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Manatū Hauora

Annual Report

for the year ended 30 June 2023

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A message from the Director-General



Kia ora koutou katoa

I am delighted to present the Manatū Hauora | Ministry of Health 2022/23 Annual Report.

We have achieved a lot in the past 12 months since the reform of our health system began with the new health entities stood up including the creation of the Public Health Agency within Manatū Hauora – on 1 July 2022. The reforms support a more equitable, accessible, cohesive and people-centred system that aims to improve the health and wellbeing of all New Zealanders.

As set out in the Pae Ora (Healthy Futures) Act 2022, we led the development of six health strategies, which were published in July 2023. These pae ora strategies – an overarching New Zealand health strategy and five population-specific strategies – set out our direction for the next 5–10 years. The release of these strategies was a major milestone, and I am incredibly proud of the mahi by so many of our kaimahi as part our commitment to pae ora.

Over the last 12 months, we have sharpened our focus on our key role as kaitiaki | chief steward of our reformed health system and taken a closer look at how we operate, so we are well set up to deliver on our purpose and role. In June 2023 I introduced a formal change programme and transformation office to support us with achieving these aims. In parallel, we continue our important work of advising the Government on policy, setting direction right across the health system, and regulating and monitoring the health system to ensure it performs well.

We have also made substantial progress across several areas that will make a real difference to the health and wellbeing of New Zealanders. This includes the passage of the Therapeutic Products Bill, which will modernise our regulatory regime for therapeutic products, and continued progress towards our world-leading Smokefree Aotearoa 2025 goal. We have made inroads to repeal and replace the Mental Health (Compulsory Assessment and Treatment) Act 1992 so that it reflects a human rights-based approach, and we have been working hard in the health workforce space, which is another critical area, key to achieving better health outcomes for all.

Our kaimahi have also provided guidance and support to the health Crown entities (our system partners), developed our system performance monitoring capability, developed our clinical leadership and health research leadership, and actioned a lot of work – that cuts across our organisation—on equity and Te Tiriti o Waitangi.

I want to thank everyone at Manatū Hauora for their mahi over what has been a very busy and significant 12-month period. While we have good foundations in place, we are constantly looking ahead to ensure we are well placed to lead the health system to provide the health services New Zealanders need and expect in the future. This means staying focused on improving the more immediate needs of the health system while also continuing to take the much-needed steps to adapt and evolve to support our reformed health system.

Ngā mihi maioha,

Dr Diana Sarfati
Director-General of Health

He karere nā te Tumu Whakarae

Kia ora koutou katoa

E whakatakoto ana ahau i te Pūrongo Matua a te Manatū Hauora o te tau 2022/23 i runga i te ngākau harikoa.

He huhua rawa ō mātou whakatutukinga i tērā 12 marama – mai i te tīmatanga o te whakahoutanga o tō tātou pūnaha hauora i te whakatūnga o ngā hinonga hauora hou e rua, tae atu ki te whakatuwheratanga o te tari o Te Pou Hauora Tūmatanui, kei roto tonu i te Manatū Hauora i te 1 o Hūrae i te tau 2022. E hāpai ana ngā whakahoutanga i te noho taurite, i te puaretanga mai hoki o tētahi pūnaha e mahi ngātahi ana mō te tangata tonu hei whakapiki ake i te hauora me te oranga o ngā tāngata katoa o Aotearoa.

Kua ārahi mātou i te whakawhanaketanga mai o ngā rautaki e ono i raro i te ture o Pae Ora 2022, ā, i whakaputaina aua rautaki i te marama o Hūrae i te tau 2023. Kei te whakatakoto ngā rautaki nei, arā, ko te rautaki hauora whānui o Aotearoa me ngā rautaki motuhake e rima e hāngai ana ki ngā taupori motuhake, i te aronga o ngā mahi hei ngā tau e 5 – 10 e heke mai ana. He tutukinga nui te whakarewanga o ēnei rautaki, ā, kei te whakahīhi au i te āhua o ngā mahi a ngā kaimahi i runga i te ngākaunui ki te kaupapa o pae ora.

I te 12 marama kua pahure, kua whakahāngai mātou i tō mātou aronga ki te pūtake o tō mātou tūranga hei kaitiaki o te pūnaha hauora hou. Kua āta titiro mātou ki te āhua o ngā whakahaere kia rite mātou ki te whakaea i ngā kawenga o tō mātou kaupapa me tēnei tūranga. I te marama o Hūne i te tau 2023, i whakatū au i tētahi hōtaka mahi hou me tētahi tari hou ki te tautoko i te whakatutukinga o aua whāinga. E haere ngātahi ana aua kaupapa ki te taha o ā mātou mahi matua, arā, kei te tāpae kōrero tonu mātou ki te Kāwanatanga e pā ana ki ngā kaupapa here, kei te whakatakoto mātou i te aronga o ngā mahi huri noa i te pūnaha hauora, ā, kei te hāpai mātou i ngā here ā-ture, kei te aroturuki hoki i te pūnaha hauora kia tutuki pai ngā mahi.

He nui anō ngā kokenga whakamua i te huhua o ngā kaupapa e tino whai pānga ana ki te hauora me te oranga o ngā tāngata o Aotearoa. Ko te whakamanatanga o te Therapeutic Products Bill tētahi o aua kaupapa e whakahou ana i ngā ture e pā ana ki ngā momo rongoā whakaora tangata, ā, kei te haere whakamua tonu ngā mahi e pā ana ki te whāinga whakahirahira kia noho auahi-kore a Aotearoa hei te tau 2025. He tuatahitanga anō tērā i te ao whānui. E kōkiri tonu ana mātou i te ara ki te whakakorenga me te whakahoutanga anō o te Mental Health (Compulsory Assessment and Treatment) Act 1992, kia noho ngā mōtika o te tangata ki te pūtake o ngā mahi, ā, kei te whakapau kaha hoki mātou ki te hāpai i ngā kaimahi hauora, otirā, he kaupapa matua anō tērā e piki ake ai ngā putanga hauora o te katoa.

Kua ārahi, kua tautoko hoki ō mātou kaimahi i ngā hinonga hauora o te Karauna (arā, ko ngā hoamahi nō roto tonu i te pūnaha). Kua whakawhanake rātou i tō mātou āhei ki te aroturuki i ngā mahi a te pūnaha, ā, kua whakangungua hoki ngā kaiārahi o ngā mahi haumanu rātou ko ngā kaiārahi o ngā mahi rangahau. Otirā, he nui anō ngā tūmahi kua tutuki i ngā kaimahi – huri noa i tō mātou whakahaere—e pā ana ki te mana taurite me Te Tiriti o Waitangi.

Kei te hiahia au ki te mihi atu ki ngā tāngata katoa o te Manatū Hauora i te nui me te hiranga o ā rātou mahi i te 12 marama kua pahure. Ahakoa e tū mārō ana te tūāpapa i tēnei wā, kei te tiro whakamua tonu mātou kia tika anō tō mātou tū hei kaiārahi o te pūnaha hauora, kia whiwhi ai ngā tāngata o Aotearoa ki ngā ratonga e whāia ana, e hiahiatia ana hoki hei ngā rā e tū mai nei. Nō reira, e arotahi ana mātou ki te whakapikinga ake o ngā take matua o te pūnaha hauora o nāianei, i a mātou e koke whakamua tonu ana, e whakahou ana, e whakawhanake ana i ngā mahi tōtika hei tautoko i tō tātou pūnaha hauora hou.

Ngā mihi maioha,

Tākuta Diana Sarfati
Tumu Whakarae, Hauora



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**Who we are and
what we do**

**Ko mātou, me ā
mātou mahi**



About Manatū Hauora

In our role as kaitiaki | steward of New Zealand’s health system, Manatū Hauora advises the Government on policy, sets direction, and regulates and monitors the health system to ensure it performs well and delivers better health outcomes for everyone.

New Zealand’s health system is founded on collaboration, partnership and shared leadership, with a simple but ambitious goal to deliver pae ora | healthy futures for all New Zealanders.

Our vision across the health system is an Aotearoa New Zealand where people live longer in good health and improved quality of life, and where there is equity across all population groups.

Our kaitiaki responsibilities

Our role has changed since 1 July 2022 in the context of our reformed health system.

The Ministry’s stewardship role has two aspects.

- We are stewards of the health of the population, focusing on assessing health outcomes and trends, identifying determinants of health and encouraging partnerships and actions to protect and improve health.
- We focus on how the system works as a whole, advising the Government on system performance and enabling the entities in the system to deliver their roles and support their accountability to ministers, now and in the future.

As kaitiaki we need to set a clear long-term vision for the entire health sector that reflects a deep understanding of Te Tiriti o Waitangi, holistic system performance, international leading practice, and global trends that will affect health systems.

This vision needs to translate government intent into meaningful action to tackle the drivers of poor health outcomes and give Māori people, Pacific peoples, disabled people, and all people who experience inequities, confidence that their needs, strengths and aspirations will be understood, acknowledged and met.

We need to be able to rapidly adjust system settings to improve outcomes and manage risk. We need to keep working alongside our partners to constantly re-evaluate how the system and entities operate to drive continuous improvement and support our workforce to deliver equitable population health outcomes.

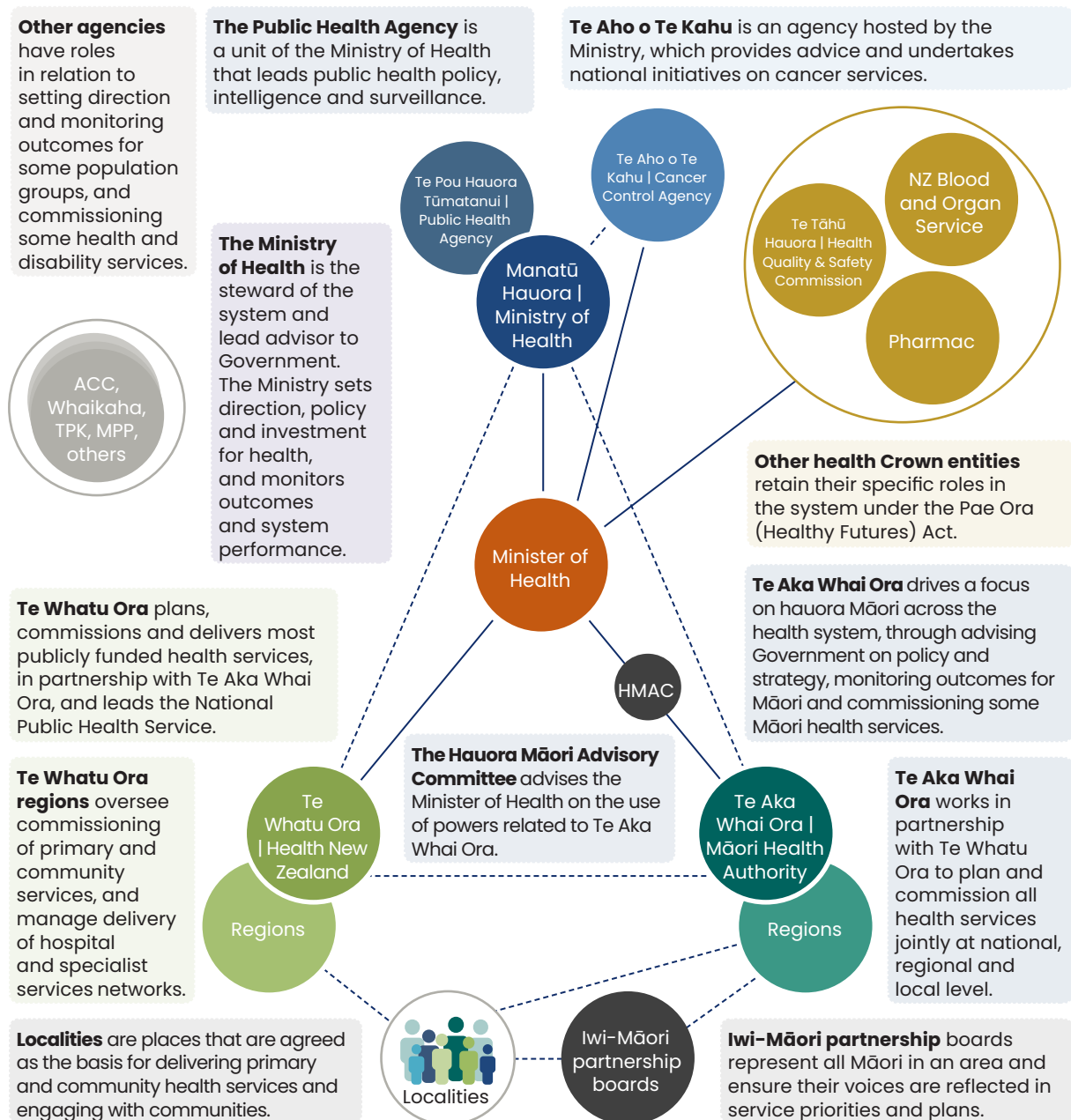
As steward of the system we have an obligation to enable the mana of people, nurture their mauri and achieve pae ora. We have a responsibility to take care of the wider system, ensuring people, entities and programmes can reach their full potential.

Our partners

The diagram below shows the context in which we work with our partners. The roles of Te Whatu Ora | Health New Zealand and Te Aka Whai Ora | Māori Health Authority have been designed to align with each other and with the Ministry, to create a central group of entities with common aims, complementary functions and shared accountability to the Minister of Health.

Together we form the health system’s collective leadership. Leadership is a shared responsibility to which each organisation brings its own expertise and perspectives and may take different actions depending on the context.

Figure 1: Our role as steward of the system



To fulfil our responsibilities as chief steward in the reformed system, the Ministry undertakes the following four broad roles:

-
- We lead**
- We support Ministers to set and maintain strategic direction and policy for health, and ensure the Government agenda drives the health system.
 - We steer and encourage a collective 'one system' ethos across health entities and lead by example in how we carry out our functions in an open and collaborative way.
 - We lead Māori-Crown relations for the health sector and champion our shared obligations to Te Tiriti, to ensure alignment in the system in pursuit of the Government's objectives
-
- We advise**
- We are the principal advisor to Government and its agencies on health and the determinants of health, and support Ministers to fulfil their role and achieve their priorities for health.
 - We use our insights to provide advice on the legislative, regulatory, budgetary, policy and outcome settings that determine the health landscape and how it operates – and how these should change over time.
 - We provide system-wide intelligence on the operation of the system and improvements to delivery and system cohesion, to enable health entities to achieve their objectives.
-
- We assess**
- We make evidence-based judgments on what is achieved, assessing overall health outcomes, trends and the effectiveness of investment in meeting the goal of pae ora.
 - We monitor the performance and integrity of the system overall and of the individual health entities, including Te Tiriti obligations.
 - We respond to issues and opportunities wherever they occur: identifying and responding to feedback, risks and issues and emerging practice and innovation, advising Government and supporting interventions when necessary.
 - We self-assess and, where necessary, adjust the Ministry's functions, priorities and actions to contribute to objectives.
-
- We convene**
- We bring leaders from across the system together to build constructive relationships and networks to jointly steer towards the vision, intended outcomes and priorities.
 - We work with other agencies to ensure that the Government's agenda promotes health and wellbeing as shared priorities.
 - We convene government agencies and non-government partners to build and maintain partnerships on matters that affect health and wellbeing and equitable outcomes
-

Our functions and operating model

The Ministry has several interdependent and connected functions, many of which are unique to our position in the health system. By undertaking all these functions, we fulfil our role to lead, advise, convene, and assess, and we provide the essential cross-cutting and supporting functions all high-performing organisations require.

Functional directorates form the main base of our structure. Two directorates further support this, reflecting priority areas and taking a more cross-functional approach. Each of these encompasses professional leadership and pools relevant expertise for its functions, encouraging collaborative working between directorates on our objectives¹.

Our core high-level functions are reflected in six of the Ministry's directorates, as follows.

- **Strategy, Policy, and Legislation | Te Pou Rautaki**
 These related functions together support ministers to identify, develop and deliver their priorities. **Strategy** sets and updates the long-term vision, overall direction and objectives for health. It scans the horizon, considers trends and potential opportunities, and sets high-level parameters for how the direction is to be achieved over time, including through investment. **Policy** translates strategy into actions, rules, requirements, and legislation to achieve the direction. This work includes engagement, evidence and evaluation, design thinking, innovation, and behavioural insights. **Legislation** is a potential lever by which to achieve our objectives when other options cannot adequately address the problem.
- **System, Performance and Monitoring | Te Pou Mahi Pūnaha**
 This function involves assessing and analysing population health outcomes and the performance of the health system against government objectives. It also involves monitoring Crown entities for the purpose of supporting responsible ministers to oversee and manage the Crown's interests, and its relationship with those entities. The function provides insight and advice on outcomes and performance to support ministers to exercise their role, including to intervene in the health system where necessary.
- **Regulatory Services | Te Pou Whakariterite Ratonga**
 Regulatory Services is responsible for ensuring the quality and safety of providers, products, and services through regulation, so the public can have confidence in them. This often requires a degree of statutory independence, to ensure the integrity of the regulatory regime. This function uses a range of tools, including approving, monitoring, certifying, licensing, and reviewing responsible authorities, services, and providers.

¹ For more information about the core high-level functions reflected in the Ministry's directorates, see: www.health.govt.nz/about-ministry/what-we-do

- **Evidence, Research, and Innovation |**

- **Te Pou Whakamārama**

- Evidence, research, and innovation have a powerful impact on how a health system performs and delivers care, and on the health and wellbeing outcomes that it ultimately achieves. This function promotes and provides high-quality analytics, research, evidence, and science advice to better inform strategy and decision-making and drive innovation within the health system.

- **Government and Executive Services |**

- **Te Pou Whakatere Kāwanatanga**

- This function is focused on supporting the role of ministers in line with the norms and conventions of a government ministry, and on ensuring that the Ministry's leadership maintains high integrity and good organisational governance. Government and Executive Services has a powerful impact on our organisation's culture and tone.

- **Corporate Services | Te Pou Tiaki**

- The Corporate Services function protects and looks after our organisation, ensuring we have great people, processes and technology. It provides high-quality advice, services and support to enable the business to run efficiently and achieve organisational excellence.

In addition, the Ministry has two further directorates that reflect priority areas and combine many of the functions above, but take a more specific focus.

- **Māori Health | Te Pou Hauora Māori**

- Māori health operates at the heart of the Ministry's stewardship function to drive the health sector to meet its requirements under Te Tiriti and work to achieve equity for Māori. The Māori Health directorate provides strategy and policy advice on Te Tiriti and Māori health, including the determinants of health for Māori (in collaboration with Te Pou Hauora Tūmatanui | the Public Health Agency). It undertakes Māori health monitoring and insights that provide a focus on Māori health needs, informed by research and analytics, and supports the work of the Hauora Māori Advisory Committee. It leads Māori-Crown relationships for the health sector, as well as being the lead Crown agency for Wai 2575 Health Service and Outcomes kaupapa inquiry currently being heard by the Waitangi Tribunal.

- **Public Health Agency | Te Pou Hauora Tūmatanui**

- The Public Health Agency (as a business unit of the Ministry) provides public health leadership across the health sector and beyond to influence the wider determinants of population health to enable people, their whānau and environments to be healthy and improve their wellbeing. It leads public health policy, strategy, regulatory, intelligence, surveillance and monitoring functions and provides advice to ministers on public health matters.

Working with directorates across Manatū Hauora are the Clinical Chiefs | Te Āpiha Hauora (Chief Nursing Officer, Chief Medical Officer, Chief Allied Health Professions Officer) to provide a strategic clinical perspective and linkages back to the sector.

- **Chief Clinical Officers | Ngā Āpiha Hauora**

The Offices of the Chief Clinical Officers provide a strategic clinical lens to ensure services are better planned and delivered for the benefit of New Zealanders. This includes identifying and promoting innovations at a national level, providing oversight and direction on clinical and professional issues across the sector, and supporting the response to current and future workforce demand.

These functions have long been an integral part of the Ministry. Since July 2022, however, in the context of the health system reforms and the changes envisaged by government, these functions and the way that they are carried out must be continuously strengthened and enhanced.

A number of the Ministry's functions are shared with or similar to those in other health entities. For example, monitoring is a consistent function in Te Aka Whai Ora, Te Whatu Ora, and Te Tāhū Hauora | Health Quality & Safety Commission, but each entity takes a different focus and approach relevant to its role. Te Aka Whai Ora also has strategy and policy functions for hauora Māori. As the Ministry assumes its full role as intended in the reformed health system, we will update our functions in parallel with those of the entities we overlap with to create clear responsibilities.

Our Governance boards and professional leads

The Ministry's governance structure ensures that it is governed effectively as a public sector agency. Manatū Hauora has two executive-level committees and one subcommittee.

Executive Leadership Team

The Executive Leadership Team is the Ministry's strategic governance team. It comprises the Director-General of Health, all deputy directors-general, the chief financial officer and the three chief clinical officers. The team is responsible for ensuring the Ministry can fulfil its role as chief steward of the health system by setting strategic directions, setting priorities, and understanding the performance of the system we steward.

Operational Leadership Team

The Operational Leadership Team is responsible for ensuring the Ministry runs smoothly as an organisation. It comprises the Director-General of Health and all deputy directors-general. Its responsibilities include oversight of business planning and reporting, approving organisational strategies and policies, and monitoring organisational compliance and statutory responsibilities.

Risk and Assurance Committee subcommittee

The Risk and Assurance Committee subcommittee provides independent advice and support to the Director-General of Health on strategic and operational risks and issues across the Ministry, as well as business-as-usual to ensure we are improving and meeting expectations. The committee's advice extends to wider system risks and issues (in our role as health system steward). This is to ensure that the Ministry is identifying the right risks as steward and considering mitigation options where necessary.

Ngā uaratanga | Our values

Our organisational culture is guided by our values and informed by our rich history, current context and experience of how we work together to solve problems and deliver on our priorities.

Our collectively chosen values guide how we work together within the Ministry, for example, in our recruitment processes, our induction programme and our performance and development.



Manaakitanga

We show care, inclusion, respect, support, trust and kindness to each other.

'He aroha whakatō, he aroha puta mai' If kindness is sown, then kindness you shall receive



Whakapono

We have trust and faith in each other to do the right thing.

'He tangata ki tahi' A man who speaks once. A person who says something and sticks to it



Kaitiakitanga

We preserve and maintain an environment that enables the Ministry and our people to thrive.

'Ka mua, ka muri' The past is clearly visible but the future is not. The future comes out of the past. The only constant is change



Kōkiri ngātahi

We connect and work together collectively towards a common purpose.

'He waka eke noa'

We are all in this together

'Mā pango, mā whero, ka oti te mahi'

Many hands make light work`

Our performance story

Tā mātou kōrero
mahi



Our performance role in the system

As health system steward, Manatū Hauora plays a key role in setting the strategic direction for the health sector and ensuring we and other health agencies work together to deliver government priorities. We monitor the system and ensure it is performing and reporting on progress against the strategic direction in a transparent and accountable way to parliament.

Our document *Developing the future Ministry of Health: Our strategy and strategic intentions, 2022 to 2026*² outlines the key priorities we will strive to achieve to 2026. It covers our contribution to delivering the health system reforms and Government's priorities as described in the interim Government Policy Statement on Health 2022–24.

The document identifies four priority focus areas, around which our performance is based. Our work programme and measures of performance are clustered around delivery of these broad, high-level areas, as follows.

1. We will drive the development of the reformed health system and our role within it

- We will develop and operate Manatū Hauora to harness the opportunity of the new system.
- We will assure the overall design of the health system and the progress of system entities in developing their roles.

Key to delivering this is developing and refining our own functions and operating model to fulfil our intended role while enabling and supporting other health entities to develop and implement their own operating model for co-leadership.

² See www.health.govt.nz/publication/developing-future-ministry-health-our-strategy-and-strategic-intentions-2022-2026

2. We will set the direction for health and the health system to achieve pae ora

- We will set and maintain strategic direction and develop policies to deliver the Government’s objectives for the health of the population, the role of the health system and the people who work within it.
- We will keep a consistent focus on Te Tiriti and equity in the priorities of the health system.

We have a key responsibility of maintaining, updating and facilitating direction through setting policies, determining funding and shaping the health landscape. We also translate the direction into more specific priorities and objectives for health entities.

Describing how we will achieve objectives is vital to setting the strategic direction. These objectives include honouring the Crown’s obligations under Te Tiriti and addressing inequities in health outcomes and service access between communities. The Ministry is working with other health entities to better understand the conditions and environments beyond health – the social, economic, commercial, cultural, digital and environmental determinants that shape people’s health – and take a lead in addressing them.

3. We will enable and support the ongoing improvement of health outcomes, quality and safety

- We will provide for the effective regulation of healthcare services, products and devices to maintain and improve quality and safety.
- We will maintain the wider regulatory and legislative environment to support health entities to carry out their functions.

Setting and maintaining the approach to regulation is a key function of the Ministry. In addition, as wider regulatory steward we manage the broader legislative and regulatory environment of the health system, keeping the system’s statutory basis fit for purpose and up to date.

In this role, we also monitor and review the regulatory performance of the sector and report on compliance with the standards we administer.

4. We will monitor health outcomes and the effective functioning of the system

- We will monitor and report on health outcomes, system performance and Māori–Crown relationships. We will consider opportunities to develop new policies and address any risks we identify.
- We will monitor and assess the effectiveness of health entities in fulfilling their functions.

This broad and critical role, underpinned in legislation, is to ensure the health system is accountable to ministers and the public. Monitoring occurs at three levels:

- the health of the population and our diverse communities
- the collective performance of the health system in achieving goals and objectives
- the individual performance of each health entity in line with its functions.

As a shared function across multiple agencies, monitoring involves a partnership approach to enable collective insights and perspectives on areas of risk and opportunity. This approach supports entity boards and ministers to make well-informed decisions.

The role includes monitoring Māori–Crown relationships within the health system and monitoring how well the Crown has honoured its Tiriti obligations.





Ministry initiatives

The stories below demonstrate the broad array of work we have undertaken in the last year on initiatives aligned to our strategic intentions. While we have achieved a considerable amount since the health system reforms were implemented, there is much more to do. Many of these initiatives contribute to the foundation of work we are developing and refining in embedding our new functions.

Driving the development of the reformed health system and our role within it

Transition and reporting

Developed the arrangements to convene cross-system leadership to model the 'one system' ethos and ensure collective ownership of the reform agenda

Since 1 July 2022, Manatū Hauora has been fulfilling its stewardship role in the reformed health system by operating the Reform Programme Management Office. Developing and overseeing our internal work programme and associated governance and working forums has been essential as we continue to prioritise the reform-related activities within our business plans.

Our priority focus areas throughout the year included:

- guiding the health system to uphold Te Tiriti and achieve Māori health equity, including setting the direction for hauora Māori through Pae Tū: Hauora Māori Strategy, developed jointly with Te Aka Whai Ora
- providing support to ensure the Hauora Māori Advisory Committee functions effectively and efficiently in its role providing advice to the Minister of Health
- supporting the development of the system architecture, including how the pae ora strategies, flow into the Government Policy Statement, and
- preparing for Budget 2024 and Te Pae Tata | New Zealand Health Plan.

The Ministry reform programme focused on implementing Tikanga Whakahaere (our operating model) and function transfers, and the sustaining change and stewardship programme incorporating system monitoring, cross-agency engagement and the development of the analytics operating model. The delivery of these projects remained a business-led activity; the Reform Programme Management Office provided the oversight and integration to align this work to the overall reform outcomes.

Established the Public Health Agency

The Public Health Agency was established on 1 July 2022, under an amendment to the Health Act 1956, to play a pivotal role in strengthening the public health voice in our reformed health system. As a new branded business unit within Manatū Hauora, it contributes to the Ministry's role by providing public health leadership across the health and disability sector and beyond.

The agency seeks to identify, understand, and influence the wider determinants of population health to enable people, and their whānau to be healthy and improve their wellbeing. Its specific functions include leading public and population health strategy, policy, regulation, intelligence, surveillance, and monitoring. It is also tasked with regularly consulting with the public, the health sector and more widely as necessary, to firmly ground its activities and advice in people's lived experience.

These core functions are grounded in our Tiriti obligations, including supporting and partnering with Māori to accelerate equity for Māori to achieve equitable outcomes.

In its first year, the agency has supported the work of the wider Ministry and our health partners in Te Whatu Ora, and Te Aka Whai Ora and advised ministers on a wide range of public health challenges and opportunities from community water fluoridation and tobacco control to the COVID-19 response. It has also contributed significantly to the development of the pae ora strategies, including leading the development of the first Pacific Health Strategy, Te Mana Ola.

At the same time, the Agency has been building its capacity and capability as a new entity in its first year. It has been recruiting a diverse range of new staff, both in its Wellington office and across the country, and refining its programme and strategy for strengthening the voice of public health in the years to come.

Supported the Ministerial Advisory Committee on the health reforms, including contributing to assessments of the maturity and effectiveness of the new system arrangements

As part of the recent health system reforms, the Director-General of Health established the System Reform Integration Office (SRIO) in April 2023 to provide assurance and system-level advice on implementing the reforms.

The reform programme has two broad phases. The transitional phase one (July 2022 to June 2024) will develop and embed the new system entities and functions. During the evolutionary phase two (July 2024 to June 2027), the system will build from its 'steady state' to harness the new model's opportunities to deliver changes for all New Zealanders.

The SRIO provides assurance to the Director-General and system leaders (and, where required, the Minister of Health) that the health system reforms are taking place in line with the requirements of the Pae Ora (Healthy Futures) Act 2022 (the Pae Ora Act) and the Government's intentions.

Our initial work to establish the SRIO involved working with the entities directly affected by the introduction of the Pae Ora Act to inform development of the first iteration of a

system roadmap in June. This roadmap is the foundation for providing system assurance, including high-level reform planning, confidence/risk assessment, strategic change and communications, and benefits realisation.

The roadmap will provide insight into the progress of the reforms and confidence in achieving the reform objectives and shifts. It will incorporate the reform-related activities of other health Crown entities over time.

Engaged Te Whatu Ora and Te Aka Whai Ora on system change and performance

During regular engagements with each of the health entities at board, executive and subject-matter expert levels, as part of our assurance function, we discussed delivery against expectations and government priorities, board processes and how risks and issues are being managed.

As system steward, the Director-General of Health was invited to board meetings, where she encouraged and supported the boards in their roles and responsibilities. She continues to regularly meet with Crown entity board chairs to exchange information, provide support and advice, and seek assurance on aspects of performance. These meetings are opportunities to clarify accountability and monitoring expectations and to escalate issues to chairs for resolution.

Te Whatu Ora and Te Aka Whai Ora reporting

Manatū Hauora discussed and jointly agreed with Te Whatu Ora and Te Aka Whai Ora the process for reporting performance to ministers regularly. As 2022/23 was a transition year, the process this year included providing feedback for consideration ahead of report finalisation.

After receiving and reviewing the information Te Whatu Ora and Te Aka Whai Ora provide to ministers, we combine this with additional context and insight to brief ministers on areas involving opportunity, risk or the need for further assurance. These formal reporting products are supported by regular performance relationship hui between senior officials across agencies and sharing of other reporting as agreed.

The form and content of entity reporting evolved over this first year. Monthly Manatū Hauora reports to the minister now focus primarily on financial performance and emerging non-financial areas of concern.

Quarterly reporting focused particularly on entity progress against Te Pae Tata | Interim New Zealand Health Plan and its contribution to the delivery of the interim Government Policy Statement. The reporting against Te Pae Tata, which reflects actions from Whakamaua: Māori Health Action Plan 2020–2025 (Whakamaua), has enabled continued monitoring of progress to achieve pae ora.

Changed role in the financial monitoring of entities in the health and disability system

The Ministry no longer consolidates and reports on 20 district health boards (DHBs) or reviews their financial performance. Instead, we monitor Te Whatu Ora (and its own internal 29 entities) and Te Aka Whai Ora by collecting data, qualitative information and soft intelligence through our engagements and synthesising them into insights.

Our specific financial monitoring activities have included assessing how well budgets aligned to the changing organisational and appropriation structures, the assumptions and data behind forecast results, and the impact of DHB final audited results on the opening balance sheet position of Te Whatu Ora. We have also developed an understanding of the overall consolidation process and financial database for reporting, and the progress of Te Whatu Ora towards establishing the finance function's new operating model.

Regular communications with Te Whatu Ora and Te Aka Whai Ora chief financial officers and their teams have provided extra assurance across financial and capital matters. These communications have also increased our collective oversight of financial sustainability risks and concerns through the early stages of the health system reforms.

Prepared for Budget 2024

Budget 2022 announced a change to the way the Government funds health. The new multi-year funding model began with two years of funding, to be followed by a three-year funding cycle.

Manatū Hauora and the Treasury worked very closely in determining the model to use for Budget 2022, determining both the methodology and the scope of what the two-year funding model would encompass across Vote Health.

Each three-year funding allocation is intended to align with the strengthened direction-setting and planning elements of the reformed system: the three-yearly Government Policy Statement and Te Pae Tata | New Zealand Health Plan.

During 2022/23 Manatū Hauora worked closely with the Treasury, Te Whatu Ora and Te Aka Whai Ora to establish a coordinated investment approach to informing Budget 2024 decisions. This work will continue in 2023/24 ahead of the Budget 2024 process.

Collaborated and engaged with Te Whatu Ora and Te Aka Whai Ora

Manatū Hauora has actively collaborated with Te Whatu Ora and Te Aka Whai Ora in areas covering accountability, strategy, policy, planning, finance, quality and safety, performance, reporting and monitoring.

Our initial engagement focus was transitioning or sharing of roles, functions and staff to support key areas like reporting, analysis and Ministerial servicing and finalising accountability documents. Ongoing engagement has increasingly focussed on reform and performance monitoring with a specific focus on finance, planned care, acute flow, immunisation, infrastructure, workforce, mental health and data and digital.

Collaboration of particular note includes:

- Joint work on the Therapeutics Bill and the repeal of the Compulsory Treatment Act
- Joint work across the nurses pay settlement and various pay equity programmes
- Completion of the strategies required under the Pae Ora Act
- Engagement on the Māori Health monitoring approach

Working with Te Whatu Ora at the regional level is an increasing focus. A hui is being planned to bring together members of regional integration teams (RIT) within Te Whatu Ora and Te Aka Whai Ora. The focus will be on whakawhanaungatanga, strengthening our understanding of roles, responsibilities and priorities, and agreeing how best to collaborate. Other directorates and the RIT co-chairs are involved in designing the hui.

We are working closely with Te Whatu Ora and Te Aka Whai Ora to ensure strong alignment regionally and with the work of other agencies. We continue to coordinate the health response and contribution to the social sector extreme weather recovery group that the Deputy Prime Minister established on 28 March 2023.

Initial engagement on our approach to developing the health system performance framework is well under way. Further engagement over the coming months will finalise the framework, which will be implemented in 2024. The framework will include indicators, measures and methods for measuring performance – which will identify areas for improvement and allow us to track progress against our objectives.

Organisational change

Strengthened the Ministry's functions and capabilities in priority areas and our approach to managing organisational change

Starting in 1 July 2022, Manatū Hauora has undertaken critical work to better undertake its role in the reformed health system. Manatū Hauora has developed and implemented Tikanga Whakahaere (our operating model) and stood up a new interim structure .

Further to this, we reviewed the capabilities we require to fulfil our new role. Consequently, we are undertaking a management-of-change process split across two phases, which are both now under way. Phase one is expected to be completed by September 2023. Phase two involves developing and embedding improved ways of working, resourcing us with the right capabilities and capacity in line with our core role as health system leader and kaitiaki.

Strengthened our role in stewardship and clinical expertise

The health system reforms have strengthened our stewardship role. Promoting understanding of this role, including our functions of clinical leadership, quality and safety, will support a united way of working towards pae ora.

Te Āpiha Hauora Haumi | the Chief Allied Health Professions Officer has been working with the sector to gather information on how allied health professions can enable the delivery of pae ora. At several hui in October 2022, Manatū Hauora led stakeholders – employers, unions, regulatory bodies, training providers, students, and Māori and Pasifika representatives – to identify key opportunities and barriers as they work towards pae ora.

To support implementation of the reforms, our clinical leaders, the Chief Clinical Officers have undertaken extensive research and interviews as a first step in developing a clear definition of clinical leadership for Manatū Hauora and understanding how it can enable the delivery of pae ora. They found that clinical leadership is beneficial across strategy, policy, regulation and performance monitoring. Consultation with clinical and non-clinical leaders on the proposed definition is under way.

Reinforcing our stewardship role, the Chief Clinical Officers have already developed this definition of our clinical quality and system safety function:

- **Steward of the health of the population** – we assess quality and safety trends at the system level and encourage partnerships and actions to improve outcomes, impacts and experience.
- **Steward of the health system** – we focus on how the quality and safety system works as a whole, enabling the entities to deliver on their quality and safety roles, and supporting their accountability.

Manatū Hauora is leading interagency collaboration to confirm each health Crown entity's role in ensuring clinical quality and safety, and to ensure all entities are delivering on these roles through quarterly performance reviews.

To support partnerships and drive effective outcomes, we have established and convened the sector-wide National Medicines Steering Group and the Cross-Sector Informed Consent Workshop.

In developing our stewardship approach to clinical safety and quality, we are including learnings from international trends and innovations. Working with the World Health Organization (WHO) and the Organisation for Economic Co-operation and Development (OECD), we have shared insights and resources, contributed to surveys and provided feedback on reports. Additionally, we worked with the Health Quality & Safety Commission to implement the WHO Patient Safety Action Plan.

Setting the direction for health and the health system to achieve pae ora

The Health Strategies

Developed the suite of new health strategies required under the Pae Ora (Healthy Futures) Act 2022 by July 2023 to set long-term direction for health and the health system

A core element of the health system reforms has been the development of six national health strategies: the New Zealand Health Strategy; Pae Tū: Hauora Māori Strategy (developed in partnership with Te Aka Whai Ora); Te Mana Ola: the Pacific Health Strategy; the Health of Disabled People Strategy; the Women's Health Strategy; and the Rural Health Strategy. These strategies are required under the Pae Ora Act.

The strategies operate as a cohesive framework to guide health entities over the next 10 years in improving people's health and working towards health equity. These are the first government health strategies for Pacific peoples, disabled people, women and rural population groups.

The strategies have been informed by extensive engagement with a wide range of stakeholders, including health sector agencies, the public, iwi and other Māori organisations, service providers, health care workers and representative health and community organisations.

This engagement process, together with our review of the evidence and trends, informed the priority areas for action in each strategy. These priority areas address stakeholders' issues and concerns and aim to enable people's health aspirations. The engagement process was developed in such a way that all insights were shared and promoted across all six strategies, with two strategies taking a more targeted approach (as outlined below) with communities that experience poorer health outcomes.

Over the next decade, the strategies will help to set, promote and achieve the vision of a health care system that honours Te Tiriti; is inclusive of people; protects and promotes health and wellbeing; meets people's needs; and prevents illness, injury and harm throughout the life course, including by addressing wider social determinants of health.

While the strategies set the long-term direction for health in New Zealand, the Government will determine the specific expectations and actions to achieve this direction through the three-yearly Government Policy Statement (GPS) on Health. The first of these will be produced in July 2024. The system shifts articulated in the strategies will inform the GPS and set the parameters for Te Pae Tata | New Zealand Health Plan, and the Government's priorities for engaging with and improving health outcomes for priority groups. The GPS will include a framework for regular monitoring of progress and reporting and confirm resources to deliver on objectives and priorities via the Budget process. Given the alignment with Te Pae Tata, we are working closely across the health entities to develop the GPS and identify emerging themes and focus areas.

Developed Pae Tū: Hauora Māori Strategy

Pae Tū: Hauora Māori Strategy was produced by Manatū Hauora and Te Aka Whai Ora and guides health entities to uphold Te Tiriti and achieve Māori health equity. This is an interim step ahead of a full review and refresh of He Korowai Oranga, which will take place when the foundations of the new system are further embedded and Whakamaua: Māori Health Action Plan 2020–2025 is fully implemented.

Pae Tū was developed after a series of four, two-day wānanga across the motu from February to March 2023. The aim of Ngā Wānanga Pae Ora 2023 was to reaffirm the hauora aspirations and whakaaro of Māori, and to hear any additional hauora Māori priorities, opportunities or issues to achieve pae ora, healthy futures. Over 500 people participated in the wānanga.

Developed Te Mana Ola: Pacific Health Strategy

The Pacific Health team within the Public Health Agency has developed New Zealand's first-ever Pacific Health Strategy – Te Mana Ola. The Tokelauan community in Aotearoa New Zealand gifted the term 'Te Mana Ola'. 'Mana', meaning 'divine power', is used in Tokelau and throughout Polynesia. 'Ola' means life. Together, the words signify 'to live powerfully'.

To ensure that Te Mana Ola improves the health status of Pacific peoples in Aotearoa New Zealand, it was developed with the guidance and support of an advisory group and more than 40 fono (engagements) across the motu. These engagements included Pacific peoples from community, ethnic-specific and rural groups; churches; Pasifika rainbow+/LGBTQIA+/MVPFAFF+;³ tagata sa'ilimalo;⁴ youth; and professional bodies.

Achieving pae ora for Pacific peoples in Aotearoa requires understanding that Pacific health incorporates physical, mental and spiritual wellbeing that is steeped in community and acknowledges the environment Pacific peoples live in.

The strategy has been published in Pacific languages selected based on the biggest Pacific populations resident in New Zealand: Samoa, Tonga, Cook Islands, Fiji and Niue.

Implementing Te Mana Ola will entail setting short-term priorities for the Government Policy Statement that link to strategic objectives, updating Ola Manuia: Interim Pacific Health Plan guided by pae ora objectives, and finalising a Te Mana Ola outcomes framework with monitoring indicators in collaboration with health and social sector government agencies.

3 MVPFAFF describes Pacific rainbow identities: mahu (Hawai'i and Tahiti), vaka sa lewa (Fiji), palopa (Papua New Guinea), fa'afafine (Samoa), akava'ine (Rarotonga), Fakaleiti (Tonga) and fakafifine (Niue).

4 Pacific disabled people, their families and carers.

Progressed the development of an outcomes framework for health that sets out the key long-term outcomes for people, whānau and the health system as an enduring basis for future priority actions and measurement

Manatū Hauora is currently developing the outcomes framework for health alongside the Government Policy Statement on Health 2024–2027 (GPS). The outcomes framework for health will be used to monitor progress towards the direction set in the Pae Ora strategies, which were published in July 2023, and against the Government's priorities to be set in the GPS. It will include high-level outcome measures relating to long-term strategic goals and focused measures specific to three-year expectations. The GPS incorporating the outcomes framework will be published in July 2024.

Set the strategic direction for the health workforce to support and develop it to achieve pae ora

Our health workforce is critical to achieving better health outcomes for all New Zealanders. To address workforce challenges, we must alleviate the current pressures on the health workforce while also working towards the long-term shifts required to achieve pae ora. We have taken the following immediate steps as part of this approach.

- To grow our domestically trained medical practitioner workforce, we have provided funding to lift the cap on first-year medical school enrolments from 539 to 589 places annually from 2024.
- From 2023/24, \$200 million per year is allocated to address pay disparities for community-based nurses and health care assistants in the government-funded health services sector.
- We worked closely with the Ministry of Business, Innovation and Employment and other health agencies to establish favourable immigration settings for international health workers. As a result, 32 health roles were added to the 'straight to residence' immigration pathway in May 2023.
- Health agencies are undertaking a broad programme of work to develop a sustainable, diverse, competent and confident mental health and addiction workforce, supported by Budget investments in 2019 and 2022.

Manatū Hauora continues to work closely with Te Whatu Ora and Te Aka Whai Ora to alleviate current workforce pressures and align their work with the strategic direction. We have supported these two agencies to develop their health workforce plan for 2023, with a view to addressing both areas.

Engagement with the health sector has highlighted the immense pressure our health workers are currently facing. It has informed the Ministry's development of strategies that prioritise supporting and developing the health workforce to build towards pae ora.

Health research

Established system-level leadership for health research in Aotearoa New Zealand

The health system reforms provided an opportunity for us to embed research within the public health system and to establish new system leadership roles for research within Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora. We have taken on system-level, strategic leadership for health research, working in collaboration with Te Aka Whai Ora to ensure research strategy and policy embeds Te Tiriti and meets the needs of hauora Māori. This shift builds on and solidifies our previous responsibilities as a strategic lead for the New Zealand Health Research Strategy (2017–2027). Te Whatu Ora has taken on system leadership to plan and deliver health research from within its health services, working collaboratively with Te Aka Whai Ora.

A priority over the first year of this new landscape has been developing a collaborative approach to system-level leadership for health research across the three entities. As a first step, these entities are considering what cross-agency leadership should look like in establishing a national clinical trials ecosystem, a key initiative under the strategy.

Alongside this, we have been developing our capacity and capability for research, evaluation and strategic leadership of the health research sector. Our new Evidence, Research and Innovation directorate includes a Research, Evaluation and Innovation Group to provide research and evaluation support for policy and programmes within Manatū Hauora and strategic leadership for health research.

Establishment of these new functions is well under way. They complement other directorate functions that produce high-quality data, analytics, insights and evidence and promote their use in our policy and advice.

Made progress towards a national infrastructure for clinical trials

High-quality clinical trials are a core part of a high-performing, equitable, learning health system and a key priority under the New Zealand Health Research Strategy (2017–2027). Clinical trials provide the evidence we need to make critical decisions for improving health care and how it is delivered, and can significantly improve health outcomes, health system performance and the economy.

Under our responsibility for implementing the New Zealand Health Research Strategy, Manatū Hauora worked with the Health Research Council to fund independent research to identify the system-level infrastructure we need to strengthen clinical trials across the health system. Consequently, we published *Enhancing Aotearoa New Zealand Clinical Trials* in July 2022, which included recommendations for a Tiriti-led, equity-centred model for clinical trials within the public health system that was based on robust evidence and extensive stakeholder engagement.

The establishment of Te Whatu Ora and Te Aka Whai Ora has created exciting opportunities for strengthening leadership and coordination for clinical trials that are equitable and support

Māori needs and aspirations. We have established a team to collaborate with these two agencies in implementing the report's recommendations and addressing other foundational system-level requirements for clinical trials. This programme will be developed over 2023/24 as Te Whatu Ora and Te Aka Whai Ora build national research leadership capacity.

Public health

Established and supported the expert advisory committee on public health to deliver its statutory role to provide independent advice to ministers and health entities

The Public Health Agency led the establishment of the Public Health Advisory Committee. The Minister of Health announced the inaugural six members on 2 December 2022.

The committee is required under the Pae Ora Act as a key component of the reformed health system and new public health structure. Its purpose is to provide independent, public-facing, evidence-based public health advice for ministers, the Public Health Agency, Te Whatu Ora and Te Aka Whai Ora.

The Public Health Agency plays a key role in supporting the committee to deliver its work programme, which was agreed in early 2023 with the Minister of Health.

The committee's major focus for 2023 is the food environment, reflecting its significant impact on the health and wellbeing of New Zealanders. Unhealthy diets and obesity are major contributors to poor health, inequities and healthy life-years lost. This work will draw attention to innovative solutions that are fit-for-purpose in New Zealand.

In developing its advice, the committee is engaging widely to gather robust evidence and identify solutions that resonate with those communities most affected by unhealthy food environments. It will provide its report to the Minister of Health with recommendations in January 2024.

The committee has also provided independent advice on the development of the six health strategies led by Manatū Hauora, given their significance to the reformed health system. It has offered strong population and public health perspectives across the strategies.

Set priorities that guide the planning and commissioning of public health services and specify the public health programmes that Te Whatu Ora will commission and deliver

Under the Pae Ora (Healthy Futures) Act 2022, one of the functions of Te Whatu Ora | Health New Zealand is to undertake and promote public health measures, including commissioning services to deliver public health programmes specified by the Public Health Agency.

The existing service specifications within the National Services Framework⁵ fulfil the requirement under the Pae Ora Act for the Public Health Agency to specify public health programmes delivered under public health purchase units.

5 www.tewhatauora.govt.nz/our-health-system/nationwide-service-framework-library

The service specifications will soon be refreshed to reflect the Pae Ora legislative environment. This will be done in collaboration with Te Aka Whai Ora and Te Whatu Ora.

In the meantime, the six pae ora strategies and the interim GPS will set the priorities that guide planning and commissioning of public health services delivered by Te Whatu Ora.

Moved another step closer to making Aotearoa smokefree

In the past year, the Public Health Agency has driven world-leading policies to enable people to live smokefree and better protect our young people from vaping. These include policies to cut the number of smoked tobacco retailers, reduce nicotine in tobacco to very low levels and restrict the flavour descriptions and strength of disposable vapes.

Legislative action

The Smokefree Environments and Regulated Products (Smoked Tobacco) Amendment Act came into force on 1 January 2023. It introduced three significant law changes.

- From 1 July 2024, no more than 600 retail premises can sell smoked tobacco products.
- From 1 April 2025, it will be illegal to sell, manufacture, import or supply smoked tobacco products with a nicotine level of more than 0.8 mg/g.
- From 1 January 2027, it will be illegal to sell smoked tobacco products, or to supply smoked tobacco products in a public place, to anyone born on or after 1 January 2009.

These changes are together expected to achieve the Smokefree 2025 goal – fewer than 5% of New Zealanders across all population groups smoking daily. Currently 8% of New Zealanders smoke daily, but large inequities remain.

New regulations

On 6 June 2023, new smoked tobacco and vaping policies were announced to support the Smokefree 2025 goal and help curb youth vaping rates. After public consultation closed in March 2023, Cabinet approved new policies to be set in regulations.

The new smoked tobacco regulatory regime includes the retail scheme and low nicotine requirements.

Under the new vaping policies, new specialist vape shops cannot open up in the immediate vicinity of schools and marae, and vape products and packaging can only have generic flavour descriptions.

We expect these regulations to be made in August 2023 and phased in over time.

Māori health

Māori-Crown Relations

Acting as the Crown's agent, Manatū Hauora continues to build relational trust with iwi Māori to advance Māori health equity across the health system.

In 2022/23, we provided leadership across the health system to build relationships with iwi and Māori, enacting opportunities for the health system to deliver on existing Iwi Crown Accords, while also providing cross-sector engagement with iwi to develop Relationship Agreements. We continued to lead the Crown's response to the Wai 2575 Waitangi Tribunal kaupapa inquiry, including stage one on primary care and phase one, stage two on Māori with lived experience with disability, while also providing input into kaupapa inquiries that overlap with health. We established Te Kahui Taurikura (the Fetal Alcohol Spectrum Disorder (FASD) Advisory Group) following the FASD Hui Taumata, to provide independent, practical and timely insights to Crown agencies across the health and disability sector, stemming from the Wai 2575 phase one, stage two proceedings. We supported the establishment of 15 Iwi-Māori Partnership Boards.

Continued monitoring and evaluation of Whakamaua

The implementation of Whakamaua: Māori Health Action Plan 2020–2025 (Whakamaua) is ongoing and we continue to monitor health outcomes and the effective functioning of the system through redesigning existing systems and incorporating tools that enable Māori to achieve more equitable health outcomes. Whakamaua monitoring and evaluation consists of quantitative monitoring, evaluative monitoring and delivery monitoring.

Quantitative monitoring

Manatū Hauora is committed to monitoring a set of measures to track progress and provide a broad view of system performance against the four Whakamaua objectives:

- accelerate and spread the delivery of kaupapa Māori and whānau-centred services
- shift cultural and social norms
- reduce health inequities and health loss for Māori, and
- strengthen system accountability settings.

Achieving these objectives will contribute significantly to realising the high-level outcomes for Māori health and wellbeing in Whakamaua. The annual Whakamaua dashboard provides a broad view of the current state of the health system's performance through 13 quantitative measures against the four objectives.

Evaluative monitoring

Manatū Hauora and the Health Research Council of New Zealand jointly commissioned an independent Māori-led research team to assess Whakamaua, complementing the Ministry's internal monitoring. The research team will provide evidence of progress

on the outcomes and objectives of Whakamaua, guided by its eight priority areas: Māori–Crown partnerships, Māori leadership, Māori health and disability workforce, Māori health sector development, cross-sector action, quality and safety, insights and evidence, and performance and accountability. The research will examine progress at four levels: policy and implementation; governance and provision of primary health care for Māori; impact on iwi, Māori and Māori-led provider organisations; and impact on Māori health outcomes.

Houhia – Equity by Design

Houhia is a flagship project under Whakamaua and aims to design practical, valuable and impactful health equity and Tiriti tools and solutions to shape and embed pro-equity and Te Tiriti centric thinking, practice and behaviour across the entire health system.

Phase one (discover) was a partnership between Manatū Hauora and Te Tāhū Hauora (Health Quality and Safety Commission). By employing a highly creative, iterative, and immersive co-design approach we engaged over 180 people across the health system to produce the following artefacts:

- a stocktake to understand what equity and Te Tiriti tools currently exist
- a horizon scan to determine future opportunities, including digital and technological possibilities, and examples of best and next practice in equity across Aotearoa and the world
- user personas – fictional characters that represent the diverse end user (health workforce) experience by way of determining their level of understanding and application of equity and Te Tiriti, pain points, strengths and motivations
- a review of the Health Equity Assessment Tool (HEAT) to determine the utility, usability and desirability of HEAT and recommendations for improvement.

These phase one artefacts provide a strong foundation for the design and prototyping phases of Houhia and are a key component of monitoring health system outcomes and the effective functioning of the system.

Ao Mai te Rā

As kaitiaki of the system and as part of the implementation of Whakamaua, Manatū Hauora has made a commitment to addressing racism and discrimination in all its forms with a view to creating an environment where all people can access the health care they need to live and thrive without fear of racism. Ao Mai te Rā: the Anti-Racism Kaupapa provides an evidence-based foundation to address racial health inequity and by the end of phase one of this kaupapa Manatū Hauora had successfully delivered:

- a formal position statement and working definitions for racism and anti-racism in our health system
- an anti-racism video and podcast series to humanise the issue of racism and its impacts on health equity and health outcomes
- three supporting literature reviews that bring the evidence

together and inform the definitions of what racism is and what effective anti-racism action looks like in a health system

- Whiria te Muka Tangata: the Anti-Racism Systems Change Model which weaves together the recommendations from the three literature reviews and proposes a systems-change approach to addressing racism in the health system.

Phase two of the kaupapa is a design and delivery phase, which builds on the foundational work established in phase one and focuses on supporting individuals and institutions in health settings to take action against racism in the health system. This phase will include working with our health sector partners to develop a communications approach that pulls people into a new way of thinking as well as testing and refining Whiria te Muka Tangata.

Monitoring role

Supported the Minister of Health and entity monitoring

Manatū Hauora monitors all eight health Crown entities:

- Te Whatu Ora | Health New Zealand
- Te Aka Whai Ora | Māori Health Authority
- Te Tāhū Hauora | Health Quality & Safety Commission
- Health Research Council
- Te Hīringa Mahara | Mental Health and Wellbeing Commission
- Health and Disability Commissioner
- Te Pātaka Whaioranga | Pharmac
- New Zealand Blood and Organ Service

Entity boards and the Health and Disability Commissioner are accountable for driving and monitoring performance and ensuring entities can tell a strong performance story, linking their activities to the delivery of government priorities and system outcomes. In our monitoring role, we assess plans and performance and providing assurance to responsible ministers on the boards' effectiveness in this role. We have a shared understanding with each Crown entity of its monitoring roles and functions.

Engagement with Te Whatu Ora and Te Aka Whai Ora on developing their plans to support and enable effective monitoring has started; collaboration will continue over the following months. Monitoring approaches are already established for the six health entities that existed before 1 July 2022.

Engagements to support monitoring

Te Whatu Ora and Te Aka Whai Ora

The Director-General of Health regularly attended Te Whatu Ora and Te Aka Whai Ora board meetings to discuss strategic direction. She also separately met with board chairs fortnightly for free and frank discussion on emerging concerns and risks that may impact each entity's performance or progress against Government priorities. These meetings were also a regular opportunity for relational and peer support discussion.

Chief executives of the other entities

We have been meeting with entity senior officials to seek and share information and maintain open communication. At these meetings, we can discuss concerns we have raised with chief executives and/or chairs for awareness and influence, and the entities can share strategic issues or support needs.

Monthly discussions at this level have covered financial and service performance, commissioning in key areas (workforce, employment relations, planned care, acute pressures, capital and infrastructure, mental health), risks and establishment processes.

Monthly and quarterly progress and performance discussions are part of the regular cycle of engagements that enable us to inform the Minister of entity performance and assurance.

The six specialist health Crown entities

During 2023/24 we held regular engagements with each of the six specialist entities at board, executive and subject-matter expert levels as part of our assurance function to discuss delivery against expectations, board processes and how these entities were managing risks and issues. These engagements, alongside regular entity reports, informed our quarterly reports to ministers on how well entities are meeting performance expectations.

Reporting

We have been actively strengthening our processes and relationships to give ministers and the public confidence in performance reporting.

During 2022/23 we supported the responsible ministers for each entity to set and agree expectations through ministerial letters of expectation, and to agree what entity information to include in Budget processes and estimates.

Each entity provided regular performance reports on its progress to deliver on agreed expectations. Manatū Hauora supported entity meetings with ministers and updated ministers on each entity's performance.

We supported all eight health Crown entity boards to produce 2023/24 statements of performance expectation and statements of intent that tell a clear story of their expected performance.

Te Aka Whai Ora, Te Whatu Ora and Te Hiringa Mahara I Mental Health and Wellbeing Commission (MHWC) were not required to provide a Statement of Intent (SOI) for the 2023/24 year. New Zealand Blood and Organ Service and Pharmac are yet

to publish their 2023/24 and SOIs. Manatū Hauora continues to remind them of this requirement.

For the Statement of Performance Expectations (SPE) Health Research Council, New Zealand Blood and Organ Service and Pharmac are yet to publish their SPEs and have been reminded by Manatū Hauora to do so. The SPE for Te Whatu Ora was published on 7 July 2023.

Manatū Hauora supported Te Whatu Ora and Te Aka Whai Ora to develop their first Statement of Performance Expectation and Statement of Intent. The entities' initial SPE lacked the level of financial detail expected and were presented to parliament under the condition of updates being provided and presented to parliament with more complete information.

Supporting the entities

In 2023 Manatū Hauora began developing a Quality Governance Programme to assure the Minister that the health Crown entity boards are supported in terms of their capability, connections and behaviours to govern their entities effectively.

We are working with Te Kawa Mataaho | Public Service Commission to deliver an induction event in the first quarter of 2023/24 for new appointees to entity boards, and ongoing support. We are also planning in-person events that will bring board chairs and chief executives together to foster whanaungatanga, share their views on system performance and discuss strategic issues and challenges.

Crown entity appointments/ diversity of appointments and process improvement

Manatū Hauora supports ministers and the Governor-General to make good appointments to over 500 different statutory roles in the health system including Crown entity boards (eg, Te Whatu Ora), regulatory authorities (eg, the Medical Council), ethics-related committees (eg, the National Ethics Advisory Committee) and tribunals (eg, the Health Practitioners Disciplinary Tribunal).

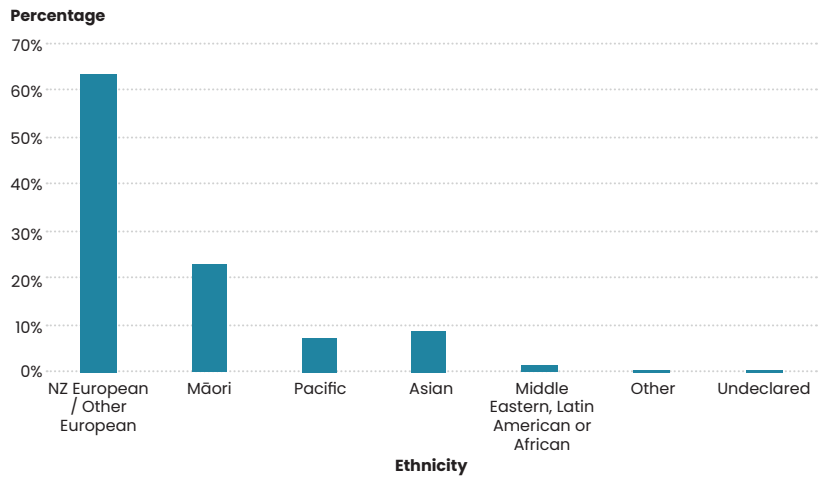
In 2022/23 we supported ministers to make several significant appointments, including the new chairs for Te Whatu Ora and Te Tāhū Hauora | Health Quality & Safety Commission. Supporting the appointment of suitably qualified candidates to these roles is at the heart of health system governance, enabling boards to function effectively.

We have continued to focus on attracting diverse candidates for ministers to consider for appointment to these statutory roles. A vital part of the function is ensuring the recruitment and appointment process honours Tiriti, addresses equity and more broadly achieves boards that represent the populations they serve and support delivery of pae ora.

In line with priority area two of Whakamaua, we are seeking to increase Māori representation in governance roles as part of incorporating Te Tiriti principles into our mahi. We are also focused on increasing the representation of other population groups and people with lived experience of the health system on boards.

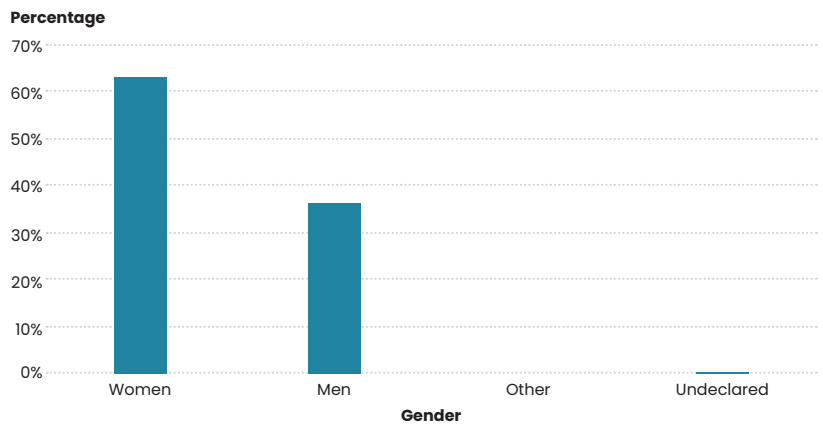
The graphs below show the total ethnic and gender makeup of health statutory appointees as at 30 June 2023 (excluding some technical committees such as the Medicines Classification Committee and the Medicines Adverse Reactions Committee).

Figure 2: Health statutory appointments by ethnicity as at 30 June 2023



Note: Some appointees identify (and are counted) as more than one ethnicity.

Figure 3: Health statutory appointments by gender as at 30 June 2023



Enabling and supporting the ongoing improvement of health outcomes, quality and safety

Adjusted regulatory frameworks and procedures to align with Te Whatu Ora, Te Aka Whai Ora and Whaikaha

Regulation is a key feature of our health system. It creates standards for services and products and protects the people who use and administer them. To operate effectively, all the parts of our regulatory system need to work together. Following the health system reforms, Manatū Hauora adjusted our regulatory frameworks and procedures to ensure they work well with equivalent frameworks and procedures within the other entities.

A key early milestone was transferring COVID-19 aged residential care work to Te Whatu Ora. Occurring shortly after the reforms began, this transfer allowed teams with frontline experience to deliver patient care and make on-the-ground decisions, enabling a highly nimble service. This meant people could trust that their loved ones were receiving the highest level of care.

Auditing is important, it tells us what is working well and what needs improving. When we identify issues, we need to develop a clear process for handling them, especially when multiple agencies are involved.

In late 2022 we established a new escalation process with Te Whatu Ora for high-risk audit findings (such as staff shortages) in public hospitals. Under this process our HealthCERT team monitors progress as Te Whatu Ora comes up with strategies to solve identified problems. This provides clear lines of accountability across both entities, ensuring no steps are missed. It gives the public confidence that we are addressing important issues in public hospitals.

Progressed the development of a quality management system for radiation safety, which will enable internal, external and international auditing and consistent advice

The Office of Radiation Safety (ORS) is developing a quality management system based on Standards New Zealand requirements. This system helps us be more consistent and transparent and have continuous improvement. It consists of documents at three levels that describe our auditing processes. Level one and level two documents establish a platform for the quality management system. Level three documents specific functions and processes for the ORS.

We have completed and put in use all the level one and level two documents. We are developing our level three documents with 17 process descriptions being developed and in use. The documents are already improving the consistency, accuracy and efficiency of our work.

Progressed the development of a programme to modernise ethics regulations, guidelines, and infrastructure

It has been a decade since the last reform of how the health research ethics committees in New Zealand operate, and we decided it was timely to review the system to ensure it remains robust and responds to recent changes in the health sector. We had been making constant smaller improvements, but this review would allow a broader consideration of the system with the goal of maintaining efficiency and accommodating new legislation being enacted, reviewing more complex research, and meeting increasing demand.

The focus of our initial work has been to understand what parts of the system are currently working well, where the challenges are, and how those who use the ethical review system see it developing. We have worked with expert internal and external groups and conducted a survey to hear from the research sector directly. We are currently analysing this information and are using it to understand what capability and capacity the system will need in five years' time and what we will need to do in the next couple of years to achieve that. We will have completed this detailed analysis and planning phase by the end of 2023 and will start the different workstreams in the programme of modernisation in early 2024.

Enhanced pharmacovigilance by implementing a new information system to collect and analyse adverse reactions to therapeutic products by June 2023

The pharmacovigilance transformation project created a new information system to collect and analyse data about adverse reactions to therapeutic products. This included:

- building a new database and associated webform
- implementing new processes at the Centre for Adverse Reactions Monitoring (CARM), University of Otago
- recruiting new staff into Medsafe, and
- updating Medsafe's quality system.

At the end of June 2023, the database had been piloted for COVID-19 vaccine reports for about six months. This allowed CARM and Medsafe to identify useful enhancements to the database and modify processes to ensure timeliness and quality. Medsafe had recruited most of the new staff required and had a draft operating procedure. The project is running well and is expected to deliver the required tools to enhance the pharmacovigilance system.

Progressed once-in-a-generation reforms to regulation of therapeutic products

In the past year, Manatū Hauora has made significant progress in reforming the regulation of medicines, medical devices, natural health products and active pharmaceutical ingredients.

Current regulation of these products – collectively called 'therapeutic products' – is fragmented or relies on outdated legislation, such as the Medicines Act 1981.

The Therapeutic Products Bill, which the Ministry began developing in 2014, will replace the Medicines Act and put in place a modern, comprehensive regulatory regime for therapeutic products. The flexible regime will appropriately regulate existing and new health technologies, such as gene and cell therapies, medical software (leveraging advances in AI and machine learning) and 3D printers.

Consumer safety is central to the Bill. The new regime will protect, promote and improve the health of all New Zealanders. It will better protect people against products marketed with unfounded or misleading claims.

Important work in this regard 2022/23 has involved amending the Bill so that the way it applies to rongoā Māori and small-scale manufacturers of natural health products upholds Te Tiriti and appropriately reflects their public health risks.

In November 2022, we reached a major milestone the Bill's introduction to Parliament. When referred to the Health Committee, it received over 16,500 submissions – underscoring how important its issues are in the eyes of the public and industry.

The Bill had its third reading in July 2023. Planning for its implementation and future regulator commenced in early 2023.

Implemented Ngā Paerewa Health and Disability Services Standard

Service standards are an important regulatory tool in setting out requirements we must meet to deliver a safe, high-quality service.

In February 2022, the Ngā Paerewa Health and Disability Services Standard (NZS 8134:2021) (Ngā Paerewa) replaced four previous health standards. Amalgamating them into one standard removes duplication and provides a wide range of health and disability providers and settings with a consistent standard.

We phased in implementation of Ngā Paerewa so service providers could adjust. Grace periods were used as a learning opportunity, during which providers were audited with no punitive outcome.

Keeping the transition period smooth involved considerable behind-the-scenes work. We updated documentation and maintained regular, clear communications with providers and designated auditing agencies.

Another Ministry role is training service providers on Ngā Paerewa so that everyone understands their responsibilities. In May 2023, we released the second Ngā Paerewa eLearning module to support providers to meet their Tiriti and cultural safety requirements. Like the first module, it was developed in partnership with the sector and Te Apārangi: Māori Partnership Alliance. Its development drew on the latest research and resources in anti-racism, cultural responsiveness and Tiriti application in the health sector. It dives deeper into meaningful actions providers can take to base their services in Te Tiriti and embed change in their service delivery using strategies and policies.

We've also updated the Ngā Paerewa sector guidance for those who wanted additional support to meet the new requirements. This guidance supports each service type to interpret how Ngā Paerewa criteria apply in their setting. HealthCERT worked with Te Apārangi and our Te Pou Hauora Māori – Māori Health directorate to align updated sector guidance on Te Tiriti and cultural responsiveness with the latest research and best practice.

Maintained the Medicinal Cannabis Scheme

The Medicinal Cannabis Scheme was introduced on 1 April 2020 to improve access to medicinal cannabis products that help New Zealanders with a range of medical conditions.

Under the Scheme, during 2022/23:

- the Medicinal Cannabis Agency issued a total of 54 medicinal cannabis licences (4 to new licence holders and the remainder to amend or renew existing licences)
- 7 new medicinal cannabis products were verified as meeting the minimum quality standard
- a further 23 changes to verified medicinal cannabis products and cannabis-based ingredients were processed
- 6 consignments of starting material for export were verified as meeting the minimum quality standard.

As of 31 May 2023, a total of 43 current medicinal cannabis licence holders and 30 medicinal cannabis products were verified as meeting the minimum quality standard. Of the 30 products now available, seven are cannabidiol (CBD) products and the others contain either tetrahydrocannabinol (THC) only or a combination of CBD and THC. The variety of product formulations available include oral liquids, sublingual solutions, teas for oral consumption and dried products for inhalation via a vapouriser.

The Medicinal Cannabis Agency has been reviewing the Medicinal Cannabis Scheme. The key focus is appropriately balancing compliance requirements to better support the industry's economic and research activities without affecting patient safety. This will give our local industry a more sustainable footing and allow the Scheme to operate as intended.

Embedded the assisted dying and abortion services and associated regulatory practice

Before the health system reforms, Manatū Hauora had entire responsibility for both assisted dying and abortion services. On 6 March 2023 the operational parts of both services transferred to Te Whatu Ora.

Assisted dying services

The Ministry has retained oversight and regulation of the End of Life Choice Act 2019. This includes the assisted dying compliance process completed by the Registrar (assisted dying). We continue to oversee the functions and operations of the End of Life Choice Act's two statutory committees: the Support and Consultation for End of Life in New Zealand Group and the End of Life Review Committee.

Having begun in November 2021, the assisted dying service is relatively new. In 2022/23, our work focused on ensuring the quality and safety of the service for both consumers and practitioners.

This included providing accurate, high-quality information so people can make informed decisions about whether to use or provide the service. For example, we developed a handbook with a strong cultural safety focus to support practitioners when working with service users and their whānau.

We also provided opportunities for practitioners to share experiences, network and practise skills to deliver the

service. This included hosting a forum in November 2022 and establishing communities of practice.

In 2022/23, the Ministry provided advice on implementing assisted dying services internationally, presented at conferences and shared the Aotearoa New Zealand experience with assisted dying trans-Tasman committees. We received positive international feedback on the legislation, associated policy settings and delivery of services.

Abortion services

A key achievement for abortion services was developing and launching the DECIDE national abortion telehealth service on 1 November 2022. This improves access and information for those seeking abortion care, regardless of where they live. We also established a contract with the New Zealand College of Sexual and Reproductive Health to train providers in primary care.

Since 7 March 2023, we have led regulatory stewardship and are responsible for overseeing the Contraception, Sterilisation, and Abortion Act 1977 (the 1977 Act), covering safe areas, national data collection, reporting, counselling and conscientious objection. In collecting and collating reports from all national abortion services, we are using the data to provide insights for services for example by publishing an annual report on national service provision and trends.

A March 2022 amendment to the 1977 Act allows safe areas of up to 150 metres to be created around abortion service providers' premises. These areas aim to protect the safety, wellbeing, privacy and dignity of people who are accessing or providing abortion services. Prohibited behaviours within a safe area include protesting about abortion or attempting to dissuade people from accessing abortion services.

Since this amendment, Manatū Hauora has established an application process for creating safe areas, which includes visits to providers who have applied and a panel to consider applications. The Minister of Health takes our recommendations through the government process, which is critical because each safe area will be established in regulations under the 1977 Act.

We have been working with the Ministry of Justice to understand the implications of safe areas under the New Zealand Bill of Rights Act 1990. This helps balance freedom of expression against protecting people who access or provide abortion services.

We have also worked closely with New Zealand Police to understand enforcement and operational implications and to ensure clear communication for both providers and those wanting to protest.

The two application rounds in 2022/23 drew six providers in the first and five in the second round. In actively processing all applications, we anticipate that safe areas from round one will be established in August 2023 and from round two in September/October 2023.

We will open application rounds for providers approximately two or three times every year.

Continued to implement previously established strategies

Alongside the health system reform, we continue to work on implementing previously established strategies to improve health outcomes for New Zealanders and strengthen existing structures. We also continue to examine how we work to ensure we keep focused on priority areas.

Kia Manawanui Aotearoa: Long-term pathway to mental wellbeing

The 2021 launch of the Government's 10-year strategy Kia Manawanui Aotearoa: Long-term pathway to mental wellbeing set out the whole-of-government commitment to transform New Zealand's approach to mental wellbeing. In the last 12 months, we have made good progress in delivering on the commitments outlined in Kia Manawanui by:

- developing and publishing the Oranga Hinengaro System and Service Framework, which gives guidance and sets expectations for the availability of mental health and addiction services over the next 10 years
- leading work on the new mental-wellbeing priority in the Government's Child and Youth Wellbeing Strategy
- fostering the Lived Experience Knowledge Network to ensure lived experience perspectives inform policy and initiative development
- releasing revised guidance on using seclusion and restraint when working with people under the Mental Health (Compulsory Assessment and Treatment) Act 1992. The guidelines focus on person-centred approaches grounded in the principles of te ao Māori and human rights.

We are working closely with Te Whatu Ora and Te Aka Whai Ora on implementing Kia Manawanui, as they continue to expand mental health and addiction supports, and services and the mental health workforce. A strong focus remains on building supports within the community for people experiencing mental distress or harms related to substance use or gambling.

Suicide Prevention Leadership

The Suicide Prevention Office provides ongoing national leadership for Every Life Matters – He Tapu te Oranga o ia Tangata, the national suicide prevention strategy and action plan. It remains based within Manatū Hauora following the health system reforms.

Polynesian Health Corridors

Mental health services are under-resourced in the Pacific region, partly because of a lack of information about the scale of mental health and its impact on Pacific populations.

The Polynesian Health Corridors programme within the Public Health Agency is funded by the Ministry of Foreign Affairs and Trade. It was set up to strengthen linkages between Aotearoa New Zealand's health system and the Cook Islands, Niue, Samoa, Tokelau, Tonga and Tuvalu. It aims to strengthen health systems to improve health outcomes for Polynesian people and communities.

In 2021, health leaders in the Polynesian countries endorsed mental health as a focus area of the programme. In June 2022, the Polynesian Health Corridors team commissioned the University of Auckland to deliver a Pacific mental health survey research project in Samoa, Tonga and Tuvalu.

The research project is being co-designed with Pacific health and research professionals so project ownership can be fully transferred to Pacific countries after initial work with the University of Auckland. In-country research in Samoa concluded in mid-2023 and further research phases will soon roll out in Tonga and Tuvalu.

The Samoan research phase was designed and delivered in partnership with Samoa's Ministry of Health, Goshen Trust and Ministry of Women, Community and Social Development. The survey covered a random sample of 590 adults aged over 18 years living in 21 villages across Samoa's four districts.

The research process highlighted the need for localised psychological tools that more accurately and sensitively measure people's lived experience of mental health disorders in the Pacific region. It demonstrated that collecting qualitative data alongside the survey would enrich future research on psychological distress and mental health disorder in Polynesia. Research findings will be included in a final report when the project ends in May 2024.

This is only one of range of ways that the programme is helping enable healthcare improvement across the participating countries. In 2022-23, the programme helped facilitate an agreement to donate antiviral therapeutics to Cook Islands, Niue, and Tokelau, helped establish a new partnership with Pharmac to access vaccines for partner countries to June 2024, supported a workstream to delivery access to essential medicine for participating countries and helped organise a range of international engagements and outreach events and opportunities. Cancer Control is also a new area of focus, with PHC engaging a supplier and working with countries on the design of a Cancer Control workstream, with implementation due to commence in the first half of 2024.

Continued response to COVID-19

Continued COVID-19 and National Immunisation Programme research

In April 2022, Manatū Hauora made available \$9.6 million to fund research on the ongoing impacts of COVID-19 and future pandemic responses, including vaccine uptake. In total, 23 researchers across New Zealand, from agencies including universities and local Māori and Pacific community and health providers, received funding. The successful projects are exploring how whānau, communities and the health system responded to the COVID-19 pandemic; the immunisation programme rollout; ventilation; long COVID; childhood immunisation; and impacts on aged residential care, Māori communities, Pacific communities and disabled communities.

We will host a symposium in November 2023 at which researchers can share their preliminary findings along and actionable insights. We anticipate that their findings will inform current pandemic preparedness planning and roll-out of the national immunisation programme.

Our rapid commissioning round for this research will inform a wider work programme aimed at establishing an end-to-end, agile commissioning and prioritisation framework for research. It will also inform our benefits realisation work in 2023/24 to translate research findings, where appropriate, into decisions, strategies and practice, enabling the ongoing improvement of health outcomes, quality and safety.

Oversaw the public health response to COVID-19

Public Health Agency kaimahi have held numerous responsibilities in supporting the COVID-19 response, including hosting technical advisory groups that inform the response with latest evidence, producing COVID-19 reporting and analysis and providing policy advice. The Public Health Agency's priorities continue to develop to meet the evolving needs of the response, and to build on lessons learnt and capabilities developed during the pandemic. The Office of the Director of Public Health and the Intelligence, Surveillance and Knowledge Group have regularly supported fast-paced delivery of evidence-based information and advice requested by Ministry staff and government officials.

The team provided evidence to support the development of public health interventions including masking, isolation and social distancing recommendations and requirements. It was responsible for answering both public and parliamentary questions in relation to COVID-19 testing, vaccination and therapeutics.

Developed the series of Māori health COVID-19 response plans, monitoring reports and sector pānui

Demonstrating a commitment to Te Tiriti and Māori health equity remains a critical priority in the COVID-19 Māori health response. In March 2023, Manatū Hauora published the 2021 COVID-19 Māori Health Protection Plan: December 2022 Monitoring Report, as part of a suite of strategic documents that guided Manatū Hauora and the health sector in responding to COVID-19 for Māori.

The COVID-19 Māori Health Protection Plan provided an updated framework, informed by Te Tiriti, to protect whānau Māori from the impacts of COVID-19.

We increased communications tailored for and with Māori, increased funding for targeted outreach and whānau-centred vaccination services, distributed personal protective equipment and rapid antigen tests and supported whānau through the Care in the Community programme.

Monitoring the impact of COVID-19 on Māori health has been integral to informing the health system's evolving response to give effect to the principles of Te Tiriti. The data presented in the Monitoring Report shows where equity for Māori has improved.

Māori still experience inequities in terms of COVID-19 hospitalisation rates, numbers of deaths and vaccination uptake, particularly among Māori aged 60 to 69 years. Monitoring of wider health system performance under the Plan indicates that COVID-19 has exacerbated health inequities for Māori in areas such as childhood immunisation rates.

Plan monitoring has affirmed the value of Māori community-led solutions and putting equity at the centre of the Māori COVID-19 response. Plan-related work has also highlighted the importance of data, research, monitoring and knowledge sharing to improve responsiveness and ensure accountability to Māori.

Monitoring health outcomes and the effective functioning of the system

Undertook system-wide performance monitoring

As chief system steward, Manatū Hauora has a key role in the reformed health system to monitor system performance over time. Health system performance is the collective impact of all the system's elements, including entities, working together to achieve health outcomes.

The current focus of our monitoring role is on supporting the establishment of Te Whatu Ora and Te Aka Whai Ora, ensuring the stability of and access to health services, reporting on priority actions and demonstrating early progress on reform objectives. Manatū Hauora receives the entities' monthly and quarterly reporting and has an opportunity to provide advice to ministers on progress and priorities.

With the intelligence we have gained through monitoring, we work with health entities to identify issues affecting the system and the parties able to influence those issues. In particular, regular analysis and reporting of service performance data to provide additional advice to ministers while Te Whatu Ora established monitoring and reporting teams and processes.

We then work with ministers and partners within the health sector and across government to adjust the system.

A health system performance framework for the reformed system is under development. An initial set of dashboards and reports regularly provides a picture of system performance through a mix of short-term health service metrics and longer-term health and system outcomes that link to strategic goals and shared responsibility across entities.

Data and analytics

We have continued to support the new entities with existing core products and the reports we need to understand and monitor operational and system-level performance, including health system indicators, system level measures and reporting from national collections data. When Te Whatu Ora was established, we provided a comprehensive handover detailing issues that we had previously identified, as well as direct and continued analytical support, advice and guidance on the areas of responsibility that moved to Te Whatu Ora.

Our analytics teams are providing support and resource to Te Whatu Ora, particularly in terms of hospital services and system level measurement, as it develops this national analytics function.

We are partnering with Te Whatu Ora to deliver a project plan that provides confidence in the new entity's data quality and reporting processes. We expect this project to continue until October 2023.

Measures of performance

We have advised the Minister on reducing the number of measures in our 2023/24 monitoring arrangements and ways to bring focus including by implementing a new set of Ministerial Priority Measures.

Various sets of measures, interim GPS, Health System Indicators, Whakamaua had been developed for the previous as well as the current health system. Each of these measures sets had a different focus and intent. Although some measures in these sets overlapped, the volume of measures scattered attention. Streamlining the measures enables us to get a more a coherent picture of performance.

Progressed the development and testing of new system measures for financial sustainability and productivity to support monitoring and policy development

The new system measures for financial sustainability and productivity are on a two-year development path. During 2022/23 the focus has been on understanding practice and evidence from other jurisdictions and New Zealand's own past practice and in 2023/24 expect to see the development of the bespoke New Zealand measure.

Developed a Health Infrastructure Investment Monitoring Framework

As monitor of the health Crown entities, Manatū Hauora ensures entities and their boards are equipped and supported to provide requested information to the minister to give assurance and insight. Infrastructure reporting by Te Whatu Ora was identified as an area needing further support.

To strengthen infrastructure reporting, and to enable Manatū Hauora to fulfil the infrastructure monitoring aspect of its role, during 2022/23 we developed a Health Infrastructure Investment Monitoring Framework for Te Whatu Ora, in consultation with Te Whatu Ora, the Treasury, the Department of the Prime Minister and Cabinet and Te Waihanga –New Zealand Infrastructure Commission.

The Framework is in line with government expectations, giving assurance that Te Whatu Ora can improve infrastructure management because it has:

- ensured the appropriate settings and structures to support investment and asset management
- continuously improved investment planning and supported decision-making
- delivered approved projects, and undertaken planning for prioritised projects.

The Framework reflects the maturity journey of Te Whatu Ora. The expectation is that reporting will be improved in 2023/24, once the Infrastructure Investment Plan and National Asset Management Strategy are in place and the Infrastructure Operating Model is implemented.

Created a purpose-built, online portal, Tātai

In line with the intent of He Korowai Oranga and Whakamaaua, the health system, with support from Māori and other agencies, is seeking to routinely invest in Māori health insights and evidence. Manatū Hauora has led a project to create Tātai, an online portal that enables Māori to share iwi affiliations with iwi and government. Governance has been provided by Māori data experts from Data ILG, Te Puni Kōkiri, the Ministry of Education, Stats NZ and Te Whatu Ora. Accurate, reliable iwi affiliation data helps improve our understanding of the problems Māori face, and supports the case for system transformation.

The first phase of this project was to create Tātai (the site went live in September 2021) and to begin to collect iwi affiliation data. In the past year, we completed the second phase by socialising Tātai across the sector and beyond. Finally, in partnership with iwi and hapū, we will transfer governance and management of the data back to iwi for use by iwi and Manatū Hauora. The project team is currently engaging key stakeholders and partners across the sector and the motu to increase visibility of this kaupapa and encourage more whānau to share their information.

The resulting Māori data set, developed with Māori for Māori, will be used to enhance equity and support better health outcomes for Māori. Māori health insights and evidence are essential for validating and affirming Māori solutions and Māori ways of knowing and doing, and understanding the needs of Māori. Tātai will ultimately identify where Māori are throughout Aotearoa so we can deliver appropriate health care to iwi, hapū and communities in need.



Outcome measure and Health System Indicators results

Manatū Hauora has used the Health System Indicators to measure system performance for 2022/23. Although the Ministry's direct contribution to the specific indicators is limited, these measures do represent key elements and evidence for monitoring the performance of the health system and are relevant to the Ministry's own functions and objectives.

Outcome measures

The outcome measure 'independent life expectancy' has not been reported because results are dependent on data gathered in the Disability Survey which was last undertaken in 2013.

Additionally, the outcome measure for decrease in the 'rate of growth in health spending over time' has been removed due to changes in the Government priorities and strategic focus for the health sector.

Finally, the outcome measures 'health-adjusted life expectancy' and 'disability-adjusted life year' present the latest results available and are the same as reported in our 2021/2022 Annual Report.

Health-adjusted life expectancy improves over time

Measures Health-adjusted life expectancy is the number of years a person at birth can expect to live at a given age in good health taking into account mortality and disability.

Target Improved results for male/female

Results People in New Zealand live longer in good health but spend a higher proportion of their lives with disability.

Health-adjusted life expectancy⁶

	2019 ⁷	2018	2017	2016	2015	2010	2000	1990
Female	70.3	70.3	70.4	70.4	70.3	70.0	68.3	66.1
Male	68.9	68.9	69.1	69.1	69.0	68.4	65.9	63.3

6 Results from prior years have been updated as the estimates are recalibrated and re-estimated based on new information, data and methods each year. See: ghdx.healthdata.org/gbd-results-tool

7 These are the latest results available and are the same as reported in our 2021/22 Annual Report. These results are produced by the Institute for Health Metrics and Evaluation (IHME). The IHME have experienced delays in finalising modelling and estimation for recent rounds as COVID-19 excess mortality and other pandemic-related outcomes have been challenging to estimate.

Life expectancy increases over time

Measure Life expectancy at birth as an indicator of the number of years a person can expect to live, based on population mortality rates at each age in a given year/period.

Target Improved results for male/female and Māori/non-Māori.

Result Life expectancy is a summary measure of mortality. Although the long-term trend for New Zealand continues to be upward the rate of growth has slowed markedly for women since 2010 and men since 2018. Improvements in Māori life expectancy at birth since 1995–97 have narrowed the gap between Māori and non-Māori.

Life expectancy at birth (years of life)⁸

	2020–22	2019–21	2017–19	2012–14	2005–07	2000–02	1995–97
Female	84.0	84.1	83.5	83.2	82.2	81.1	79.7
Male	80.5	80.5	80.0	79.5	78.0	76.3	74.4

Ethnicity and sex⁹

	2017–19	2012–14	2005–07	2000–02	1995–97
Māori female	77.1	77.1	75.1	73.2	71.3
Māori male	73.4	73.0	70.4	69.0	66.6
Non-Māori female	84.4	83.9	83.0	81.9	80.6
Non-Māori male	80.9	80.3	79.0	77.2	75.4

Please note, caution should be taken with comparisons to 2012–2014 period life tables, particularly for the Māori ethnic group due to apparent under-estimation of the Māori ethnic group suggested by the revised Māori population estimates.

Life expectancy figures for 2019–2021 and 2020–22 are an interim indication of trends from abridged period life tables. All other figures are based on complete period life tables.

Decrease age-standardised disability-adjusted life years (DALYs) per 1,000 people

Measure DALY is an abbreviation for disability-adjusted life year. One DALY represents the loss of one year lived in full health. DALYs include health losses from premature mortality and years lived with a disability based on severity. It allows policymakers, researchers and others to compare very different populations and health conditions across time. DALYs allow us to estimate the total number of healthy years of life lost due to specific causes and risk factors.

The age standardised DALY rate is the raw DALY rate adjusted for differences in the age distribution of different populations and is used for population comparisons (for example, between different periods or different countries).

Target Decrease

Result Age-standardised DALY rates per 1,000 decreased from 1990 until 2019. As the population is growing and ageing, the absolute number of DALYs has slowly increased from 1,039,768 in 1990 to 1,215,774 in 2019.

8 Data in this table is available at the following locations: 1995–97 to 2017–19: stats.govt.nz/information-releases/national-and-subnational-period-life-tables-2017-2019. 2019–21: stats.govt.nz/information-releases/births-and-deaths-year-ended-december-2021-including-abridged-period-life-table. 2020–2022: stats.govt.nz/information-releases/births-and-deaths-year-ended-december-2022-including-abridged-period-life-table

9 National and subnational period life tables: 2022–2024 will be released in 2025.

Disability-adjusted life years (DALYs) per 1,000 people¹⁰

	2019 ¹¹	2018	2017	2016	2015	2010	2000	1990
Female	198	197	197	196	198	204	224	257
Male	217	217	215	215	217	227	267	319
Total	207	207	205	205	207	215	244	286

Life expectancy by health spending per capita compares well within the OECD

Measure	New Zealand maintains its position within the Organisation for Economic Co-operation and Development (OECD), balancing relatively high life expectancy outcomes with relatively modest health expenditure.
Target	Maintain OECD position
Results	In 2021, New Zealand ranked 14th out of the 35 OECD countries who reported on life expectancy at birth. With regard to this indicator New Zealand continues to maintain a relatively high life expectancy, among other comparable countries and is ranked in the top half of countries within the OECD countries. Small fluctuations in the rank position of New Zealand among these other similar countries over time does not necessarily reflect an improving or declining life expectancy relative to the other OECD countries. New Zealand's improved life expectancy in 2020 reflected reductions in life expectancy for many OECD countries due to the COVID-19 pandemic. Since 2015 New Zealand's expenditure on health care ranks 18th or 19th out of the 38 OECD countries. Health expenditure is measured per capita in terms of current prices and current purchasing power parities ¹² .

OECD life expectancy and health expenditure – position out of OECD countries¹³

	2021	2020	2019	2018	2017	2015	2010	2005
Life expectancy at birth	14th of 35	11th equal of 37	16th equal of 38	19th equal of 38	14th equal of 38	14th of 38	13th equal of 38	12th of 38
Health expenditure	18th of 38	19th of 38	19th of 38	19th of 38	19th of 38	19th of 38	20th of 36	21st of 36

10 Prior year results have been updated as the estimates are recalibrated and re-estimated based on new information, data and methods each year. Available at: ghdx.healthdata.org/gbd-results-tool for more information.

11 These are the latest results available and are the same as reported in our 2021/22 Annual Report. These results are produced by the Institute for Health Metrics and Evaluation (IHME). The IHME have experienced delays in finalising modelling and estimation for recent rounds as COVID-19 excess mortality and other pandemic-related outcomes have been challenging to estimate.

12 Health expenditure as reported here covers expenditure on health by both government and households

13 This data was obtained from the OECD health statistics data base stats.oecd.org/index.aspx?DataSetCode=HEALTH_STAT# and extracted on 4 August 2023.

Health system indicator framework

In August 2021, the Government announced a set of health indicators that will be used to hold the entities in the new health system to account, ensuring it delivers more equitable health care for all New Zealanders.

The Health System Indicator (HSI) framework was transferred to Te Whatu Ora on 1 July 2022 as part of the Health & Disability system reform. The transfer reflected the focus of the HSI framework on local improvement planning and actions, reported through a consistent set of measures. The HSI measures have been embedded into Te Pae Tata. While the HSI framework is technically owned by Te Whatu Ora, the Ministry is still heavily involved in providing resource and reporting support for some of the measures. The Health System Indicators are also published in the Ministry's 2022–26 Strategic Intentions as a way to measure the Ministry's performance in the health system, therefore the Ministry is still required to report on them for the 2022/23 financial year.

Health system indicator framework: High-level indicators

The following indicators will be used by us to monitor the performance of the reformed health and disability system. While the reforms were not implemented until after the end of the financial year reported within this document, we are providing these indicators proactively.¹⁴

The following high-level indicators are broken down by Government priority:

- improving child wellbeing
- improving mental wellbeing
- improving wellbeing through prevention measures
- creating a strong and equitable public health system
- providing better primary health care
- ensuring a financially sustainable health system.

Data period

For the 2022/23 year, Te Whatu Ora districts were given an extended period in which to submit their data to the National Collection used for some of these measures. Due to this extension, data for the year ending June 2023 are not available so the period ending March 2023 is reported on.

The extension reflects the time required for important process steps (summarised below), including implementing recommendations from the data review report¹⁵. The review recommended improved processes for the collection, processing and validation of data to reduce the risk of errors and provide confidence in publicly reported performance information.

Data for the 2022/23 reporting period will be reported in the annual report for Te Whatu Ora.

14 Most high-level system indicators reported here show data since 2019. December 2019 is considered the baseline against most of the indicators where we are tracking against future changes. This baseline was selected as a period prior to the COVID-19 pandemic to which the changes can be compared.

15 See www.tewhatauora.govt.nz/publications/data-review

Improving child wellbeing

Indicator results

Immunisation rates for children at 24 months of age

Indicator description Percentage of children who have had all their age-appropriate scheduled vaccinations by the time they are 2 years old.

Baseline data 14,146 2-year-old children fully immunised (91.9% of children).

Results (Percent of children fully immunised at age 24 months for the year ending 30 June)

	Baseline (Oct to Dec 2019)	12 months to Jun 2020	12 months to Jun 2021	12 months to Jun 2022	12 months to Jun 2023
All Ethnicities	91.9%	91.3%	83.3%	83.7%	82.23%
Māori	87.5%	87.1%	79.3%	69.5%	68.27%
Pacific	93.8%	93.5%	88.1%	82.2%	80.38%

Comment

Timely immunisations ensure children are protected against harmful and avoidable diseases. When community immunisation coverage is below 95%, the risk of vaccine-preventable diseases increases, particularly measles and pertussis (whooping cough). The National Immunisation Schedule (the Schedule) is a series of vaccines offered free as part of the National Immunisation Programme, with the aim of protecting children from serious diseases when they are most vulnerable.

This indicator counts those children enrolled on the National Immunisation Register (NIR) who turn 24 months old during the reporting period, that have completed all age-appropriate immunisations according to the Schedule (events currently at 6 weeks, 3 months, 5 months, 12 months and 15 months) by the age of 24 months.

Note: Immunisation status does not indicate whether the vaccinations were given on time, only if a child has had all the vaccinations they should have had by that age.

Results show a drop in coverage seen in the indicator between the baseline 2019 figure and the 2021, 2022 and 2023 results. The reduction is attributable in part to the impact of changes to the Schedule in late 2020, which included adding the 12-month event and bringing the second dose of MMR forward to 15 months, as well as disruption from COVID-19.

1. Immunisation coverage at the key 24-month milestone is 82.5 percent for the 3 months to 31 March 2023. Rates for tamariki Māori remain significantly lower than non-Māori at this age (67.6 percent, or 14.9 percentage points lower than non-Māori).
2. The National Immunisation Programme has three priority areas to boost vaccination rates across the motu; data and insights, increasing vaccination delivery, and consumer insights.

Ambulatory sensitive hospitalisations (ASH) for children (age range 0–4 years)

Indicator description Rate of hospital admissions for children under 5 years old for an illness that might have been prevented or better managed in the community.

Baseline data 20,689 potentially avoidable admissions to hospital for children under 5 years old (6,768 per 100,000 children).

Results (ASH rate per 100,000 children 0 to 4-year-olds for 12-months ending 30 June*)

	Baseline (12 months to Dec 2019)	12 months to Jun 2020	12 months to Jun 2021	12 months to Jun 2022	12 months to Mar 2023*
All Ethnicities	6,768	5,506	5,782	5,729	7,564
Māori	8,133	6,645	6,335	6,692	8,022
Pacific	12,508	10,042	9,931	10,092	14,038

* at publication of this annual report, 12 months to March 2023 is the most up-to-date data available. (12 months' data is used to take account of seasonal fluctuations in the rate).

Comment

This indicator looks at hospital admissions for a specific set of conditions that could have potentially been avoided through changes in primary, community and hospital ED settings.

As a likely consequence of COVID-19, there was a reduction in the number of ASH events between 2020 and 2022. Over the most recent period, there has been an increase in child ASH events across all ethnicities. Inequities for Māori and especially Pacific populations remain concerning and are a key focus for improvement.

Note: In June 2023 a review by the Ministry has found that children aged over 4 years but less than 5 years with certain respiratory diagnoses (wheeze and lower respiratory infection) were formerly excluded from the ASH calculation for ages 0–4. Children with any other ASH condition between 4 and 5 years old were included. We estimate that the total number of ASH events for children aged 0–4 was formerly undercounted by between 1.9 and 3.1 percent annually over the last five years.

Improving mental wellbeing

Indicator results

Under 25-year-olds able to access specialist mental health services within 3 weeks of referral

Indicator description Percentage of child and youth accessing mental health services within 3 weeks of referral.

Baseline data 69.4% of under-25-year-olds able to access specialist mental health services within 3 weeks of referral.

Results (Percentage of under 25 year olds who were able to access specialist mental health services within 3 weeks of referral for the 12 months ending 30 June*)

	Baseline (12 months to Dec 2019)	12 months to Jun 2020	12 months to Jun 2021	12 months to Jun 2022	12 months to Mar 2023*
All Ethnicities	69.4%	71.2%	71.5%	72.4%	69.2%
Māori	73.7%	75.8%	77.8%	78.5%	76.6%
Pacific	77.7%	79.0%	83.7%	85.8%	80.8%

* as at publication of this annual report, 12 month to March 2023 is the most up-to-date data available. (12 months' data is used to take account of seasonal fluctuations in the rate).

Comment

Accessing help for mental health issues for young people is associated with better outcomes and reduced disruption to important developmental tasks such as engagement in education and employment, developing and maintaining supportive peer relationships and taking on the tasks of increasing autonomy.

The indicator measures the time from referral to first in-scope contact with specialist mental health services and so relates to those young people who have the most severe mental health or substance harm issues. Whilst not all young people need to be seen urgently, the measure provides a view of service responsiveness to young people's needs within the resources they have available. Performance against the measure is impacted by a range of factors including workforce supply and capability, funding of services and services' connection to other providers in their community.

There has been no sustained improvement in the overall performance against the measure since 2019. However, the improvement for Māori and Pacific young people is encouraging. Caution should be exercised when considering the implication of these data. The national impacts of the COVID-19 pandemic had impacts on factors such as service provision and young people's reduced school attendance (where mental health issues are often identified). It is therefore likely that some of the improvement is due to fewer young people being seen.

In parallel, more service improvement initiatives have been put in place in some districts to proactively see Māori and Pacific youth sooner due to known differences in needs and severity of presentation. Delays in referral due to socio-economic impacts on the cost of access to some services, distrust in the health system, and lack of access to primary-level services would also have been worsened by the impacts of COVID-19. These impacts on service access are more likely to affect Māori and Pacific youth, resulting in increased acute presentation of symptoms. Therefore seeing relatively stable rates of average wait times over the period 2019 to 2022 also suggests proactive service access initiatives starting to offset negative impacts of COVID-19 on the capacity of services.

Access to primary mental health and addiction services

Indicator description In development.

Baseline data In development.

Comment

This measure is in development. Baseline data is being captured during 2023/24. There is now comprehensive reporting by providers and work is under way to improve data reliability by automating validation processes.

Improving wellbeing through prevention measures

Indicator results

Ambulatory sensitive hospitalisations (ASH) for adults (age range 45–64 years)

Indicator description Rate of hospital admissions for people aged 45–64 years for an illness that might have been prevented or better managed in the community.

Baseline data 48,217 potentially avoidable admissions to hospital for people aged 45–64 years (3,864 per 100,000 people).

Results (Age standardised ASH rate per 100,000 people 45 to 64-year-olds for 12-months ending 30 June*)

	Baseline (12 months to Dec 2019)	12 months to Jun 2020	12 months to Jun 2021	12 months to Jun 2022	12 months to Mar 2023*
All Ethnicities	3,864	3,689	3,713	3,556	3,662
Māori	7,578	7,233	7,074	6,655	6,918
Pacific	9,118	8,414	8,350	7,113	7,728

* at publication of this annual report, 12 month to March 2023 is the most up-to-date data available. (12 months' data is used to take account of seasonal fluctuations in the rate).

Comment

This indicator looks at hospital admissions for a specific set of conditions that could have potentially been avoided through changes in primary, community and hospital ED settings.

As a likely consequence of COVID-19, there was a reduction in the number of ASH events between 2020 and 2022 and the adult ASH rate has not returned to 2019 levels. Inequities for Māori and Pacific populations remain concerning and are a key focus for improvement.

Participation in the bowel screening programme

Indicator description Participation is an important measure for determining the acceptability and reach of a screening programme. Participation is the proportion of invited people during a timeframe that were screened.

As the bowel screening programme invites participants back every two years, participation counts invitations over a two-year period. The invitation period is a rolling 2-year period up to the reporting end date.

The results presented in the table below have yet to be included in the official health system indicator suite/dashboard.

Baseline data The bowel screening programme's target is to achieve 60% of eligible people invited return a completed FIT kit and to achieve equitable outcomes for Māori and Pacific peoples.

Results

	12 months to Jun 2020	12 months to Jun 2021	12 months to Jun 2022	12 months to Mar 2023
All Ethnicities	62.3%	61.5%	60.2%	58.7%
Māori	56.0%	54.8%	51.9%	49.5%
Pacific	42.6%	41.8%	41.3%	39.9%

Comment

The National Bowel Screening Programme (NBSP) was rolled out progressively across 20 Districts between 2017 and May 2022. The NBSP is now being offered nationwide. The participation rates provided are overall figures amongst the districts offering bowel screening at the end of December of each year.

The overall participation rate was consistently above the target of 60% during the period 2019–2021. The participation rates for Māori and Pacific peoples, however, have been lower and have not yet reached the target level. Increasing the accessibility of the programme is an ongoing focus.

The NBSP saw a downward trend in participation over the past two years, due to the impact of COVID-19.

To address programme accessibility for Māori and Pacific peoples as well as the impact of COVID-19, the NBSP has conducted several initiatives. These include:

- An ongoing national awareness raising media campaign and a primary care campaign
- COVID catch up text initiative for Māori and Pacific participants
- Developing functionality which allows providers to pre-order kits to give directly to participants
- Use of a recently redesigned bowel screening kit.

All these initiatives, which are intended to improve participation rates, have been designed with a specific focus on improving the equity of the programme through addressing the lower rates of participation amongst Māori and Pacific peoples.

Creating a strong and equitable public health system

Indicator results

Acute hospital bed day rate

Indicator description Number of days spent in hospital for unplanned care, including emergencies.

Baseline data 2,067,733 days were spent in hospital for unplanned care, including emergencies (398.6 bed days per 1,000 population).

Results (Age standardised rate of acute hospital bed days per 1,000 population for 12-months ending 30 June*)

	Baseline (12 month to Dec 2019)	12 months to Jun 2020	12 months to Jun 2021	12 months to Jun 2022	12 months to Mar 2023*
All Ethnicities	398.6	375.2	402.1	390.4	408.8
Māori	562.9	525.3	574.2	553.6	587.2
Pacific	689.0	648.2	665.1	666.3	699.5

* at publication of this annual report, 12 month to March 2023 is the most up-to-date data available. (12 months' data is used to take account of seasonal fluctuations in the rate).

Comment

This indicator looks at the demand for acute inpatient services and the burden experienced by our secondary health system. COVID-19 resulted in a reduction in the number of acute hospital bed days during 2019/20 financial year. The number of acute bed days has since returned to baseline levels.

Access to planned care

Indicator description People who had surgery or care that was planned in advance, as a percentage of the agreed number of events in the delivery plan.

Baseline data 72,931 people had surgery or care as planned (5.2% more than planned).

Results (Number of surgery or planned care for the quarter ending specified)

Baseline (Oct to Dec 2019)	Apr to Jun 2020	Apr to Jun 2021	Apr to Jun 2022	Jan to Mar 2023*
72,931 (+5.2%)	61,242 (-16.4%)	81,794 (+8.0%)	72,556 (-6.3%)	77,617 (+12.1%)

Comment

Planned care reporting includes both inpatient surgeries and minor procedures which are provided in inpatient and outpatient hospital and community settings.

In the most recent period, 77,617 people had surgery or care as planned. This was 12.1% more than planned.

Reporting indicates there was an over-delivery of minor procedures. While this has skewed overall performance, this is typical and is not a cause for concern. Minor procedures tend to be of low acuity, low complexity and can be undertaken in alternate settings (such as outpatient or community settings).

Providing better primary health care

Indicator results

People report they can get primary health care when they need it

Indicator description Percentage of people who say they can always get primary health care from a GP or nurse when they needed it in the last 12 months.

Baseline data (12 months to June 2021) 81% of people reported they could always get health care from a GP or nurse when they needed it.

Results (Percentage of people who say they can always get primary health care from a GP or nurse when they needed it in the last 12 months)

	Q4 2021 (Baseline)	Q4 2022	Q4 2023
All Ethnicities	81%	78%	77%
Māori	75%	73%	72%
Pacific	78%	75%	74%
Non-Māori non-Pacific	83%	79%	78%

Comment

Over the last year the number of people reporting they can always get health care from a GP or nurse when they needed it has not changed significantly.

Māori and Pacific people remain least likely to report being able to access care (72% and 74% respectively).

Note the surveys is held every August, November, February and May for each financial year

Survey size, response rate and confidence interval

Approximately 200,000 patients are invited to participate in the Adult primary care survey each survey wave. Below is table detailing the response rate and the number of responses for the last four survey waves:

Survey Wave	Response Included (for survey)	Response Rate	Confidence interval (for relevant question)
Q1 22/23 August 2022	34,658	16.2%	+ / - 0.5 percentage points
Q2 22/23 November 2022	33,859	16.1%	+ / - 0.5 percentage points
Q3 22/23 February 2023	37,081	17.6%	+ / - 0.4 percentage points
Q4 22/23 May 2023	35,219	17.4%	+ / - 0.4 percentage points

Detailed results by quarter

Results (Percentage of people who say they can always get primary health care from a GP or nurse when they needed it in the last 12 months)

2022/23	Q1	Q2	Q3	Q4
All Ethnicities	77%	76%	76%	77%
Māori	73%	70%	69%	72%
Pacific	74%	71%	74%	74%
Non-Māori non-Pacific	78%	77%	77%	78%
2021/22	Q1	Q2	Q3	Q4
All Ethnicities	80%	80%	79%	78%
Māori	74%	76%	73%	73%
Pacific	78%	79%	77%	75%
Non-Māori non-Pacific	81%	81%	80%	79%
2020/21	Q1	Q2	Q3	Q4 Baseline
All Ethnicities	82%	81%	81%	81%
Māori	77%	74%	74%	75%
Pacific	80%	75%	80%	78%
Non-Māori non-Pacific	83%	82%	82%	83%

People report being involved in the decisions about their health care and treatment

Indicator description Percentage of people who say they feel involved in their own care and treatment with their GP or nurse.

Baseline data (12 months to June 2021) 86% of people report they feel involved in their health care and treatment.

Results (Percentage of people who say they feel involved in their own care and treatment with their GP or nurse)

	June 2021 (Baseline)	Apr-Jun 22	Apr-Jun 23
All Ethnicities	86%	87%	87%
Māori	84%	85%	86%
Pacific	85%	87%	85%
Non-Māori non-Pacific	87%	87%	87%

Comment

There has been no significant difference from baseline in the percent of people reporting being involved in decisions about their care and treatment as much as they wanted to be. This suggests that despite general practice being under pressure during and since COVID-19, patients' experience of care has not changed. There was no significant difference by ethnicity from baseline.

Note the surveys is held every August, November, February and May for each financial year

Detailed results by quarter

Results (Percentage of people who say they feel involved in their own care and treatment with their GP or nurse)

2022/23	Q1	Q2	Q3	Q4
All Ethnicities	86%	86%	86%	87%
Māori	85%	84%	86%	86%
Pacific	84%	85%	86%	85%
Non-Māori non-Pacific	86%	86%	87%	87%
2021/22	Q1	Q2	Q3	Q4
All Ethnicities	87%	86%	86%	87%
Māori	86%	85%	84%	85%
Pacific	86%	88%	84%	87%
Non-Māori non-Pacific	87%	86%	86%	87%
2020/21	Q1	Q2	Q3	Q4 Baseline
All Ethnicities	86%	86%	87%	88%
Māori	84%	84%	85%	85%
Pacific	85%	83%	84%	87%
Non-Māori non-Pacific	87%	86%	87%	88%

Ensuring a financially sustainable health system

Indicator results

Annual surplus/deficit at financial year end

Indicator description Net surplus/deficit as a percentage of total revenue.

Baseline data Annual deficit is 1.7% of revenue excluding one-offs, 3.8% of revenue including one-offs.

Results (Net surplus/deficit excluding unbudgeted one-offs for the financial year ended)

2018/19	2019/20	2020/21	2021/22
-2.5%	-2.8%	-2.2%	-1.7%

Comment

One-offs are Holidays Act 2003 provisions, net unfunded COVID-19 impacts, and for 2021/22 unbudgeted accrued nurses lump-sum pay equity costs. This shows how well the health and disability sector has managed the annual cost for providing services relative to revenue.

In 2021/22, the sector spent 1.7% more than revenue. When one-off costs associated with the Holidays Act 2003, COVID-19, and accrued Nurse lump-sum pay equity costs that weren't planned for are included, the overspend increased to 3.8% of revenue. This is an improvement on the results for previous years.

The data for this indicator is sourced from the District Health Board annual report and financial templates. The data is reporting on the previous financial year as it relies on the District Health Board annual reports being cleared by their auditors which was delayed in 2021/22.

Variance between planned budget and year-end actuals

Indicator description Budget versus actuals variance as a percentage of budget.

Baseline data Actual deficit result is better than the approved plan/budget by \$185 million (66.4%) excluding unbudgeted one-offs and is \$325 million (159.1%) worse than budget including one offs.

Results (Variance against planned budget for the financial year ended, excluding unbudgeted one-offs)

2018/19	2019/20	2020/21	2021/22
-54.1%	-12.0%	-11.0%	66.4%

Comment

The actual deficit result shows the difference against planned budget. This indicator is intended to show how well the health and disability sector performed against the planned budget for the year, that is, how well did it do what it said it would do.

In 2021/22, the actual deficit was 66.4% better than planned budget, however, when one-off costs associated with Holidays Act 2003 provisions, unbudgeted accrued nurses lump-sum pay equity costs, and COVID-19 were included, the deficit was 159.1% worse than planned.

The data for this indicator is sourced from the District Health Board annual report and financial templates. The data is reporting on the previous financial year as it relies on the District Health Board annual reports being cleared by their auditors which was delayed in 2021/22.

Significant Budget initiatives

From 2023, Manatū Hauora along with other departments and Crown entities, is required to report on significant Budget initiatives. This supports the increased transparency focus for annual reporting and helps the public understand the outcomes of those significant investments.

Due to the 2022 health system reforms and associated functions and funding transfers, a lot of the significant investments from Budgets, 2020, 2021 and 2022 now fall under the responsibility of Te Whatu Ora and Te Aka Whai Ora and will be reported in their annual reports.

Removing prescription co-payments for all New Zealanders

In Budget 2023, \$619 million over four years was agreed to, with the Government reducing the cost of health care for New Zealand households by removing the \$5 co-payment for prescription medicines from July 2023. It is funded through the Delivering Primary, Community, Public and Population Health Services appropriation, a non-departmental Output Expense in Vote Health.

This initiative was announced as part of the Government's 'cost of living support' package and was intended to make medicine cheaper for an estimated three million people, who will no longer have to worry about the cost of collecting their medication. Removing the \$5 charge will make it easier and cheaper for New Zealanders to access the medicines they need, having a meaningful impact for many households, particularly those who have multiple prescriptions to fill on a regular basis. This is expected to benefit a large range of people including almost 770,000 New Zealanders over the age of 65 who received prescription medicines in the community last year.

The initiative helps reduce inequity and is expected to have direct positive impacts for low-income families, Māori, Pacific peoples, and disabled New Zealanders as they were disproportionately affected by the financial impact of the co-payments.

Performance against this initiative will be demonstrated using information obtained through the New Zealand Health Survey. This and previous years health survey publications (published in November of each year) will establish a baseline showing the impact on the measure, 'unfilled prescription due to cost'.

The New Zealand Health Survey with this measure is published on the Manatū Hauora website. We expect to see the full impact of the change in the 2025 information release.

Our people

Ko mātou



Snapshot as at 30 June 2023¹⁶

The number of people who work at the Ministry

729.57

full-time equivalent (FTE)

754

employees

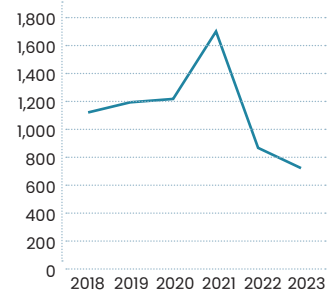


Staff by location

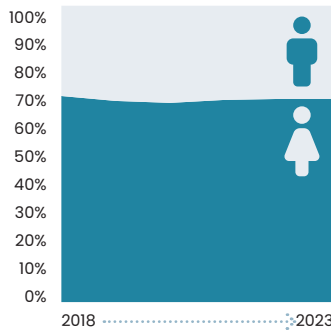


Auckland	24
Christchurch	11
Dunedin	1
Wellington	718
Total	754

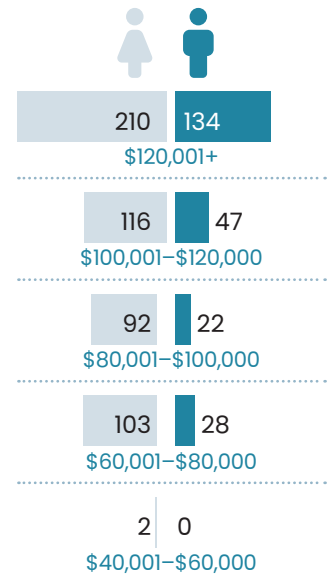
Overall headcount and by year



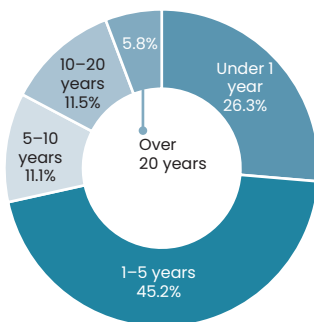
Gender: percentage



Gender and remuneration



Length of Service



Average salary

\$126,635.92

(12% increase since 2021/22)

67.2%

paid over \$100,000 (53.1% since 2021/22)

Gender pay gap

12.6% as at 30 June 2023 | **10.7%** as at 30 June 2022

The higher gender pay gap in 2023 reflects the fact that the health system reforms shifted the balance of employees.

¹⁶ Data here captures Manatū Hauora staff only. It excludes staff who work for Te Aho o Te Kahu | Cancer Control Agency.

Overall headcount and FTEs by year

Data as at 30 June each year.

Year	Headcount	FTE
2023	754	729.57
2022	885	862.82
2021	1,680	1,631.46
2020	1,224	1,186.85
2019	1,205	1,161.71
2018	1,127	1,083.77

Staff by location

Location	Headcount
Auckland	24
Christchurch	11
Dunedin	1
Wellington	718
Total	754

Gender: year-on-year comparison

Data as at 30 June each year.

Year	Number		
	Females	Males	Total
2023	523	231	754
2022	600	285	885
2021	1,126	554	1,680
2020	832	392	1,224
2019	824	381	1,205
2018	770	357	1,127

Gender: year-on-year comparison

Data as at 30 June each year.

Year	Percentage	
	Females	Males
2023	69.4%	30.6%
2022	67.8%	32.2%
2021	67.0%	33.0%
2020	68.0%	32.0%
2019	68.4%	31.6%
2018	68.3%	31.7%

Gender and remuneration

	Females	Males	Total
\$40,001–\$60,000	2	0	2
\$60,001–\$80,000	103	28	131
\$80,001–\$100,000	92	22	114
\$100,001–\$120,000	116	47	163
\$120,001+	210	134	344

Length of service

Length of service	Percentage
Under 1 year	26.3%
1–5 years	45.2%
5–10 years	11.1%
10–20 years	11.5%
Over 20 years	5.8%
Total	100.0%

Age group by gender

	Female	Male	Total
<30	127	30	157
30–39	125	55	180
40–49	98	54	152
50–59	118	51	169
60+	49	39	88
Unknown	6	2	8

Average salary

\$126,635.92 (12% increase since 2021/22)

Percentage of staff paid \$100,000 or more

Data as at 30 June each year.

Year	Percentage
2023	67.2%
2022	53.1%
2021	48.5%

Senior management and total staff by gender

	Female	Male	Other
Senior managers	61%	39%	0%
All other staff	70%	30%	0%

The percentage of female senior managers reduced from 71% last year to 61% this year. The total staff ratio of females to males has not changed significantly during the past year.

Gender pay gap

Data as at 30 June each year.

Year	Gender pay gap
2023	12.6%
2022	10.7%
2021	11.4%
2020	14.0%
2019	11.3%
2018	15.8%

The Ministry is seeing volatility in its gender pay gap. This is analysed on a monthly basis by band and directorate. The Ministry is committed to Kia Toipoto | the Public Service Commission's initiative to close the pay gaps for women, Māori, Pacific peoples and other ethnic groups in the public sector. 'Like for like' analyses are performed yearly to ensure that staff are being fairly paid based on their time in their role.

The higher gender pay gap in 2023 reflects the fact that the health system reforms shifted the balance of employees. Active initiatives within the Ministry are expected to bring the gender pay gap back down in the coming years.

Ethnicity breakdown for senior managers and other staff

Ethnicity	Percentage of total senior managers	Percentage of total other staff
European	76.5%	75.0%
Māori	17.6%	9.8%
Pacific peoples	2.0%	6.3%
Asian	3.9%	14.1%
Middle Eastern, Latin American, African	2.0%	2.1%
Other	2.0%	1.0%

The largest changes in representation across ethnicities over the past year have been an increase in Māori senior managers (from 10.2 to 17.6%) and commensurate decrease in European senior managers (from 83.1 to 76.5%).

Ethnicity pay gap

Ethnicity	2023	2022	2021
European	-9.5%	-8.4%	-13.8%
Māori	3.0%	2.5%	1.2%
Pacific peoples	5.0%	12.3%	17.7%
Middle Eastern, Latin American, African	NA	NA	NA
Asian	13.6%	10.0%	14.2%
Other	NA	NA	NA

Note: NA applies where one ethnic group did not have more than 20 employees.

Where an employee has identified multiple ethnicities, their data is counted within each group declared.

How we manage our business

Tā mātou
whakahaere i a
mātou



Manatū Hauora as a good employer

Manatū Hauora continues to strengthen its position as a good employer (in accordance with section 73 of the Public Service Act 2020) by creating, implementing, and maintaining a collection of processes, policies and strategies that ensure the fair and proper treatment of our kaimahi (and potential kaimahi).

This includes a commitment to creating equal employment opportunities, aiming to identify and eliminate all aspects of policies, procedures, and other institutional barriers that cause or perpetuate, or tend to cause or perpetuate, inequality with respect to the employment of a person or group of persons.

Our actions to strengthen our role as a good employer are underpinned by Ngā Uaratanga | Our Ministry Values. Our recruitment process ensures impartial selection of suitably qualified people and our remuneration framework aims to remove bias from decisions about remuneration.

Kia Mau Rā | Our People Retention Strategy

In November 2022, Manatū Hauora implemented Kia Mau Rā | Our People Retention strategy, which explored the internal and external influences on retention and introduced a framework for understanding how we can best retain our people. The strategy is centred on creating a great employee experience for our people. It focuses on nine core influences spanning social connection, work enablement and organisational success.

We monitor retention outcomes quarterly by analysing voluntary turnover and employee experience and creating insights that further inform the actions we take.

Kia Mau Rā sets out five initial actions we are taking to support increased retention of our people, as follows.

- We are developing stronger people analytics capability so that we can better anticipate the needs of our people.
- We have established a workstream to explore options to create more internal career opportunities for our people.
- We are launching the Leadership Progression Programme to provide developmental opportunities and cross-organisational visibility for aspiring leaders.
- We are implementing the Kia tū kaha: Manatū Hauora Wellbeing Plan
- We continue to embed flexible working and explore additional flexible working opportunities.
- The 12-month rolling average unplanned turnover rate for 2022/23 was 20.9%. In 2021/22, it was 18.54%.

The Ministry as a great place to work

To understand how our people feel about Manatū Hauora as a place to work, and to gain insights into where we should be focusing our efforts, we invite our kaimahi to contribute to the Ministry's Kōrero Mai Employee Experience, onboarding and exit surveys. We also engage with kaimahi in other formats to gain deeper insights into areas of interest. Recent examples include our Wellbeing Kōrero workshops and our 'Imagine the future Ministry' sessions, which focused on the Ministry's new operating model following the health system reforms.

As an action set out in Kia Mau Rā, we aligned the Kōrero Mai Employee Experience survey with our retention framework to give us a direct understanding of how Manatū Hauora is influencing retention.

We conducted our last Employee Experience survey in November 2022. It found that 88% of respondents agreed that Manatū Hauora is a great place to work, up from 73% in 2018 and 87% in 2020.

We implemented a new onboarding survey in October 2022. That survey found that 98% of respondents agreed that they have had a good experience at Manatū Hauora; 90% of respondents to our exit survey agreed that they would recommend Manatū Hauora as a place to work, and 88% would consider rejoining the Ministry if an opportunity arose.

The Ministry will be participating in the upcoming Te Taunaki | Public Service Census in March 2024, which will provide us with additional insights to guide our efforts.

Whiria te Tangata | Our Diversity and Inclusion Strategy

Manatū Hauora is committed to supporting diversity across the organisation and enabling a culture of inclusion in everything we do. Whiria te Tangata | Our Diversity and Inclusion Strategy sets out the actions we will take to achieve this and aligns directly with Kia Toipoto and the Public Service Commission's Papa Pounamu | Diversity and Inclusion Programme.

After two years of positive gains following the implementation of this strategy, we have recently initiated a review of Whiria te Tangata to set the future direction and determine our next actions. Our achievements during 2022/23 included the following.

- We continued to champion an inclusive culture: 90% of people who responded to our Employee Experience survey in 2022 agreed that they felt welcomed and included at the Ministry.
- We continued to support six employee-led networks: the Rainbow Network, Asian Network, Women's Network, Eco Hauora, Pacific Forum and Disability Network. Kaimahi from Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora and Te Aho o te Kahu are all welcome as members of our employee-led networks.
- We continued to support days of significance with events organised by both Manatū Hauora and employee-led networks, including Pink Shirt Day, Pride Week, Chinese New Year and Pink Ribbon Day.

- We delivered disability awareness training to 47 leaders. We have piloted a further disability awareness training programme that will soon be available to all kaimahi. Unconscious bias e-learning remains mandatory for all new starters.
- We supported seven people to attend the Disability Pathways, Cross Agency Rainbow Network and Government Women's Network Conferences.
- An intern undertook a project to review and make recommendations on how Manatū Hauora could create a more accessible recruitment process. We also welcomed Be.Lab, a disability-focused placement programme, as a partner on our Internship Programme.
- We now actively monitor our demographics to understand our kaimahi and leadership workforce and their career aspirations. We explore actions we may need to take to maintain a diverse Ministry now and in the future.
- We continued to take action on our Kia Toipoto – Pay Gaps Action Plan.

Accessibility and flexible work

The Ministry has continued to provide an environment that enables an effective balance between work requirements and personal and whānau commitments.

Our Flexible First policy plays a big part in our culture and the way we do our mahi. It speaks to all our values and is a key enabler in making the Ministry a great place to work.

Manatū Hauora is committed to providing people-centred, accessible and inclusive services, support and advice, regardless of disability, race, faith, sexual orientation, gender or location. We have been focusing on removing barriers, meeting individual needs and developing policies to support accessibility.

We have demonstrated our commitments by:

- maintaining the Accessibility Tick,¹⁷ which recognises our commitment to being an accessible and inclusive workplace for all of our staff with disabilities
- our commitment to submit reports on our progress to the Minister for Disability Issues every 6 months
- continuing to work collaboratively with our employee-led Disability Network and Accessibility Working Group to deliver on the actions we need to take to maintain our Accessibility Tick accreditation and improve accessibility at the Ministry.

17 For more information, see accessibilitytick.nz

Whāinga Amorangi | Building our capability to engage with Māori

Whāinga Amorangi is our action plan for developing the capability and confidence of our people in te reo and tikanga Māori and engaging meaningfully with Māori. Our action plan sets out how we are going to develop capability across six key competency areas:

- New Zealand History and Te Tiriti o Waitangi
- Te Reo Māori
- Tikanga/Kawa Practices
- Understanding Racial Inequity and Institutional Racism
- Worldviews and Knowledge Systems
- Engagement with Māori.

During 2022/23, we completed phase one of our plan, and during 2023/24 we will establish phase two. We achieved the following key initiatives in the 2022/23 year.

- Whāinga Amorangi is now embedded in our performance and development plans, encouraging all kaimahi to discuss how they will personally develop their capability over the coming year.
- We have approved implementation of the Kiwa app, an interactive learning resource that will allow staff to improve their understanding of and engagement in te ao Māori. We will launch this by the end of 2023.
- We recently offered the 'Exploring the Power of Indigenous Knowledge' wānanga to kaimahi. Led by renowned Māori academic researchers, Linda Tuhiwai-Smith and Leonie Pihama, this wānanga explored the profound impact of trauma on indigenous communities.
- We continue to implement our Te Māhere reo Māori | Māori language plan, running regular level 1 and 2 te reo Māori programmes (helping build the capability and confidence of our people to pronounce Māori words and use basic conversational phrases at work and home). We also launched te reo Māori directorate names and rebranded our organisation to Manatū Hauora | Ministry of Health.
- We continue to offer a variety of other learning opportunities to kaimahi, including Wall Walk sessions (an interactive half-day workshop designed to raise collective awareness of key events in the history of New Zealand's bicultural relations), lunchtime 'Kai & Kōrero' sessions, e-learning and the Engaging with Māori introductory workshops delivered by Te Arawhiti | Office for Māori Crown Relations.
- We have recently completed our second Whāinga Amorangi survey, which will give us insight into how our capability building has progressed and help us to identify the gaps. This information will also contribute to our scoping for phase two.
- We continue to support Matariki, Te Wiki o te Reo Māori and Waitangi Day commemorations, delivering a variety of communications and activities to emphasise the importance of these days.

The table below provides an overview of the capability-building we have undertaken in our Whāinga Amorangi learning programmes. Many of our kaimahi who transferred to other organisations as part of the health system reforms had completed these learning programmes.

Programme	Percentage of current kaimahi who have engaged
Wall Walk	31%
Online learning (Te Rito and Toro Mai) ¹⁸	29%
Te Reo Māori Level 1	18%
Te Reo Māori Level 2	5%

During the 2022/23 period, 76 of our kaimahi completed the Te Arawhiti 'Introduction to Engagement with Māori' workshop.

Learning and development

At Manatū Hauora, we want to support our people to continue their learning and to offer a variety of development opportunities.

We use the 70/20/10 model (individuals obtain 70% of their knowledge from job-related experiences, 20% from interactions with others like mentoring, and 10% from formal educational events) to consider different types of development, acknowledging that often the greatest learning comes by experiencing new tasks and challenges on the job or by learning from others.

Performance and development plans are an effective tool in supporting our people to set performance objectives so they can grow and develop in their own roles, while also creating space for aspirational conversations in which leaders can support our kaimahi in their career and professional development goals.

To ensure our leaders are well equipped to support their people and to ensure we are growing our future leadership talent, we continue to offer a variety of leadership development opportunities, ranging from transitional programmes through to assessment and coaching activities. We held Tier 3 leadership forums in late 2022 and supported four kaimahi to participate in the Public Services Commission's new Te Ara ki Matangireia – Māori Emerging Leaders Programme. We are currently exploring leadership development opportunities for our aspiring Pasifika leaders.

In addition to leadership, Whāinga Amorangi and Whiria te Tangata development opportunities, we continue to deliver a variety of other online and in-person development opportunities to kaimahi, including our onboarding programme and writing skills, peer-reviewing and proofreading workshops.

18 Te Rito supports our people to deepen their understanding of Te Ao Māori, the Māori world view and Toro Mai supports our people to deepen their understanding and awareness of Māori knowledge in Te Reo Māori and Tikanga Māori.

Manatū Hauora has continued to support our people with external learning and development opportunities, which are managed through a dedicated development budget established within each directorate every year.

Over the past year, we provided study assistance to 38 staff undertaking tertiary study. This assistance took the form of either partial reimbursement of fees when staff successfully completed their study or paid study leave.

We are currently exploring options for increasing the ability of our people to pursue their career aspirations through internal on-the-job opportunities. We also now capture career aspiration data through our performance and development process, giving us insights into the types of career development our kaimahi are seeking.

Early in career programmes

Over the last two years, we have focused on developing ways in which we can engage and develop a diverse pipeline of promising talent interested in working within Manatū Hauora or the wider health system, as follows.

- We have completed two Summer Internship Programmes, engaging 26 interns across the Ministry. We have built strong partner relationships with organisations/programmes including Tupu Toa, Tupu Tai, Otago University Pacific Opportunities, Analytics in Government and Be.Lab (which has a disability focus) to help us attract and engage diversity.
- Manatū Hauora continues to increase its visibility and engagement with tertiary education programmes, to provide valuable learning opportunities to current students who wish to pursue a career in the health sector. In this regard, we have worked with students from health, medicine, pharmacy, data science and economics programmes.
- In 2022, our Strategy, Policy and Legislation Directorate initiated the Ōkārīto programme, with the purpose of attracting more rangatahi Māori to work in policy at the Ministry. This has resulted in the employment of three Māori assistant policy analysts so far, and feedback from all other participants has been extremely positive.
- Since the establishment of the Ethnic Communities Graduate Programme, led by the new Ministry for Ethnic Communities, Manatū Hauora has engaged three graduates from Middle Eastern, Latin American or African backgrounds, participating in two of the Programme's three cohorts so far.

Health, safety and wellbeing

In the past financial year, the Ministry has sought to lay the groundwork for a sustainable, best-practice approach to protecting and prioritising the health, safety and wellbeing of our kaimahi.

In November 2022 the Operational Leadership Team initiated tri-annual meetings dedicated to health, safety and wellbeing. This provides the senior leadership of the Ministry with focused time to obtain greater visibility of our risks and seek assurance that those risks are being managed.

These meetings have created the opportunity for our senior leaders to develop their capability as officers under the Health and Safety at Work Act 2015. For example, in March leaders hosted representatives from WorkSafe New Zealand, who spoke to them about their obligations to manage psychosocial risks.

Engaging with our people

In the past year, we refreshed our cohort of health and safety representatives. We are supporting these new representatives to build their capability through the required training, and through ad-hoc opportunities such as psychological first-aid training.

The health safety and wellbeing team have also engaged with all Ministry kaimahi through Executive Leadership Team-sponsored events. Through their meetings dedicated to health, safety and wellbeing, the Executive Leadership Team identified initiatives they can actively support and, in so doing, learn about the risks that our kaimahi face. Examples of these include World Day of Safety and Health at Work and Pink Shirt Day.

Continued focus on psychosocial wellbeing

Managing our psychosocial risk continues to be a focus of the Ministry. This year saw us achieve deliverables under year one of *kia tū kaha*: Manatū Hauora Wellbeing Plan, including:

- the establishment of a Wellbeing Rōpū, chaired by a member of the Executive Leadership Team and consisting of employee-led networks; a Public Service Association delegate; health and safety representatives; and members of our Health, Safety and Wellbeing Team and the People and Capability Group
- Ministry-wide *kōrero* sessions, facilitated by members of the Wellbeing Rōpū in partnership with our Executive Leadership Team, which have helped that team to understand what wellbeing means for our people and activities and initiatives we should focus on going forward
- the addition of voluntary, personal wellbeing plans as part of the performance and development conversation cycle.

Risk management

The Ministry has again achieved tertiary status within the Accident Compensation Corporation (ACC)'s Accredited Employers Programme. This is an external acknowledgement of our management of risks and injuries.

We continue to improve on our risk identification procedures. To this end, we have introduced a streamlined incident management process that is integrated with our Ministry's intranet platform. Pain and discomfort continue to be the incidents most commonly reported. We manage this through working-from-home checklists, a one-off contribution of \$400 to purchase ergonomic equipment for working from home, software that reminds our kaimahi to take micro-pauses and workstation assessments.

Although the majority of Ministry work is conducted within an office environment, we have increased our visibility of work that occurs outside our office environment, to understand its associated risks. We are improving safety observation processes to enable our senior leadership to see first-hand how work is done in these contexts.

Improving our IT infrastructure

Manatū Hauora IT's flagship programme 'Modernising Manatū Hauora' continues at pace, and it is part of a wider tranche of work that our IT team is focusing on that will provide staff with the tools they need to work productively in cooperative working environments that enable staff to be fully mobile.

This programme of work has further built on the Ministry's modern platforms and retired the legacy Lotus Notes environment. During 2022/23, we have achieved the following.

- We decommissioned 20 applications built on the Lotus Notes platform, and we are now utilising the Microsoft platform to redevelop six of these applications.
- We removed our dependency on Lotus Notes for our email, including several business applications that used this platform for automated email notifications. This has significantly simplified our environment and allowed us to decommission old services.
- We have adopted the Microsoft SharePoint-based Enterprise Content Management environment, now named Pātengi.
- The work to migrate over 80 million documents from Lotus Notes into Pātengi and decommissioning of the old application started in May 2023, and will continue into the next financial year.
- We reduced our number of Lotus Notes licences from 2,342 to 1,200. This will result in financial savings when we come to renew what is left of the Lotus Notes software contract.
- A team was stood up in the first quarter of 2022 to enhance our Microsoft collaboration tools (in particular Microsoft Teams). This took over from the work started during the COVID-19 response; the aim was to have Teams available for everyone in Manatū Hauora as the communications and collaboration tool for the organisation and with partner organisations.

- We implemented systems that improved system governance around our platforms, to ensure security processes are in place and that we can manage the automation behind Teams (eg, in managing guest users from external organisations).
- We have rolled out all the Microsoft applications designed to work within Teams; 34 are now available to all staff.
- We have reworked the Teams Federation and guest management capabilities put in place in 2021 by redesigning the application form and making the list of approved-for-Federation organisations available to staff. There are now 70+ organisations approved to use Microsoft Teams with Manatū Hauora.
- We have trained a large percentage of our people and communicated change through many channels, including one-on-one training, Teams workshops and intranet articles. All of these have received good feedback from our staff.
- We have implemented a recently released Teams feature – Shared Channels – to enhance our collaboration with Te Whatu Ora.
- Mahi is near complete to implement into business-as-usual activities the process called Evergreen for Teams, which will proactively capture and manage the increasing number of changes that Microsoft introduces on a weekly basis for Teams.

Our ongoing investment and technology upgrades

The health system reforms changed the core of what Manatū Hauora is responsible for. Our IT team was divided, and some of our service support function and capability moved to Te Whatu Ora. However, Manatū Hauora still retains an internal IT team.

Cyber security remains a key area of attention for Manatū Hauora. The ICT Security Services team within Ministry ICT has two major deliverables:

- supporting ICT outcomes by ensuring our technology solutions meet all appropriate assurance baselines, through the application of timely advice around the procurement, deployment and management of new and existing ICT systems, as well as the Certification and Accreditation programme
- providing technology and information security expertise to the Ministry's Protective Security team.

During the year, we achieved these through our continued investment in Protective Security Induction Trainings part of the onboarding process. Feedback from staff who attend this training is universally positive.

The team also ensures that new or substantially upgraded IT systems delivered during the reporting period are certified and accredited according to our protective security requirements New Zealand Information Security Manual obligations.

During the year, the team supported the implementation of the Health Central Security Operations Centre capability.

A significant achievement has been the continued management of the Ministry's IT security position while also seeking to accommodate Te Whatu Ora requirements during the establishment of that entity, and the planned transition of staff and services.

During the year, we continued a programme of modernising our internal ICT systems and managed to remove some high-risk areas of legacy IT risk, including replacement of our legacy intranet site. We will replace our legacy payroll system by October 2023.

To keep our systems current, the IT support teams have made further improvements with automation of the patching of our server fleet, while managing the changes brought about through the health sector reforms.

Building sustainable, environmentally conscious health system

As Kaitiaki (steward) of the health system, the Ministry is committed to working with our key health partners to ensure we are collectively focused on building a sustainable health system. This includes supporting our kaimahi to make good decisions when considering how they work.

This includes supporting sustainable organisational efforts to:

- reduce unnecessary travel and support information and communication technologies (ICT) for effective business engagement
- choose sustainable, environmentally friendly business partners
- working with our key business partners to reduce our carbon emissions
- focus on reducing electrical source emissions where practicable
- timely replacement of fleet for decarbonisation.

All kaimahi are encouraged to take part in making the Ministry a great place to work by providing kaimahi with opportunities to participate in Ministry initiatives. Future focus will be on creating an employee-led sustainability working group.



Our statement of service performance

Tā mātou tauākī
tutukinga ā-mahi



Our statement of service performance policies and significant judgments

This statement sets out the policies and significant judgements that Manatū Hauora has used in preparing and selecting service performance information for Vote Health.

Information on Manatū Hauora as the reporting entity can be found in note 1 to the financial statements on page 108.

The *Who we are and what we do* section pages 3 to 9 of this annual report sets out our role and purpose. At a high level we are kaitiaki | steward of New Zealand's health system, advising the Government on policy, setting direction, regulating and monitoring the health system to ensure it performs well and delivers better health outcomes for everyone.

The service performance information for Manatū Hauora is contained within this section pages 77 to 91. This shows the performance measures and information for each appropriation funded under Vote Health.

To achieve our goal, the document *Developing the future Ministry of Health: Our strategy and strategic intentions (strategic intentions), 2022 to 2026* outlines how we will get there. Progress against our strategic intentions is reported in our performance story and the outcome measure and health system indicator results pages 45 to 58. These sections explain our strategic intentions and the progress Manatū Hauora has made towards the achievement of these intentions.

Additional disclosures

Reporting service performance information

The Ministry's Statement of Service Performance is prepared in accordance with the Public Finance Act. As a Public Benefit Entity (PBE), Manatū Hauora is subject to the requirements of the PBE-FRS 48¹⁹ service reporting (the Standard).

This Standard establishes new requirements for the selection and presentation of service performance information. The Ministry has adopted PBE FRS 48. It requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

Selection of measures

The continuation and addition of our performance measures were selected to cover a range of qualitative and quantitative measures across the functions intended to be delivered by the Ministry and aligned to the respective output expense appropriations.

The Ministry undertook a review of the appropriateness of the performance measures since the health reforms were launched on 1 July 2022, and made appropriate adjustments through the Supplementary Estimates 2022/23 process to better reflect the intent of the functions to be delivered. Each measure was reviewed against whether it accurately reflects the performance of the Ministry, was meaningful, was able to be measured, and matches the intention and scope statements for each appropriation listed in the Estimates of Appropriation 2022/23.

As the Ministry's role is embedded in the reformed health system, further work will be undertaken to review our full performance framework.

The Ministry did not make significant changes in the 2022/23 Supplementary Estimates following introduction of a new appropriation structure for Vote Health from 2022/23, as part of the funding settings work associated with the Health and Disability System Reform. The changes that were to reflect the agreed functional splits between the Ministry of Health including the new Public Health Agency, Te Whatu Ora (Health New Zealand), and Te Aka Whai Ora (the Māori Health Authority).

Changes made to measures during 2022/23 in the Stewardship of the New Zealand health system multi-category appropriation (MCA) related to:

- A new performance measure under the Stewardship of the New Zealand health system MCA as an overall appropriation measure.

This measure relates to the Ministerial Advisory Committee (MAC) and reflects the commitment in the 2022-26 Strategic Intentions that describes the need for an assessment of the Ministry's progress in establishing its role in the reformed system, and seeks the MAC's assessment on how the Ministry is progressing in establishing its role in the reformed system. This measure is sourced from (SI) under the section regarding measuring our performance²⁰.

- the *Public Health and Population Health Leadership output expense* subcategory. The Public Health Agency (PHA) removed two of their four performance measures as these performance measures were developed when the PHA was in its interim phase and no longer reflected the PHA's work programme and focus. The measures were not replaced in the Supplementary Estimates 2022/23, however new measures were included in Estimates 2023/24 that reflect the intended areas of focus for 2023/24. 2 new performance measures in *Equity, Evidence*

and Outcomes output expense subcategory. These additional performance measures were included and were derived from the *Developing the future Ministry of Health – Our strategy and strategic intentions, 2022 to 2026 (SI)* released in December 2022, which the Ministry is required to report progress as they have a particular focus on the research and evaluation function.

Furthermore, a new non-departmental expense appropriation was established during 2022/23 referred to as *Strengthening International Health Systems* and was included in the Supplementary Estimates 2022/23. The intention of this appropriation was to support the development of public health systems internationally and reflects the Ministry's partnership with the Ministry of Foreign Affairs and Trade (MFAT) to support this initiative, specifically with respect to the Polynesian health corridors work programme. For 2023/24, this funding is being amalgamated into the *Delivering Primary, Community, Public and Population Health Services* appropriation, with a widened appropriation scope to accommodate it.

Full information on the 2022/23 performance measures, and any adjustments to these measures, can be found in the Vote Health Estimates of Appropriation 2022/23 and Supplementary Estimates of Appropriation 2022/23.

Aggregation of service performance information

The level of aggregation used by Manatū Hauora is as follows:

- Reporting against the Strategic Intentions (Grouping the activities provided within 'Our Performance Story' within each strategic intention listed.)
 - a) Reporting on non-financial performance measures
 - i. Vote Health Estimates of Appropriation 2022/23 and Supplementary Estimates of Appropriation 2022/23
 - b) Departmental agency reporting
 - ii. The Te Aho o Te Kahu annual report is attached and audited alongside the Manatū Hauora annual report

Performance of Manatū Hauora

This section details the performance of Manatū Hauora (the Ministry of Health) against our output measures and targets specified in Vote Health — Main Estimates of Appropriation 2022/23²¹ and (where updated) in Vote Health — Supplementary Estimates of Appropriation 2022/23.²²

A significant number of performance measures listed within Vote Health Estimates of Appropriation 2022/23 have been transferred to Te Whatu Ora over the course of the financial year and are therefore reported within the Te Whatu Ora Annual Report. This transfer is documented within the Supplementary Estimates 2022/23.

This section focuses on our performance, measured by five output classes and the subcategories that come under them, that we are responsible for:

- Strengthening International Health Systems
- Implementing the COVID-19 Vaccine Strategy
- National Response to COVID-19 Across the Health Sector
 - Departmental Output Expenses Supporting the Implementation of the COVID-19 Vaccine Strategy
 - National Health Response to COVID-19
- Stewardship of the New Zealand health system multi category appropriation (MCA)
 - Equity, Evidence and Outcomes
 - Policy Advice and Related Services
 - Public Health and Population Health Leadership
 - Regulatory and Enforcement Services
 - Sector Performance and Monitoring
- Ministry of Health – Capital Expenditure Permanent Legislative Authority

The 2022/23 actual results are reported against each measure's Budget Standard (target) for 2022/23 as a measure the actual performance for. Where applicable, we compare our actual performance this year against the output measures and results from last year (2021/22).

Within each output class in this section, we use the following symbols to provide a quick check for the 2022/23 results:

Met or exceeded the target	✓
Did not meet the target	✘
Not available Not assessed	NA

21 Vote Health — Health Sector — Estimates 2022/23, available at: www.treasury.govt.nz/publications/estimates/vote-health-health-sector-estimates-appropriations-2022-23

22 Vote Health — Supplementary Estimates of Appropriations 2022/23, available at: www.treasury.govt.nz/publications/supplementary-estimates/vote-health-supplementary-estimates-appropriations-2022-23

Strengthening International Health Systems

This appropriation is limited to supporting the development of public health systems internationally.

This category is intended to enable a partnership with the Ministry of Foreign Affairs and Trade (MFAT) to support the development of public health systems internationally.

Performance assessment				
Performance measure	Actual	Budget Standard	Actual	At a glance
	2021/22	2022/23	2022/23	
Manatū Hauora – Ministry of Health delivers on the Polynesian Health Corridors work programme agreed with the Ministry Foreign Affairs and Trade	New measure	Achieved	Achieved	✓

Financial performance				
Strengthening International Health Systems	Actual	Main estimates	Voted appropriation	Actual
	2021/22	2022/23	2022/23	2022/23
	\$000	\$000	\$000	\$000
Non-departmental output expenses				
Total expenses	-	-	7,470	527

This appropriation is newly established to fund the Polynesian Health Corridors programme. The underspend is from the pandemic preparedness programme, due to a reduced demand for COVID-19 rapid antigen tests, COVID-19 vaccines and training support in the Pacific region and the delay in commencement of the Access to Essential Medicines programme.

Implementing the COVID-19 Vaccine Strategy

The single overarching purpose of this appropriation is to implement the COVID-19 vaccine strategy so as to minimise the health impacts of COVID-19.

This appropriation is intended for the purchase of potential and proven COVID19 vaccines and other therapeutics and the delivery of COVID19 vaccines through an immunisation programme.

Performance assessment				
Performance measure	Actual	Budget Standard	Actual	At a glance
	2021/22	2022/23	2022/23	
Ministerial satisfaction with the implementation of the COVID-19 vaccine strategy	5	Equal to or greater than 4 out of 5	3	✗ (Note 1)

Note 1: The survey was completed by Minister Verrall who became the Minister of Health in February 2023.

Departmental Output Expenses Supporting the Implementation of the COVID-19 Vaccine Strategy

Performance assessment

Performance measure	Actual	Budget Standard	Actual	At a glance
	2021/22	2022/23	2022/23	
Ministerial satisfaction on Ministry advice in relation to the COVID-19 vaccine strategy	5	Equal to or greater than 4 out of 5	3	x (Note 1)

Note 1: The survey was completed by Minister Verrall who became the Minister of Health in February 2023.

Financial performance

Implementing the COVID-19 Vaccine Strategy	Actual	Main estimates	Voted appropriation	Actual
	2021/22	2022/23	2022/23	2022/23
	\$000	\$000	\$000	\$000
Departmental output expenses				
Supporting the implementation of the COVID-19 vaccine strategy				
Crown revenue	205,786	41,721	-	-
Other revenue	-	-	-	-
Total revenue	205,786	41,721	-	-
Total expenses	191,565	41,721	-	-
Net surplus (deficit)	14,221	-	-	-
Non-departmental output expenses				
Implementing the COVID-19 immunisation programme				
Total expenses	805,283	284,349	301,794	301,794
Purchasing potential and proven COVID-19 vaccines and other therapeutics				
Total expenses	566,420	191,115	886,917	602,086
Total MCA expenses	1,563,268	517,185	1,188,711	903,880

The Implementing the COVID-19 Vaccine Strategy appropriation is managed by Te Whatu Ora with the exception of the therapeutics purchases which is managed by Te Pātaka Whaioranga-Pharmac

Implementing the COVID-19 Vaccine Strategy appropriation was lower than the final budget mainly due to the delay in purchases of COVID-19 vaccines, which were impacted by shipping delays as well as a global shortage of vaccines. An in-principle expense transfer has been approved and will be confirmed as part of the 2023 October Baseline Update.

National Response to COVID-19 Across the Health Sector

The single overarching purpose of this appropriation is to implement a national response to COVID-19 across the health sector.

This appropriation is intended to provide for the national response to the COVID-19 pandemic across the health sector.

Performance assessment				
Performance measure	Actual 2021/22	Budget Standard 2022/23	Actual 2022/23	At a glance
Ministerial satisfaction with the national response to COVID-19 across the health sector	4	Equal to or greater than 4 out of 5	3	x (Note 1)

Note 1: The survey was completed by Minister Verrall who became the Minister of Health in February 2023.

Financial performance				
National Response to COVID-19 Across the Health Sector	Actual 2021/22 \$000	Main estimates 2022/23 \$000	Voted appropriation 2022/23 \$000	Actual 2022/23 \$000
Departmental output expenses				
National health response to COVID-19				
Crown revenue	89,497	25,745	52,637	52,637
Other revenue	-	-	-	37
Total revenue	89,497	25,745	52,637	52,674
Total expenses	66,875	25,745	52,637	40,471
Net surplus (deficit)	22,622	-	-	12,203
Non-departmental output expenses				
COVID-19 public health response				
Total expenses	2,406,832	429,782	1,559,542	1,140,344
Total MCA expenses	2,473,707	455,527	1,612,179	1,180,815

The national health response to COVID-19 appropriation is now managed by Te Whatu Ora.

The departmental expenditure was lower than the final budget mainly due to the volumes for genomics and wastewater testing being less than expected. The net surplus will be returned to the Crown.

National Health Response to COVID-19

This category is limited to managing and coordinating the overall national health response to COVID-19.

This category is intended to achieve the following: To enable the Ministry of Health to maintain the capacity and capability to respond to the COVID-19 pandemic.

Performance assessment				
	Actual	Budget Standard	Actual	At a glance
Performance measure	2021/22	2022/23	2022/23	
Mechanisms in place to routinely capture and inform public health science, response operations, intelligence, operational feedback, and public perceptions, concerns and trust	New measure	Achieved	Achieved	✓

Stewardship of the New Zealand health system MCA

The single overarching purpose of this appropriation is to enable the Ministry of Health to discharge its role as the chief steward of New Zealand's health system and principal advisor to the Minister of Health.

This appropriation is intended to enable the Ministry of Health to discharge its role as the chief steward of New Zealand's health system and principal advisor to the Minister of Health.

Performance assessment				
	Actual	Budget Standard	Actual	At a glance
Performance measure	2021/22	2022/23	2022/23	
Ministerial satisfaction with how the Ministry has discharged its role as chief steward of New Zealand's health system and principal advisor to the Minister of Health	New measure	Equal to or greater than 4 out of 5	3	✗ (Note 1)
Ministerial Advisory Committee (MAC) assessment of the Ministry of Health's progress in establishing its role in the reformed system.	New measure	Equal to or greater than 4 out of 5	3	✗ (Note 1)

Note 1: The survey was completed by Minister Verrall who became the Minister of Health in February 2023.

The Ministerial Advisory Committee performance measure has been added, as it reflects the commitment in the 2022–26 Strategic Intentions that describes the need for an assessment of Manatū Hauora – Ministry of Health's progress in establishing its role in the reformed system.

Financial performance				
	Actual	Main estimates	Voted appropriation	Actual
	2021/22	2022/23	2022/23	2022/23
Stewardship of the New Zealand health system	\$000	\$000	\$000	\$000
<i>Departmental output expense</i>				
Revenue				
Crown revenue	-	247,592	230,017	230,017
Other revenue	-	18,873	22,759	19,646
Total revenue	-	266,465	252,776	249,663
Expenses				
Equity, evidence and outcomes	-	23,444	16,314	19,158
Policy advice and related services	-	38,180	37,218	44,737
Public health and population health leadership	-	64,505	100,130	85,963
Regulatory and enforcement services	-	62,121	61,885	65,891
Sector performance and monitoring	-	78,215	37,229	12,962
Total expense	-	266,465	252,776	228,711
Net surplus / (deficit)	-	-	-	20,952

This appropriation is newly established from 1 July 2022 to support the implementation of the health and disability system reform.

The variance to the final budget is mainly from the public health and population health leadership and sector performance and monitoring categories. Funding was not fully spent for the DHB sustainability initiatives. Joint ministers have approved in-principle expense transfers from 2022/23 to 2023/24 of up to \$6.982 million of which \$6 million is for fluoridation capital works subsidies. The in-principle expense transfers will be confirmed as part of the 2023 October Baseline Update.

Equity, Evidence and Outcomes

This category is limited to health science research, leadership, analysis and publishing quality evidence, data and insights.

Performance assessment				
Performance measure	Actual 2021/22	Budget Standard 2022/23	Actual 2022/23	At a glance
Number of page views of the Health Survey web pages	New measure	Year on year increase	Year on year increase	✓ (Note 1)
Health Survey release is free from significant errors	New measure	Achieved	Achieved	✓
Health Survey release is published annually no later than 1 December	New measure	Achieved	17 November 2022	✓
Health and Independence Report is published annually	New measure	Achieved	Achieved	✓

Note 1: Total page views of the New Zealand Health Survey in the 2022/23 financial year was 72,000. The total number of page views in the 2021/22 financial year was 62,000.

Policy Advice and Related Services

This category is limited to the provision of policy advice (including second opinion advice and contributions to policy advice led by other agencies) and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities relating to health.

Performance assessment				
Performance measure	Actual 2021/22	Budget Standard 2022/23	Actual 2022/23	At a glance
Percentage of Ministerial letter response provided to the Minister within agreed timeframes	95.04%	95%	98.6%	✓
Percentage of Written Parliamentary Question responses provided to the Minister within agreed timeframes	98.4%	95%	99.7%	✓
Percentage of Ministerial Official Information Act request responses provided to the Minister within agreed timeframes.	95.43%	95%	98.59%	✓
Percentage of Ministerial Letter responses provided to the Minister that required no [substantive] amendments.	99.92%	95%	99.85%	✓
Percentage of Written Parliamentary Question responses provided to the Minister that required no [substantive] amendments.	99%	95%	100%	✓
Percentage of Ministerial Official Information Act request responses provided to the Minister that required no [substantive] amendments.	99.42%	95%	100%	✓
Average score attained from a sample of the Ministry's written policy advice as assessed using the agreed DPMC Framework ²³	3.62	Greater than 3.2 out of 5	3.48	✓
Ministerial satisfaction with the policy advice service	4.27	Equal to or greater than 4 out of 5	2.96	✗ (Note 1)
Quality of policy advice papers – 85% score 3 or higher and 25% score 4 or higher ²⁴	New measure	Achieved	Achieved	✓ (Note 2)

Note 1: The survey was completed by Minister Verrall who became the Minister of Health in February 2023.

Note 2: 96% scored 3 or higher, 28% scored 4 or higher.

23 DPMC Policy Quality Framework, available at: <https://www.dpmc.govt.nz/publications/using-policy-quality-framework-assess-papers#about-this-guide>

24 This measure breaks down the overall quality of policy advice.

Public Health and Population Health Leadership

This category is limited to providing leadership on policy, strategy, regulatory, intelligence, surveillance and monitoring related to public and population health.

Performance assessment				
Performance measure	Actual 2021/22	Budget Standard 2022/23	Actual 2022/23	At a glance
Ministerial satisfaction with how the Ministry provided leadership on policy, strategy, regulatory, intelligence, surveillance and monitoring of public and population health	New measure	Equal to or greater than 4 out of 5	2.67	✘ (Note 1)
Annual work programme is developed and agreed with the public health advisory committee chair, Public Health Agency in the Ministry of Health and the Minister. All reports are delivered on time	New measure	Achieved	Achieved	✓

Note 1: The survey was completed by Minister Verrall who became the Minister of Health in February 2023.

Two measures were discontinued from the Public Health and Population Health Leadership subcategory as part of the Supplementary Estimates 2022/23. These measures were developed when the Public Health Agency was in its interim phase. While developed with the best intent at the time, the activities these measures relate to are no longer the most appropriate, and are not part of the Public Health Agency's current work programme. New measures have been included for Estimates 2023/24.

Regulatory and Enforcement Services

This category is limited to implementing, enforcing and administering health-related legislation and regulations, and provision of regulatory advice to the sector and to Ministers, and support services for committees appointed by the Minister under statute.

Performance assessment				
Performance measure	Actual 2021/22	Budget Standard 2022/23	Actual 2022/23	At a glance
The percentage of high priority incident notifications relating to medicines and medical devices that undergo an initial evaluation within 5 working days.	97%	90%	100%	✓
The percentage of all certificates issued to providers under the Health and Disability Services (Safety) Act 2001 within target timeframes.	91%	90%	90%	✓
Percentage of licences and authorities issued under the Medicines Act 1981 and Misuse of Drugs Act 1975 within target timeframes	94%	90%	91%	✓
The percentage of all licences and consents issued to radiation users under the Radiation Safety Act 2016 within 10 working days of accepting the application	93%	90%	98%	✓

Performance assessment				
Performance measure	Actual 2021/22	Budget Standard 2022/23	Actual 2022/23	At a glance
The percentage of all New Medicines Applications (for ministerial consent to market) that receive an initial assessment within 200 days	74%	80%	81%	✓
The percentage of all Changed Medicines Notifications (for ministerial consent to market) responded to within 45 days	99%	100%	99%	✗ (Note 1)
Mean rating for statutory committee satisfaction with the secretariat services provided by the Ministry	4.6	4 out of 5 or greater	3.75 out of 5	✗ (Note 2)
The percentage of District Mental Health Inspectors' monthly reports, on their duties undertaken, sent to the Director of Mental Health, within one month after completion	83%	90%	82.76%	✗ (Note 3)
The start of the Mental Health Tribunal reviews are held within 28 days of receipt of the applications	100%	80%	98.5%	✓

Note 1: 1546 of 1549 changed medicine notifications were responded to within 45 days. Three were missed earlier in the year due to financial transaction issues. Since then, the issue has been resolved and none have been missed.

Note 2: 4 out of 7 chairpersons responded to the survey. Of those who responded, the majority (83.3%) were satisfied with the secretariat services provided. One was dissatisfied. Due to the sample size, this reduced the total to less than the Budget Standard. The dissatisfaction was with the quality of the meeting minutes that the secretariat provided the Committee. Most responders indicated a strong preference to hold an all-of-committee meeting in person to build relationships and conduct training. One commenter noted that legal advice could be provided in a timelier fashion. The Ministry is holding an all-of-ethics-committee sector day in December 2023 and plans to make this an annual event. The focus of this day will be training, relationship building and academic speakers / workshops. Internal training for minute taking will take place, as well as the Ministry running a pilot software trial on a minute-taking programme.

Note 3: District inspectors are independent statutory officers required by statute to report to the Director of Mental Health each month. Regional advisors continue to work with district inspectors to find ways to improve their timeliness of reporting. All district inspectors are reminded of their obligations twice a year at national meetings. The Ministry is working collaboratively with district inspectors to develop new guidelines for their role and function. These guidelines will highlight the information-sharing processes and assist with the timeliness of reporting.

Sector Performance and Monitoring

This category is intended to advise and provide assurance on health sector planning and system performance, including the Government Policy Statement and the New Zealand Health Plan; and monitoring and supporting the governance of health sector Crown entities.

Performance assessment				
Performance measure	Actual	Budget Standard	Actual	At a glance
	2021/22	2022/23	2022/23	
The percentage of quarterly monitoring reports about Crown entities (includes Te Aka Whai Ora and Te Whatu Ora) provided to the Minister within agreed timeframes	100%	100%	100%	✓ (Note 1)
The percentage of appointments to other health Crown entity (includes Te Aka Whai Ora and Te Whatu Ora) where advice is presented to the Minister prior to the current appointee's term expiring	100%	95%	100%	✓

Note 1: The timeframes for quarterly monitoring reports were not in place in quarters 1&2. The agreed timeframes with the Minister differ for the entities.



Ministry of Health – Capital Expenditure Permanent Legislative Authority

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Health, as authorised by section 24(1) of the Public Finance Act 1989.

Performance assessment				
Performance measure	Actual	Budget Standard	Actual	At a glance
	2021/22	2022/23	2022/23	
Expenditure is in accordance with Manatū Hauora – Ministry of Health's capital asset management plan	Achieved	Achieved	Achieved	✓

Financial performance				
Ministry of Health – Capital Expenditure PLA	Actual	Main estimates	Voted appropriation	Actual
	2021/22	2022/23	2022/23	2022/23
	\$000	\$000	\$000	\$000
Total appropriation	5,245	5,412	5,412	1,320

The capital expenditure permanent legislative authority has decreased mainly due to the transfers of assets to Te Whatu Ora. The capital expenditure is lower than budget due to the delay in obtaining design and building consent approval for the radiation store. The construction of a site commenced later than planned.

Reconciliation between total appropriations for departmental expenses and the departmental statement of comprehensive revenue and expense for the year ended 30 June 2023		
Actual 2022 \$000		Actual 2023 \$000
721,239	Total expenses in Departmental statement of comprehensive revenue and expense	269,392
27,789	Software as a service adjustment	-
(12,427)	Expense incurred for appropriation administered by entities other than the Ministry	(210)
736,601	Total appropriation for Departmental expenses	269,182

Reconciliation between total appropriations for non-departmental expenses and the schedule of non-departmental expenditure for the year ended 30 June 2023		
Actual 2022 \$000		Actual 2023 \$000
28,652,426	Total expenses in schedule of non-departmental expenditure	28,375,793
(3,707,343)	GST input expense	(3,715,789)
24,945,083	Total appropriation for non-departmental expenses	24,660,004

Our financial statements

Ā mātou tauākī
pūtea



Taking care of our funds | Te penapena pūtea

Statement of responsibility

I am responsible, as Director-General of Health and Chief Executive of the Ministry of Health (Ministry), for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the annual report.

In my opinion:

- the financial statements reflect the financial statements of the Ministry as at 30 June 2023 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2023 and its operations for the year ending on that date.



Dr Diana Sarfati
Director-General of Health

2 October 2023



Fergus Welsh
Chief Financial Officer

2 October 2023

Independent Auditor's Report

To the readers of the Ministry of Health's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of The Ministry of Health (the Ministry). The Auditor-General has appointed me, Stephen Usher, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 100 to 133, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023 on pages 45 to 58 and 77 to 91;
- the statements of budgeted and actual expenses and capital expenditure of the Ministry for the year ended 30 June 2023 on pages 144 to 148; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 134 to 143 and 149 to 153 that comprise:
 - the schedules of assets and liabilities; commitments; contingent liabilities and contingent assets as at 30 June 2023;
 - the schedules of expenses; and revenue and capital receipts for the year ended 30 June 2023; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023:
 - presents fairly, in all material respects:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of budgeted and actual expenses and capital expenditure of the Ministry are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; contingent liabilities and contingent assets as at 30 June 2023; and
 - expenses; revenue and capital receipts for the year ended 30 June 2023.

Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Director-General of Health and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Director-General of Health for the information to be audited

The Director-General of Health is responsible on behalf of the Ministry for preparing:

- Financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- Performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- Schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Director-General of Health is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Director-General of Health is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Director-General of Health is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Director-General of Health's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's *Developing the future Ministry of Health – Our strategy and strategic intentions, 2022-2026*, Estimates and Supplementary Estimates of Appropriations 2022/23 and forecast financial figures included in the Ministry's 2022/23 annual report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director-General of Health.
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Ministry.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Director-General of Health and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Director-General of Health regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Director-General of Health is responsible for the other information. The other information comprises the information included on pages iii to v, 3 to 44, 59 to 74, and 155 to 225 but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Ministry.



Stephen Usher
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



Statement of comprehensive revenue and expense for the year ended 30 June 2023

Actual			Actual	Unaudited budget	Unaudited forecast
2022		Note	2023	2023	2024
\$000			\$000	\$000	\$000
Revenue					
845,212	Revenue Crown	2	282,864	315,058	219,534
17,279	Other revenue	2	19,683	18,873	18,225
862,491	Total revenue		302,547	333,931	237,759
Expenses					
230,635	Personnel costs	3	101,342	114,689	98,281
5,275	Depreciation and amortisation expense	7,8	2,260	4,670	1,006
2,932	Capital charge	4	1,125	1,658	650
482,397	Other expenses	5	164,665	212,914	137,822
721,239	Total expenses		269,392	333,931	237,759
141,252	Net surplus/(deficit)		33,155	-	-
Other comprehensive revenue and expense					
-	Item that will not be reclassified to net surplus/(deficit)		-	-	-
141,252	Total comprehensive revenue and expenses		33,155	-	-

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Unaudited budget 2023 \$000	Unaudited forecast 2024 \$000
Equity					
25,961	Taxpayers' funds		9,390	26,087	10,364
3,555	Property revaluation reserve		3,555	3,555	3,555
(7,339)	Memorandum accounts	13	(8,313)	(7,339)	(8,313)
22,177	Total equity	12	4,632	22,303	5,606
Assets					
Current assets					
13,733	Cash and cash equivalents	15	5,864	7,000	10,000
13,470	Receivables	6,15	8,907	12,200	10,000
236,912	Debtor Crown	15	54,441	21,794	17,823
9,220	Prepayments		507	6,800	2,000
273,335	Total current assets		69,719	47,794	39,823
Non-current asset					
9,421	Property, plant and equipment	7	9,564	12,058	14,958
14,407	Intangible assets	8	935	23,634	585
23,828	Total non-current assets		10,499	35,692	15,543
297,163	Total assets		80,218	83,486	55,366
Liabilities					
Current liabilities					
106,915	Payables	9	29,974	46,302	40,020
142,589	Return of operating surplus	10	34,129	–	–
23,760	Employee entitlements	11	10,575	13,039	8,490
273,264	Total current liabilities		74,678	59,341	48,510
Non-current liabilities					
1,722	Employee entitlements	11	908	1,842	1,250
1,722	Total non-current liabilities		908	1,842	1,250
274,986	Total liabilities		75,586	61,183	49,760
22,177	Net assets		4,632	22,303	5,606

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2023

Actual		Note	Actual	Unaudited	Unaudited
2022			2023	budget	forecast
\$000			\$000	2023	2024
				\$000	\$000
25,891	Balance as at 1 July		22,177	22,303	5,606
141,252	Net surplus/(deficit)		33,155	–	–
	Owner transactions				
(142,589)	Return of operating surplus to the Crown	10	(34,129)	–	–
4,349	Capital contribution – cash		–	943	–
–	Capital contribution – non cash		943	–	–
(6,726)	Capital withdrawal – cash		(3,473)	(943)	–
–	Capital withdrawal – non cash		(14,041)	–	–
22,177	Balance as at 30 June		4,632	22,303	5,606

Statement of cash flows for the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Unaudited budget 2023 \$000	Unaudited forecast 2024 \$000
Cash flows from operating activities				
692,634	Receipts from revenue Crown	465,335	331,439	223,339
12,720	Receipts from other revenue	25,952	24,433	18,225
(450,498)	Payments to suppliers	(219,331)	(237,677)	(138,944)
(224,323)	Payments to employees	(105,783)	(109,220)	(96,936)
(2,932)	Payments for capital charge	(1,125)	(1,658)	(650)
24,000	Goods and services tax (net)	(25,738)	–	–
51,601	Net cash flow from operating activities	139,310	7,317	5,034
Cash flows from investing activities				
28	Receipts from sale of property, plant and equipment	25	4,000	–
(1,128)	Purchase of property, plant and equipment	(1,142)	(5,340)	(1,500)
(2,766)	Purchase of intangible assets	–	(72)	(100)
(3,866)	Net cash flow from investing activities	(1,117)	(1,412)	(1,600)
Cash flows from financing activities				
4,349	Capital injection	–	943	–
(6,726)	Capital withdrawal	(3,473)	(943)	–
(34,264)	Return of operating surplus	(142,589)	(5,905)	(3,434)
(36,641)	Net cash flow from financing activities	(146,062)	(5,905)	(3,434)
11,094	Net increase in cash held	(7,869)	–	–
2,639	Cash at the beginning of the year	13,733	7,000	10,000
13,733	Cash at the end of the year	5,864	7,000	10,000

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2023 (continued)

Reconciliation of net surplus/(deficit) to net cash flow from operating activities

Actual 2022 \$000		Actual 2023 \$000
141,252	Net surplus/(deficit)	33,155
	Add/(less) non-cash items	
	– Crown entities transfer	(743)
5,275	Depreciation and amortisation expense	2,260
5,275	Total non-cash items	1,517
	Add/(less) items classified as investing or financing activities	
18	(Gains)/losses on disposal of property, plant and equipment	8
18	Total items classified as investing or financing activities	8
	Add/(less) movements in working capital items	
3,377	(Increase)/decrease in receivables	4,563
(152,578)	(Increase)/decrease in debtor Crown	182,471
(4,877)	(Increase)/decrease in prepayments	8,713
52,822	Increase/(decrease) in payables*	(77,118)
6,312	Increase/(decrease) in employee entitlements	(13,999)
(94,944)	Total movements in working capital items	104,630
51,601	Net cash flow from operating activities	139,310

* Payables for capital expenditure have been excluded when calculating the increase/decrease in the payables movement as they are relating to investing activities.

Statement of cash flows for the year ended 30 June 2023 (continued)

Reconciliation of net cash flow from financing activities

Actual 2022 \$000		Actual 2023 \$000
	Movement in liability arising from financing activities	
108,325	Increase/(decrease) in return of operating surplus liability	(108,460)
108,325	Total movement in liability arising from financing activities	(108,460)
	Non-cash item	
(142,589)	Operating surplus to be paid to the Crown in 2023/24	(34,129)
(142,589)	Total non-cash item	(34,129)
	Add/(less) owner's contribution and withdrawal	
4,349	Capital contribution	–
(6,726)	Capital withdrawal	(3,473)
(2,377)	Net owner's contribution and withdrawal	(3,473)
(36,641)	Net cash flow from financing activities	(146,062)

The accompanying notes form part of these financial statements.

Statement of commitments as at 30 June 2023

Capital commitments Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or are not recognised as a liability at balance date.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are reported below at the lower of the remaining contractual commitment and the value of those penalty or exit costs.

Non-cancellable operating lease commitments

The Ministry leases property, plant and equipment in the normal course of its business. The majority of these leases are for premises and car parks, which have a non-cancellable leasing period ranging from two to ten years.

The Ministry's non-cancellable operating leases have varying terms, escalation clauses and renewal rights.

Actual 2022 \$000		Actual 2023 \$000
	Capital commitments	
	– Property, plant and equipment	1,827
	– Total capital commitments	1,827
	Operating leases as lessee	
	Future aggregate lease payments to be paid under non-cancellable operating leases are as follows:	
11,500	Not later than one year	9,057
35,832	Later than one year and not later than five years	32,898
32,969	Later than five years	25,910
80,301	Total non-cancellable operating lease commitments	67,865
80,301	Total commitments	69,692

The Ministry has medium to long-term leases on its premises in Auckland, Wellington, Hamilton, Christchurch, and Palmerston North. The annual lease payments are subject to regular reviews ranging from one to four years. Amounts disclosed are based on current rental rates.

The Ministry has a capital commitment for the radiation store which is planned to be completed in 2023/24.

Statement of contingent liabilities and contingent assets as at 30 June 2023

The Ministry is defending a small number of legal disputes involving past employees for which a potential liability has not yet been quantified as at 30 June 2023.

The Ministry had no other contingent liabilities as at 30 June 2023 (2022: \$nil).

The Ministry had no contingent assets as at 30 June 2023 (2022: \$nil).

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2023

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1. Statement of accounting policies

Reporting entity

The Ministry of Health (the Ministry) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry's operations includes the Public Finance Act 1989, the Public Service Act, and the New Zealand Public Health and Disability Act 2000. The Ministry's ultimate parent is the New Zealand Crown.

The financial statements of the Ministry for the year ended 30 June 2023 are consolidated financial statements including the Ministry and Te Aho o Te Kahu | Cancer Control Agency. Te Aho o Te Kahu | Cancer Control Agency (established 1 December 2019) is a departmental agency as defined by section 2 of the Public Finance Act and section 5 of the Public Service Act, which is hosted within the Ministry. Unless explicitly stated, references to the Ministry cover the Ministry and the departmental agency (see note 16).

In addition, the Ministry has reported on Crown activities that it administers in the non-departmental statements and schedules on pages 134 to 152.

The Ministry's primary objective is to provide services to the New Zealand public. The Ministry funds, administers and monitors the delivery of health services.

The Ministry has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements are for the year ended 30 June 2023 and were approved for issue by the Director-General of Health on 30 September 2023.

Basis of preparation

The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements and service performance information of the Ministry have been prepared in accordance with the requirements of the Public Finance Act, which include the requirement to comply with generally accepted accounting practice and Treasury Instructions.

The financial statements and service performance information have been prepared in accordance with PBE standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Comparative figures

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

New or amended standards adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Ministry has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

This Standard establishes new requirements for the selection and presentation of service performance information. The Ministry has adopted PBE FRS 48. The main change between PBE FRS 48 and PBE IPSAS 1 Presentation of Financial Statements is that PBE FRS 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information. This is disclosed in Statements of Service Performance.

Other changes in accounting policies

There have been no other changes in the Ministry's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to the Ministry are as follows:

2022 Omnibus Amendment to PBE Standards

This standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of the following.

- *PBE IPSAS 16 Investment Property*: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- *PBE IPSAS 17 Property, Plant and Equipment*: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- *PBE IPSAS 30 Financial Instruments: Disclosures*: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.

- *PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets*: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

PBE IFRS 17 Insurance Contracts

This new standard sets out accounting requirements for insurers and other entities that issue insurance contracts and applies to financial reports covering periods beginning on or after 1 January 2026.

The Ministry has not yet assessed in detail the impact of these amendments and the new standard.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents comprise funds in current accounts with Westpac New Zealand Limited, a registered bank.

The Ministry is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Cash and cash equivalents are subject to the expected loss requirements of PBE IFRS 9. However, no loss allowance has been recognised because the estimated loss allowance for credit losses is considered to be nil or trivial.

Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position. The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Income tax

The Ministry is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Budget and forecast figures

Basis of the budget figures

The 2022/23 budget figures are for the year ended 30 June 2023 and were published in the 2022 Annual Report. They are consistent with the Ministry's best estimate at the time for financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update for the year ended 2022/23.

Basis of the forecast figures

The 2023/24 forecast figures are for the year ending 30 June 2024, which are consistent with the best estimate at the time for the Budget Economic and Fiscal Update forecast financial information submitted to the Treasury for the year ending 2023/24.

The forecast financial statements have been prepared as required by the Public Finance Act to communicate forecast financial information for accountability purposes. The 30 June 2024 forecast figures have been prepared in accordance with and comply with PBE FRS 42 Prospective Financial Statements.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The Director-General as Chief Executive of the Ministry is responsible for the forecast financial statements including the appropriateness of the assumptions underlying them and all other required disclosures. The forecast financial statements were approved by the Chief Executive on 20 April 2023.

While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2024 will not be published during the year.

Significant assumptions used in preparing the forecast financial information

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions on what may occur during the 2023/24 year. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 20 April 2023, were as follows:

- The Ministry's activities and output expectations will remain substantially the same as in 2022/23, focusing on the Government's priorities.
- Personnel costs were based on current wages and salary costs adjusted for anticipated remuneration changes.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred.
- Estimated year-end information for 2022/23 was used as the opening position for the 2023/24 forecasts.

The actual financial results achieved for 30 June 2024 are likely to vary from the forecast information presented and the variance may be material. Factors that may lead to a material difference between information in these forecast financial information statements and the actual reported results include changes to the budget through initiatives approved by Cabinet during 2023/24 and reflected in the Vote Health 2023/24 Supplementary Estimates, technical adjustments to (including transfers between) financial years and timing of expenditure relating to significant programmes and projects.

2. Revenue

Accounting policy

The specific accounting policies for significant revenue items are explained below.

The Ministry derives revenue through the provision of outputs to the Crown and for services to third parties. Such revenue is recognised at fair value of consideration received.

Revenue Crown

Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to the balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement of \$282.864 million (2022: \$845.212 million).

Supply of services

Revenue from the supply of services is recognised by reference to the stage of completion of the transaction at balance date and only to the extent that the outcome of the transaction can be estimated reliably.

Other revenue

Actual 2022 \$000		Actual 2023 \$000
10,092	Medicines registration	10,581
4,425	Annual licence and registration fees	4,425
2,762	Other revenue	4,677
17,279	Total other revenue	19,683

Explanation of major variances against budget

Revenue Crown was \$32.194 million lower than budget mainly due to funding changes to reflect the residual transfer of functions to the various Crown entities, as a result of the health system reforms.

Debtor Crown was \$32.647 million higher than budget mainly due to the surplus in the departmental accounts for the year.

3. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employer contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in surplus or deficit as incurred.

Actual 2022 \$000		Actual 2023 \$000
214,987	Salaries and wages	95,359
6,156	Employer contributions to defined contribution plans	3,084
6,239	Increase/(decrease) in employee entitlements	1,077
3,253	Other personnel costs	1,822
230,635	Total personnel costs	101,342

Explanation of major variances against budget

Personnel costs were \$13.347 million lower than the budget mainly due to the residual transfer of functions to Te Whatu Ora as result of the health system reforms.

4. Capital charge

Accounting policy

The capital charge is recognised as an expense in the financial year to which the charge relates.

The Ministry pays a capital charge to the Crown on its equity balance (adjusted for memorandum accounts) as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2023 was 5.0% (2022: 5.0%).

5. Other expenses

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Other expenses

Other expenses are recognised as expenses as goods and services are received.

Other expenses

Actual 2022 \$000		Actual 2023 \$000	Unaudited budget 2023 \$000	Unaudited forecast 2024 \$000
665	Fees to Audit New Zealand for audit of financial statements	491	735	423
136	Fees to Audit New Zealand for other assurance services	–	–	–
239,072*	Contractors and consultants	46,945	103,550*	26,692
29,373	Professional specialist fees	33,004	10,000	56,812
–	Scientific advice	43,597	18,552	23,081
1,846	Sector and public consultations	312	2,000	2,224
140,125*	Computer services	13,521	34,577*	5,436
31,409	Advertising	287	8,000	103
15,770	Operating lease payments	12,636	15,806	10,756
4,269	Occupancy costs other than leases	4,177	4,000	5,521
10,334	Communications and couriers	2,039	8,005	1,782
2,384	Printing and stationery	696	3,072	558
3,184	Travel	2,335	1,157	1,847
–	Impairment loss on receivables	371	–	–
18	Net loss on sale/disposal of property, plant and equipment	8	–	–
3,812	Other expenses	4,246	3,460	2,587
482,397	Total other expenses	164,665	212,914	137,822

* Contractor and consultant balances for prior year have been restated to align with the reporting to Public Service Commission. These expenses were previously classified under computer services.

Explanation of major variances against budget

Other expenses were \$48.249 million lower than budget reflecting the residual transfer of functions to Te Whatu Ora as result of the health system reforms.

This is reflected in the contractor and consultant's category which were \$56.605 million lower than budget and computer services category which were \$21.056 million lower than budget mainly reflecting the transfer of IT services and COVID-19 functions to Te Whatu Ora during the year.

In addition, advertising, operating lease payments and communications costs were \$16.849 million lower than budget as functions have moved across to Te Whatu Ora.

This is mainly offset by the scientific advice expenditure being \$25.045 million higher than budget to due this function transferring across from the non-departmental appropriation and professional specialist fees, being \$23.004 million mainly for external research for the new evidence, research and innovation directorate established following the health reforms.

6. Receivables

Accounting policy

Short-term receivables are measured at amortised cost and recorded at the amount less any provision for uncollectability and an allowance for credit losses according to the requirements of PBE IFRS 9.

A receivable is considered to be uncollectable when there is evidence that the amount will not be fully collectable. The amount that is uncollectable is the difference between the carrying amount due and the present value of the amount expected to be collected.

Breakdown of receivables and further information

Actual 2022 \$000		Actual 2023 \$000
13,470	Gross receivables	9,278
–	Less: allowances for credit losses	(371)
13,470	Net receivables	8,907
Receivables consist of:		
13,470	Receivables from registration and licence fees and other revenue	8,907
13,470	Total receivables	8,907

As at 30 June 2023 impairment of gross receivables has been calculated based on a review of specific overdue receivables.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

Ageing profile of receivables

2022				2023		
Gross	Impairment	Net		Gross	Impairment	Net
\$000	\$000	\$000		\$000	\$000	\$000
9,604	-	9,604	Not past due	1,566	-	1,566
626	-	626	Past due 1 - 30 days	1,950	-	1,950
424	-	424	Past due 31 - 60 days	33	-	33
126	-	126	Past due 61 - 90 days	293	-	293
2,690	-	2,690	Past due >91 days	5,436	(371)	5,065
13,470	-	13,470	Balance as at 30 June	9,278	(371)	8,907

Movement in the allowance for credit losses:

Actual 2022 \$000	Actual 2023 \$000
-	-
-	371
-	-
-	371

Explanation of major variances against budget

Receivables were \$3.293 million lower than budget mainly from the residual functions transferred to Te Whatu Ora. When the original budget was set some of the function transfers had not been finalised.

A large portion debtor balance for prior year was made up of the National Ambulance Sector Office, which has now moved to Te Whatu Ora

7. Plant, property and equipment

Accounting policy

Property, plant and equipment consists of the following asset classes: land, leasehold improvements, furniture, plant and equipment, and motor vehicles.

Land is measured at fair value. All other classes are measured at cost less accumulated depreciation and impairment losses.

Individual assets, or groups of assets, are capitalised if their cost is greater than \$4,000.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, 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 property, plant and equipment have been estimated as follows:

	Useful life	Depreciation rate
Motor vehicles	5 years	20%
Furniture, plant and equipment	5–10 years	10–20%
Leasehold improvements	5–10 years	10–20%
Computer hardware	3–5 years	20–33.3%

Leasehold improvements are capitalised over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Work in progress

Work in progress is recognised at cost less impairment and is not depreciated.

Additions

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 Ministry and the cost of the item can be measured reliably.

An item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset and are included in surplus or deficit. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry 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 surplus or deficit as they are incurred.

Revaluations

Land is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value. Land is revalued at least every three years.

The carrying value of the revalued asset is assessed annually to ensure that it does not differ materially from fair value. If there is a material difference, then the off-cycle asset class revaluation is carried out.

Revaluation movement is accounted for on a class-of-asset basis.

The net revaluation result is credited or debited to other comprehensive revenue and expense and is accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense. A revalued asset can be impaired without having to revalue the entire class-of-asset to which the asset belongs.

Impairment

Property, plant and equipment held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that 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 service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the present value of the asset's remaining service potential. Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is considered to be impaired and the carrying amount is written down to the recoverable service amount. The total impairment loss is recognised in surplus or deficit, unless the asset belongs to a class that are measured using the revaluation model. Reversal of an impairment loss is recognised in surplus or deficit.

Movement of property, plant and equipment

The land which is at 108 Victoria Street, Christchurch was valued by Telfer Young, an independent valuer on 30 June 2021. The building on the land was damaged and had been derecognised since the 2011 Christchurch earthquake.

	Land \$000	Leasehold improve- ments \$000	Furniture plant and equipment \$000	Motor vehicles \$000	Computer hardware \$000	Total \$000
Cost or valuation						
Balance as at 1 July 2021	6,315	5,271	1,975	343	1,741	15,645
Additions	–	317	126	242	1	686
Disposals	–	–	(115)	(133)	(470)	(718)
Balance as at 30 June 2022	6,315	5,588	1,986	452	1,272	15,613
Balance as at 1 July 2022	6,315	5,588	1,986	452	1,272	15,613
Additions	–	1,304	16	–	–	1,320
Disposals*	–	(675)	(1,221)	(281)	(492)	(2,669)
Balance as at 30 June 2023	6,315	6,217	781	171	780	14,264
Accumulated depreciation and impairment losses						
Balance as at 1 July 2021	–	2,960	1,321	274	1,627	6,182
Depreciation expense	–	488	125	30	47	690
Eliminate on disposal	–	–	(103)	(107)	(470)	(680)
Balance as at 30 June 2022	–	3,448	1,343	197	1,204	6,192
Balance as at 1 July 2022	–	3,448	1,343	197	1,204	6,192
Depreciation expense	–	459	70	27	8	564
Eliminate on disposal*	–	(674)	(769)	(175)	(438)	(2,056)
Balance as at 30 June 2023	–	3,233	644	49	774	4,700
Total property, plant and equipment including work in progress						
At 30 June 2021	6,315	2,311	654	69	114	9,463
At 30 June 2022	6,315	2,140	643	255	68	9,421
At 30 June 2023	6,315	2,984	137	122	6	9,564

* Included in the disposal is the transfer of assets to Te Whatu Ora (net book value of \$0.579 million) on 1 July 2022.

Work in progress

As at 30 June 2023 work-in-progress costs incurred to date of \$1.621 million relate to compliance for storage of radioactive waste (2022: \$0.317 million). This project is expected to be completed and capitalised in 2023/24.

Restrictions

There are no restrictions over the title of the Ministry's plant, property and equipment.

8. Intangible assets

Accounting policy

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated: technical feasibility; ability to complete the asset; intention and ability to sell or use; and where development expenditure can be reliably measured. Expenditure incurred on research related to an internally generated intangible asset is expensed when it is incurred. Where the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the costs of services, software development employee costs and an appropriate portion of relevant overheads.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software.

Staff training costs, costs associated with maintaining software and costs associated with the development and maintenance of the Ministry's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit. The useful lives and associated rates of major classes of intangible assets have been estimated as follows:

	Useful life	Amortisation rate
Software – internally generated	3–7 years	14.3–33.3%
Software – other	3–7 years	14.3–33.3%

Impairment

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. For further details, refer to the policy for impairment of property, plant and equipment in note 7 as the same approach applies to the impairment of intangible assets.

Critical accounting estimates and assumptions

Useful lives of software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licences, the useful life represents management's view of the expected period over which the Ministry will receive benefits from the software but not exceeding the licence term. For internally generated software developed by the Ministry, the useful life is based on historical experience with similar systems as well as anticipation of future events that may impact the useful life such as changes in technology.

Software as a service

The Ministry exercises judgement in capitalising costs incurred in implementing software as a service. Generally, the costs incurred in configuring and customising software under a software as a service arrangement are expensed in the period they are incurred. software as a service. costs that are identifiable, and that generate future economic benefits and where the Ministry can demonstrate control over the asset are capitalised when incurred.

Costs of configuring and customising commercial off-the-shelf software are capitalised.

Movement of intangible assets

	Acquired software \$000	Internally generated software \$000	Total \$000
Cost			
Balance as at 1 July 2021	20,131	80,847	100,978
Additions	81	4,480	4,561
Disposals	(1,531)	(4,684)	(6,215)
Balance as at 30 June 2022	18,681	80,643	99,324
Balance as at 1 July 2022	18,681	80,643	99,324
Additions	–	–	–
Disposals*	(17,162)	(68,177)	(85,339)
Balance as at 30 June 2023	1,519	12,466	13,985
Accumulated amortisation and impairment losses			
Balance as at 1 July 2021	19,777	66,765	86,542
Amortisation expense	50	4,535	4,585
Eliminate on disposal	(1,524)	(4,686)	(6,210)
Balance as at 30 June 2022	18,303	66,614	84,917
Balance as at 1 July 2022	18,303	66,614	84,917
Amortisation expense	17	1,679	1,696
Eliminate on disposal*	(16,801)	(56,762)	(73,563)
Balance as at 30 June 2023	1,519	11,531	13,050
Total intangible assets including work in progress			
At 30 June 2021	354	14,082	14,436
At 30 June 2022	378	14,029	14,407
At 30 June 2023	–	935	935

* The total disposal of intangible assets relates to the transfer of assets to Te Whatu Ora on 1 July 2022.

Work in progress

The Ministry has no IT projects in progress, as these projects have been transferred to Te Whatu Ora following the health sector reforms (2022: \$6.269 million).

Restrictions

There are no restrictions over the title of the Ministry's intangible assets.

Explanation of major variances against budget

Intangible assets were \$22.699 million lower than budget which reflected the transfer of intangible assets to Te Whatu Ora and the finalisation of the residual IT function provided by Te Whatu Ora. When the budget was set the transfer of the IT functions had not been finalised.

9. Payables

Accounting policy

Short-term payables are measured at the amount payable.

Revenue in advance refers to fees received in advance in relation to new medicine applications.

Actual 2022 \$000		Actual 2023 \$000
1,909	Creditors	2,193
3,459	Revenue in advance	5,898
74,404	Accrued expenses	20,479
27,143	GST payable	1,404
106,915	Total payables	29,974

Explanation of major variances against budget

Payables were \$16.328 million lower than the budget due to lower accrued expenses at the end of the year as a result of suppliers being paid prior to year end. In addition, some of the functions have transferred to Te Whatu Ora resulting in reduced supplier payments and accruals.

Prepayments were \$6.293 million lower than budget mainly due to the licensing costs transferred across to Te Whatu Ora.

10. Return of operating surplus

Actual 2022 \$000		Actual 2023 \$000
141,252	Net surplus/(deficit)	33,155
	Add:	
1,337	(Surplus)/deficit of memorandum accounts	974
142,589	Total operating surplus/(deficit)	34,129
142,589	Total return of operating surplus	34,129

The return of operating surplus to the Crown is required to be paid by 31 October of each year.

11. Provisions and employee entitlements

Provisions

Accounting policy

A provision is recognised for future expenditure of an uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions to be settled beyond 12 months are recorded at their present value.

No provision was recognised as at 30 June 2023 (2022: nil).

Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, long-service leave and retirement gratuities expected to be settled within 12 months and sick leave.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long-service leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

Actual 2022 \$000		Actual 2023 \$000
Current position		
16,704	Annual leave	7,203
1,135	Retirement and long-service leave	657
5,921	Accrued salaries	2,715
23,760	Total current portion	10,575
Non-current portion		
1,722	Retirement and long-service leave	908
1,722	Total non-current portion	908
25,482	Total employee entitlements	11,483

Critical accounting estimates and assumptions: long-service leave and retirement gratuities

The measurement of long-service leave and retirement gratuities obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash flows. A weighted average discount rate of 5.43% (2022: 3.34%) was used. The discount rates and salary inflation factor used are those advised by the Treasury.

If the discount rates were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus or deficit would be an estimated \$9,900 higher/lower (2022: \$19,450 higher/lower).

If the salary inflation rates were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the total liability and the surplus or deficit would be an estimated \$15,147 higher/lower.

12. Equity

Accounting policy

Equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities (net assets).

Capital management

The Ministry's capital is its equity, which comprise taxpayers' funds, memorandum accounts, and property revaluation reserve.

The Ministry manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Ministry's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, compliance with the government budget processes, Treasury instructions, and the Public Finance Act

The objective of managing the Ministry's equity is to ensure that the Ministry effectively achieves its goals and objectives, for which it has been established, while remaining a going concern.

Memorandum accounts

Memorandum accounts reflect the cumulative surplus or deficit on those departmental services provided that are intended to be fully cost recovered from third parties through fees, levies or charges. The balance of each memorandum account is expected to trend toward zero over time.

Property revaluation reserve

Property revaluation reserve is the result of land revaluation to fair value.

Actual 2022 \$000		Actual 2023 \$000
Taxpayers' funds		
28,338	Balance as at 1 July	25,961
141,252	Net surplus/(deficit)	33,155
1,337	Transfer of memorandum account net deficit for the year	974
(142,589)	Return of operating surplus to the Crown	(34,129)
4,349	Capital injection – cash	-
-	Capital injection – non-cash	943
(6,726)	Capital withdrawal – cash	(3,473)
-	Capital withdrawal – non-cash	(14,041)
25,961	Balance as at 30 June	9,390
Property revaluation reserve		
3,555	Balance as at 1 July	3,555
-	Revaluation gains/losses on land	-
3,555	Balance as at 30 June	3,555
Memorandum accounts		
(6,002)	Balance as at 1 July	(7,339)
(1,337)	Net memorandum account deficits for the year	(974)
(7,339)	Balance as at 30 June	(8,313)
22,177	Total equity	4,632

13. Memorandum accounts

The memorandum accounts summarise financial information relating to the accumulated surpluses and deficits incurred in the provision of statutory information and performance of accountability reviews by the Ministry to third parties in a full cost recovery basis.

The balance of each memorandum account is expected to trend toward zero over a reasonable period of time, with interim deficits being met either from cash from the Ministry's statement of financial position or by seeking approval for a capital injection from the Crown. Capital injections will be repaid to the Crown by way of cash payments throughout the memorandum account cycle.

Action taken to address surpluses and deficits

To recover the deficit memorandum account from revenue in the future years, the Ministry has undertaken fees reviews. Medsafe and the Office of Radiation Safety have implemented changes to their fees. This is expected to address the deficit in the medium-term. A review is also underway for Medicinal Cannabis, it is expected to implement a new fee schedule in 2024/25 financial year.

	Problem Gambling*	Office of Radiation Safety	Medsafe	Medicinal Cannabis	Vaping	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July 2021	(707)	(1,417)	(2,603)	(122)	(1,153)	(6,002)
Revenue	–	1,016	9,772	477	1,774	13,039
Expenditure	–	(1,750)	(10,198)	(1,059)	(1,369)	(14,376)
Balance as at 30 June 2022	(707)	(2,151)	(3,029)	(704)	(748)	(7,339)
Balance as at 1 July 2022	(707)	(2,151)	(3,029)	(704)	(748)	(7,339)
Revenue	–	1,182	10,166	453	1,586	13,387
Expenditure	–	(1,985)	(10,610)	(957)	(809)	(14,361)
Balance as at 30 June 2023	(707)	(2,954)	(3,473)	(1,208)	29	(8,313)

* The Problem Gambling memorandum account was disestablished in 2019/20. The Ministry is in the process of seeking approval from the Crown to close the deficit balance of the account. Revenue collected and expenditure incurred in relation to problem gambling services are disclosed in the 'Problem Gambling Revenue Report' on page 139.

14. Related party transactions

The Ministry is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

Actual 2022 \$000		Actual 2023 \$000
Leadership team		
7,579	Remuneration	4,939
20	Full-time equivalent staff	14

The leadership team also includes the Director-General.

The above key management personnel disclosure excludes the Minister of Health. The Minister's remuneration and other benefits are not received only for her role as a member of key personnel of the Ministry. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, not by the Ministry.

The remuneration of the leadership team includes contributions to defined contribution plans and non-monetary benefit provided (car parks). The non-monetary benefit has been measured using the recovery rate that is applicable for other employees who use car parks in the Wellington office.

15. Financial instruments

Categories of financial instruments

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

Actual 2022 \$000		Actual 2023 \$000
Financial assets measured at amortised cost		
13,733	Cash and cash equivalents	5,864
13,470	Receivables	8,907
236,912	Debtor Crown	54,441
264,115	Total financial assets measured at amortised cost	69,212
Financial liabilities measured at amortised cost		
76,313	Payables	22,672
76,313	Total financial liabilities measured at amortised cost	22,672

Financial instruments risks

The Ministry's activities expose it to a variety of financial instrument risk, credit risk and liquidity risk. The Ministry has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow the Ministry to enter into transactions that are speculative in nature.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

Foreign currency denominated transactions are not material. Therefore, the impact of the Ministry's exposure to currency risk is minimal.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Ministry, causing a loss to be incurred.

In the Ministry's normal course of its business, credit risk arises from debtor Crown, receivables and cash and cash equivalents.

The Ministry's credit risk is concentrated with the Crown and other government agencies but not with any individual agencies. The carrying amount of financial assets best represents the Ministry's maximum exposure to credit risk at balance date.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

The Ministry has no interest-bearing financial instruments; therefore, it has no exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds as they fall due.

As part of meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from the Treasury Capital Markets. The Ministry maintains a target level of available cash to meet liquidity requirements.

Contractual maturity analysis of financial liabilities

The table below analyses the Ministry's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount	Total contractual cash flows	Less than 6 months	6 months to 1 year	1-5 years
	\$000	\$000	\$000	\$000	\$000
Payables	22,672	22,672	22,672	–	–
Balance as at 30 June 2023	22,672	22,672	22,672	–	–
Payables	76,313	76,313	76,313	–	–
Balance as at 30 June 2022	76,313	76,313	76,313	–	–

16. Departmental agency results

16.1 Te Aho o Te Kahu | Cancer Control Agency

On 28 August 2019, Cabinet approved the establishment of Te Aho o Te Kahu | Cancer Control Agency as a departmental agency, hosted by the Ministry.

The Order in Council also named the Cancer Control Agency as a department agency within the Ministry under Schedule 1A of the then State Sector Act 1988 with effect from 1 December 2019.

The nature of this arrangement means while the agency is a separate departmental operating unit within the Ministry, it is functionally independent, with separate ministerial reporting lines and Chief Executive. The Ministry's financial statements include the operations of the Cancer Control Agency.

The Cancer Control Agency is funded within Vote Health baselines.

In the 2021/22 financial year the Cancer Control Agency spent \$2.272 million of non-departmental expenditure for the national personal health services. Following the health sector reforms this appropriation was disestablished and funding was moved to the departmental appropriation.

In summary, its financial performance for the year ended 30 June 2023 was as follows:

Actual 2022 \$000		Actual 2023 \$000
Departmental activities		
10,512	Revenue	15,541
10,512	Revenue Crown	15,541
Expenses		
7,325	Personnel costs	8,121
972	Other expenses	4,483
8,297	Total expenses	12,604
2,215	Net surplus/(deficit)	2,937
Non-departmental activities		
2,272	Appropriation: National personal health services	–
2,272	Total non-departmental expenditure	–

16.2 Interim Te Whatu Ora and Te Aka Whai Ora

The Ministry's financial statements for the previous financial year include the operations of interim Te Whatu Ora and interim Te Aka Whai Ora.

The two interim agencies were established as interim departmental agencies within the Ministry on 1 September 2021 until the permanent entities came into effect from 1 July 2022. The purpose of the interim agencies was to help drive the development of permanent entities and their roles within a newly transformed system.

The two interim agencies were funded within Vote Health baselines, under the Health and Disability System Reform MCA. Total expenditure reported in 2021/22 was \$22.081 million departmental expenditure for interim Te Whatu Ora, and \$7.660 million departmental expenditure and \$8.760 million non-departmental expenditure for interim Te Aka Whai Ora. As both entities became permanent separate public entities on 1 July 2022, there were no further transactions to be reported in the Ministry's 2022/23 financial statements.

17. Events after balance date

There were no significant events after the balance date.

Non-departmental statements and schedules for the year ended 30 June 2023

The following non-departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, capital receipts and trust accounts that the Ministry manages on behalf of the Crown.

The make-up of the Vote Health for 2022/23 has seen significant changes due to a substantially restructured Vote to implement changes from the Government's health and disability system reform including:

- the establishment of new agencies: Te Whatu Ora; Te Aka Whai Ora; and the Public Health Agency (a new operating unit within the Ministry)
- the transfer of disability support services related funding to Vote Social Development for the ongoing operation of the new Whaikaha | Ministry for Disabled People to support tangata whaikaha Māori and disabled people
- the transfer of the funding for pharmaceutical expenditure from the previous district health board appropriations to a new National Pharmaceutical Purchasing appropriation specifically set up for this purpose
- the fiscally neutral transfer of funding, previously held under Departmental Output Expenses, into the Stewardship of the New Zealand health system MCA to enable the Ministry to discharge its role as the chief steward of New Zealand's health system and principal advisor to the Minister of Health.

Refer to the Estimates of Appropriation 2022/23 – Health Sector document for further details on restructured appropriations.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2023.

Statement of non-departmental expenses for the year ended 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Unaudited budget 2023 \$000	Revised budget 2023 \$000
20,261,597	Contracted services funding to DHBs (devolved and non-devolved funding, including COVID-19 costs)		–	–	–
–	Services from Te Whatu Ora	2.1	22,179,880	20,631,750	22,765,206
–	Services from Te Aka Whai Ora	2.2	573,647	–	568,026
164,512	Services from Pharmaceutical Management Agency Limited	2.3	1,610,597	1,214,872	2,069,865
44,923	Services from Institute of Environmental Science and Research Limited		–	–	–
19,726	Services from Health Promotion Agency		–	–	–
14,688	Services from Health Quality and Safety Commission		17,304	14,376	14,376
16,920	Services from the Health and Disabilities Commissioner		18,944	18,293	17,000
8,022	Services from other Crown entities		7,366	21,728	13,500
20,530,388	Total services from Crown Entities		24,407,738	21,901,019	25,447,973
–	Services from Government Departments		1,132	–	800
–	Total services from Government Departments		1,132	–	800
90,755	Workforce training and development services		–	–	–
103,593	Mental health services		–	–	–
1,578,967	Disability support services		–	–	–
228,978	Maternity services		–	–	–
1,818,027	COVID-19 activities		–	–	–
576,343	Services from third parties		251,134	644,572	170,824
15,538	Impairment of inventory		–	–	–
4,412,201	Total services from third parties		251,134	644,572	170,824
24,942,589	Total services		24,660,004	22,545,591	25,619,597
2,494	Revaluation adjustment in residential care loans		–	–	–
2,494	Total revaluation and impairment adjustments		–	–	–
24,945,083	Total non-departmental expenses		24,660,004	22,545,591	25,619,597
3,707,343	GST input expense		3,715,789	3,381,839	3,842,940
28,652,426	Total non-departmental expenses GST inclusive		28,375,793	25,927,430	29,462,537

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2023.

Schedule of non-departmental revenue and capital receipts for the year ended 30 June 2023

Non-departmental revenues and capital receipts are administered by the Ministry on behalf of the Crown. As these revenues are not established by the Ministry nor earned in the production of its outputs they are not reported in the financial statements.

Actual		Actual	Unaudited	Revised
2022		2023	budget	budget
\$000		\$000	2023	2023
			\$000	\$000
Revenue				
Reimbursement from the Accident Compensation Corporation (ACC)				
7,445	Reimbursement of complex burns costs	7,921	8,179	7,921
35,190	Reimbursement of work-related public hospital costs	39,636	38,664	38,933
416,082	Reimbursement of non-earners' account	468,202	457,150	459,900
134,786	Reimbursement of earners' non-work-related public hospital costs	151,632	148,089	148,943
65,270	Reimbursement of motor vehicle-related public hospital costs	73,447	71,713	72,144
3,943	Reimbursement of medical misadventure costs	4,437	4,332	4,358
8,195	Reimbursement of self-employed public hospital costs	9,222	9,004	9,058
670,911	Total ACC reimbursements	754,497	737,131	741,257
Other non-departmental revenue				
304,860	Capital charge from Crown entities	429,510	426,964	521,809
64	Fines, penalties, and levies	11,150	–	10,580
22,500	Miscellaneous revenue	10,836	1,475	4,900
998,335	Total non-departmental revenue	1,205,993	1,165,570	1,278,546
Non-departmental capital receipts				
14,123	Repayment of residential care loans	15,110	20,000	20,000
12,474	Equity repayments by Te Whatu Ora	12,881	12,499	12,499
26,597	Total non-departmental capital receipts	27,991	32,499	32,499
1,024,932	Total non-departmental revenue and capital receipts	1,233,984	1,198,069	1,311,045

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2023.

Schedule of non-departmental assets and liabilities as at 30 June 2023

Actual		Actual	Unaudited	Revised
2022		2023	budget	budget
\$000	Note	\$000	2023	2023
			\$000	\$000
Assets				
Current assets				
312,394	Cash and cash equivalents	72,303	258,941	150,000
550,231	Inventory	2.4	219,050	-
11,935	Receivables from Te Whatu Ora	1,412	4,000	10,000
48,636	Receivables from ACC	13,239	-	-
6,336	Receivables from government departments	4,489	3,000	8,000
37,598	Other receivables	4,054	6,000	6,000
178,165	Prepayments	2.5	145,494	5,080
1,145,295	Total current assets	101,887	636,485	179,080
Non-current assets				
48,629	Residential care loans	-	50,780	-
298,365*	Hospital rebuild projects	-	376,787	-
3,150*	Land and buildings	3,150	3,150	3,149
350,144	Total non-current assets	3,150	430,717	3,149
1,495,439	Total non-departmental assets	105,037	1,067,202	182,229
Liabilities				
Current liabilities				
Payables:				
97,010	Te Whatu Ora payables	-	-	-
44,782	Other payables	9,301	9,214	10,000
Accrued liabilities and provisions:				
768,238	Crown entities accrued liabilities	2.6	400,000	100,000
360,963	Other accrued liabilities	2.7	300,000	100,753
1,270,993	Total non-departmental current liabilities	76,578	709,214	210,753

* The prior year figure was restated as it included land and buildings which is separately disclosed. The hospital rebuild projects have been transferred to Te Whatu Ora.

The Ministry monitors a number of Crown entities, including Te Whatu Ora and Te Aka Whai Ora. Investment in these entities is recorded in the financial statements of the Government on a line-by-line basis. No disclosure of investments in Crown entities is made in this schedule.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2023.

Schedule of non-departmental commitments as at 30 June 2023

Capital commitments

Actual 2022 \$000		Actual 2023 \$000
Capital commitments		
56,226	Not later than one year	–
23,000	Later than one year and not later than five years	–
69,703	Later than five years	–
148,929	Total capital commitments	–

For the 2021/22 financial year, the capital commitments were for the hospital rebuild projects. In the 2022/23 financial year, the Ministry no longer had any capital commitments as these projects were transferred to Te Whatu Ora.

Schedule of non-departmental contingent liabilities and contingent assets as at 30 June 2023

Contingent liabilities

Actual 2022 \$000		Actual 2023 \$000
1,000	Legal proceedings and disputes	3,610
1,000	Total contingent liabilities	3,610

Legal proceedings and disputes

Legal claims against the Crown are mainly seeking recompense in relation to perceived issues regarding treatment and care, and the Crown is in the process of defending these claims.

New Zealand College of Midwives class action vs Ministry of Health

In August 2022, the New Zealand College of Midwives filed class action proceeding against the Ministry of Health on behalf of self-employed midwives' contractual issues. At this stage it is too early to quantify any possible liability.

Stent and Brill vs Minister for Covid-19 Response

In December 2022, Stent and Brill filed a claim against the Ministry and the Minister for COVID-19 Response in relation to the COVID-19 restrictions in July 2021. At this stage it is too early to quantify any possible liability.

Sait vs Attorney General and others

The claim was filed for unlawful detention and Bill of Rights Act compensation. At this stage it is too early to quantify any possible liability.

Contingent assets

The Ministry had no contingent assets held on behalf of the Crown as the balance date (2022: \$nil).

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2023.

Problem Gambling Revenue Report for the year ended 30 June 2023

In accordance with the Gambling Act 2003, the Ministry receives an appropriation for problem gambling that over time is intended to be fully funded from the levies collected from the industry by Inland Revenue. These services are mainly delivered by Te Whatu Ora and Te Aka Whai Ora. The following report shows the revenue collected to date and actual expenditure.

Actual 2022 \$000		Actual 2023 \$000
Problem Gambling		
4,195	Balance as at 1 July	(1,172)
13,248	Revenue	22,327
(18,615)	Expenses	(20,689)
(1,172)	Balance as at 30 June*	466

* The balance represents the accumulated balance of surpluses and deficits incurred in providing problem gambling services; they are not formal assets or liabilities of the Crown.

Revenue is actual levies collected by Inland Revenue based on the *Strategy to Prevent and Minimise Gambling Harm: Three-year service plan 2022/23–2024/25*.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2023.

Notes to the non-departmental statements and schedules

Notes index

1. Statement of accounting policies
2. Explanation of major variances against budget
3. COVID-19 response expenditure for the year ended 30 June 2023

1. Statement of accounting policies

Reporting entity

These non-departmental statements and schedules present financial information on public funds managed by the Ministry on behalf of the Crown. The financial information is consolidated into the Financial Statements of the Government and, therefore, readers of these schedules should also refer to the financial statements of the Government for the year ended 30 June 2023.

Basis of preparation

The non-departmental statements and schedules have been prepared in accordance with the accounting policies of the financial statements of the Government, Treasury instructions and Treasury circulars.

Measurement and recognition rules applied in the preparation of the non-departmental statements and schedules are consistent with generally accepted accounting practice (Public Benefit Entity Accounting Standards) as appropriate for PBEs.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

New or amended standards adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Ministry has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.

Other changes in accounting policies

There have been no other changes in the Ministry's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to the Ministry are:

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of the following.

- *PBE IPSAS 16 Investment Property*: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- *PBE IPSAS 17 Property, Plant and Equipment*: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- *PBE IPSAS 30 Financial Instruments: Disclosures*: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- *PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets*: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

PBE IFRS 17 Insurance Contracts

This new standard sets out accounting requirements for insurers and other entities that issue insurance contracts and applies to financial reports covering periods beginning on or after 1 January 2026.

The Ministry has not yet assessed in detail the impact of these amendments and the new standard.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Revenue and receipts

Revenue from ACC recoveries and capital charges from Te Whatu Ora and New Zealand Blood Service are recognised when earned and are reported in the financial period to which they relate.

Cash and cash equivalents

Cash and cash equivalents are subject to the expected loss requirements of PBE IFRS 9. However, no loss allowance has been recognised because the estimated loss allowance for credit losses is considered to be nil or trivial.

Debtors and receivables

Receivables from ACC recoveries are measured at amortised cost and recorded at the value of the contract and agreed with ACC, less an allowance for credit losses according to the requirements of PBE IFRS 9. The estimated loss allowance is considered to be nil. Receivables from capital charges are recorded at estimated realisable value.

Inventory

Inventories held for consumption in the provision for services are recorded at the lower of cost or net realisable value in accordance with PBE IPSAS 12. Any write-down from cost to net realisable value is recognised in the Statement of Non-Departmental Expenses and Capital Expenditure against appropriations.

Payables

Payables are measured at amortised cost and are recorded at the estimated obligation to pay according to the requirements of PBE IFRS 9. Short-term payables are due within 12 months and are recognised at their nominal value unless the effect of discounting is material. Payables due beyond 12 months are subsequently measured at amortised cost using the effective interest method where applicable.

Accrued expenses

Accrued expenses are recorded at either the value of funding entitlements owing under Crown funding agreements or the estimated value of contracts already started but not yet completed.

Goods and services tax

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown where applicable.

Input tax deductions are not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the financial statements of the Government.

Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into as at the balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Budget figures

The budget figures are consistent with the financial information in the 2022/23 Mains Estimates for Vote Health. In addition, these financial statements also present the updated budget information reflecting changes made during the year and reported in the 2022/23 Vote Health Supplementary Estimates (Revised budget).

Cost accounting policies

The Ministry has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be attributed to a specific output in an economically feasible manner.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Depreciation and capital charge are on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

Events after the balance date

Significant events after balance date are disclosed in note 17 of the Ministry's Departmental financial statements.

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Ministry for the year ended 30 June 2023. They are prepared on a GST exclusive basis.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations for the year ended 30 June 2023

Actual expenditure 2022 \$000	Appropriation title	Note	Actual expenditure 2023 \$000	Unaudited budget 2023 \$000	Revised budget* 2023 \$000	Location of end-of-year performance information^
Multi-category expenses						
-	Stewardship of the New Zealand health system MCA		228,711	266,465	252,776	
<i>Departmental output expenses</i>						
-	Equity, evidence and outcomes		19,158	23,444	16,314	1
-	Policy advice and related services		44,737	38,180	37,218	1
-	Public health and population health leadership		85,963	64,505	100,130	1
-	Regulatory and enforcement services		65,891	62,121	61,885	1
-	Sector performance and monitoring		12,962	78,215	37,229	1
1,563,268	Implementing the COVID-19 vaccine strategy MCA	3	903,880	517,185	1,188,711	
<i>Departmental output expenses</i>						
191,565	Supporting the implementation of the COVID-19 vaccine strategy		-	41,721	-	n/a
<i>Non-departmental output expenses</i>						
805,283	Implementing the COVID-19 immunisation programme		301,794	284,349	301,794	2&5
566,420	Purchasing potential and proven COVID-19 vaccines and other therapeutics		602,086	191,115	886,917	2&5
2,473,707	National response to COVID-19 across the Health Sector MCA	3	1,180,815	455,527	1,612,179	
<i>Departmental output expenses</i>						
66,875	National health response to COVID-19		40,471	25,745	52,637	1
<i>Non-departmental output expenses</i>						
2,406,832 [§]	COVID-19 public health response		1,140,344	429,782	1,559,542	2&5
38,501	Health and disability system reform		-	-	-	
<i>Departmental output expenses</i>						
22,081	Health New Zealand [#]		-	-	-	n/a
7,660	Māori Health Authority [#]		-	-	-	n/a
<i>Non-departmental output expenses</i>						
8,760	Hauora Māori [#]		-	-	-	n/a
288,181	Total multi-category departmental output expenses		269,182	333,931	305,413	

Actual expenditure 2022 \$000	Appropriation title	Note	Actual expenditure 2023 \$000	Unaudited budget 2023 \$000	Revised budget* 2023 \$000	Location of end-of-year performance information ^a
3,787,295	Total multi-category non-departmental output expenses		2,044,224	905,246	2,748,253	
4,075,476	Total multi-category output expenses		2,313,406	1,239,177	3,053,666	
	Departmental output expenses					n/a
196,579	Health sector information systems [#]		–	–	–	n/a
79,421	Managing the purchase of services [#]		–	–	–	n/a
17,653	Payment services [#]		–	–	–	n/a
39,056	Policy advice and related services [#]		–	–	–	n/a
31,013	Regulatory and enforcement services [#]		–	–	–	n/a
84,698	Sector planning and performance [#]		–	–	–	n/a
448,420	Total departmental output expenses excluding multi-category appropriations		–	–	–	
736,601	Total departmental output expenses including multi-category appropriations		269,182^c	333,931	305,413	
	Departmental capital expenditure					
5,245	Ministry of Health – capital expenditure permanent legislative authority		1,320	5,412	5,412	1
5,245	Total departmental capital expenditure		1,320	5,412	5,412	
741,846	Total departmental output appropriations		270,502	339,343	310,825	
	Non-departmental output expenses					
650	Aged Care Commissioner		2,023	2,023	2,023	6
–	Delivering hauora Māori health services	2.8	217,572	162,926	217,572	3
–	Delivering hospital and specialist services	2.9	12,917,202	11,707,419	13,113,854	2
–	Delivering primary, community, public and population health services	2.10	8,199,205	7,964,207	8,248,039	2
35,522	Monitoring and protecting health and disability consumer interests		39,296	39,296	39,296	4 & 6
25,512	National management of pharmaceuticals		29,347	28,872	29,347	5
–	National pharmaceuticals purchasing		1,186,000	1,186,000	1,186,000	5
17,448	Problem gambling services		20,384	20,517	23,711	2

Actual expenditure 2022 \$000	Appropriation title	Note	Actual expenditure 2023 \$000	Unaudited budget 2023 \$000	Revised budget* 2023 \$000	Location of end-of-year performance information [^]
-	Strengthening international health systems		527	-	7,470	1
683	Auckland health projects integrated investment plan [#]		-	-	-	n/a
5,346	Health sector projects operating expenses [#]		-	-	-	n/a
14,633	Health services funding [#]		-	-	-	n/a
208,470	Health workforce training and development [#]		-	-	-	n/a
120,809	National child health services [#]		-	-	-	n/a
1,870,172	National disability support services [#]		-	-	-	n/a
185,219	National emergency services		-	-	-	n/a
12,294	National Māori health services [#]		-	-	-	n/a
235,972	National maternity services [#]		-	-	-	n/a
241,135	National mental health services [#]		-	-	-	n/a
67,033	National personal health services [#]		-	-	-	n/a
532,131	National planned care services [#]		-	-	-	n/a
382,604	Primary health care strategy [#]		-	-	-	n/a
484,597	Public health service purchasing [#]		-	-	-	n/a
63,338	Supporting equitable pay [#]		-	-	-	n/a
1,617,004	Health and disability support services – Auckland DHB [#]		-	-	-	n/a
935,426 ^s	Health and disability Support Services – Bay of Plenty DHB [#]		-	-	-	n/a
1,772,260	Health and disability support services – Canterbury DHB [#]		-	-	-	n/a
943,376	Health and disability support services – Capital & Coast DHB [#]		-	-	-	n/a
1,806,882	Health and disability support services – Counties Manukau DHB [#]		-	-	-	n/a
645,490	Health and disability support services – Hawke's Bay DHB [#]		-	-	-	n/a
485,771	Health and disability support services – Hutt Valley DHB [#]		-	-	-	n/a
422,317	Health and disability support services – Lakes DHB [#]		-	-	-	n/a
646,600	Health and disability support services – MidCentral DHB [#]		-	-	-	n/a
561,816	Health and Disability support services – Nelson-Marlborough DHB [#]		-	-	-	n/a
781,159	Health and disability support services – Northland DHB [#]		-	-	-	n/a

Actual expenditure 2022 \$000	Appropriation title	Note	Actual expenditure 2023 \$000	Unaudited budget 2023 \$000	Revised budget* 2023 \$000	Location of end-of-year performance information^
219,107	Health and disability support services – South Canterbury DHB#		–	–	–	n/a
1,107,904	Health and Disability support services – Southern DHB#		–	–	–	n/a
207,440	Health and disability support services – Tairāwhiti DHB#		–	–	–	n/a
427,010	Health and Disability support services – Taranaki DHB#		–	–	–	n/a
1,526,006	Health and disability support services – Waikato DHB#		–	–	–	n/a
182,817	Health and disability support services – Wairarapa DHB#		–	–	–	n/a
1,871,255	Health and disability support services – Waitematā DHB#		–	–	–	n/a
166,844	Health and disability support services – West Coast DHB#		–	–	–	n/a
282,864	Health and disability support services – Whanganui DHB#		–	–	–	n/a
21,112,916	Total non-departmental excluding multi-category output expenses		22,611,556	21,111,260	22,867,312	
24,900,211	Total non-departmental including multi-category output expenses		24,655,780	22,016,506	25,615,565	
	Non-departmental other expenses					
2,096	International health organisations		2,277	2,230	2,230	7
2,695	Legal expenses		1,947	6,062	1,802	7
37,587	Provider development#		–	–	–	n/a
42,378	Total non-departmental other expenses		4,224	8,292	4,032	
	Non-departmental revaluation and impairment adjustments					
2,494	Net movement in residential care loans book value		–	–	–	n/a
2,494	Total non-departmental revaluation and impairment adjustments		–	–	–	

Actual expenditure 2022 \$000	Appropriation title	Note	Actual expenditure 2023 \$000	Unaudited budget 2023 \$000	Revised budget* 2023 \$000	Location of end-of-year performance information^
Non-departmental capital expenditure						
-	Capital investment for services to the health sector		23,181	31,597	35,241	2
-	Health capital envelope 2022–2027 (MYA)	2.11	1,591,596	1,304,530	967,701	2
32,421	New Dunedin hospital 2021–2026 (MYA)	2.12	62,606	250,000	86,311	2
18,210	Residential care loans – payments		20,000	20,000	20,000	7
-	Standby credit to support health system		-	-	200,000	2
	Liquidity					
280,000	Equity support for DHB deficits#		-	39,211	-	n/a
424,961	Health capital envelope 2020–2025 (MYA)#		-	-	-	n/a
755,592	Total non-departmental capital expenditure		1,697,383	1,645,338	1,309,253	
25,700,675	Total non-departmental appropriations		26,357,387	23,670,136	26,928,850	
26,442,521	Total Vote: Health		26,627,889	24,009,479	27,239,675	

* These are the total approved appropriations from the 2022/23 Vote Health Supplementary Estimates, adjusted for any transfers under section 26A of the Public Finance Act.

€ The total department output expenditure including multi-category appropriations includes expenditure for an admin in use appropriations.

\$ In the 2021/22 financial year an expense amounting to \$0.014 million for “bringing Māori Iwi Leaders, Māori Directors and Leaders across the DHBs to collectively understand their shared strengths across Te Manawa Taki and prepare for changes in the Health System as a result of current Health Reforms” was charged to the National Response to COVID-19 Across the Health Sector MCA. This expenditure has been restated against the Health and Disability Support Services – Bay of Plenty DHB appropriation.

These appropriations have now been disestablished.

^ The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as detailed below:

- 1 The ‘Our performance outcomes’ section of this annual report.
- 2 Te Whatu Ora annual report
- 3 Te Aka Whai Ora annual report
- 4 Health Quality and Safety Commission’s annual report.
- 5 Pharmac annual report.
- 6 Health and Disability Commissioner’s annual report.
- 7 Exemptions granted under section 15D of the Public Finance Act.

2. Explanation of major variances against budget

Explanations for major variances from the Ministry's non-departmental appropriations against the unaudited budget are as follows.

Schedule of non-departmental assets and liabilities

2.1 Services from Te Whatu Ora

Services from Te Whatu Ora was \$1.548 billion higher than budget (approved in the 2022/23 Supplementary Estimates) mainly due to:

- \$520.793 million of additional funding to address historical and future health system cost pressures
- \$573.698 million of additional funding to comply with the interim fixing order for the Te Whatu Ora pay equity settlements and improving pay relativities
- \$735.192 million carried forward from 2021/22 to meet the ongoing costs of the public health response to COVID-19
- \$94.845 million to funding changes to capital charge following the revaluation of assets
- offset by \$419.076 million for the COVID-19 inventory which was transferred to Te Whatu Ora as part of the asset and liability transfer.

2.2 Services from Te Aka Whai Ora

Services from Te Aka Whai Ora was \$573.647 million higher than budget (approved in the 2022/23 Supplementary Estimates) mainly as a result of the changes in the health and disability reforms. The final budget for Te Aka Whai Ora was not finalised at the time the 2022/23 Main Estimates were completed.

2.3 Services from Pharmaceutical Management Agency Limited

Services from Pharmaceutical Management Agency Limited (Pharmac) was \$395.725 million higher than budget (approved in the 2022/23 Supplementary Estimates) mainly due additional funding to Pharmac to secure a portfolio of COVID-19 therapeutics and to meet the costs of additional vaccine doses and antiviral treatments.

2.4 Inventory

Inventory was \$219.050 million lower than budget mainly due to the inventory transfers to the Te Whatu Ora and Pharmac not being finalised when the 2022/23 Main Estimates were completed.

2.5 Prepayments

Prepayments were \$139.104 million lower than budget mainly due to transfers of the prepayment's balances to Te Whatu Ora (\$97.144 million) as part of the health reforms, with the remaining amount was expensed in the current year as deposits previously paid for COVID-19 vaccines were utilised. The budget information was not finalised when the 2022/23 Mains Estimates was completed.

2.6 Crown entities accrued liabilities

Crown entities accrued liabilities was \$339.717 million lower than budget mainly due to payments made to Crown entities being made at the beginning of each month. The payment process with Te Whatu Ora was finalised after the 2022/23 Main Estimates were completed which resulted in a higher budget.

2.7 Other accrued liabilities

Other accrued liabilities was \$293.006 million lower than budget due to the transfer of functions for COVID-19 majority of the payables are now managed by Te Whatu Ora. This information was not available when the 2022/23 Main Estimates were completed.

Schedule of non-departmental expenses and capital expenditure against appropriations

2.8 Delivering hauora Māori health services

Delivering hauora Māori health services was \$54.646 million higher than budget (approved in the 2022/23 Supplementary Estimates) mainly due to:

- \$25.113 million carried forward from 2021/22 for the interim Te Aka Whai Ora departmental agency to meet commitments in implementing the Day 1 readiness activities
- \$23.571 for a fiscally neutral transfer from the delivering hospital and specialist services appropriation for the hauora Māori teams moved from Te Whatu Ora districts to Te Aka Whai Ora.

2.9 Delivering hospital and specialist services

Delivering hospital and specialist services was \$1.209 billion higher than budget (approved in the 2022/23 Supplementary Estimates) mainly due to:

- \$520.793 million of additional funding to address historical and future health system cost pressures
- \$482.229 million of additional funding to comply with the interim fixing order for the Te Whatu Ora pay equity settlements and improving pay relativities.

2.10 Delivering primary, community, public and population health services

Delivering primary, community, public and population health services was \$234.998 million higher than budget (approved in the 2022/23 Supplementary Estimates) mainly due to:

- \$120.626 million of funding to reflect the transfer of personnel, leased assets and IT programmes to Te Whatu Ora as a result of the health reforms
- \$91.469 million of additional funding to comply with the interim fixing order for the Te Whatu Ora pay equity settlements and improving pay relativities
- \$17.305 million of additional funding to deliver Tranche 2 of the Health Sector Agreements and Payments programme.

2.11 Health capital envelope 2022–2027 (MYA)

The capital envelope multi-year appropriation (MYA) was established from 1 July 2022 for the provision or purchase of health sector assets, providing capital to health sector Crown entities or agencies for new investments. The health capital envelope was \$287.066 million higher than budget, as the budget was set during 2022/23 Mains Estimates which was finalised in April 2022. The variance is mainly from the updated capital expenditure plans by Te Whatu Ora and the transfer of COVID-19 inventory as part of the initial asset and liability transfer to Te Whatu Ora. As this is a MYA any surplus or deficits are moved across to the next year.

2.12 New Dunedin hospital 2021–2026 (MYA)

The New Dunedin Hospital 2021–2026 is a multi-year appropriation established this financial year to fund capital expenditure on the construction of the new Dunedin Hospital and associated projects. The actual is less than budget by \$187.394 million partially due to resets in the design of the New Dunedin Hospital and rephasing of the budgets across the financial years.

3. COVID-19 response expenditure for the year ended 30 June 2023

On March 2020 the World Health Organisation declared the outbreak of coronavirus (COVID-19) a pandemic. In response to the pandemic, total funding of \$10.039 billion has been appropriated to Vote Health for 2019/20 and outyears.

Total expenditure for the year ended 30 June 2023 across Vote Health is \$2.085 billion. The total spend is made up of \$2.044 billion in non-departmental expenditure, \$40.471 million in departmental expenditure. Joint Ministers have approved in-principle expense transfers of unspent COVID-19 vaccine related 2022/23 funding to 2023/24, which reflects the uncertainty of when costs would be incurred. The final transfer amount of \$296.900 million will be confirmed and approved by the Joint Ministers in the 2023 October Baseline Update.

Key spending on initiatives during 2022/23 includes:

- \$552.086 million – for the purchase of COVID-19 Vaccines and COVAX²⁵ agreement.
- \$518.978 million – COVID-19 testing and laboratory capacity: for purchase of testing equipment, consumables associated with processing tests and the delivery of testing services within the community to detect the presence of COVID-19.
- \$301.794 million – for the delivery of the immunisation programme including the cost incurred by Te Whatu Ora in administering the vaccine, cost of technology to support vaccine delivery, costs associated with delivering equitable outcomes and the costs associated with information campaigns on the vaccine to the public.
- \$256.715 million – Care in the Community: for the costs of providing Care in the Community services, including primary care, pharmacy, and ambulance services.

²⁵ COVAX is the vaccines pillar of the Access to COVID-19 Tools (ACT) Accelerator. The ACT Accelerator is a ground-breaking global collaboration to accelerate the development, production, and equitable access to COVID-19 tests, treatments, and vaccines.

- \$155 million – Contact tracing – for the cost of providing National Close Contact Services, technology and telehealth services for the management of COVID-19.
- \$100 million – increase in combine pharmaceutical budget and Phamac operating costs to meet the increase in the price of medicines procured by Phamac resulting from the disruption to supply.
- \$78.161 million – for the purchase and use of additional personal protection equipment, including protective masks, face shields, gloves, and other protective clothing, for frontline health care workforce and essential services workforce.
- \$44.300 million – for Māori and Pacific equity related costs.
- \$33.453 million – Administration and operational for COVID-19 function.
- \$3.735 million – Enhanced border measures – managed isolation and quarantine: To provide health services in our managed isolation or quarantine facilities.

Statement of departmental capital injections for the year ended 30 June 2023

Actual capital injections 2022 \$000		Actual capital injections 2023 \$000	Approved appropriation 2023 \$000
Vote: Health			
4,349	Ministry of Health – capital injection	943	943

Statement of departmental capital injections without, or in excess of, authority for the year ended 30 June 2023

The Ministry has not received any capital injections during the year without, or in excess, of authority.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations for the year ended 30 June 2023

Transfers under section 26A of the Public Finance Act for Vote Health

There were no appropriation transfers or adjustments made in the Supplementary Estimates under section 26A of the Public Finance Act.

Statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority for the year ended 30 June 2023

Expenses and capital expenditure incurred in excess of appropriation

	Expenditure 2023 \$000	Approved appropriation 2023 \$000	Unappropriated expenditure 2023 \$000
Non-departmental other expenses			
International health organisations	2,277	2,230	47
Legal expenses	1,947	1,802	145

In two instances the Ministry of Health's expenditure exceeded the approved appropriation, as follows.

- International health organisations: This will be validated by Parliament under section 26C of the Public Finance Act. An increase in the membership fees and a change in the foreign exchange rates resulted in expenditure that exceeded the authority in the Appropriation (2022/23 Supplementary Estimates) Act 2023. The change in pricing was not identified in time to be accounted for in the 2022/23 Supplementary Estimates process.
- Legal expenses: This will be validated by Parliament under Section 26C of the Public Finance Act. Expenditure in excess of the appropriation was incurred, reflecting the costs of litigation in the 2022/23 year, particularly the uncertain nature of the COVID-19 related litigations. This was not identified in time to be accounted for in the 2022/23 Supplementary Estimates process.

Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

Nil

Appendices

Ngā āpitihanga



Appendix 1

Legal and regulatory framework

Manatū Hauora is responsible for overseeing the legal and regulatory framework of the health and disability system in Aotearoa New Zealand.

By administering a wide range of Acts, regulations and other legislative tools (such as orders-in-council), we keep the system safe, equitable and relevant. Regulating the health and disability system helps provide assurance to all New Zealanders that the system is fair and that the services offered can be trusted.

Here we summarise the main pieces of legislation we administer within the health and disability system.

Legislation administered by the Ministry of Health

In 2022/23, our Ministry administered over 30 pieces of legislation, steering the national health and disability system:

- Burial and Cremation Act 1964
- Cancer Registry Act 1993
- Contraception, Sterilisation, and Abortion Act 1977
- Compensation for Live Organ Donors Act 2016
- COVID-19 Public Health Response Act 2020
- Disabled Persons Community Welfare Act 1975 (Part 2A)²⁶
- End of Life Choice Act 2019
- Epidemic Preparedness Act 2006
- Health Act 1956
- Health and Disability Commissioner Act 1994
- Health and Disability Services (Safety) Act 2001
- Health Benefits (Reciprocity with Australia) Act 1999
- Health Benefits (Reciprocity with the United Kingdom) Act 1982
- Health Practitioners Competence Assurance Act 2003
- Health Research Council Act 1990
- Health Sector (Transfers) Act 1993
- Home and Community Support (Payment for Travel Between Clients) Settlement Act 2016

26 This Act is administered by the Ministry of Social Development and the Ministry of Health.

- Human Assisted Reproductive Technology Act 2004 (in conjunction with the Ministry of Justice)
- Human Tissue Act 2008
- Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003
- Medicines Act 1981
- Mental Health (Compulsory Assessment and Treatment) Act 1992
- Mental Health and Wellbeing Commission Act 2020
- Misuse of Drugs Act 1975
- Pae Ora (Healthy Futures) Act 2022
- Psychoactive Substances Act 2013
- Radiation Safety Act 2016
- Residential Care and Disability Support Services Act 2018
- Smokefree Environments and Regulated Products Act 1990
- Substance Addiction (Compulsory Assessment and Treatment) Act 2017
- Support Workers (Pay Equity) Settlements Act 2017.

Statutory reporting requirements

Health Act 1956

The Health Act 1956 sets out the roles and responsibilities of individuals to safeguard public health, including the Minister of Health, the Director of Public Health and designated officers for public health. It contains provisions for environmental health, infectious diseases, health emergencies and the National Cervical Screening Programme.

The Health Act 1956 requires the Director-General of Health to report every year on the current state of public health.

The Minister of Health tables a Health and Independence Report each year in Parliament. The Minister must table the report by the 12th sitting day of the House of Representatives after the date on which the Minister received the report.

The Health Act 1956 also requires the Director-General to report before 1 July each year on the quality of drinking-water in Aotearoa. The public can access the most recent report through the Ministry's website.

Pae Ora Act

The Pae Ora Act took effect on 1 July 2022. It provides for the public funding and provision of services in order to:

- protect, promote and improve the health of all New Zealanders
- achieve equity in health outcomes among New Zealand's population groups, including by striving to eliminate health disparities, in particular for Māori
- build towards pae ora (healthy futures) for all New Zealanders.

Alongside amendments to the Health Act 1956, the Pae Ora Act also provides for three new entities:

- a new Public Health Agency, established under an amendment to the Health Act, within the Ministry of Health to lead and strengthen public health
- Health New Zealand as the national organisation to lead and coordinate delivery of health services across the country
- the Māori Health Authority as an independent statutory authority to drive improvement in hauora Māori.

The Pae Ora Act establishes iwi-Māori partnership boards to represent local Māori perspectives on the needs and aspirations of Māori with respect to planning and decision-making for health services at the local level.

Te Whatu Ora and Te Aka Whai Ora must jointly prepare an annual performance report against the New Zealand Health Plan made under the Act. In addition, the agencies must prepare an annual report assessing progress against the priority outcomes set out in any locality plan.

The Director-General must, at least once every five years, review the operation and effectiveness of the Pae Ora Act.

Public Finance Act

Section 19B of the Public Finance Act requires the Minister of Health to report every year on end-of-year performance information on any Vote Health appropriations that third-party health sector service providers with direct funding from Manatū Hauora deliver, where that information is not covered in other reporting to Parliament.

The Minister of Health is responsible for presenting the Vote Health Report on selected non-departmental appropriations for the previous financial year (1 July – 30 June) to Parliament within four months of the end of the financial year. If Parliament is not in session during this time, the tabling process must occur as soon as possible after the start of the next session of Parliament.

Public Service Act

The Border Executive Board was established under the Public Service Act as an Interdepartmental Executive Board. Its purpose is to ensure the delivery of a safe, integrated and effective border system for Aotearoa.

The New Zealand Customs Service hosts the Border Executive Board. The Ministry of Health's Chief Executive is one of the Board's six members. For more information about the Border Executive Board, including membership and publications, see customs.govt.nz/about-us/border-executive-board

Other regulatory roles and obligations

In addition to administering the legislation outlined above, key roles within our organisation (such as the Directors of Public Health and Mental Health) have specific statutory powers and functions contained in other pieces of legislation that we do not administer:

- Biosecurity Act 1993
- Civil Defence Emergency Management Act 2002
- Education and Training Act 2020
- Food Act 2014
- Gambling Act 2003
- Hazardous Substances and New Organisms Act 1996
- Local Government Act 1974
- Local Government Act 2002
- Maritime Security Act 2004
- Prostitution Reform Act 2003
- Public Service Act 2020
- Sale and Supply of Alcohol Act 2012
- Social Security Act 2018
- Victims' Rights Act 2002
- Waste Minimisation Act 2008.

The legislation listed above are examples illustrating where these powers and functions can be found. This list may not be exhaustive.

Additional statutory reporting requirements

The Minister of Finance has not specified any additional reporting requirements.

International compliance

The Ministry helps the New Zealand Government comply with international obligations by actively supporting and participating in international organisations (such as the World Health Organization).

The Ministry also ensures Aotearoa New Zealand complies with international requirements, such as the International Health Regulations (2005) and the Framework Convention on Tobacco Control, as well as a range of United Nations conventions.

Online resources

To search and access publications see health.govt.nz/publications

For information on regulations administered by the Ministry, see health.govt.nz/our-work/regulation-health-and-disability-system

To view a complete list of searchable copies of the Acts and associated regulations administered by the Ministry, see legislation.govt.nz

Appendix 2

Delegation of functions or powers

The Public Service Act requires departments to state where their chief executive's functions or powers have been delegated to a person outside the public service.

In addition to disclosing any delegations of functions or duties, our annual report must give a detailed description and assessment of how effectively the delegated function or power was performed or exercised.

The following table provides the information and assessments that the legislation requires.

Delegation of functions or powers

Person delegated to	Function or power delegated	Assessment of how effectively the delegated function or power was performed or exercised
Police Commissioner	<p>The power to appoint enforcement officers under section 18 of the COVID-19 Public Health Response Act 2020.</p> <p>These appointments are only for the purpose of authorising enforcement officers to assist with the enforcement of any Alert Level boundary mandated by Order made under the Act.</p>	The delegation of power was not used in 2022/23.

Appendix 3

Substance Addiction (Compulsory Assessment and Treatment) Act 2017

In February 2018, the Substance Addiction (Compulsory Assessment and Treatment) Act 2017 came into effect, replacing the Alcoholism and Drug Addiction Act 1966.

The purpose of this Act is to help people with a severe substance addiction (or addictions) who have an impaired decision-making capacity to engage in voluntary (or compulsory) addiction treatment services.

The Substance Addiction Act has been developed to protect the human rights and cultural needs of patients and their whānau. It places greater emphasis on a mana-enhancing and health-based approaches to substance addiction treatment.

Under section 119 of the Substance Addiction Act, we are required to disclose the following information relating to patients in our annual report.

The data below was extracted from PRIMHD (Programme for the Integration of Mental Health Data)²⁷ on 7 August 2023; it covers activities that occurred from 1 July 2022 to 30 June 2023.²⁸

Over this period:

- 31 people were detained under the Substance Addiction Act
- 26 compulsory treatment orders were made
- 13 compulsory treatment orders were extended
- 21 discharged patients chose voluntary residential treatment and out-patient services
- for individuals who had compulsory treatment orders made (or extended), the average length of detention was just over 11 weeks (81 days).

27 PRIMHD is a Ministry of Health single national mental health and addiction information collection of service activity and outcomes database for health consumers. The data is collected from DHBs and non-governmental organisations.

As the data from PRIMHD is only able to measure mental health and addiction outcomes, these results may not fully encompass or recognise other sources of support people recovering from severe substance addiction are receiving (eg, patients that have received support for access to housing).

28 There may be cases where a person first came under the Substance Addiction Act in June 2023 or engaged the process at the end of June 2023 and continued through 2023. For this reason, there may be discrepancies in reporting, where a higher number of people had compulsory treatment orders made (or extended) than were detained under the Substance Addiction Act.

Number of individuals detained under the Substance Addiction Act in 2022/23 by the duration of their detention (measured in weeks).

Number of weeks of detention ²⁹	Number of individuals
0	0
0-1	0
1-2	0
2-3	0
3-4	0
4-5	1
5-6	1
6-7	2
7-8	4
(greater than) 8	14

Among these patients:

- 36.4% were detained for up to, and including, eight weeks, which is within the first period of compulsory treatment set out in the Act
- 63.6% of patients were detained for a period of between 8 and 16 weeks, requiring a compulsory treatment order extension.

Data extracted from PRIMHD shows that among service users who were discharged from the Substance Addiction Act during 1 July 2022 – 30 June 2023:

- 32.0% received additional inpatient care
- 80.0% engaged with individual treatments in outpatient services
- 44.0% had family meetings arranged
- 96.0% had supplementary consumer records
- 64.7% had wellness plans.

Please note, if an individual using these services was discharged in late June 2023, they are unlikely to have had enough time to engage with outpatient services during the reporting period.

For this reason, it may be difficult to draw meaningful conclusions about a service user's recovery journey from the information above.

²⁹ The categories are defined as up to, and including, the upper limit. For example, one week and one day would be in 1-2 weeks; 7 weeks exactly would be included in 6-7 weeks.

Appendix 4

Committees

Section 87 committees

Under section 87 of the Pae Ora Act, the Minister of Health has authority to establish any committee that the Minister considered necessary for any purpose relating to the Act, its administration or any services.

For each committee established under section 87 of the Pae Ora Act, Manatū Hauora was required to publish the following information in our annual reports:

- the name of each committee
- the names of the chairperson and members of each committee
- a declaration of whether any of the committees have not reported to the Minister in the period covered by the annual report.

A committee established by the Minister under section 11 of the New Zealand Public Health and Disability Act continues as if it were established under section 87 of the Pae Ora Act.

Here we provide details to meet these requirements, covering 1 July 2022 to 30 June 2023.

Capital Investment Committee

The Capital Investment Committee provides independent advice to the Director-General of Health and the Ministers of Health and Finance on capital investment and infrastructure in the public health sector in line with Government priorities. This work includes:

- working with district health boards to review their business case proposal
- prioritising capital investment
- delivering a National Asset Management Plan
- any other matters that the Minister may refer to the Committee.

The Capital Investment Committee was disestablished on 4 May 2023.

Membership

- Evan Davies (chair)
- Paul Carpinter
- Jan Dawson
- Professor Des Gorman
- Murray Milner
- Dr Margaret Wilsher

Health Workforce Advisory Board

The Health Workforce Advisory Board was established under section 11 of the New Zealand Public Health and Disability Act. It provides advice to the Minister of Health on health workforce matters, including strategic direction, emerging issues and risks.

Membership

- Dr Grace Wong
- Ailsa Claire (ex officio)
- Karl Metzler
- Tūraukawa Bartlett
- Wesley Pigg

Term expired (1 July 2022 – 30 June 2023)

- Dame Professor Judith McGregor (chair)
- Dr Andrew Connolly Faumuina
- Associate Professor Fa’afetai Sopoaga
- Dr Joanne Baxter

Hauora Māori Advisory Committee

An interim Hauora Māori Advisory Committee was established on 1 July 2022 under section 89 of the Pae Ora Act. The purpose of this committee is to advise the Minister of Health on matters relating to Te Aka Whai Ora and the Public Health Advisory Committee. It also works to ensure the voices of Māori are heard at all levels of decision making in the health system and, by doing so, to support the delivery of equitable outcomes for Māori.

Membership

- Parekawhia McLean (chair) (Ngāti Mahanga-Hourua, Waikato, Ngāti Maniapoto)
- Dr Matire Harwood (Ngāpuhi, Ngāti Rangī, Te Mahurehure, Ngāti Hine)
- Dr Jim Mather (Ngāti Awa, Ngāi Tūhoe and English descent)
- Tā Mark Solomon (Ngāi Tahu, Ngāti Kuri)
- Margareth Broodkoorn (Ngāpuhi, Dutch)
- Amohaere Houkamau (Ngāti Porou, with affiliations to Rongowhakaata, Ngāti Kahungunu and Ngāti Mutunga ki Taranaki)
- Rahui Papa (Ngāti Korokī-Kahukura, Waikato-Tainui)
- Lisa Tumahai (Ngāi Tahu, Ngāti Waewae, Makaawhio)

Ministerial Advisory Committee for Health Reform Implementation

The Ministerial Advisory Committee for Health Reform Implementation provides the Minister of Health with independent advice on progress towards, and consistency with, the health reform objectives.

Membership

- Sue Suckling (chair)
- Cathy Scott
- Dr Andrew Connolly
- Margareth Broodkoorn
- Parekawhia McLean
- Dr Deborah Ryan

Health and disability ethics committees

The health and disability ethics committees are a group of four regionally based ethics committees: Northern A, Northern B, Central and Southern. Their purpose is to check that health and disability research (such as clinical trials) being conducted meets, or exceeds, ethical standards established by the National Ethics Advisory Committee.

Membership: Northern A

- Catherine Garvey (chair)
- Jonathan Darby
- Dr Kate ParkerJade Scott
- Dr Andrea Forde
- Liang Derek Chang
- Dr Sotera Catapang

Resigned (1 July 2022 – 30 June 2023)

- Dr Leonie Walker

Membership: Northern B

- Kate O'Connor (chair)
- Barry Taylor
- Leesa Russell
- Alice McCarthy
- Joan Petit
- Maakere Marr
- Dr Amber Parry-Strong
- Ewe Leong Lim

Membership: Central

- Helen Walker (chair)
- Associate Professor Ptries Herst
- Albany Lucas
- Dr Cordelia Thomas
- Sandra Gill
- Jessie Lenagh-Glue
- Julie Jones
- Patricia Mitchell

Membership: Southern

- Dominic Fitchett (chair)
 - Amy Henry
 - Associate Professor Nicola Swain
 - Tuifa'asisina Neta Tomokino
 - Dr Devonie Waaka
 - Dianne Glenn
 - Dr Mira Harrison-Woolrych
- Resigned (1 July 2022 – 30 June 2023)
- Anthony Fallon

Other committees

The Human Assisted Reproductive Technology Act requires that we publish the chair and membership of the committees associated to the Act in our annual reports.

The following ethics committees have been established to provide advice to the Minister of Health.

Advisory Committee on Assisted Reproductive Technology

The Advisory Committee on Assisted Reproductive Technology (ACART) formulates policy and provides independent advice to the Minister of Health. It also issues guidelines and provides advice to the Ethics Committee on Assisted Reproductive Technology (ECART).

ACART is a ministerial committee established under section 32 of the Human Assisted Reproductive Technology Act. The Minister of Health appoints members.

Membership

- Calum Barrett (chair)
- Dr Debra Wilson
- Dr Karen Reader
- Karaitiana Taiuru
- Dr Sarah Wakeman
- Seth Fraser
- Catherine Ryan
- Edmond Fehoko
- Shannon Hanrahan
- Kathleen Logan

Ethics Committee on Assisted Reproductive Technology

ECART considers, determines and monitors applications for assisted reproductive procedures and human reproductive research. The Committee can only consider applications for procedures that ACART has issued guidelines for.

ECART is a ministerial committee established under section 27 of the Human Assisted Reproductive Technology Act. The Minister of Health appoints members.

Membership

- Dr Jeanne Snelling (chair)
- Mania Maniapoto-Ngaia
- Judith Charlton
- Dr Annabel Ahuriri-Driscoll
- Dr Simon McDowell
- Dr Emily Liu
- Dr Analosa Veukiso-Ulugia
- Associate Professor Michael Legge
- Lana Stockman
- Richard Ngatai
- Associate Professor Angela Ballantyne

Resigned (1 July 2022 – 30 June 2023)

- Iris Reavucamp



Appendix 5

Asset performance indicators

The Aotearoa New Zealand Government's Cabinet Office Circular CO (19) 6 outlines the expectations of government departments to monitor and report on asset performance indicators in their annual report.

The following table outlines these indicators and provides additional information on the indicators, if applicable.

Asset performance indicator results for property

Indicator	Indicator type	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2022/23	At a glance
Percentage of buildings with a Property Council of NZ Grade of C or better (Note 1)	Condition	91%	91.7%	100%	>80%	✓
Percentage of buildings with an Initial Evaluation Process – New Building Standard Seismic Grade of C or better	Condition	100%	100%	100%	100%	✓
All building warrants of fitness current (Note 2)	Condition	100%	100%	*87%	100%	✘
Average occupancy m2 per head	Utilisation	11.33	11.39	13.24	<14 m2	✓
Percentage of buildings with a functionality rating of 3 or better (Note 3)	Functionality	100%	100%	100%	100%	✓
Average power used kWh/m2	Functionality	84.78 kWh/m2	73 kWh/m2	70 kWh/m2	<80 kWh/m2	✓✓

* The landlord is undertaking works outside of our tenancy which is delaying the issuing of a new building warrant of fitness.

Note 1: Property Council New Zealand’s quality grading matrix includes the following grades:

Grade A: A landmark office building located in major CBD office markets which is a pacesetter in establishing rents and includes ample natural lighting, good views and outlook, prestige lobby finish, on-site undercover parking, quality access to and from an attractive street setting, and premium presentation and maintenance.

Grade B: High-quality space including good views and outlook, quality lobby finish, on-site undercover parking, quality access to and from an attractive street setting, and quality presentation and maintenance.

Grade C: Good-quality space with a reasonable standard of finish and maintenance. Tenant car parking facilities should be available.

Grade D: Office space with lower poor-quality finish. Services fall below the minimum set for a C grade.

Note 2: A building warrant of fitness is a building owner’s annual statement. It is used to confirm the specified systems in the compliance schedule for their building have been maintained, and checked, for the previous 12 months (in accordance with the compliance schedule). For more information, see building.govt.nz/building-officials/guides-for-building-officials/building-warrants-of-fitness.

Note 3: Building functionality assesses how fit for purpose or suitable a building is to meet the service needs of its users. The rating scale for this measure is defined as:

- 1 actively hinders operation
- 2 not fit for purpose/significant issues
- 3 fit for purpose/generally fine
- 4 ideal.

Appendix 6

Carbon Neutral Government Plan – Greenhouse gas emissions 2022/23

At Manatū Hauora, we are committed to playing our part in the Carbon Neutral Government Plan to minimise our environmental footprint by reducing our greenhouse gas emissions.

Moving to net zero carbon emissions

In January 2022, we released our Greenhouse Gas Emissions Base Year Report and Inventory, followed by our second annual report in December 2022 covering the 2022/23 financial year. Our third report covers notable events during the period as well as our progress towards our 2025 and 2030 reduction goals.

Our provisional and unverified data for 2022/23 shows we emitted 922.10 tonnes of carbon dioxide equivalent (tCO₂e).³⁰ These emissions equate to a 53% reduction from our base year emissions (1966.23 tCO₂e)³¹, and a further 31% reduction from the previous 2021/22 period.

The reduction in emissions from the previous reporting period can be directly attributed to:

- operational boundary changes resulting from the health system reforms, as a result of which a number of our kaimahi, facilities and operations have now been transferred to Te Whatu Ora
- further reductions of over 143 tCO₂e in domestic and international travel emissions.

Two categories reporting an increase in emissions are:

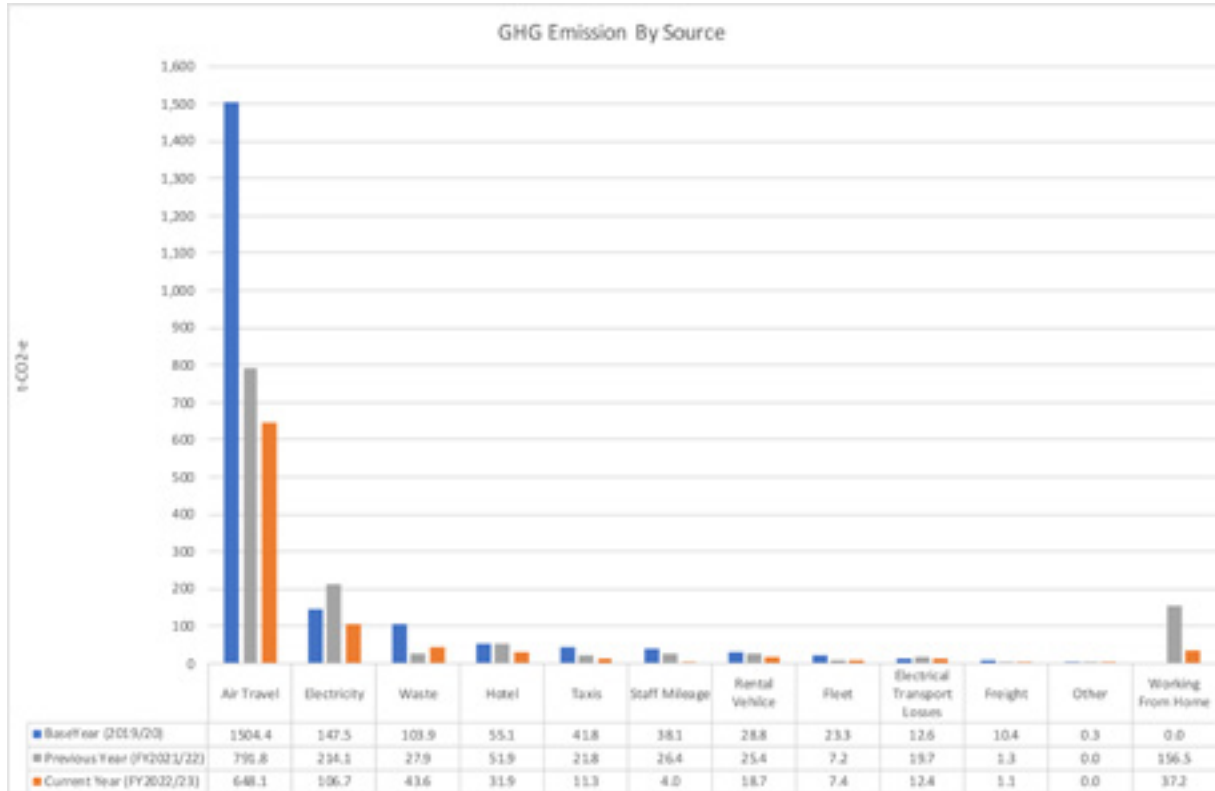
- waste (+15.7 tCO₂e), which can be attributed to kaimahi returning to the office from working from home
- fleet costs (+0.2 tCO₂e), which is nominal.

³⁰ Our emissions will be formally audited by a certified carbon auditor before we publish the formal annual report. As such, the emissions for 2022/23 are considered preliminary.

³¹ Following a review of the historic data used to produce the 2021/22 emissions report, the total emissions for the base year (1 March 2019 – 29 February 2020) have been amended – from 1962.84 tCO₂e to 1966.23 tCO₂e.

The figure below provides an overview of our emissions, broken down by source. It compares emissions in 2022/23 against our base year figures and our 2021/22 figures.

Annual emissions by source: Base year (2019/20) and 2021/22 compared to 2022/23



Progress towards our 2025 and 2030 targets

In line with the Carbon Neutral Government Programme target to achieve a 21% reduction by 2025 and a 42% reduction in gross emissions by 2030, the Ministry has set targets for emitting no more than 1553.3 tCO2e for the year 2025 and 1140.4 tCO2e for the year 2030.

The Ministry is currently developing a reductions plan with a 1.5°C target reduction pathway. Some of our planned initiatives are:

- improve internal process to ensure accuracy and completeness of reporting
- continue to engage with suppliers to improve reporting
- investigate the potential for reducing electrical sources emissions, including improved renewable sourced electricity generation
- continue working on fleet decarbonisation.

As travel-based sources are responsible for over 85% of the Ministry’s base year emissions, Category 3 will remain a significant focus of reduction activities.

With the reductions achieved in 2022/23 the Ministry is currently meeting its 2030 emissions reduction goal and will continue to deliver further reductions as opportunities arise through improvements in systems, technology and procurement.



He mihi nā te Tumuaki | Chief Executive foreword

Kia ora koutou

I am delighted to present the fourth annual report for Te Aho o Te Kahu | the Cancer Control Agency.

Throughout the implementation of the broadest health and disability system reforms in Aotearoa New Zealand's history, our purpose remained constant – we continue to lead and unite across the cancer continuum, sharing system-level cancer expertise and providing high-quality advice to the Government, health entities and wider health sector.



As Te Whatu Ora | Health New Zealand, Te Aka Whai Ora | Māori Health Authority, and Whaikaha | Ministry of Disabled People bed in, we have been making connections and providing expert advice to ensure cancer care and equitable outcomes are front of mind in the design of Aotearoa New Zealand's new health system. As Acting Tumuaki | Chief Executive, I have been working closely with the tumuaki of the other health agencies and organisations to ensure we are making cohesive, strategic progress towards a joined-up health system that is equity led. Our kaimahi | staff continue to collaborate across the health system, including working alongside clinical leadership and those responsible for service delivery at district, regional and national levels.

There are many health professionals and whānau with cancer who contribute to better outcomes in cancer care, and who through their participation directly feed into our work – providing a vital connection to what is happening on the ground. Our four regional hubs continue to foster important relationships with the work happening on the frontline and across our communities. My thanks to all those involved – your input is an essential ingredient in delivering our vision:

Fewer cancers | Kia whakaiti iho te mate pukupuku

Better survival | Kia runga noa ake te mataora

Equity for all | Kia taurite ngā huanga.

I am proud of the work the agency has delivered throughout 2022/23 and the impact it has had.

I wish to welcome Rami Rahal, the newly appointed Tumuaki of Te Aho o Te Kahu. Since he joined early in July 2023, he has taken over leading our organisation and building on the work undertaken across 2022/23 and is appropriately a joint signatory to this annual report.

Finally, I wish to acknowledge those who are living with cancer and their whānau. We strive to keep your voices at the forefront of our efforts, to strengthen and support the cancer care system across Aotearoa New Zealand for everyone. Waiho i te toipoto, kaua i te toiroa | Let us keep close together, not far apart.



Nicola Hill
Tumuaki | Acting Chief Executive
Te Aho o Te Kahu | Cancer Control Agency



Rami Rahal
Tumuaki | Chief Executive
Te Aho o Te Kahu | Cancer Control Agency

Our purpose

We provide strong central leadership and oversight of cancer control. We lead and unite efforts to deliver better cancer outcomes for Aotearoa New Zealand.

Our work is

- equity led
- knowledge driven
- outcomes focused
- person and whānau centred.



Our Vision

Fewer cancers
Kia whakaiti iho te mate pukupuku

Better survival
Kia runga noa ake te mataora

Equity for all
Kia taurite ngā huanga

Who we are

Te Aho o Te Kahu, the Cancer Control Agency is a departmental agency reporting directly to the Manatū Hauora and hosted by the Manatū Hauora.

The agency was created in recognition of the impact cancer has on the lives of New Zealanders and provides a sharp focus on this important health issue.

We have 60 people working for us across six Wellington-based teams and four regional hubs.

Anei mātou | Who we are

Te Aho o Te Kahu | the Cancer Control Agency is a departmental agency reporting directly to the Minister of Health and hosted by Manatū Hauora | the Ministry of Health. Te Aho o Te Kahu was created in 2019 in recognition of the effect cancer has on the lives of New Zealanders and the need to do better for whānau affected by cancer. We provide a sharp focus on this important health issue. Our agency is led by the Tumuaki | Chief Executive, who also holds the position of National Director of Cancer Control. Cancer presents some unique challenges to the health system and across communities.

- The number of people diagnosed with cancer is projected to double over the next two decades.
- The costs and complexity of care and pace of change present major challenges for our health systems and services.
- Māori and Pacific peoples have worse cancer survival rates than other people living in New Zealand.
- Cancer survival is improving in Aotearoa, but our rate of improvement is slower than rates in comparable countries, so we are falling behind.

Tā mātou aronga | Our purpose: an agency focused on cancer

We provide strong, central leadership and oversight of cancer control. We lead and unite efforts to deliver better cancer outcomes for Aotearoa. We are also accountable for ensuring there is transparency in our country's progress towards achieving the goals and outcomes outlined in the New Zealand Cancer Action Plan 2019–2029. In practice, we deliver this leadership and oversight by:

- providing advice to government about the future design and function of cancer services and options for resolving medium- to long-term operational issues
- developing and sustaining strong partnerships between the key health entities with responsibility across the cancer continuum
- bringing sector stakeholders together to progress and achieve shared objectives
- undertaking national initiatives to improve cancer outcomes for New Zealanders
- assembling and disseminating cancer data and information to inform decision-making and service delivery
- providing support for cancer service providers when service is, or is likely to be, disrupted or is not meeting demand or expectations.

It remains critical to have a stand-alone, strong state entity to coordinate across and integrate the many stakeholders involved in cancer care and control. The cancer continuum intersects with every aspect of the wider health system. Countries that have attempted to include cancer control in a broader commissioning entity tend not to perform as well as those that have an entity focused on cancer.

Tō mātou whāinga | Our vision

We strive to achieve:

- fewer cancers
- better survival
- equity for all.

Our work programme is driven by and aligned to our values of being:

- equity led
- whānau centred
- knowledge driven
- outcomes focused.

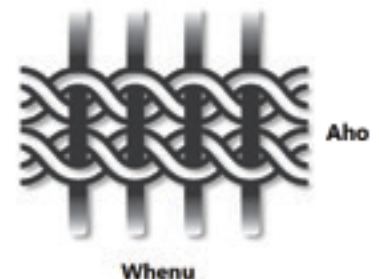
Te taonga me te kupu taurangi o te ingoa | Our name: Te Aho o Te Kahu

Our te reo Māori | Māori language name is a taonga | treasure, gifted to us by Hei Āhuru Mōwai | Māori Cancer Leadership Aotearoa in June 2020. This name is central to who we are and how we work.

Te Aho o Te Kahu means ‘the central thread of the cloak’. This aho | thread binds the many whenu | strands into one kahu | cloak that protects people with cancer and their whānau.

Te Aho: The central thread symbolises our agency and our role as a leader and connector across the cancer control continuum.

Te Kahu: The cloak symbolises all the services, organisations, communities and people that work with those affected by cancer.



Equity is not only the priority for us in our role as ‘Te Aho’; it is also embedded in our architecture, processes, systems and tikanga | Māori philosophy and culture. In acknowledgement of the honour in the gift of our name, Te Aho o Te Kahu signed an oati¹ with Hei Āhuru Mōwai. The signed version is framed in the Wellington office. The oati acknowledges that:

- Te Tiriti o Waitangi, its principles and intentions are the foundation for the name, and Te Aho o Te Kahu will honour our commitment to these
- Te Aho o Te Kahu has a commitment to uphold the mana | status and integrity of the name and its meaning in its entirety, that the name and its mauri | essence is respected, nurtured and cared for, and its core principles are adhered to, including ensuring that this is reflected in our appropriate use of te reo Māori and tikanga in our work.

¹ Oati means ‘swearing an oath, swear in, promise, pledge, guarantee, vow, swear, assure, undertake’.

Te taonga: Te Kahu Āhuru | Our treasure: Te Kahu Āhuru

Taking inspiration from the vision and name gifted to us, the cloak Te Kahu Āhuru was created by kairaranga | weaver Pip Devonshire (Ngāti Manomano, Ngāti Te Au hapū of Ngāti Raukawa) and gifted to Te Aho o Te Kahu on 3 August 2021 at Pipitea Marae in Wellington.

This physical embodiment of our purpose is now on display in our Wellington office and is available to be worn by our kaimahi | staff at events.



Te Kahu Āhuru worn by former Te Aho o Te Kahu Tumuaki Prof. Diana Sarfati (left) with Acting Tumuaki Nicola Hill.



Nicola Hill putting Te Kahu Āhuru on incoming Te Aho o Te Kahu Tumuaki Rami Rahal.

Te ū ki Te Tiriti o Waitangi | Our commitment to Te Tiriti o Waitangi

As part of the public service, Te Aho o Te Kahu has a responsibility to contribute to the Crown meeting its obligations to the special relationship between Māori and the Crown under Te Tiriti o Waitangi (Te Tiriti).

We strive to achieve the following four goals of Te Tiriti, each expressed in terms of mana.

Mana whakahaere

Encouraging effective and appropriate stewardship or kaitiakitanga over the health and disability system. (This goes beyond the management of assets or resources.)

Mana motuhake

Enabling Māori to be Māori — to exercise their authority over their lives and to live on Māori terms and according to Māori philosophies, values and practices, including tikanga Māori.

Mana tangata

Achieving equity in health and disability outcomes for Māori across the life course and contributing to Māori wellness.

Mana Māori

Enabling ritenga Māori | Māori customary rituals, which are framed by te ao Māori | the Māori world, enacted through tikanga Māori | Māori philosophy and customary practices and encapsulated within mātauranga Māori | Māori knowledge.

The principles of Te Tiriti outlined below provide the framework for how we will meet our obligations under Te Tiriti in our day-to-day work.

Tino rangatiratanga

The assurance of tino rangatiratanga provides self-determination and mana motuhake for Māori in the design, delivery and monitoring of health and disability services.

Equity

The principle of equity requires the Crown to commit to achieving equitable health outcomes for Māori.

Active protection

The principle of active protection requires the Crown to act to the fullest extent practicable to achieve equitable health outcomes for Māori.

Options

The principle of options requires the Crown to provide for and properly resource kaupapa Māori health and disability services. Furthermore, the Crown is obliged to ensure that all health and disability services are provided in a culturally appropriate way.

Partnership

The principle of partnership requires the Crown and Māori to work in partnership in the governance, design, delivery and monitoring of health and disability services, especially in regard to the development and delivery of the primary health system for Māori.

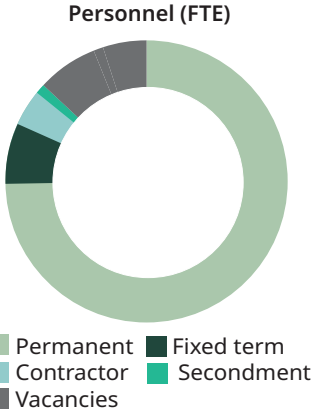


Tō mātou whānau | Our people

As at 30 June 2023, 61 people or 58.1 full time equivalents (FTE) were employed by Te Aho o Te Kahu. This includes two people on parental leave. There were an additional 5 FTE contract roles

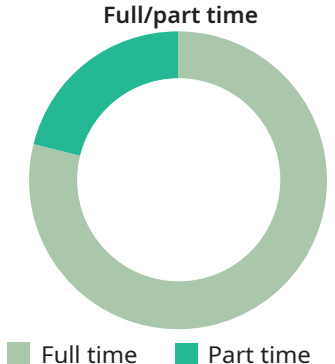
Of the 58.1 FTE, 54.9 FTE were employed on permanent contracts, with 3.2 FTE on fixed term and 0.6 FTE on secondment.

There were 9.6 FTE vacancies (3.6 on hold, 5.7 in recruitment).



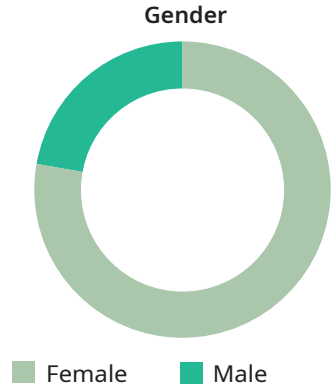
Full-time and part-time kaimahi

Eighty-three percent of our permanent kaimahi work full time.



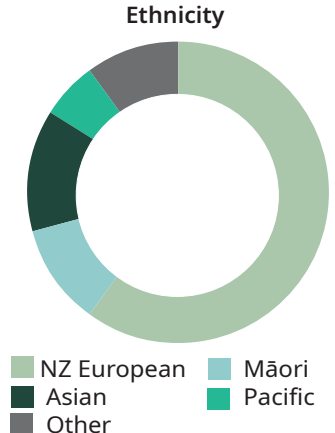
Gender

Seventy-five percent of our kaimahi are female.



Ethnicity

We follow a deliberate strategy to attract and recruit kaimahi who identify as Māori, although this is not without its challenges as there is high demand for Māori kaimahi across the new health entities. 11% of kaimahi are Māori, 5% are Pacific, and 35% are non-European.



Diversity and inclusion

We strive to be a diverse and inclusive workplace where all people feel valued. We are a member of Te Kawa Mataaho, Public Service Commission's Diversity and Inclusion Executive Champions Network. Papa Pounamu, the Te Kawa Mataaho diversity programme, identifies five priority areas for development: cultural competence, addressing bias, inclusive leadership, building relationships and employee-led networks. We are engaged across all of these priorities via our Whāinga Amorangi: Transforming Leadership plans and E Tipu E Tipu, our Māori Language Plan (see Tō mātou tutuki | What we have achieved and Tō mātou whakahaere | Our performance sections).

Whiria te Tangata, the Manatū Hauora culture and inclusion strategy outlines a shared overarching approach to diversity and inclusion. Our staff work alongside Manatū Hauora staff in developing, delivering, and participating in Manatū Hauora awareness and celebration events and are encouraged to engage with the many employee-led networks on offer at both Manatū Hauora and the wider public service.

Our organisational structure

Since July 2022 there have been interim leadership arrangements in place after Diana Sarfati, previous Tumuaki | Chief Executive of Te Aho o Te Kahu, was appointed Interim Director-General of Health. In November 2022, Diana was confirmed in that role permanently and recruitment began for her replacement. Across that time Nicola Hill, General Manager, has been Acting Tumuaki; Nicholas Glubb, Southern Regional Manager, has been Acting General Manager; and Janfrey Doak, Project Manager Southern Hub, has been Acting Southern Hub Manager. Our new Tumuaki Rami Rahal joined Te Aho o Te Kahu on 10 July 2023, which is when those in acting roles returned to their day-to-day role.

Our leadership

Tumuaki | Acting Chief Executive — Nicola Hill

Nicola was Acting Tumuaki from July 2022 to July 2023 when former Tumuaki, Dr Diana Sarfati, was named the Interim Director-General of Health.

Nicola has 17 years experience at Manatū Hauora, including periods advising the Director-General of Health and as Acting Group Manager, Strategy Group, in the Strategy and Policy Directorate. Since 2019 Nicola has been Pou Whakahaere Mātāmua | General Manager at Te Aho o Te Kahu.



Pou Whakahaere Mātāmua | Acting General Manager — Nicholas Glubb *(Substantive role: Manager Southern Hub)*

Nicholas began his career in health in 1978, and clinical, leadership, operational and change management roles followed over the next 25 years. From 2009 these included roles leading and managing regional district health board (DHB) cancer services.

Nicholas joined Te Aho o Te Kahu in July 2020 as Pou Whakahaere Mātāmua | Manager of the Southern Regional Hub.



Kaitohu Mātāmua | Chief Advisor — Dawn Wilson

Dawn joined Manatū Hauora in 2015 where she first worked in the Addictions team as a Kaiwhakahaere kaupapa | Senior Project Manager, before taking on the role of Pou Kaiwhakahaere | Manager, Cancer Services, in April 2017.

In early 2020, Dawn supported the Cancer Services team through a transition to new roles in Te Aho o Te Kahu and took up her current position of Kaitohu Mātāmua | Chief Advisor.



Directors

Tumutuarua Haumanu | Clinical Director – Dr Elizabeth Dennett

Liz is a specialist general and colorectal surgeon and, in addition to her clinical practice, she has been an Associate Professor of Surgery at Otago University.

Liz is a current college examiner in general surgery – the first New Zealand female general surgeon appointed to the Court of Examiners, Royal Australasian College of Surgeons.

Liz joined Te Aho o Te Kahu in 2020 as Tumutuarua Haumanu | Clinical Director.



Tumutuarua Mana Taurite | Equity Director – Sasha Webb (Ngāti Kahu, Ngāpuhi)

Sasha has spent 20 years working with public, private, and not-for-profit organisations and has a background in communications and systems change. She joined Te Aho o Te Kahu in 2020 as Kaiwhakahaere Kaupapa Mana Taurite | Senior Project Manager Equity.

She is leading several key projects focused on cancer inequities and took on the role of Acting Tumutuarua Mana Taurite | Equity Director before being confirmed in the role in April 2023. Sasha is also temporarily managing the Person and Whānau Centred Care Team.



National Managers

Pou Whakahaere Tātari Raraunga | Manager, Data Monitoring and Reporting — John Fountain

After medical graduation, John worked for the military, United Nations, in general practice and as a Medical Toxicologist at the New Zealand National Poisons Centre (University of Otago). During his university employment, John developed an interest in health informatics.

John furthered his experience in the data and digital area while working at the Best Practice Advocacy Centre, contributing to the development of clinical decision support software. He has been a member of the Health Information Standards Organisation (HISO) Committee for six years and has been a member of and chaired a range of health-related committees and working groups. John joined Te Aho o Te Kahu in June 2020.



Pou Whakahaere-Haumanu | Manager, Quality Improvement — Gabrielle Nicholson

Gabrielle has a consultancy background and has worked in the public sector in Australia, England and Wales, as well as New Zealand. Prior to joining Te Aho o Te Kahu she worked at the New Zealand Health Quality & Safety Commission for nearly nine years, managing a portfolio of national quality improvement programmes.

Gabrielle is passionate about working with the health sector to improve patient experiences and outcomes. Gabrielle graduated with a master's in public policy from Victoria University in 2014.



**Pou Whakahaere | Manager, Clinical Advisory Team –
Bridget Kerkin**

Bridget joined Te Aho o Te Kahu in 2023. Whānau centred care approaches and a focus on quality, safety and excellence in healthcare service delivery have been central to Bridget’s work throughout her career.

After many years providing midwifery care in urban and rural communities, and as a DHB-employed midwife, Bridget joined Otago Polytechnic in 2012 as an undergraduate lecturer. She then took up a role in the Maternity Team at Manatū Hauora in 2020, transitioning across to Te Whatu Ora in 2022 to work in the Health of Older People sector with the Healthy Ageing team. These roles further developed Bridget’s passion for equity-focused, strategic, whole-of-system approaches to national health service development.



Regional Managers

**Pou Whakahaere | Manager, Northern Hub –
Heather Walker**

Heather began her career in cancer policy in 2009. She worked across health, science and charity sector policy issues at Cancer Research UK, achieving increased innovation and investment in NHS diagnostic and radiotherapy services. She moved to Melbourne, where she led Cancer Council Victoria’s skin cancer prevention programme and chaired Cancer Council Australia’s National Skin Cancer Committee.

Heather also brought her passions for improving cancer outcomes and reducing inequity to teaching as a Subject Coordinator on the University of Melbourne’s Master of Cancer Sciences degree. Heather moved to Aotearoa New Zealand in 2022 and, after briefly working in tobacco and alcohol prevention at Te Whatu Ora, joined Te Aho o Te Kahu in 2023.



Pou Whakahaere | Manager, Te Manawa Taki Hub – Jan Smith

Jan joined as Te Manawa Taki Regional Hub Pou Whakahaere | Manager on 1 July 2020 following the transition of the regional cancer network teams to Te Aho o Te Kahu. Prior to this, Jan was Pou Kaiwhakahaere | Manager of the Midland Cancer Network, which delivered a significant number of successful regional and national initiatives.

Jan began her career as a registered nurse, going on to be a clinical nurse leader and working in management and leadership roles within Bay of Plenty, MidCentral, Taranaki, Lakes, and Waikato and HealthShare Limited.



Pou Whakahaere | Manager, Central Hub – Cushla Lucas

Cushla has worked in health for over 30 years, starting as an obstetric sonographer before moving to management in 2006 as Regional Lead for BreastScreen Aotearoa.

Cushla was involved in changes that improved access to radiation treatment, upgraded equipment and facilities, and modernised service delivery to be more patient centred and equity focused. Seeking to ease the burden cancer patients face when living remote from the main centres, Cushla led the work that resulted in approval to build new radiotherapy centres in Hawke’s Bay and Taranaki. She joined Te Aho o Te Kahu in November 2020 and is currently managing our Cancer Services Planning programme.



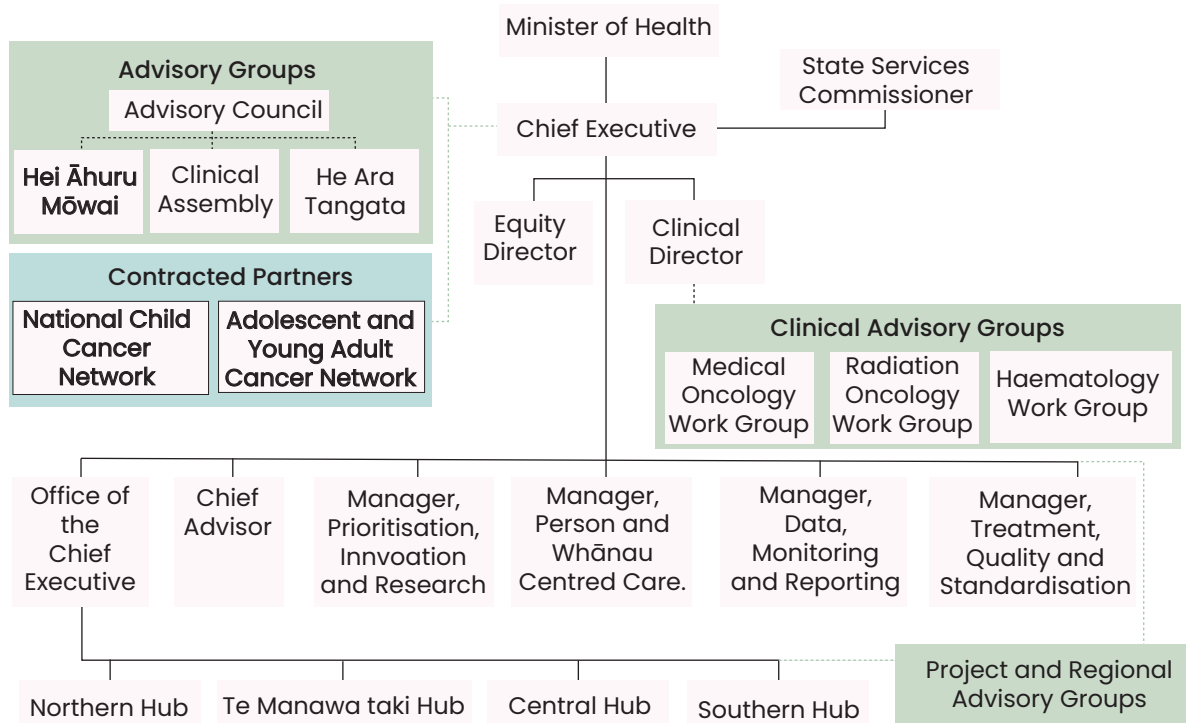
Pou Whakahaere | Acting Manager, Southern Hub – Janfrey Doak *(Substantive role: Project Manager, Southern Hub)*

Janfrey worked as a radiation therapist and held a number of local and national roles in cancer clinical trials. She joined the Southern Cancer Network in 2013 and has led clinical cancer improvement work focused on implementing tools and systems to support clinicians to deliver care and treatment.

She led the implementation of an electronic multidisciplinary meeting (MDM) management system for the South Island region, and the development of dashboards to report patient progress across the tumour stream care pathway. Janfrey joined in July 2020 following the transition of the regional cancer network teams to Te Aho o Te Kahu.



Te Aho o Te Kahu | the Cancer Control Agency Organisational Structure



Ngā rōpū tūhono | Our partners

We regularly connect with our key partners (shown in green and blue in the organisational structure diagram on previous page) to strengthen our work programme and hear what is 'happening on the ground'. The role and functions of these groups is regularly reviewed to ensure we make best use of their valuable time and expertise.

- The **Advisory Council** supports our Tumuaiki to oversee system-wide development and coordination of the cancer care system. The council provides insights and advice on how to get the best value for investment in cancer prevention and care. As part of our commitment to Te Tiriti, the council has a Māori co-chair and 50% Māori membership.
- **Hei Āhuru Mōwai** is a Māori cancer leadership group. Its membership brings a range of expertise, including clinical, community care, epidemiology, health services management and research. The Co-Chair of Hei Āhuru Mōwai is a member of the Advisory Council. We support the leadership and rangatiratanga of Hei Āhuru Mōwai through operational and project funding. Hei Āhuru Mōwai works closely with us and provides expertise and support for negotiated strategic work and projects centred on improving Māori cancer outcomes.
- The **National Clinical Assembly** provides clinical advice to support our long-term strategic direction for reducing cancer incidence and improving cancer services across the cancer continuum. The assembly includes clinicians from a broad range of cancer-related medical, nursing, and allied health specialities.
- **He Ara Tangata** is our Consumer Reference Group, providing insights and solutions from a lived-experience perspective. He Ara Tangata members are embedded on projects across our work programme, and their input ensures our work remains focused on the needs of people across the continuum of cancer care. As part of our commitment to Te Tiriti, our Consumer Reference Group has a Māori chair and 50% Māori membership.
- **Other advisory groups** — To ensure we remain connected with those on the ground, and hear directly from them, we have three primary clinical working groups (Medical Oncology, Radiation Oncology and Haematology) and more than 17 other time-limited advisory groups, involving over 200 health professionals and consumers. We meet regularly with the working groups, and their input feeds into our work at all levels.
- **Contracted partners** — We contract National Child Cancer Network New Zealand and Adolescent and Young Adult Cancer Network Aotearoa to deliver care for children and young people with cancer. We collaborate on the direction of their work programmes, meet regularly to discuss progress and issues, and provide support on programme delivery.

Being 'Te Aho' – the central thread

Across 2022/23 we continued to develop strong links with Māori and Pacific health leaders, consumer-led groups, clinical leadership groups, non-governmental organisations and primary health care practitioners. These relationships continue to develop through our engagement with the sector and our response to system challenges. We anticipate these will evolve as the new health system beds in.

We are committed to hearing the voices of those across the cancer continuum in Aotearoa and respond constructively to those who wish to engage. There is a wide array of other government entities, sector groups, programmes and projects we contribute to as part of being 'Te Aho' for the cancer continuum. Some of these include:

- other government entities, including **Whaikaha | Ministry of Disabled People; Ministry for Ethnic Communities | Te Tari Mātāwaka**; Health and Disability Commissioner | Te Toihau Hauora, Hauātanga; and Health Research Council
- whānau with lived experience of cancer
- clinicians (in the Clinical Assembly and specialised clinical working groups)
- research/academic institutions: **University of Otago | Te Whare Wānanga o Ōtākou, University of Otago Wellington | Te Whare Wānanga o Ōtākou ki Pōneke, and University of Auckland | Waipapa Taumata Rau**
- international organisations – including **Cancer Australia, Cancer Council Australia and the International Cancer Benchmarking Partnership**
- **Cancer Non-Governmental Organisations (CANGO)**
- **Cancer Society**
- iwi and Māori organisations and service providers
- Pacific organisations and service providers
- peak and professional bodies, including **Royal Australasian College of Surgeons and Cancer Nurses College.**

Our operating environment

Te Aho o Te Kahu is the principal advisor on cancer to the Government, and national leader for cancer control. We continue to be the central thread that connects and unites both new and existing health entities, and the wider cancer sector, providing expertise and support to improve outcomes for whānau with cancer.

The health system reforms have not changed the role of Te Aho o Te Kahu – however, it has been necessary to adjust how we engage with our key partners across the health system. With the key health entities now also having a national structure, Te Aho o Te Kahu is ensuring we are developing relationships across Te Whatu Ora and Te Aka Whai Ora at national, regional and district levels across our responsibilities.

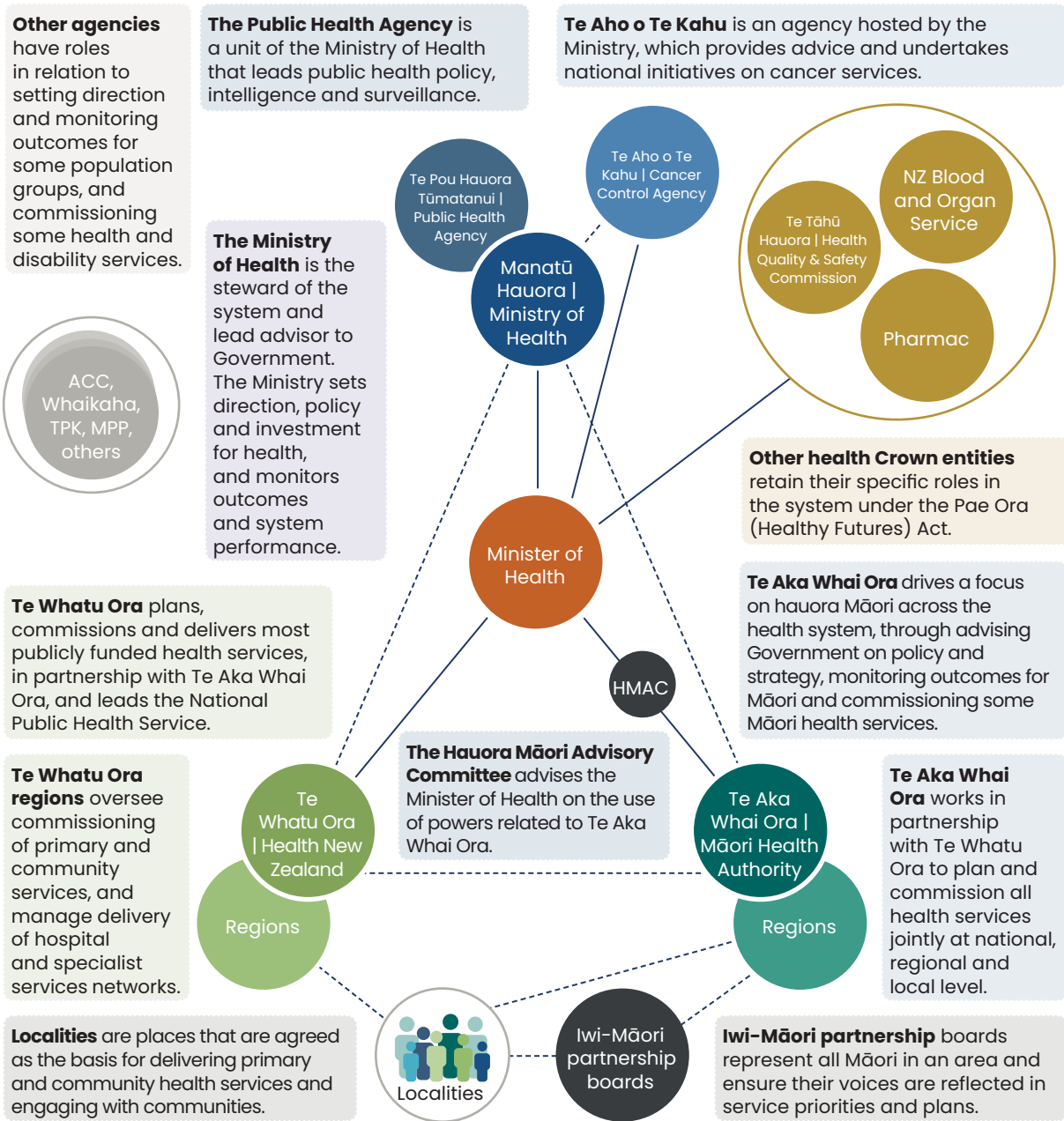
One of our key functions is to liaise with the many parties and organisations involved with cancer prevention, promotion, diagnosis, treatment and care. In the country's new health system, the Tumuaiki of Te Aho o Te Kahu is part of the Health Leadership Forum, which includes all tumuaki of the main health entities. Our Tumuaiki also holds direct relationships with the tumuaki of:

- Te Whatu Ora | Health New Zealand
- Te Aka Whai Ora | Māori Health Authority
- Manatū Hauora | Ministry of Health, including Te Pou Hauora Tūmatanui | the Public Health Agency
- Te Pātaka Whaioranga | Pharmac
- Te Tāhū Hauora | Health Quality & Safety Commission New Zealand, and many more.

Increasingly, we are looking to have a shared approach to common priorities and work streams, and at how we can share our insights in ways that can be embedded effectively across the health system. We act to create change through influence and have built a strong reputation for expert cancer knowledge and equity-led, systems-level thinking. The responsibility for commissioning and delivery sits with our partners, but we play a key role in bringing together the capability within the sector, and the experiences of people and whānau living with cancer, to agree on and develop solutions for implementation.

We provide advice and cancer expertise to Te Whatu Ora and Te Aka Whai Ora, and we are currently supporting them to shape how cancer care will be delivered in the new health system through our Cancer Services Planning programme (see the Our Work section).

The relationship between us and our host, Manatū Hauora, is particularly important and is supported through co-location and an interdepartmental agency agreement signed in August 2021. This recognises our place within the health system and our need to ensure our cancer-focused work is integral to the wider work of Manatū Hauora.



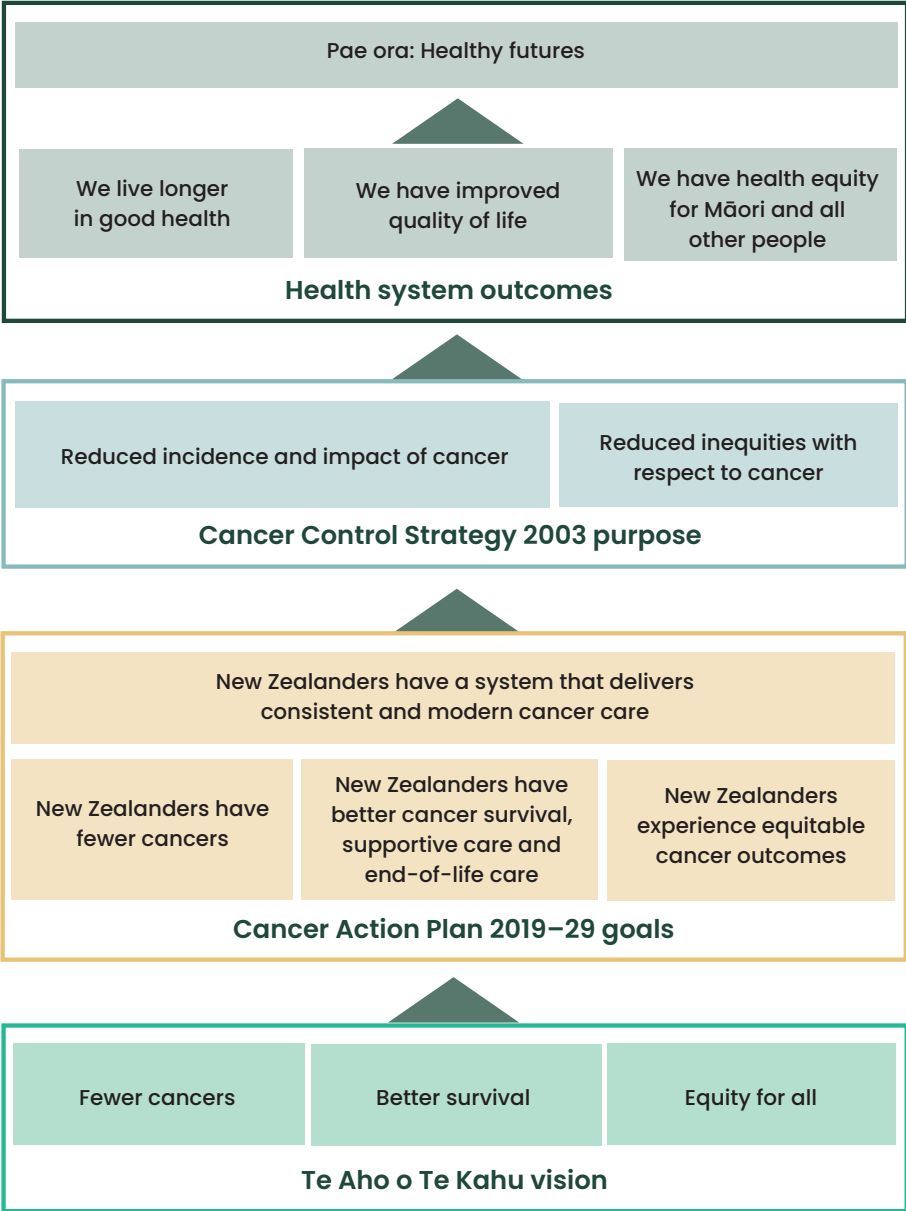
Source: Ministry of Health. 2022. Developing the future Ministry of Health: Our strategy and strategic intentions, 2022 to 2026. Wellington: Ministry of Health

Ō mātou takune | Our intentions for 2022/23

The **New Zealand Cancer Control Strategy 2003** and the New Zealand Cancer Action Plan 2019–2029 set out the strategic direction of Te Aho o Te Kahu. Our work focuses on contributing to the health system’s goal of **Pae Ora | Healthy Futures** and delivering our agency’s vision of fewer cancers, better survival, and equity for all. Our intentions align with the six priorities identified in the interim Government Policy Statement on Health 2022–2024.

We have adopted a ‘shaping strategy’ to enable us to work in a way that maximises opportunities to engage, influence and create a positive and receptive environment for developing and implementing new and better ways of doing things across the cancer continuum. The three strands of the shaping strategy are:

- **engagement** – collaborating with others and operating through influence
- **orchestration** – shaping the environment to achieve Te Aho o Te Kahu outcomes
- **evolution** – changing as required to innovate and manage unpredictability.



Ngā mahi | Our work

We provide national leadership with a programme of work that sets the direction for equity-led change and supports improved cancer outcomes for the people of Aotearoa. We are responsible for transparently monitoring progress towards the outcomes identified in the New Zealand Cancer Action Plan 2019–2029.

The Cancer Action Plan

In January 2019, the Minister of Health announced at the Cancer at a Crossroads Conference that a new cancer control action plan would be developed. The development of the plan was undertaken in consultation with a wide range of key stakeholders to ensure whānau views would be prominent.

The plan, which was published in February 2020, has a strong emphasis on delivering and targeting services to ensure equitable outcomes for all New Zealanders.

The plan has four key outcomes:

1. New Zealanders have a system that delivers consistent and modern cancer care

To continue to lift our performance in cancer care, we need to ensure we have strong national leadership, a skilled and sustainable workforce, and the right information to make the best possible decisions.

2. New Zealanders experience equitable cancer outcomes

Following a cancer diagnosis New Zealanders will receive the best treatment and care no matter who they are or where they live.

3. New Zealanders have fewer cancers

Investment in the prevention of cancer will ultimately make the largest contribution to reducing the burden of cancer in New Zealand and to achieving equity in outcomes. We want to support prevention programmes and policies that will help New Zealanders to make healthy choices.

4. New Zealanders have better cancer survival, supportive care and end-of-life care

New Zealanders receive person and whānau centred cancer care that is appropriately timed and of high quality, from early detection through to living well with and beyond cancer and end-of-life care.

What we don't do

While we work alongside these organisations to support this work, Te Aho o Te Kahu does **not** have responsibility for:

- cancer screening programmes (Te Whatu Ora)
- New Zealand Cancer Registry (Te Whatu Ora)
- funding cancer drugs (Pharmac)
- palliative care (Manatū Hauora and Te Whatu Ora)
- delivery of cancer services (Te Whatu Ora).

However, we are consulted with, and generally provide joint advice, as opportunities or issues arise.

Principles

Equity-led • Knowledge driven • Outcome focused • Person and whānau centred

New Zealanders have a system that delivers consistent and modern cancer care



Leadership and governance



Health workforce



Data and information



Research and innovation

New Zealanders experience equitable cancer outcomes



Develop and implement a mātauranga Māori framework for delivering this cancer plan



Achieve equity by design



Address all forms of racism and discrimination

New Zealanders have fewer cancers



Smokefree by 2025



Encourage and support healthy living



Prevent cancers related to infection



Reduce the incidence and impact of avoidable skin cancer caused by UVR (ultraviolet radiation)



Reduce exposure to work-related carcinogens (to be led by WorkSafe)

New Zealanders have better cancer survival, supportive care and end-of-life care



Increase early detection of cancers



High-quality population screening



Improve cancer diagnosis and treatment outcomes



Deliver support and information for people living with cancer



Maintain quality of life through palliative and end-of-life care

Current work programme

New Zealanders have a system that delivers consistent and modern cancer care	
Our priorities	Our work
Supporting a system that delivers consistent and modern care	Building a high-performing agency Commitment to capability building Systems and processes Active health sector support COVID-19
Transforming the future of cancer service delivery	Cancer Services Planning programme (more detail in text)
Developing a monitoring framework	Delivering the first monitoring report
Providing better quality, more connected data	CanShare (more detail in text), including: <ul style="list-style-type: none"> • Anti-Cancer Therapies – Nationally Organised Workstreams (ACT-NOW) Programme • Structured Pathology Reporting of Cancer Data Standards Project • National Radiation Oncology Collection (ROC) • Collaboration across data and digital health
New Zealanders have fewer cancers	
Our priorities	Our work
Achieving fewer cancers through a focus on prevention	Pūrongo Ārai Mate Pukupuku Cancer Prevention Report Cancer research Primary health care project Advice for primary care
New Zealanders have better cancer survival	
Our priorities	Our work
Improving cancer survival	Quality improvement programme Cancer medicines availability analysis Clinical trials
New Zealanders experience equitable cancer outcomes	
Te Aho o Te Kahu priorities	Te Aho o Te Kahu work
Improving equity of cancer outcomes	Māori community hui meetings Embedding equity-led thinking Pacific research project Disability and cancer project initiated Supporting equity-led work across the sector

Ngā whakatutukitanga | What we have achieved

He pūnaha manaaki | Supporting a system that delivers consistent and modern care

Building a high-performing agency

Te Aho o Te Kahu has continued to build on its reputation, within government and across the health and disability sector, for responsiveness and delivery. In the 2022/23 year, we continued to strengthen our existing relationships with stakeholders, and worked to establish strong partnerships with Te Whatu Ora and Te Aka Whai Ora. Internally, we have maintained our focus on extending our kaimahi capabilities and supporting their wellbeing around the motu | country – during a year of transition internally with a change in Tumuaki | Chief Executive and the ongoing wider health system reforms.

We were delighted to be selected as finalists in Te Hāpai Hapori | the Spirit of Service Awards 2022. In recognition, the Public Service Commissioner noted that it was a testament to our dedication to creating true partnerships and ongoing spirit of service. They also acknowledged that our organisation is making a real impact for those affected by cancer in Aotearoa, with a true commitment to Te Tiriti and equitable outcomes.

We continued our support to the Minister of Health and Associate Ministers by providing high-quality, timely advice across a range of cancer topics through regular meetings, briefing papers and weekly updates. This included the transition to a new Minister and Associate Ministers in January 2023. We have built strong relationships with the Ministers' secretaries to ensure we meet the needs of the Ministers' offices as they arise. We privilege our place as the trusted cancer advisor to government and ensure that we respond in a timely fashion with information that reflects a whole of health system perspective on cancer.

Recognition of individual kaimahi contribution was to the fore this year with Dr Humphrey Pullon, Clinical Haematologist and Clinical Advisor at Te Aho o Te Kahu, being a worthy recipient of the New Zealand Public Service Medal. This medal is part of the formal New Zealand Royal Honours system. It recognised Humphrey's distinguished service across his long career, central to which has been a dedicated focus on improving cancer care, leading initiatives in the Te Manawa Taki region and most recently our haematopoietic stem cell transplantation improvement work. Also out of Te Manawa Taki, Lydia Rickard (He uri ia o Tainui, Ngāti Koata, Ngāti Tahinga, Ngāti Porou), Senior Project Manager, Equity, received The Public Service Commissioner's Commendation for Excellence. For over 40 years, she has devoted

time to helping improve outcomes for Māori by addressing system-wide inequities. Her strategic focus and service-planning skills have ensured whānau get the best possible care in hospital and community settings. Lydia is credited as being largely responsible for dramatically improving the speed of cancer treatment at Lakes District – which is an amazing feat.

We have reinforced our sector stakeholder engagement this year through regular meetings with our advisory groups (outlined in the section 'Ngā rōpū tūhono | Our partners') and by scaling up the many project and tumour stream advisory groups supporting our work programmes. We continue to hold meetings with stakeholders, nationally and regionally, across the cancer continuum, including clinicians, patients and their whānau, Māori and other populations. This highlights the span of our sector involvement and our reach for the full range of perspectives on cancer in relation to our work.

Engagement with Te Whatu Ora and Te Aka Whai Ora has had a strong focus on the Cancer Services Planning programme. We connected with many service providers to ensure that our approach to this crucial development work is relevant to the needs of those organisations. In addition, we engage strongly with Te Whatu Ora in the clinical and operational space, supporting them to address challenges and take opportunities to embed improvements in care.

Our partnership with Hei Āhuru Mōwai | Māori Cancer Leadership Aotearoa has continued, supported by mutual engagement with Te Aka Whai Ora. Hei Āhuru Mōwai members continue to sit on many of our major advisory groups, providing strategic input to our work programme direction, targeted advice towards equitable cancer outcomes for Māori, access to Māori cancer expertise and support for developing Māori capability across our organisation. Matua Gary Thompson (Ngāti Pāoa, Ngāti Hauā) stood down from his role as our inaugural pou tikanga, and we welcomed Matua Tau Huirama (Ngāti Tamainupō, Ngāti Maniapoto) into the role to provide us with cultural guidance. We also farewelled outgoing Tumuaki of Hei Āhuru Mōwai Moahuia Goza (Ngāti Kauwhata, Ngāti Matakore, Ngāti Raukawa, Ngāti Unu) and welcomed Cindy Dargaville (Ngāti Maniapoto, Waikato, Te Rarawa) as their new Tumuaki. The strength of this partnership is central to the strength of Te Aho o Te Kahu as an organisation, giving confidence that our focus on equity and Te Tiriti is both actively supported and challenged where necessary.

Our commitment to Whāinga Amorangi (see details in next section) has ensured a strong focus on developing Māori–Crown relations capability. In addition, we proactively recruited Māori kaimahi and engaged with Māori clinical and lived-experience leaders. We also ensured key advisory bodies continue to have 50% Māori membership and a Māori chair or co-chair.

He Ara Tangata, our Consumer Reference Group, is more actively contributing and responding to issues, which has matured to where members are now working alongside our kaimahi and directly contributing to our work. Feedback from participants reflects this through expressions of increased satisfaction and a sense of increased responsiveness from Te Aho o Te Kahu. The membership of this group was refreshed in 2022/23, and their participation continues in projects across our organisation to provide a critical lived-experience lens to our work.

Commitment to capability building

Our recruitment strategy is focused on growing a diverse, highly capable workforce that includes a significant proportion of people who identify as Māori or Pacific.

The strengths collectively offered by our people include:

- leadership
- critical thinking
- Māori and Pacific cultural expertise
- clinical experience and expertise
- cancer sector knowledge and understanding
- analytics
- innovation
- technical writing
- cognitive diversity
- passion for our work
- strong networks and relationships.

These capabilities are strengthened through our effective relationships across the sector, including the new health entities. This is reflected in increased collaboration over shared work or work of mutual interest.

We continue to develop areas where we have less capability – where bridging that gap is going to strengthen our ability to fulfil our purpose. Areas given attention across 2022/23 to build our capability included:

- formal project management expertise
- meeting facilitation
- machinery of government expertise
- te ao Māori
- SNOMED CT skills
- expertise in continuous quality improvement.

Te Aho o Te Kahu can access support from the Manatū Hauora Organisational Development Team. They have set up a digital learning space tailored to our requirements. This enables us to access learning and development opportunities through online and in-person courses and resources to support our kaimahi as we build our workplace skills and te ao Māori knowledge and undertake professional development.

Our commitment to capability building is also displayed in our progress against our Māori language plan, E Tipu E Tipu. The kaimahi survey showed our confidence in speaking te reo has increased across every measure (see 'Tō mātou whakahaere | Our performance' section).

Capability building remains a major focus for us. We have an induction process that requires all kaimahi to undertake modules on te ao Māori along with learning about our obligations as public servants. Our kaimahi can access all Manatū Hauora professional development resources, including external workshops and online courses. We also deliver our own bespoke courses, including a two-day 'machinery of government' course, kaimahi forums, information sessions and an annual all-kaimahi capability-building day. Each kaimahi member's professional development plan must contain capability-building goals.

Our commitment to Te Tiriti can be seen in our ambitious programme to build capability to effectively engage with Māori. In 2022/23, we delivered Whāinga Amorangi: Transforming Te Aho o Te Kahu Phase Two plan to Te Arawhiti | the Office for Māori Crown Relations, and this was endorsed without change. Te Arawhiti has directed other government entities to us to provide guidance on their plans. We continue to make strong progress against the goals and measures set out in our Phase One plan through activities such as:

- engaging with the Ngā taura ā Māui framework to support how we apply our equity and Te Tiriti focus to the design, development and delivery of our work programme
- a wānanga | seminar by Leonie Pihama, Linda Smith and Ngarophi Cameron – He Oranga Ngākau: Exploring the Power of Indigenous Knowledge
- presentations by Dr Heather Came on systemic racism and Professor Meihana Durie on mātauranga Māori | Māori knowledge
- attending The Wall Walk® (an interactive workshop designed to raise awareness about key events in the history of Aotearoa New Zealand's bicultural relations)
- hosting and attending pōwhiri | welcome and poroaki | farewell events for several kaimahi | staff
- kaimahi sharing their personal journey connecting to whakapapa | genealogy
- wānanga on Whāinga Amorangi and E Tipu E Tipu
- Waitangi, Matariki and Te Wiki o Te Reo Māori activities
- twice-weekly waiata | singing sessions
- all kaimahi required to have a goal in their professional development plan that relates to Whāinga Amorangi (many have more than one goal).

Implementation of our Phase Two Whāinga Amorangi plan will begin in 2023/24. We have focused on establishing an implementation model that is not only sustainable but accounts for ongoing monitoring and implementation of all our Māori-Crown relations mahi | work, including our Phase One plan and E Tipu E Tipu – Māori Language plan.

The Whāinga Amorangi Working Group was established to support the implementation of Phase Two and it also assumes responsibility for the ongoing implementation of our Phase One plan.

Whāinga Amorangi Working Group



Purpose

- Prioritise Whāinga Amorangi development goals and actions set out in Phase Two Plan
- Coordinate Whāinga Amorangi activity across the organisation and integrate with other mahi, such as Whāinga Amorangi Phase One Plan, Equity mahi, E Tipu E Tipu - Māori Language Plan
- Support a network of Māori Crown Relations Champions and build capability across all teams
- Monitor progress against relevant plans
- Report progress through to senior leadership.

E Tipu E Tipu | Māori Language Plan

As mentioned previously, we are committed to honouring Te Tiriti. This includes the protection of te reo Māori me ōna tikanga. Te reo Māori is an official language of Aotearoa and he taonga tuku iho for Māori.

Te reo Māori is protected by Te Ture mō Te Reo Māori | The Māori Language Act 2016, which affirms the mana | status of the Māori language.

Maihi Karauna, the Crown's Strategy for Māori Language Revitalisation 2019–2023, was established to support and create societal conditions for te reo Māori to thrive and at the same time ensure that government systems support that.

E Tipu E Tipu, our te reo Māori plan, supports not only Te Ture mō Te Reo Māori and Maihi Karauna but also acts to:

- whakamana | give authority to our name in accordance with our oati
- whakamana the intention of He Korowai Oranga | the Māori Health Strategy and Whakamaua | the Māori Health Action Plan
- whakamana Te Tiriti
- whakamana our oati ingoa | name agreement with Hei Āhuru Mōwai
- increase our organisational health by growing a confident and capable workforce
- contribute to the revitalisation of te reo Māori
- enhance our effectiveness and provide better services to Māori.

Systems and processes

We continued to develop our systems and processes over 2022/23 incrementally in line with our connection to and support from Manatū Hauora.

Work has been undertaken to enable a 'promotion round' to recognise potential for career progress for our kaimahi. This process allows for a regular assessment of the readiness of staff members to move up their career pathway and facilitates selected kaimahi to advance. This work is largely complete, and we plan to implement it in the 2023/24 year. Over time this will provide a component of a wider career progression framework.

We are very proud of our results in the inaugural Te Taunaki | Public Service Census in 2021. There are over 60,000 public servants across 36 agencies. The results highlight much of the work we are doing, particularly around diversity and inclusion, te reo Māori and Māori–Crown relations (see 'Tō mātou whakahaere | Our performance' section).

As yet another validation of our performance, we were thrilled to learn our previous Tumuaiki was nominated for and selected as one of three global finalists in the Union for International Cancer Control Chief Executive Office Award in October 2022.

Active health sector support

Te Aho o Te Kahu has four regional teams that provide our outward-facing connection with the sector. This includes working directly with the clinical and operational leadership of cancer services – in a way which is tailored to the needs of each region. We are:

- developing positive working relationships with stakeholders and maintaining links with regional and local clinical and service leadership
- promoting visibility of our national work programme
- providing insight into service performance data and working with clinicians and service kaimahi to identify and implement appropriate responses
- understanding regional and local needs and the challenges they face
- promoting a regional perspective and a focus on the needs of the population
- supporting a regional service/quality improvement focus.

Monitoring the impact of COVID-19 on cancer

Over the year we continued to monitor the impact of COVID-19 on cancer services to ensure improvements identified are sustained over the winter months. We will decide soon on whether further monitoring reports are required.

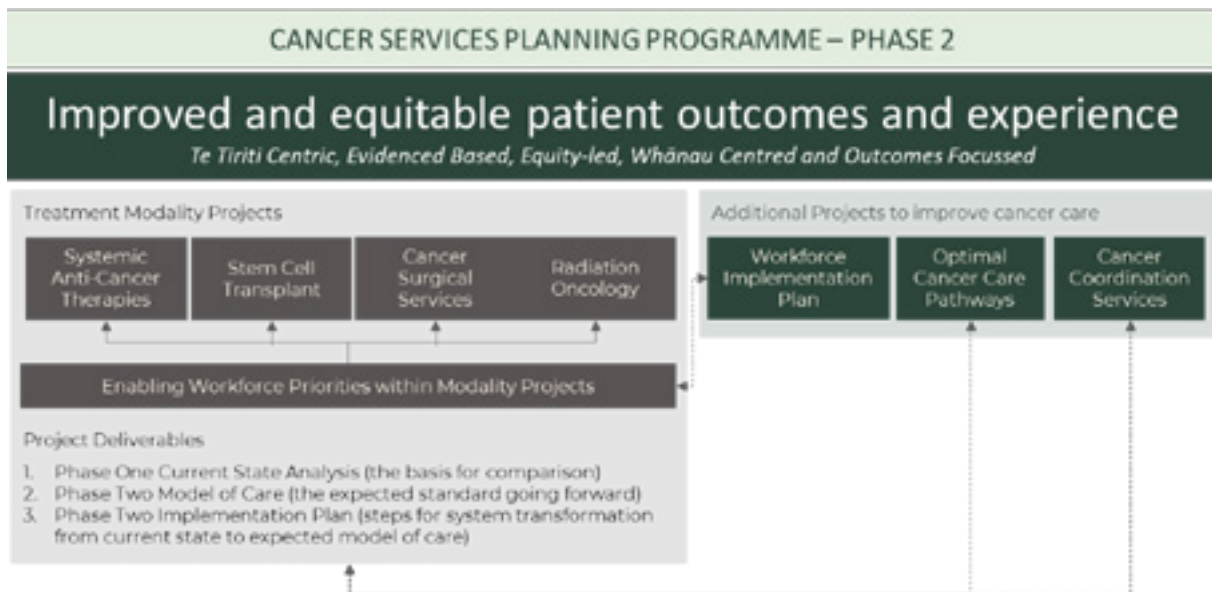
In December 2022 the Royal Commission of Inquiry into COVID-19 Lessons Learned was announced with a view to ensure New Zealand's response to any future pandemic would be strengthened. While Manatū Hauora is the lead health agency, we are playing an active part in the review, sharing our experiences and learnings from a cancer perspective. This work is expected to be completed by mid-2024.

Transforming the future of cancer service delivery

We are currently undertaking a large, proactive programme of work, called Cancer Services Planning, to transform the way cancer treatment is delivered. We will support Te Whatu Ora and Te Aka Whai Ora to deliver equitable access to high-quality care by producing evidence-based guidance to commissioning entities on how treatment and support services should be organised to achieve optimal, equitable cancer outcomes.

Phase 1 of this work centred on providing a summary of the current issues in adult cancer treatment services in Aotearoa and key focus areas to improve cancer treatment.

The design and implementation phase of the programme started in March 2022 and takes our thinking beyond what changes need to occur, to how the recommendations could be implemented. A second programme of work will soon examine how primary and community care could improve cancer outcomes and access to cancer diagnostic services.



The projects within Phase 2 of the Cancer Services Planning programme focus on the following areas:

1. Systemic anti-cancer therapies

Care for patients receiving systemic anti-cancer therapies (SACT) – chemotherapy, immunotherapy, targeted therapy, and hormone therapy – is becoming more complex, and demand is increasing. Access to new medicines will place additional strain on the pressured clinical networks. Our focus is on working with Te Whatu Ora on addressing immediate capacity challenges while developing new models of care for delivering SACT and looking to enable more SACT to be delivered in the community, where it is appropriate to do so.

2. Stem cell transplant

Stem cell transplant services have become fragmented, inequitable, and no longer fit for purpose given the volume and complexity of service delivery required. This project has designed a sustainable future service model for stem cell transplant, while planning to address immediate capacity challenges.

3. Surgical services

Complex cancer surgery is currently delivered without a national model of care to ensure consistency, sustainability, and equity across Aotearoa. To achieve better cancer outcomes this project is developing and testing frameworks that can be used to determine optimal distribution of services across the motu.

4. Radiation oncology

This project described, and supports the move to, a single system of care, operating under a standardised national service model in alignment with the emerging Te Whatu Ora national clinical network model (radiation oncology is the first clinical network to be established). It also focuses on increasing the workforce and the linear accelerator stock in public hospitals.

5. Workforce

The cancer workforce is struggling to meet current demand, much less the projected 40% increase in new cancer diagnoses between 2020 and 2040. In 2022/23, our focus was on developing an implementation plan with Te Whatu Ora that concentrated on immediate short-term actions. The plan also provided the building blocks for future workforce planning. We are working with Te Whatu Ora, Te Aka Whai Ora and the Health Workforce Taskforce to ensure the cancer workforce capacity and capability will align with future demand for, and improvements to, cancer treatment in Aotearoa. This includes both a short-term and a longer-term focus. This is a key area of concern and focus for Te Aho o Te Kahu.

6. Optimal Cancer Care Pathways

Unwarranted variation in the delivery of cancer care means that some people receive sub-optimal care, and resources are used in ways that do not lead to optimal outcomes. In response we are developing cancer care pathways, by tumour stream, that will clearly describe expectations in the delivery of optimal cancer care. The pathways are based on the Australian Optimal Care Pathway approach and will be a tool for system leaders and service providers to identify unwanted variation and inequity and drive continuous quality improvement.

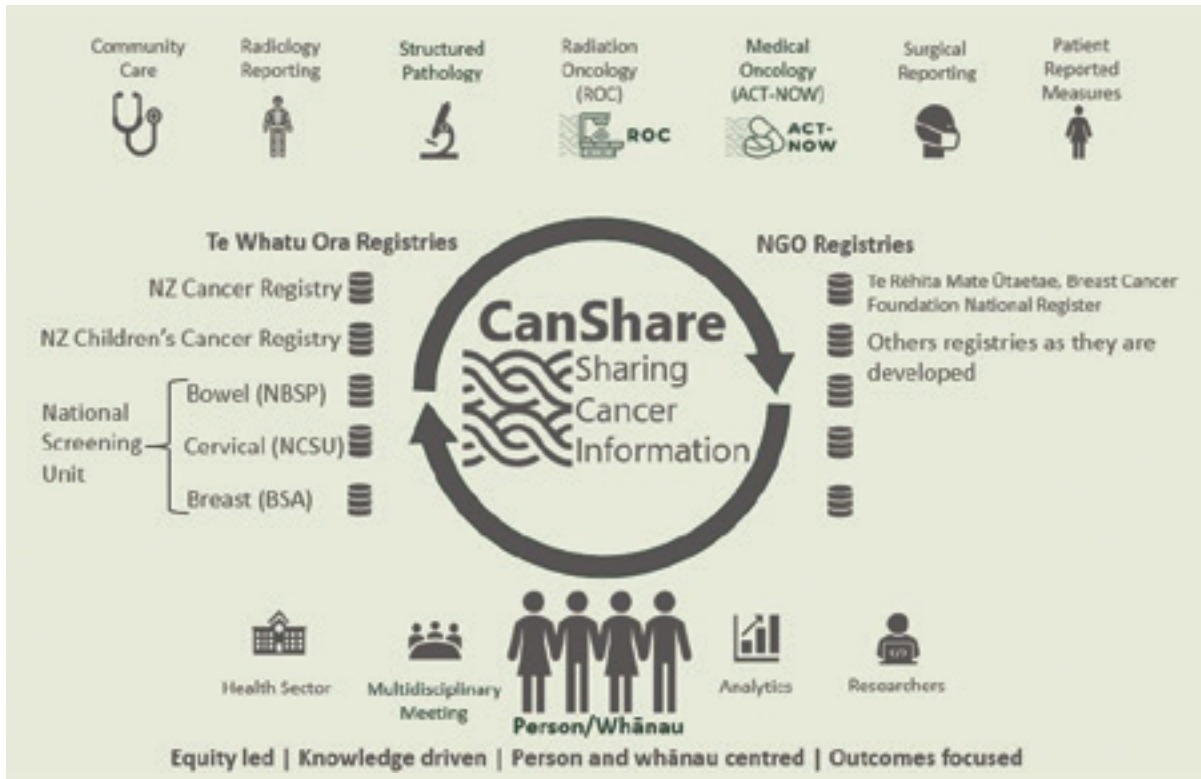
Cancer care coordination

We are developing an establishment plan so that cancer care coordination services can be commissioned throughout the country, with the initial focus on supporting Māori and Pacific cancer patients and their whānau. This plan includes strategic advice for the commissioning entities on how they can create cancer coordination services that are broadly consistent and high quality but also tailored to suit local communities and delivered in a range of settings, including primary health care, secondary health care, kaupapa Māori and community health organisations.

CanShare

CanShare is a new national health informatics platform currently under development that will allow the timely sharing of relevant and accurate cancer data across the motu. The primary intent of CanShare is to support clinical and whānau decision-making at the point of care.

Outcomes from this work will include advanced analytics capability supporting up-to-date monitoring of cancer care throughout the country.



CanShare will enable the collection of complete and accurate cancer data, joining currently disparate data siloes and providing a means to share clinical cancer information as needed. Connections have been established with Te Whatu Ora, a cloud database is being built, and there has been much work undertaken in CanShare’s individual programmes, some of which are outlined below.

Anti-Cancer Therapies – Nationally Organised Workstreams (ACT-NOW)

ACT-NOW is a national systemic anti-cancer therapy (SACT) data collection and analytics programme. Stakeholders have collaborated to agree on SACT treatment definitions – meaning that treatment regimens can be compared across the country. The information about the use of regimens will support identifying unwarranted variation so that it can be investigated and quality improvement activities instigated.

Structured pathology

A project is underway to develop and support the national adoption of data standards so pathology information can be easily shared for clinical decision-making. Currently 39 data standards are being developed across gastrointestinal, genitourinary, gynaecological and haematological cancer groups. Alongside standard development, we are building productive relationships with pathology vendors and providers to plan implementation of the standards over the coming years.

National Radiation Oncology Collection (ROC)

This central repository of detailed radiation oncology information informs an understanding of radiation oncology service delivery and linear accelerator capacity, utilisation and planning. This supports actions to improve access to radiotherapy and drive more cost-effective treatment. The ROC has been used as the key data source to underpin national planning for increased treatment capacity and workforce.

Faster cancer treatment reporting

Faster cancer treatment wait time indicators (62 and 31 day) require districts to collect standardised information on patients who have been referred urgently with a high suspicion of cancer and/or information around timely access to treatment once a 'decision to treat' is made.

We are currently supporting the quality improvement of these indicators – for example, through our work to improve consistency of business rules, quality data management and reporting. We will look to transfer ownership of this work to Te Whatu Ora in the future.

Health Information Standards Organisation (HISO) standards

Nationally agreed and HISO-endorsed data standards support the vision for a fully interoperable digital health system to facilitate sharing cancer information for decision-making, quality improvement and research. Standards ensure data systems can 'talk to each other'. Two data standards were published last year: the structured pathology data standard and the multidisciplinary meetings data standard. More are currently being developed.

Developing a monitoring framework

The New Zealand Cancer Action Plan 2019–2029 sets four outcomes and multiple related actions across the cancer control pathway. This year, we have continued to report against this monitoring framework so we can transparently assess our progress towards achieving the aspirations of the Cancer Action Plan.

We will report on 11 broad indicators to give a 'snapshot' of the current state of cancer control in Aotearoa New Zealand. Each year, we will calculate the indicators and present the results in a monitoring report to show progress in the cancer control system. The monitoring report will also present activities being undertaken to achieve the outcomes and actions of the Cancer Action Plan. A summary of the monitoring report is available in the section 'Tō mātou whakahaere | Our performance'.

Leadership and collaboration across data and digital health

We are continuing to work alongside Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora to ensure the needs of cancer patients and whānau are considered within data and digital system changes. In August 2022 we released our position statement on the collection of cancer data and information in Aotearoa in relation to hapū and iwi affiliation, Māori descent and ethnicity.

Our work on the development of the CanShare cancer information sharing platform was presented to the Digital Health Week Conference by John Fountain, our Pou Whakahaere Tātari Raraunga | Manager of Data, Monitoring and Reporting. The presentation was focused on 'CanShare: Learnings from a National SNOMED CT / FHIR Implementation'.

In 2022/23 our kaimahi sat on key digital governance and advisory groups, including the Hira Programme Governance Group, the Digital Enablement Oversight Group, the Digital Health Equity Reference Group, the National Data Platform Steering Committee and Tātai Pae Ora. We also chair the Cancer Working Group within the New Zealand Telehealth Forum.

Kia whakaiti iho te mate pukupuku | Achieving fewer cancers through a focus on prevention

Cancer prevention and early diagnosis

To date, the main focus of our work has been on improving cancer treatment and extending peoples' survival. This has been important given the significant expectations of stakeholders and the level of public concern about access to cancer treatment. However, we also recognise that inequities exist right across the cancer continuum. There are opportunities to reduce the incidence of cancer and improve overall cancer outcomes by having a greater focus on prevention, early diagnosis and detection.

In February 2022 we published Pūrongo Ārai Mate Pukupuku | Cancer Prevention Report, which highlights where cancer prevention efforts can be strengthened. This information will shape policies that will help prevent cancers, as well as other health conditions for the people of Aotearoa. The report focuses on six key areas:

- tobacco
- alcohol
- poor nutrition and excess body weight
- insufficient physical activity
- excessive exposure to ultraviolet radiation
- and chronic infections.

The establishment of Te Pou Hauora Tūmatanui | the Public Health Agency within Manatū Hauora provides us with a crucial partner to advance this work. We will work to support initiatives to minimise and prevent the incidence of cancer, and to bring a cancer perspective to prevention activities.

In November 2022 we partnered with the Goodfellow Unit of the University of Auckland to run an educational webinar for health professionals to raise awareness of lung cancer symptoms, improve early detection and referral to secondary health care for patients with a high suspicion of lung cancer, and increase awareness of new treatment paradigms. The webinar was well received, with over 345 participants.

We are also in the early stages of scoping potential areas for improvement in cancer outcomes through primary and community care. This work will inform our efforts to support the primary and community care to help people affected by cancer. The first of these initiatives is likely to be partnering with Te Whatu Ora on the Te Pae Tata priority to streamline access to diagnostic tools by primary care practitioners.

Cancer research

We supported the following research projects in 2022/23:

- The National Child Cancer Network is working to better understand the whānau experience of child cancer and cancer services in Aotearoa in order to improve the future experiences of child cancer patients and their whānau.
- Hei Āhuru Mōwai identified a gap in the knowledge base for the management and support of Māori patients and their whānau living with both cancer and COVID-19 and has commissioned a cycle of evaluative learning to better understand these experiences and inform ongoing development and improvement.
- Researchers Dr Nina Scott and Dr Myra Ruka from Te Aka Whai Ora and Te Whatu Ora are leading a Health Research Council funded project looking at how the COVID-19 pandemic created opportunities for system redesign using an integrated response to maximise Māori health gains for those with a suspected diagnosis of cancer.

We also partnered with the New Zealand Telehealth Forum on three projects of mutual interest:

- supporting a University of Auckland internship examining the resources available to help patients understand and use telehealth, particularly for cancer care
- working with Massey University to survey all public hospital cancer clinics on their use of and attitudes towards telehealth in cancer care
- co-authoring a white paper on a proposed national telehealth model of care that could deliver specialist health care to patients in any location throughout the country.

Kia runga noa ake te mataora | Improving cancer survival

Quality improvement programme

The Cancer Quality Performance Indicator (QPI) programme involves identifying key steps in the cancer diagnosis, treatment and outcome pathway to measure and report against. It aims to identify unwarranted variation. The cancer-specific QPIs are developed particularly for that cancer type so that the indicators are relevant to that cancer or its treatment pathway. The process of identifying these indicators involves substantial clinical engagement, broad consultation, and consensus that the indicators selected, developed and published are appropriate.

Once the indicators are identified, a report is produced that provides information about how each district is doing in relation to each indicator, and whether there is inequity between population groups (that is, by ethnicity, age, gender, geographic location and deprivation quintile). Where variation is seen, we will work with the districts to understand the causes. We would then aim to develop and implement programmes of work to address the causes of variation at national, regional or district level as appropriate. QPIs will be regularly monitored and re-reported to ensure that the actions taken have been effective in reducing inequities and improving the quality of care and outcomes for people with cancer.

Over the 12 months we reported on QPIs for bowel and pancreatic cancers. Currently, we are working on QPIs for breast cancers (due for publication in 2024).

The next project for the QPI programme is the selection, calculation and reporting of universal QPIs, which is modelled on similar approaches from comparable jurisdictions. The universal indicators will be common across many cancer types and will be reported by cancer type. As we have calculated QPIs for specific cancer types to date, we have identified consistent indicators that are both measurable and universal. We aim to report on the universal QPIs at regular intervals throughout 2023 and 2024, as each indicator is ready. We will also recalculate the universal QPIs at regular intervals to measure change over time.

With the introduction of the national health reforms and new health organisations that are responsible for commissioning and delivering health services, we are relooking at our cancer service quality improvement approach. As part of this work, we are developing a Quality Improvement Framework for Te Aho o Te Kahu, to guide the quality improvement work that will result from the QPI programme and other projects such as CanShare.

Clinical trials

Clinical trials are critical to advancing cancer outcomes for patients. Inadequate and inequitable access to cancer clinical trials in Aotearoa is a concern for patients and whānau, as well as clinicians and the broader health sector. Manatū Hauora is collaborating with Te Whatu Ora and Te Aka Whai Ora to build the necessary infrastructure to deliver equitable access to clinical trials for all conditions, including cancer, building on the recommendations in the Enhancing Aotearoa New Zealand Clinical Trials report.

This year, Te Aho o Te Kahu has been, and will continue, collaborating on this work, to advocate and provide support from a cancer perspective. Teletrials (or decentralised trials) is one way of improving access to clinical trials for people who are living away from the major cancer treatment centres. In 2022/23, we provided funding to Cancer Trials New Zealand to continue the development and implementation of core infrastructure to enable teletrials in Aotearoa New Zealand.

Te whakataurite i ngā hua mate pukupuku | Improving equity of cancer outcomes

Hearing the voices of whānau Māori

In 2021, Te Aho o Te Kahu partnered with mana whenua | indigenous people who have historic and territorial rights over the land, and local health organisations to hold 13 community hui across the motu. The aim was to hear the voices of whānau Māori affected by cancer and connect with local organisations working in cancer and health care.

Collectively, we spoke with more than 2,500 whānau Māori, including patients, whānau and Māori working in cancer care or the wider health and social sectors. We understand this to be the largest engagement process undertaken with Māori affected by cancer.

In March 2023, we released three reports on the hui series, each available in both te reo Māori and English:

- Rongohia Te Reo, Whatua He Oranga: The voices of whānau Māori affected by cancer shares the experiences, insights, and aspirations of thousands of whānau Māori affected by cancer.
- Te Tikanga — Engaging with whānau Māori affected by cancer: a kaupapa Māori approach outlines the kaupapa Māori principles that we used to design and deliver the hui series.
- He Urupare: Responding to the experiences of whānau Māori affected by cancer describes some of the work Te Aho o Te Kahu and other health agencies are doing that responds to, or aligns with, whānau insights.

These insights are informing our work programme and have also been shared with a number of other cancer and health organisations.

Embedding equity-led thinking

In 2021/22 we continued to build our focus on equity, with capability development a key area of work. Our Equity team developed a toolkit that included resources and research. This toolkit is designed to educate, inform and challenge our kaimahi.

We have also incorporated equity frameworks into key business processes and project planning methodology. Our internal community of practice, Te Kāhui Mana Taurite, supports equity analysis across the entire Cancer Services Planning programme. This rōpū | group identified and analysed equity issues across each area of the programme. The voices of patients and whānau were integrated into this analysis, as was national and international literature. Te Kāhui Mana Taurite will be broadened in 2023/24 to cover all of our agency's work programme.

We have also been supporting the equity work of other agencies and organisations. Our Equity team has shared insights with other health and community colleagues, both formally and informally, through guest speaker presentations, various governance and advisory roles, and publication of research papers.

Our work has been highlighted internationally as well. This included publication of a paper titled 'Te Aho o Te Kahu: weaving equity into national-level cancer control' in The Lancet Oncology in September 2022. This was led by then- Tumutuarua Mana Taurite | Equity Director Michelle Mako and co-authored by members of Hei Āhuru Mōwai. We presented three topics at the World Cancer Congress held in Switzerland in October 2022. These presentations focused on:

- improving Māori cancer outcomes using indigenous data
- improving breast cancer outcomes for Māori women through screening
- diversity, equity and inclusion as a part of the DNA of cancer control organisations.

We continued our work to better understand the lived experiences of population groups experiencing inequitable cancer outcomes. This included the publication of the hui report series mentioned in the previous section, as well as a focus on two other population groups:

- Pacific cancer patients and whānau — We partnered with Moana Connect to explore Pacific cancer pathways to diagnosis, treatment, follow-up after treatment, support, and the handover back to primary health care services. Our aim is to understand at what points along the cancer pathway Pacific peoples experience breakdowns in the system, what challenges and barriers they face, and what supports they have received. This research will inform our work around identifying opportunities to improve cancer coordination and supportive care for Pacific peoples during cancer treatment. We expect to release the findings from this research towards the end of 2023.
- Disabled people with cancer — There is limited research on the incidence, experience of cancer, and cancer outcomes for disabled New Zealanders, but we know disabled people can experience poorer health outcomes. In 2022/23, we began working with the disabled community to review data and evidence on the incidence, experience, and

outcomes of disabled people with cancer. This work will build our understanding of how we can improve cancer services for disabled people in Aotearoa. We identified a research population we could match with the New Zealand Cancer Registry and have started analysis to identify unwarranted variations, undertook a literature review, and appointed three lived-experience advisors (disability and cancer) to guide our future work.

With respect to Māori data sovereignty and governance, we are actively working to better understand our obligations and responsibilities and ensure we are equity led and whānau centred in the development and use of data. We are mindful of the privilege we have in accessing people's cancer data. To give effect to Te Tiriti, we treat data as a taonga | treasure and apply appropriate safeguards to secure and protect Māori data from misuse. We recognise the rights and interests of Māori in the collection, ownership and application of data.

Our work to date has included an overarching equity impact assessment for the CanShare model. We have also collaborated with other health sector data experts to better understand the operating environment and opportunities presented by the newly reformed health system. The focus going forward will be alignment with national governance, fostering partnerships with Māori data leaders, embedding the Māori Data Governance Model, and building our whānau centred data analytics capabilities. This will ensure we can make an enduring contribution to driving equity-focused decisions, better inform the measurement of outcomes, and ensure Māori have the information needed to exercise their tino rangatiratanga | sovereignty.

Tā mātou whakahaere | Our performance

Agency performance

Performance measure	2021/22	2022/23	Notes
Kaimahi satisfaction	NA	84%	Kōrero Mai Survey undertaken November 2022.
Sick/domestic leave taken	4.7 days	8.2 days ↑	We have actively promoted a lower threshold for taking sick leave, to support both public health efforts and staff wellbeing.
Kaimahi turnover	13%	16% ↑	The reforms created opportunities for a number of our staff to move into system leadership roles, which contributed to a higher staff turnover compared to 2021/22.
Percentage Māori kaimahi	11%	11%	Deliberate recruitment focus on Māori kaimahi and capability.
Percentage Pacific kaimahi	6%	5% ↓	Deliberate recruitment focus on Pacific kaimahi and capability, creation of a Pacific Equity role in the Northern Hub.
Percentage non-European kaimahi	40% ↑	34% ↓	
Diversity and Inclusion			Statements from 2021 Public Service Census (next census March 2024)
I believe my agency supports and actively promotes an inclusive workplace.	93%		Average across the public service was 78%.
The people in my workgroup behave in an accepting manner to people from diverse backgrounds.	91%		Average across the public service was 81%.
I feel accepted as a valued member of the team.	86%		Average across the public service was 79%.
I am satisfied with my work-life balance.	59%		Average across the public service was 52%.

Performance measure	2021/22	2022/23	Notes
Te reo Māori			Statements from 2021 public service Census
I use at least some te reo Māori words and phrases.	84%	89.7% ↑	Average across the public service was 58%.
I hear leaders regularly using te reo words and phrases.	93%		Average across the public service was 67%.
Staff are supported to improve our te reo Māori.	84%		Average across the public service was 59%.
How many staff have never	6 people	12 people ↓	
Māori–Crown relations			Statements from 2021 Public Service Census
I am comfortable supporting tikanga Māori in my agency.	87%	97.9% ↑	Average across the public service was 69%.
I am encouraged and supported to engage with Māori.	91%		Average across the public service was 65%.
I feel confident in my ability to identify aspects of my agency's work that may disadvantage Māori.	89%	95% ↑	Average across the public service was 58%.
I understand how my agency's Te Tiriti responsibilities apply to its work.	89%	89.7%	Average across the public service was 69%.
Te Aho o Te Kahu enables me to apply Māori–Crown relations skills to my mahi.	49%	34% ↓	From internal Whāinga Amorangi individual capability surveys
Official Information Act (OIA) timeliness	100%	100%	From Manatū Hauora data

Ngā Uiuinga Takitahi mō te Māori–Crown relations

(baseline in 2021, repeated in 2022/23)

Our commitment to Te Tiriti and Māori–Crown relations is outlined in our ambitious Whāinga Amorangi: Transforming Te Aho o Te Kahu plan for building our capabilities in engaging with Māori. This plan is broken into two phases.

We continued to make strong progress against the goals and measures set out in Phase One through activities such as the ones listed below.

Te reo Māori

- Each kamahi is required to have at least one goal in their professional development plan relating to Whāinga Amorangi, with many kaimahi choosing to have more than one.
- Nearly half of kaimahi (45.8%) completed at least one te reo Māori course.
- Twice-weekly waiata sessions.
- Kaimahi sharing their personal journey connecting to whakapapa | genealogy.
- Whāinga Amorangi and E Tipu E Tipu – Māori language plan wānanga.

Engaging with Māori

- Rongohia Te Reo, Whatua He Oranga: The voices of whānau affected by cancer
 - themes and insights from nationwide hui with Māori community in 2021 shared across health sector and regions
 - building our capability in whānau centred story telling.
- Engaged with the Ngā taura ā Māui framework to support how we apply equity and a Te Tiriti focus when designing, developing, and delivering our work programme.
- Embedded the Māori Data Governance Model in data-informed projects and activities.
- A wānanga by Leonie Pihama, Linda Smith and Ngarophi Cameron – He Oranga Ngākau: Exploring the Power of Indigenous Knowledge.

Aotearoa New Zealand history and Te Tiriti

- Presentation by Dr Heather Came on systemic racism.
- Kaimahi attended The Wall Walk® interactive workshop on key events in our nation's history of bicultural relations.
- Kaimahi attended a commemorative event at Parliament to mark the 50th anniversary of the Māori Language Petition.

Tikanga

- Hosted and attended pōwhiri | welcome or poroporoaki | farewell events for several kaimahi, advisory group members, and key stakeholders.
- Waitangi, Matariki and Te Wiki o Te Reo Māori activities.

In 2022/23, we delivered Phase Two of this plan to Te Arawhiti | the Office for Māori Crown Relations, which was endorsed without change. Te Arawhiti has directed other government entities to us for guidance on developing their plans.



E Tipu E Tipu – our Māori Language Plan



Te Aho o Te Kahu kaimahi attended a commemorative event to mark the **50th anniversary of the Māori Language Petition** held on Parliament grounds in September 2022.

Sector performance

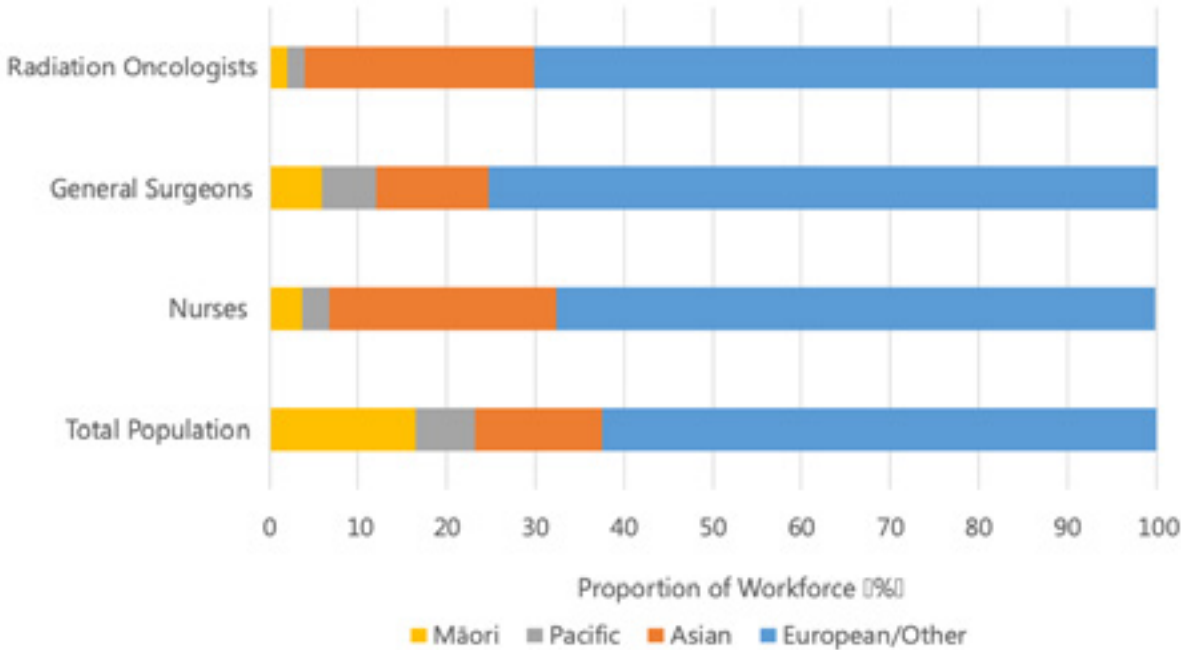
The New Zealand Cancer Action Plan 2019–2029 sets four outcomes and multiple actions across the cancer control pathway. In 2021/22 we developed a monitoring framework, which is in the process of being refined.

This report presents one indicator per outcome of the current state of cancer control in Aotearoa along with activities being undertaken to achieve the aspirations of the Cancer Action Plan.

Monitoring will take place annually so we will be able to track system changes over time. These measures will show if the sector is heading in the right direction. It is important to note that the results are not solely attributable to Te Aho o Te Kahu and some are likely to shift slowly.

Outcome 1: New Zealanders have a system that delivers consistent and modern cancer care

Indicator: Ethnic distribution of the current cancer workforce



The figure above shows the ethnic distribution of radiation oncologists, general surgeons and nurses in 2022, alongside the ethnic distribution of the total New Zealand population. It illustrates that there is a mismatch between the ethnic distribution of the cancer workforce and the general population. Māori and Pacific peoples are underrepresented in the cancer workforce.

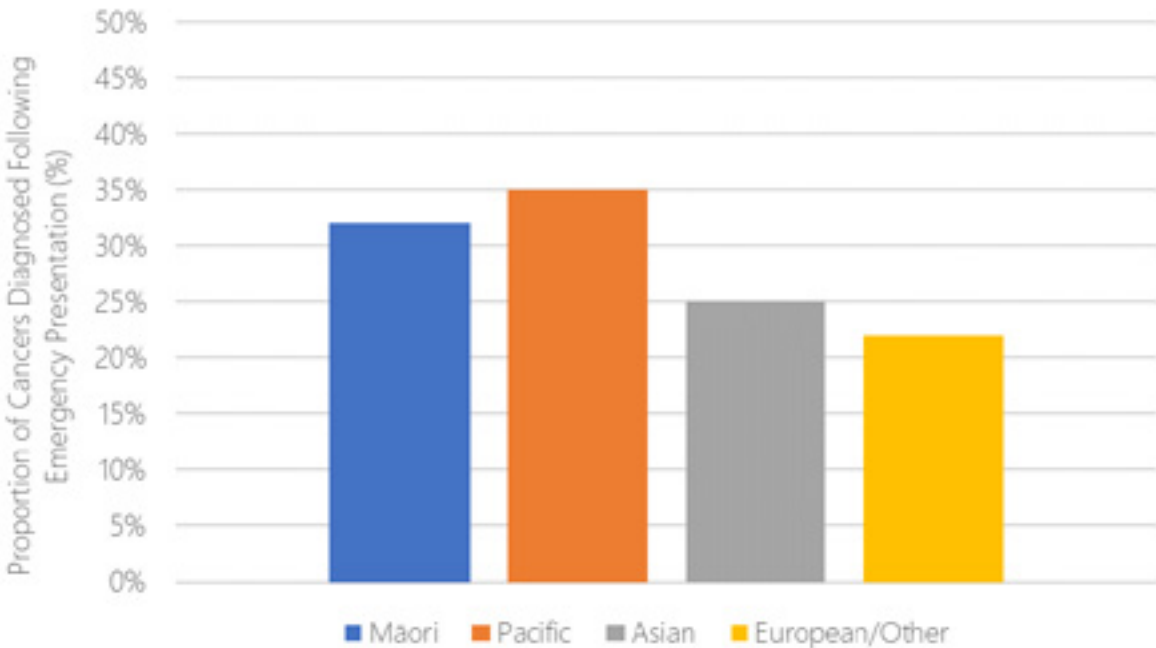
Activities led by Te Aho o Te Kahu related to Outcome 1

	Te Aho o Te Kahu-led activity	Related Action(s) within the Cancer Action Plan
Outcome 1: New Zealanders have a system that delivers consistent and modern cancer care	Creation of a cancer control agency for New Zealand	Leadership and governance
	Creation of groups to assist in the governance of cancer care delivery	Leadership and governance
	Partnership with Māori cancer leaders	Leadership and governance
	Building infrastructure to make real-time cancer data sharing a reality	Data and information
	Structured Pathology Reporting of Cancer	Data and information
	MDM Data Standard refresh	Data and information
	New funding for research to drive equitable cancer outcomes	Research and innovation
	Supporting improved access to cancer clinical trials via teletrials	Research and innovation

Outcome 2: New Zealanders experience equitable cancer outcomes

Indicator: Routes to diagnosis – Proportion of cancers that were diagnosed in 2021 following an emergency presentation within 14 days prior to the date of diagnosis.

In 2021, Māori (32%) and Pacific peoples (35%) were more likely to be diagnosed with cancer following an emergency presentation, compared to 26% Asian and 22% European/Other for all cancers.



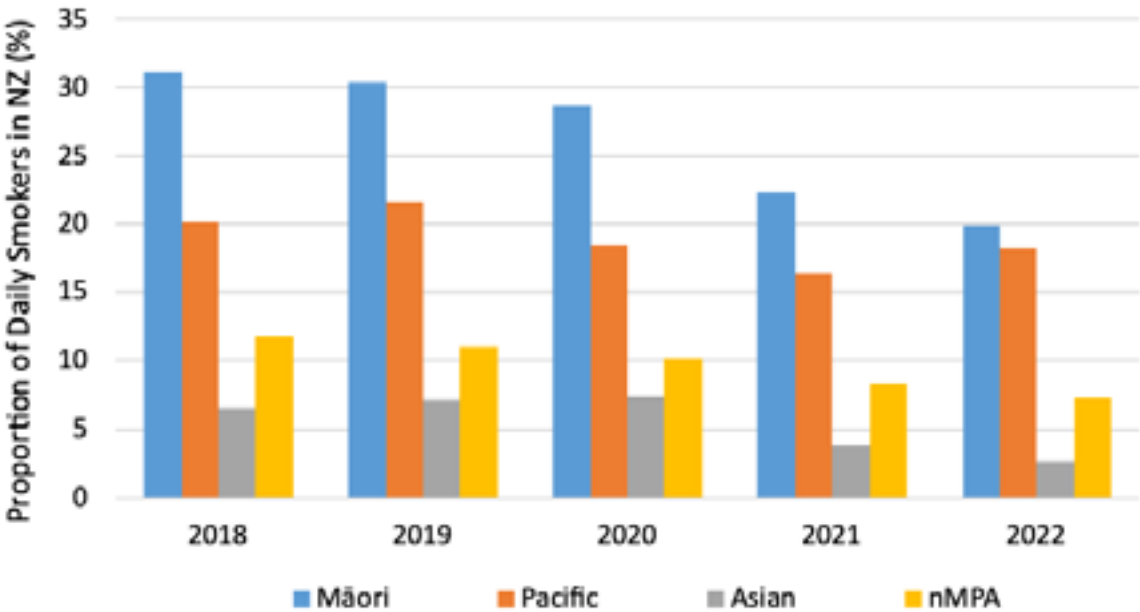
Activities led by Te Aho o Te Kahu related to Outcome 2

	Te Aho o Te Kahu-led activity	Related Action(s) within the Cancer Action Plan
Outcome 2: New Zealanders experience equitable cancer outcomes	Gathering the voice of the Māori community	Achieve equity by design
	Building Mana Enhancing Relationships with Māori Leaders and Cancer Care Provider	Achieve equity by design
	Project focusing on primary care	Achieve equity by design
	Project on cancer care for Pacific peoples	Achieve equity by design

Outcome 3: New Zealanders have fewer cancers

Indicator: Tobacco — Proportion of New Zealanders who are daily smokers

There are strong disparities in daily tobacco smoking between ethnic groups in New Zealand. The rate of daily smoking appears to be reducing for most ethnic groups over time, although there does not appear to have been a change in disparities between ethnic groups.

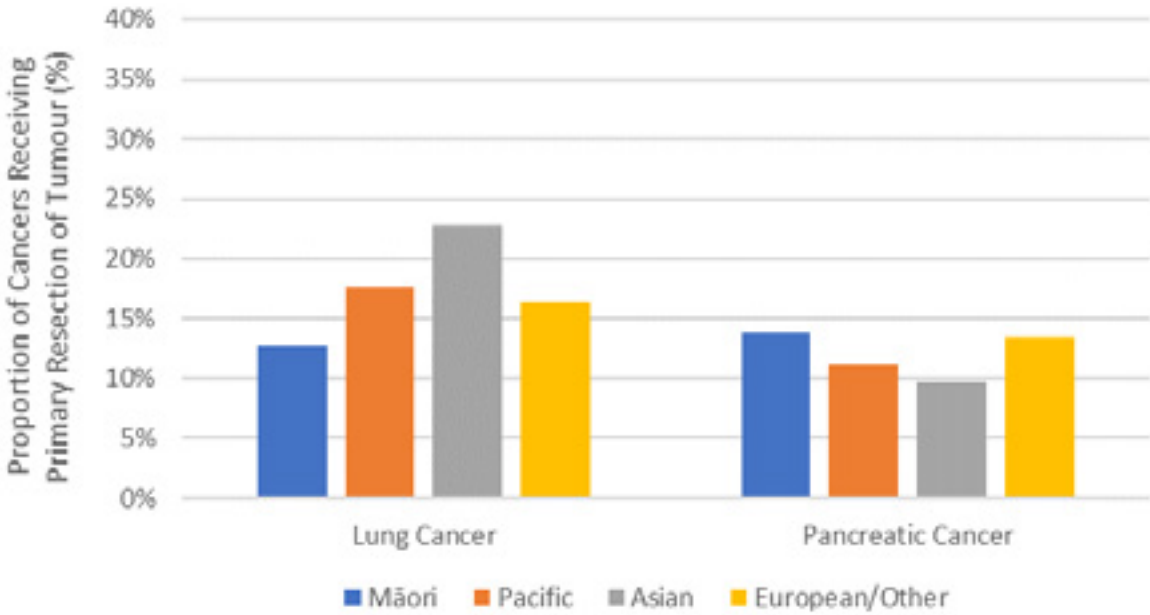


Activities led by Te Aho o Te Kahu related to Outcome 3

	Te Aho o Te Kahu-led activity	Related Action(s) within the Cancer Action Plan
Outcome 3: New Zealanders have fewer cancers	Pūrongo Ārai Mate Pukupuku Cancer Prevention Report To view this report, go to teaho.govt.nz/publications/prevention-report	<ul style="list-style-type: none"> • Smokefree by 2025 • Encourage and support healthy living • Prevent cancers related to infection • Reduce the incidence and impact of avoidable skin cancer caused by ultraviolet radiation

Outcome 4: New Zealanders have better cancer survival, supportive care and end-of-life care

Indicator: Surgery – Proportion of New Zealanders with cancer who received surgical treatment in 2021/22



Overall, the rate of surgical resection for lung and pancreatic cancers was around 10–25%, with limited evidence of disparities between ethnic groups. The fluctuation in rates for Pacific and Asian peoples is primarily driven by small numbers of surgeries for these ethnic groups and should therefore be interpreted with caution.

Activities led by Te Aho o Te Kahu related to Outcome 4

	Te Aho o Te Kahu-led activity	Related Action(s) within the Cancer Action Plan
Outcome 2: New Zealanders experience equitable cancer outcomes	Mārama ana ki te Āputa: he tātari i te wāteatanga o ngā rongoā mate pukupuku i Aotearoa Understanding the Gap: an analysis of the availability of cancer medicines in Aotearoa To view the report, go to teaho.govt.nz/publications/cancer-medicines	Improve cancer diagnosis and treatment outcomes
	Measuring cancer treatment quality	Improve cancer diagnosis and treatment outcomes
	He Mahere Ratonga Mate Pukupuku Cancer Services Planning To view copy of the report, go to teaho.govt.nz/publications/cancer-services-planning	Improve cancer diagnosis and treatment outcomes

Te Tauākī Haepapa | Statement of responsibility

We are jointly responsible for the accuracy of any end-of-year performance information prepared by Te Aho o Te Kahu, whether or not that information is included in the annual report.

In our opinion, the annual report fairly reflects the operations, progress, and organisational health and capability of Te Aho o Te Kahu.



Nicola Hill

**Tumuaki | Acting Chief Executive
(until 9 July 2023)**

**Te Aho o Te Kahu | Cancer Control Agency
30 September 2023**



Rami Rahal

**Tumuaki | Chief Executive
(from 10 July 2023)**

**Te Aho o Te Kahu | Cancer Control Agency
30 September 2023**





MINISTRY OF HEALTH