	<p>Yes - Required by the Crown Entities Act 2004</p>	<p>The entity must publish the SPE after it's been provided to the Minister</p>
<p>Annual report</p>	<p>Te Whatu Ora Te Aka Whai Ora</p>	<p>For noting</p> <p>To present to the House of Representatives</p>	<p>Year-end performance and financial report including: - Entity progress against SOI and SPE - Financial statement - Auditor-General's report</p>	<p>Te Whatu Ora and Te Aka Whai Ora develop individual entity performance reports.</p> <p>Provided to MoH for comment.</p> <p>Te Whatu Ora and Te Aka Whai Ora provide the reports to the Minister.</p>	<p>Yes - Required by the Crown Entities Act 2004</p>	<p>The entity must publish the report after the Minister has presented it to the House</p>
<p>Performance report against NZHP</p>	<p>Joint: Te Whatu Ora & Te Aka Whai Ora</p>	<p>For noting</p> <p>To present to the House of Representatives</p>	<p>Report against the outcomes specified in the NZHP, including an assessment of any new interventions.</p>	<p>Te Whatu Ora and Te Aka Whai Ora jointly develop a performance report.</p> <p>Provided to MoH for comment.</p> <p>The report is audited by the Auditor-General.</p> <p>Te Whatu Ora and Te Aka Whai Ora provide the reports to the Minister.</p>	<p>Yes - Required by the Pae Ora Act 2022</p>	<p>The report must be published when finalised (best practice is to do so after it's been provided to the Minister)</p>
<p>Report against HQSC's Code of expectations for health entities' engagement with consumers and whānau</p>	<p>Te Whatu Ora Te Aka Whai Ora</p>	<p>For noting</p>	<p>Assessment of performance of the 2 entities against the plan, including evaluation of any new interventions</p>	<p>Te Whatu Ora and Te Aka Whai Ora assess how their work aligns with HQSC's Code of Expectations.</p> <p>Provided to MoH for comment.</p> <p>Te Whatu Ora and Te Aka Whai Ora provide the reports to the Minister.</p>	<p>Yes - Required by the Pae Ora Act 2022</p>	<p>Publication is not legislatively required</p>
<p>Progress report against locality plans</p>	<p>Te Whatu Ora Te Aka Whai Ora</p> <p>(with consultation from relevant iwi-Māori partnership Board(s))</p>	<p>For noting</p>	<p>Annual report of performance against priorities set out in locality plans.</p>	<p>Te Whatu Ora and Te Aka Whai Ora must prepare an annual report assessing progress against the priority outcomes set out in the locality plan.</p> <p>Te Whatu Ora, Te Aka Whai Ora and the relevant IMPB must agree on the report.</p>	<p>Yes - Required by the Pae Ora Act 2022</p>	<p>The report must be published as soon as it's been agreed by the entities and the IMPB</p>
<p>3-yearly Planning Documents</p>						

Document 14
Appendix 2: Agreed Reporting from Te Whatu Ora and Te Aka Whai Ora

Statement of Intent (SOI)	Te Whatu Ora Te Aka Whai Ora	For feedback and direction To present to the House of Representatives	Explains strategic intentions and medium-term undertakings for the forthcoming financial year and at least 3 following financial years (i.e., 4 years). How the entity intends to meet intentions (including management of organisational health and capability). How entity will assess its performance.	Each entity must provide their draft statement to the Minister for feedback, and work with the Minister to finalise and present the statement.	Yes - Required by the Crown Entities Act 2004	The entity must publish the SOI after it's been provided to the Minister
New Zealand Health Plan (NZHP)	Joint: Te Whatu Ora & Te Aka Whai Ora	For feedback and approval To present to the House of Representatives	The Plan gives effect to the GPS and includes an assessment of population health needs. It is a 3-year costed plan for delivery of publicly-funded health services, by both entities. List improvements to be made in health outcomes and priorities and specify measurable and culturally specific outcomes. Plan how these improvements will be achieved through services delivered, investments made and the contribution of other entities.	Te Whatu Ora and Te Aka Whai Ora jointly develop the New Zealand Health Plan, with consideration of the roles of Te Aho o Te Kahu, HDC, HRC, MHWC, and MoH. The plan must also consider the preferences and priorities set out in locality plans. The plan is audited by the Auditor-General before being provided to the Minister	Yes - Required by the Pae Ora Act 2022	The plan must be published (best practice is to wait until after it's been presented to the House)
Government Policy Statement (GPS)	The Minister of Health	Owner To present to the House of Representatives, after issuing the GPS	List improvements to be made in health outcomes and priorities and specify measurable and culturally specific outcomes. Plan how these improvements will be achieved through services delivered, investments made and the contribution of other entities.	MoH drafts the GPS for the Minister, with Ministerial direction, consultation, and final approval. The Minister consults with Te Whatu Ora, Te Aka Whai Ora, and other organisations they consider appropriate.	Yes - Required by the Pae Ora Act 2022	The GPS must be published as soon as it's issued by the Minister
Locality Plans	Joint: Te Whatu Ora, Te Aka Whai Ora and the relevant Iwi-Māori Partnership Board	For noting	Locality priorities, give effect to requirements of NZHP and include a progress statement against previous plan	Developed by Te Whatu Ora for a locality, in consultation with consumers, communities, local authorities and social sector agencies in the locality affected by the plan. Te Whatu Ora, Te Aka Whai Ora and the relevant IMPB must agree to the plan.	Yes - Required by the Pae Ora Act 2022	Publication is not legislatively required
5-yearly						
Report on New Zealand Health Charter	Te Whatu Ora Te Aka Whai Ora	For noting To present to the House of Representatives	How the New Zealand Health Charter has been given effect throughout the health sector	Te Whatu Ora and Te Aka Whai Ora must report on the charter and give any recommendations for changes to the charter.	Yes - Required by the Pae Ora Act 2022	The report must be published when finalised (best practice is to wait until after it's been provided to the Minister)

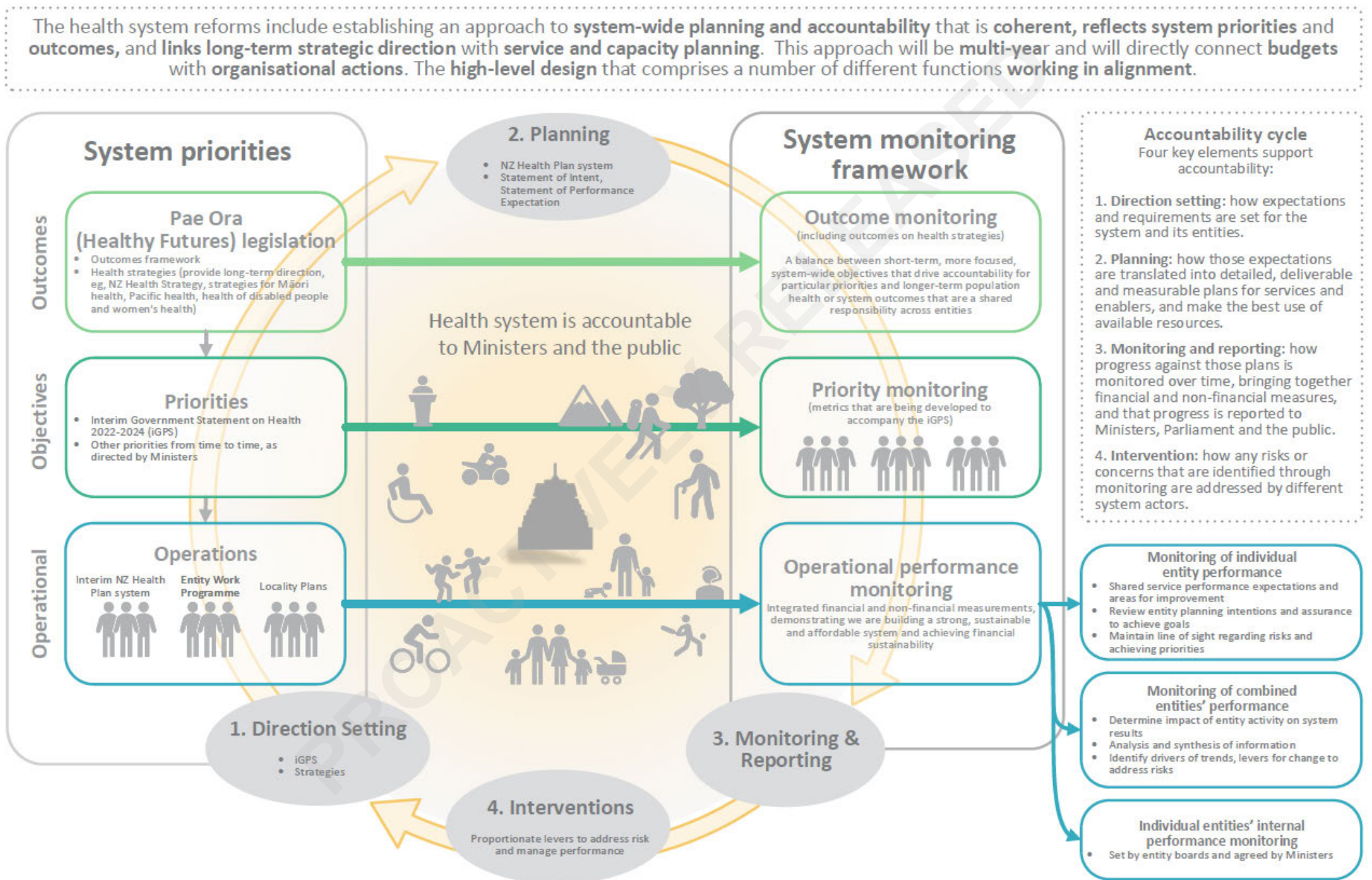
Document 14
 Appendix 2: Agreed Reporting from Te Whatu Ora and Te Aka Whai Ora

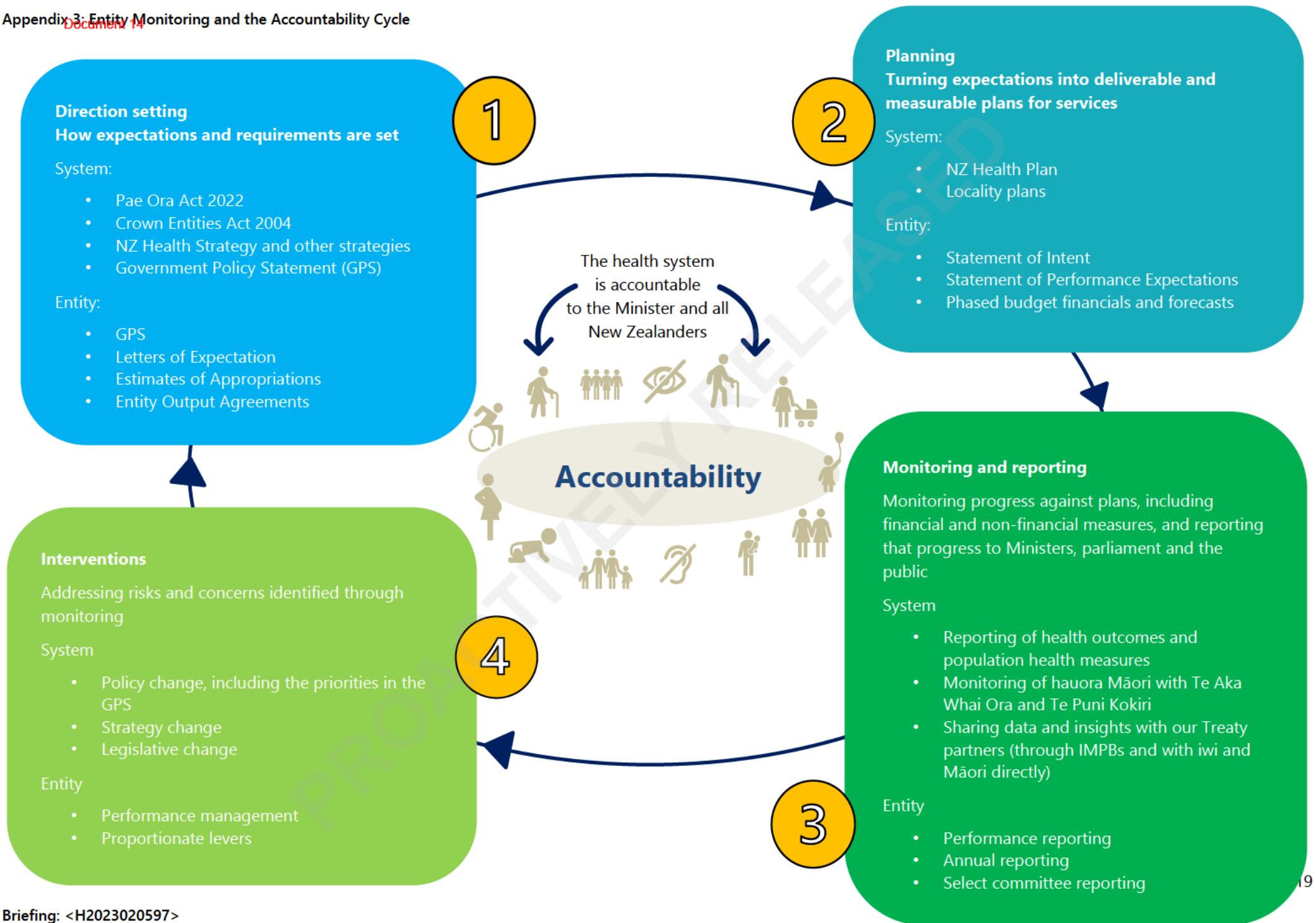
<p>Health Strategies: 1 New Zealand Health Strategy 2 Hauora Māori Strategy 3 Pacific Health Strategy 4 Health of Disabled People Strategy 5 Women’s Health Strategy 6 Rural Health Strategy</p>	<p>The Minister of Health</p>	<p>Owner To present to the House of Representatives</p>	<p>The purpose of the New Zealand Health Strategy is to provide a framework to guide health entities in protecting, promoting, and improving people’s health and wellbeing. It includes an assessment of the current state of health outcomes and the system, and of medium- and long-term trends that will affect these. Set out priorities to improve the health sector over the next 5-10 years, including workforce development.</p>	<p>MoH drafts the GPS for the Minister, with Ministerial direction, consultation, and final approval. The Minister consults with Te Whatu Ora, Te Aka Whai Ora, and other organisations they consider appropriate.</p>	<p>Yes - Required by the Pae Ora Act 2022 (provided every 5-10 years depending on strategy horizon)</p>	<p>The strategy must be published after being presented to the House</p>
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PROACTIVELY RELEASED

Appendix 3: Entity Monitoring and the Accountability Cycle

For reference, this is the diagram accompanying the 'How We Will Monitor' section of the iGPS. The next page provides further detail on what's involved in the steps.





Intervention type	Intervention response	Lead/roles	Triggers/Criteria (examples)	Reporting to Minister
<p>Internal performance improvement</p> <p>Commissioning/ service delivery agencies identify and intervene in issues internally and escalate where necessary.</p>	<p>Internal escalation and targeted improvement</p>	<p>Commissioning and service delivery agencies (Health NZ or Māori Health Authority)</p>	<ul style="list-style-type: none"> Local issues with a single provider failing to deliver on contractual or community expectations Data on patient outcomes for a particular service providing early signs of declining performance, or stalled inequities in care outcomes Initial trends in uptake of a new service slightly exceed expectations, creating a risk of cost overrun. 	<ul style="list-style-type: none"> Reporting as usual Potential 'no surprises' reporting depending on risk evaluation
<p>Cross-agency response</p> <p>Monitors become actively involved in problem solving to bring appropriate powers to bear and ensure appropriate oversight.</p> <p>All issues requiring a cross-agency response should include regular reporting to Ministers to ensure visibility.</p>	<p>Non-statutory levers may include:</p> <ul style="list-style-type: none"> Monitors working with agency to agree a cross agency response Minister requests external parties work alongside response teams to support resolution 	<p>Commissioning and service agencies, with support from lead monitors as needed (e.g., Manatū Hauora Māori Health Authority). Other monitors, such as the HQSC, HDC; or agencies (such as Treasury, PSC) should be involved on an as-needed basis).</p>	<ul style="list-style-type: none"> Issues are the right combination of serious and widespread Problems are systematic and complex When issues are formally escalated to Boards for consideration Risk or issue could result in not delivering on an expectation set by the GPS or NZ Health Plan 	<ul style="list-style-type: none"> Required 'no surprises' reporting Supporting information or papers as required by Ministers Potential for Ministerial decision making depending on severity of issue and nature of response
	<p>Statutory powers may include:</p>	<p>Monitors; Minister(s)</p>		

	<ul style="list-style-type: none"> • Director General or Minister requiring information to support monitoring and intervention response • Giving directions about the NZ Health Plan • Requiring a Performance Improvement Plan 			
<p>Statutory intervention Minister(s) deploys statutory powers to respond proportionately and appropriately to significant issues.</p>	<p>Statutory powers include:</p> <ul style="list-style-type: none"> • Requiring a review of a Crown entity's performance • Appointing a Crown Observer to the Board • Appointing a Crown Manager to the Board • Appointment and removal of Board members 	<p>Minister(s)</p>	<ul style="list-style-type: none"> • Monitors or Ministers have lost confidence in the capability or transparency of agencies. • Very serious or immediate risk to the Crown (this might include a material fiscal risk or significant threat to public safety) • The risk or issue will be perceived as so serious or severe that independent action or inquiry is necessary. 	<ul style="list-style-type: none"> • Minister-led, with regular reporting from monitors and discussions with monitors and agency Boards about achieving necessary resolution

Graduated statutory intervention framework

Power	Held by	Basis	Constraints and limitations
Levers designed to help Ministers address organisational performance issues:			
Require a Performance Improvement Plan	Minister of Health	Pae Ora Bill s.57	
Appoint a Crown Observer to the Board	Minister of Health	Pae Ora Bill s.55	
Appoint a Crown Manager to the Board	Minister of Health		(Proposed in Departmental Report)
Remove the Board and replace it with a Commissioner	Minister of Health	Pae Ora Bill s.56	For MHA, mutu have the consulted with the Hauora Māori advisory committee
Other levers that can be used for this purpose (alongside other purposes):			
Require information	Minister of Health	CEA s.133(1)	
	Director-General of Health	Pae Ora Bill s.93	"For the purpose of monitoring the performance of any health entity or the health system in general"
	Minister of Finance	Pae Ora Bill s.58	"Provide economic or financial forecasts or other economic or financial information"
	Minister of Finance; Minister for the Public Service	CEA s.133(2-2B)	Can request information relating to their CEA responsibilities
Appoint and remove Board members	Minister of Health	CEA s.36; POA s.23	For HNZ, no reason needed. For MHA, must consult with Hauora Māori Advisory Committee.
Issue a Ministerial Direction	Minister of Health	CEA s.103	For HNZ, no reason needed. For MHA, must consult with Hauora Māori Advisory Committee.

Appendix 4: Graduated intervention framework (including statutory intervention options) for Te Whatu Ora and Te Aka Whai Ora

Give feedback on / direct changes to SOI or SPE	Minister of Health	CEA s.139A, s.145, s.147	For HNZ, no reason needed. For MHA, must consult with Hauora Māori Advisory Committee.
Give directions about NZHP	Minister of Health	Pae Ora Bill s.45(h), s.47	For HNZ, no reason needed. For MHA, must consult with Hauora Māori Advisory Committee.
Undertake a review of a Crown entity's operations and performance	Minister of Health	CEA s.132	The Minister must consult with the entity on the purpose and nature of the review, and consider any submissions made by the entity on the proposed review.

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