

Introduction

The new Health NZ Long Form Agreement (and other template agreements such as the Short Form Agreement, Master Services Agreement, Statement of Work, Letter of Agreement, and Variation) were introduced to mitigate against some of the key challenges of the legacy agreements (including multiple formats and templates used, inconsistent agreements, complex language, varying processes, not reflecting legislative priorities, and inflexibility).

The key features of the new agreement templates are:

- Consistent layout, familiar view, easier to consume
- Simplified language consistent use of terminology, more accessible language
- Standardised, nationally consistent clauses
- Introduction of Under Delivery & Overpayment clause provides recourse for under delivery
- Price review reduces need to vary long term agreements
- Health & Safety protect the healthcare workforce and clarifies our overlapping PCBU responsibilities
- Privacy & Privacy Breaches providers clearer privacy guidelines
- Aligns to legislation including Pae Ora Health Sector Principles
- Rights of renewals ensures possibility of maintaining ongoing relationship, reduces variations

**Table of Changes from Legacy Long Form Agreement to v1 of New Long Form Agreement
– May 2025**

Original CMS Clause	Replacement ALM Clause*	What has changed	Why
Throughout	Throughout	<ul style="list-style-type: none"> References to clauses, sections, and parts now include their headings for easier identification. Standardised use of “Notice,” consistent formatting, capitalisation of defined terms, modernised spelling, and clearer distinction between “Services” and “services.” “consumer” replaced with “Service User.” 	<ul style="list-style-type: none"> To make the Agreement easier to navigate and reduce errors. Consistent terminology and formatting improve clarity for providers and ensure everyone is working from the same understanding.
Contents of this Agreement	Contents of this Agreement	<ul style="list-style-type: none"> Pricing and payment details moved to a separate annexure for better formatting and additional detail. 	<ul style="list-style-type: none"> Improves clarity and usability for providers. Avoids previous formatting issues and provides space for detailed schedules, helping providers plan and manage cash flow more easily.
A2.3	A2.3	<ul style="list-style-type: none"> Reference to Agreement will “automatically terminate” changed to “automatically end” 	<ul style="list-style-type: none"> Clarifies the difference between natural expiry and termination by action, reducing ambiguity.
A3.3	Nil	<ul style="list-style-type: none"> Clause deleted 	<ul style="list-style-type: none"> Already covered in clause A3.1, simplifying the Agreement.
A4.3	A4.3	<ul style="list-style-type: none"> Updated legislative reference to Pae Ora (Healthy Futures) Act 2022. 	<ul style="list-style-type: none"> Ensures alignment with current law.
A5.1	A5.1	<ul style="list-style-type: none"> “contract variation” replaced with “agreement variation” 	<ul style="list-style-type: none"> Consistent terminology across templates.
A6 (Part 1 – The Head Agreement)	A5.2	<ul style="list-style-type: none"> Space for “Rights of Renewal” included 	<ul style="list-style-type: none"> Provides greater funding certainty through longer-term contracting, while allowing flexibility for earlier exit points if needed.
<ul style="list-style-type: none"> A6 (Part 1 – The Head Agreement) A7 (Part 2 – The General Terms) A8 (Part 3 – The Service Schedules) 	A5.2	<ul style="list-style-type: none"> The previously separate clauses for each table are now grouped in the single subclause A5.2 and corrections made to the document names and section names 	<ul style="list-style-type: none"> To streamline the drafting and improve readability and accuracy
A9 (Signatures)	Nil	<ul style="list-style-type: none"> Signature block no longer has a clause number 	<ul style="list-style-type: none"> To distinguish the Parties’ authorised signatures from clauses specifying their rights and obligations
2.01, 2.02, 2.03, 2.04, 2.05 under Part 2 (General Terms)	Nil	<ul style="list-style-type: none"> These paragraphs are no longer numbered 	<ul style="list-style-type: none"> The paragraphs are introductory and explanatory in nature, so numbering isn’t required.

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B1.1	B1.1	<ul style="list-style-type: none"> “Agreement” changed to “agreement” as the clause relates to any agreement <i>other than the current one</i> 	<ul style="list-style-type: none"> Clarifies scope of clause and avoids confusion.
B1.2	B1.2	<ul style="list-style-type: none"> Insertion of reference to “agreement referred to in clause B1.1” 	<ul style="list-style-type: none"> Improves clarity on priority of terms.
B2 (Maori Health)	New Clause B2 (Te Tiriti o Waitangi)	<ul style="list-style-type: none"> Previous clause on “Maori Health” replaced with updated clause on “Te Tiriti o Waitangi” and the health sector principles in the Pae Ora (Healthy Futures) Act 2022 	<ul style="list-style-type: none"> Reflects Health NZ’s statutory obligations and commitment to equity. (Note: this clause will require amendment when the Healthy Futures (Pae Ora) Amendment Bill currently before Parliament is passed. The Bill, among other changes, amends section 6 and repeals section 7 of the current Act)
B3 (Relationship Principles)	B3 (Relationship Principles)	<ul style="list-style-type: none"> No substantive change. 	<ul style="list-style-type: none"> Avoids redundancy and simplifies the Agreement by retaining this clause and deleting the duplication at clause C1 (see below).
B4 (Reserved)	Nil	<ul style="list-style-type: none"> Clause deleted 	<ul style="list-style-type: none"> Removed unused placeholder for simplicity.
Nil	New Clause B4 (Term)	<ul style="list-style-type: none"> New clause specifying term and renewal process. 	<ul style="list-style-type: none"> To give providers greater funding certainty through longer-term contracting subject to continued satisfactory performance, while allowing flexibility for earlier exit points if Health NZ decision not to exercise a right of renewal.
B5 (Provision of Services)	B5.1(a) to (e)	<ul style="list-style-type: none"> Clause numbering added. 	<ul style="list-style-type: none"> For ease of reference
B6 (Payments)	New Clauses B6.2-B6.6	<ul style="list-style-type: none"> Expanded payment provisions; removed default interest; added rights to recover funds and set off; introduced consultation and reinvestment options. 	<ul style="list-style-type: none"> Supports service continuity and transparency while giving providers flexibility to propose reinvestment of funds. Helps both parties manage funding effectively without adding unnecessary burden.
B7 (Cost and Volume Shifting)	New Clause B7(d) in B7 (Cost and Volume Shifting)	<ul style="list-style-type: none"> Added prohibition on using payments for other services. 	<ul style="list-style-type: none"> Clarifies expectations and prevents cost-shifting, protecting integrity of funding.
B8 (Responsibility for Others)	B10 (Responsibility for Others)	<ul style="list-style-type: none"> Clause B8 (Responsibility for Others) has been relocated to B10 in the updated template 	<ul style="list-style-type: none"> To improve the logical flow of the Agreement by grouping related obligations together
B9 (Other Arrangements)	B8 (Other Arrangements)	<ul style="list-style-type: none"> “in the Agreement” changed to “under the Agreement” 	<ul style="list-style-type: none"> Improves clarity without changing obligations.
Nil	New Clause - B9 (Price Review)	<ul style="list-style-type: none"> Introduces a process for Health NZ to review and adjust prices without a formal variation, with clear 	<ul style="list-style-type: none"> Helps avoid delays and makes price changes easier for both parties. The process is transparent and

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		notice and options for providers to accept, decline, or propose alternatives.	gives providers clear options to respond or propose alternatives, supporting collaborative discussion.
B10 (Subcontracting)	B11 (Subcontracting)	<ul style="list-style-type: none"> Clause B10 (Subcontracting) has been relocated to B11 in the updated template 	<ul style="list-style-type: none"> To improve the logical flow of the Agreement by grouping related obligations together
B10 (Subcontracting)	New Clause B11.1, B11.3(a)-(d), B11.4, and B11.5	<ul style="list-style-type: none"> Expanded subcontracting obligations; added conditions and Approved Subcontractor table. 	<ul style="list-style-type: none"> Strengthens clarity and accountability while confirming subcontractors operate under the same standards. Supports quality and reduces risk without adding unnecessary complexity.
Nil	New B13 (Conflicts of Interest)	<ul style="list-style-type: none"> New Conflicts of Interest clause. 	<ul style="list-style-type: none"> Promotes transparency and trust; ensures conflicts are managed promptly to protect service delivery.
B11 (Transfer of your Rights and Obligations)	B12 (Transfer and Assignment)	<ul style="list-style-type: none"> Clause relocated; wording expanded to include “transfer, novate, or assign.” 	<ul style="list-style-type: none"> Clarifies legal concepts and ensures all changes require consent, protecting both parties.
B12 (Quality of Services)	B14 (Quality of Services)	<ul style="list-style-type: none"> Clause B12 (Quality of Services) has been relocated to B14 in the updated template 	<ul style="list-style-type: none"> To improve the logical flow of the Agreement by grouping related obligations together
B13 (Information and Reports)	D1 (Record keeping, Information and Reports)	<ul style="list-style-type: none"> Expanded record-keeping and reporting obligations; moved to Section D. 	<ul style="list-style-type: none"> Improves clarity and supports compliance with privacy requirements. Helps providers understand expectations upfront.
<ul style="list-style-type: none"> B14 (Appointment of Auditors) B15 (Access for Audit) B16 (Audit Process) B17 (Financial Audit) 	B15.1, B15.2, B15.5, B15.6 under B15 (Auditing)	<ul style="list-style-type: none"> Audit clauses grouped; Health NZ can inspect financial system and records for risk management. 	<ul style="list-style-type: none"> Improves clarity and enables early intervention to support providers and maintain service delivery. Audits are designed to help identify risks early and support continuity, not add unnecessary compliance burden.
B18 (Insurance)	B16 (Insurance)	<ul style="list-style-type: none"> Clause relocated within the General Terms section 	<ul style="list-style-type: none"> For improved logical flow and consistency in grouping related obligations
B19 (Indemnity)	B18 (Indemnity)	<ul style="list-style-type: none"> Clause relocated within the General Terms section 	<ul style="list-style-type: none"> For improved logical flow and to keep indemnity provisions close to insurance obligations
<ul style="list-style-type: none"> B20 (Complaints) 	B19 (Complaints and Complaints Body)	<ul style="list-style-type: none"> Two separate clauses combined into one consolidated clause 	<ul style="list-style-type: none"> For improved logical flow and readability by grouping related obligations together

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<ul style="list-style-type: none"> B21 (Complaints Body) 			
B22 (Warranties)	B20 (Warranties)	<ul style="list-style-type: none"> Added warranty confirming Provider’s authority to enter Agreement; clarified ongoing nature of warranties. 	<ul style="list-style-type: none"> Provides certainty and protects both parties without adding burden.
	New Clauses B21 (Ensuring Health and Safety) and B22 (Where There Are Approved Subcontractors)	<ul style="list-style-type: none"> Introduces specific clauses aligned with Health and Safety at Work Act, clarifying shared responsibilities and Health NZ’s ability to intervene in unsafe situations. 	<ul style="list-style-type: none"> Confirms existing legal obligations and clarifies roles to keep staff, service users, and communities safe. Supports proactive collaboration rather than adding new burdens.
B23 (Limitation of our Rights)	B15.7 under B15 (Auditing)	<ul style="list-style-type: none"> Clause relocated and grouped with other auditing-related clauses for better organisation 	<ul style="list-style-type: none"> For improved logical flow and to keep all audit-related provisions together for easier reference
	New Clause B24 (Intellectual Property)	<ul style="list-style-type: none"> Introduced a comprehensive Intellectual Property clause adapted from the CMS Short Form Agreement and expanded for the Long Form template. Key features: <ul style="list-style-type: none"> Confirms Health NZ’s rights to use and own the results of the Services without further consent Each party retains ownership of pre-existing IP Provider grants Health NZ perpetual, royalty-free licences for IP necessary to deliver services Assigns copyright in Health Education Resources and similar works to Health NZ, with waiver of Author’s Rights Explicit protection for ngā mea tikanga me ngā taonga Māori (not owned by Health NZ) Provider warranties to prevent IP infringement and ensure necessary licences are obtained 	<ul style="list-style-type: none"> Resolves a gap in the previous CMS Long Form Agreement template Ensures Health NZ can use and own outputs of funded services without legal uncertainty Protects Māori cultural IP Strengthens compliance with copyright and IP law Provides clarity for providers on rights and obligations regarding IP

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		<ul style="list-style-type: none"> ○ Health NZ grants Provider a licence to use Health NZ IP for service delivery ○ New IP created under the Agreement will be owned by Health NZ ○ Obligations for transfer of information on termination ○ Restriction on use of logos and trademarks without consent 	
B24 (Notification of Problems)	B25 (Notification of Problems)	<ul style="list-style-type: none"> ● Clause relocated for improved logical flow. ● Expanded obligations for continuity planning and emergency management. 	<ul style="list-style-type: none"> ● For improved logical flow and clarity ● Strengthens resilience and ensures coordinated response during emergencies, supporting service continuity.
B25 (Uncontrollable Events)	B26 (Uncontrollable Events)	<ul style="list-style-type: none"> ● Expanded notice requirements; adjusted timeframes to Business Days; clarified Health NZ options during uncontrollable events. 	<ul style="list-style-type: none"> ● Improves clarity and supports timely decision-making during emergencies. Aligns with standard business practice.
B26 (We May Remedy Your Failure To meet Your Obligations)	B27 (Health NZ May Remedy Failure)	<ul style="list-style-type: none"> ● Expanded scope: Health NZ can intervene earlier if risk of failure is identified, not just after failure occurs ● Notice period updated from calendar days to Business Days for consistency with other clauses 	<ul style="list-style-type: none"> ● Enables proactive support to maintain service continuity and protect service users.
B27 (Public Statements, Issues and Advertising)	B28 (Public Statements, Issues and Advertising)	<ul style="list-style-type: none"> ● Language modernised; dispute resolution reference added. 	<ul style="list-style-type: none"> ● Improves clarity and aligns with template style.
B28 (Dispute Resolution)	B29 (Dispute Resolution)	<ul style="list-style-type: none"> ● Timeframes updated; mediation and arbitration steps added. 	<ul style="list-style-type: none"> ● Provides clear, independent dispute resolution framework and reduces reliance on litigation.
B29 (Variations to the Agreement)	B30 (Variations)	<ul style="list-style-type: none"> ● Timeframes updated; clearer language and cross-references. 	<ul style="list-style-type: none"> ● Improves clarity and ensures timely decisions during variations.
B30 (Our Liability)	B17 (Health NZ's Liability)	<ul style="list-style-type: none"> ● Clause relocated; no substantive change. 	<ul style="list-style-type: none"> ● Improves readability and consistency.
Nil (although in many agreements a termination for convenience clause was added)	New B31 (Termination for Convenience)	<ul style="list-style-type: none"> ● New termination for convenience clause with six months' notice and payment assurance. 	<ul style="list-style-type: none"> ● Provides flexibility for both parties and supports orderly transition planning while ensuring providers are paid fairly.
B31 (Notice of Your Future Intentions)	B32 (Notice of Future Intentions)	<ul style="list-style-type: none"> ● Language modernised; removed duplication. 	<ul style="list-style-type: none"> ● Simplifies obligations and improves clarity.

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B32 (Your Default and our Right to End the Agreement)	B33 (Health NZ's Right to Terminate the Agreement)	<ul style="list-style-type: none"> Timeframes updated; clearer structure. 	<ul style="list-style-type: none"> Supports timely resolution of issues while maintaining fairness.
B33 (Our Default and your Right to End the Agreement)	B34 (The Provider's Right to Terminate the Agreement)	<ul style="list-style-type: none"> Timeframes updated; removed penalty interest references. 	<ul style="list-style-type: none"> Focuses on practical remedies and clarity.
B34 (Effect of Ending the Agreement)	B35 (Effect of Terminating the Agreement)	<ul style="list-style-type: none"> Language modernised; clarified survival of obligations. 	<ul style="list-style-type: none"> Improves certainty for both parties.
B35 (Confidentiality)	B36 (Confidentiality)	<ul style="list-style-type: none"> Clause relocated. 	<ul style="list-style-type: none"> Result of other movements.
Nil	New B37 (Protection of Personal Information)	<ul style="list-style-type: none"> New privacy provisions including breach management and Privacy Officer requirement. 	<ul style="list-style-type: none"> To improve protection of personal information. To implement mandatory Government requirements arising from the Public Service Commission's 2024 report on the <i>Inquiry into how government agencies protected personal information provided for the 2023 Census and COVID-19 vaccination purposes</i>. To align with Privacy Act 2020, Health Information Privacy Code, and sector best practice.
Nil	New B38 (Security Breaches)	<ul style="list-style-type: none"> New security breach obligations. 	<ul style="list-style-type: none"> Clarifies provider responsibilities for managing breaches promptly.
B36 (Governing Law)	B43 (Governing Law)	<ul style="list-style-type: none"> Clause relocated 	<ul style="list-style-type: none"> For improved logical flow
B37 (Contractual Privity)	B41 (Contractual Privity)	<ul style="list-style-type: none"> Clause relocated 	<ul style="list-style-type: none"> For improved logical flow
B38 (Waiver)	B39 (Waiver)	<ul style="list-style-type: none"> Clause relocated 	<ul style="list-style-type: none"> Result of other clause movements
B39 (Entire Agreement)	Nil	<ul style="list-style-type: none"> Clause deleted. 	<ul style="list-style-type: none"> Already covered in clause A1.3
B40 (Notices)	B42 (Notices)	<ul style="list-style-type: none"> Email added as accepted notice method; timeframes clarified; safeguard for notices outside business hours. 	<ul style="list-style-type: none"> Modernises communication and makes it more practical for providers. Reduces uncertainty and supports timely, efficient communication.
B41 (Relationship of Both of Us)	B40 (Relationship of the Parties)	<ul style="list-style-type: none"> Clause relocated 	<ul style="list-style-type: none"> For improved logical flow
B42 (Signing the Agreement)	New B20.1(b)	<ul style="list-style-type: none"> Clause B42 deleted 	<ul style="list-style-type: none"> Covered in the warranty at clause B20.1(b).
Nil	New B45 (Clauses that Remain in Force)	<ul style="list-style-type: none"> Lists clauses that continue after the Agreement ends or is terminated. 	<ul style="list-style-type: none"> For certainty

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Nil	New B46 (Counterparts)	<ul style="list-style-type: none"> Allows each Party to sign separate but identical copies of the Agreement and it will legally comprise a single Agreement. 	<ul style="list-style-type: none"> To facilitate Agreement execution and implementation
B44 (Definitions)	B44 (Definitions)	<ul style="list-style-type: none"> Pronouns such as “you”, “we”, “us”, “our” have been replaced with “the Provider”, “Health NZ”, “the Parties” etc. 	<ul style="list-style-type: none"> For clarity
B45 (Interpretation)	B45 (Interpretation)	<ul style="list-style-type: none"> “Working Days” replaced with “Business Days” “includes” NZ currency 	<ul style="list-style-type: none"> To align with terminology used and defined in the Government Procurement Rules To provide greater certainty Note: instances of “days” also replaced with “Business Days”
B46 (Glossary Terms)	B46 (Glossary Terms)	<ul style="list-style-type: none"> Various definitions reworded and new defined terms and their meanings added 	<ul style="list-style-type: none"> To provide greater Agreement clarity
C1 (Relationship Principles)	Nil	<ul style="list-style-type: none"> Clause deleted 	<ul style="list-style-type: none"> To avoid duplication. Clause was identical to clause B3.
Nil	New C19 (Clinical Governance)	<ul style="list-style-type: none"> Introduces a requirement for a clinical governance group reporting to the Board, with flexibility for Health NZ to agree otherwise where not appropriate. 	<ul style="list-style-type: none"> Strengthens clinical safety and quality oversight using existing structures. Health NZ recognises this may not suit all services and can agree otherwise, ensuring flexibility and no additional cost.
C21 (Confidentiality)	Nil	<ul style="list-style-type: none"> Clause deleted 	<ul style="list-style-type: none"> Covered by clause B36
E8 (Children’s Act 2014)	C38 (Children’s Act 2014)	<ul style="list-style-type: none"> Clause relocated to C38 in the ALM template 	<ul style="list-style-type: none"> For improved logical flow
D1 (Information to be Reported)	D2 (Information to be Reported)	<ul style="list-style-type: none"> Clause relocated 	<ul style="list-style-type: none"> Result of other clause movements
Part 3 (Service Schedules)	Part 3 (Service Schedules)	<ul style="list-style-type: none"> Clause numbering removed Section on Service Schedule contents removed 	<ul style="list-style-type: none"> To simplify the Agreement
E2.2	E2.2	<ul style="list-style-type: none"> “Subject to compliance with this Agreement” inserted. 	<ul style="list-style-type: none"> Ties payment for the Services to the Provider’s compliance with the Agreement.
Nil	<ul style="list-style-type: none"> New E4 (Price – Scheduled Payments) 	<ul style="list-style-type: none"> New scheduled payments clause 	<ul style="list-style-type: none"> Provides detail of how Scheduled based payments will work
Nil	<ul style="list-style-type: none"> New E5 (Geographical Area) 	<ul style="list-style-type: none"> New clauses relating to geographical scope (if any) of Services 	<ul style="list-style-type: none"> Outline of which geographical areas services can be provided. This aligns to ALM fields

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	<ul style="list-style-type: none"> • New E6 (Geographical Area – Districts) • New E7 (Geographical Area – Regions) • New E8 (Geographical Area – Localities) 		
Nil	<ul style="list-style-type: none"> • New F1 (Nationwide Service Specification) • New F2 (Local Service Specification) 	<ul style="list-style-type: none"> • Adds sections linking to national service specifications and allowing local specifications. 	<ul style="list-style-type: none"> • Makes it easier for providers to access up-to-date national standards and include local requirements where needed. Reduces duplication, improves clarity, and supports consistency across the sector.
Nil	New Annexure (Service and Payment Schedule)	<ul style="list-style-type: none"> • Pricing and payment schedule moved to annexure. 	<ul style="list-style-type: none"> • Improves clarity and usability; helps providers plan and manage cash flow.

*Note the clause numbers relate to the Long Form Agreement and may be different for other agreement templates