Health New Zealand
Te Whatu Ora

Statement of Performance Expectations

2025/26

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Cover photo: Clinical staff in the catheter lab, Palmerston North Regional Hospital.

Health New Zealand
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Statement of Responsibility

This document is the Statement of Performance Expectations (SPE) for Health New Zealand I Te Whatu Ora (Health NZ) as required under the Crown Entities Act 2004.

As Health NZ's Commissioner, I acknowledge responsibility for the preparation of this SPE, which reflects the forecast performance and the forecast financial position of Health NZ for the financial year ending 30 June 2026. This SPE includes prospective financial statements and performance expectations prepared in accordance with generally accepted accounting principles. I certify that the information contained in this SPE 2025 is consistent with the appropriations contained in the Vote Health Estimates of Appropriations 2025/26. These were laid before the House of Representatives under section 9 of the Public Finance Act 1989.

Professor Lester Levy, CNZM
Commissioner, Health New Zealand

30 June 2025

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Introduction

Our aim at Health New Zealand (Health NZ) is to achieve the Government's long-term objective of improved life expectancy and quality of life for all New Zealanders through timely access to quality health care.

This includes delivering on the milestones for the Government's five health targets and five mental health and addiction targets.

Our Health Delivery Plan articulates how we are continuing our 'reset' to fundamentally change how we operate, with a primary focus on reducing wait times for assessments and treatments so that all people eligible for publicly funded health services in New Zealand can get the health care they need.

Decisions will be made closer to home about how health care is delivered for local communities, with our four regional offices providing support. We intend that programmes of work will be nationally planned, regionally coordinated and locally delivered. Services will be tailored to meet local needs, particularly for the families and communities experiencing the highest health needs.

Our Regional Chief Delivery Officers are responsible for coordinating service delivery with a focus on achieving the Government's national health targets and restoring the organisation to financial health.

For this financial year, and the next, we will continue to implement a work programme that focuses on bringing our pathway back to budget, bedding in our regional structures and bringing in new ways of working. Our funding will be used efficiently and effectively to deliver improved health services and to achieve better health outcomes.

This year we will progress further to becoming a financially sustainable, fit for purpose organisation that provides quality, compassionate and affordable health care.

Purpose of this document

Our Statement of Performance Expectations 2025/26 (SPE) provides an annual outline of what we will deliver and invest in over the financial year to achieve the objectives in our Statement of Intent 2024-28 (SOI) and how our performance will be monitored.

In setting our performance expectations, we are guided by the Government Policy Statement on Health 2024-2027 (GPS), with a summary of how it informs our investment and delivery focus as outlined in our SOI. Our annual letter of expectations from the Minister of Health also sets expectations for our performance for the year.

This SPE should be read in conjunction with the SOI, the New Zealand Health Plan | Te Pae Waenga 2024-27 (NZ Health Plan) and the Health Delivery Plan.

Treaty of Waitangi | Te Tiriti o Waitangi

The establishing legislation for Health NZ, the Pae Ora (Health Futures) Act 2022 (Pae Ora Act), recognises the Crown's responsibility to consider and provide for Māori interests through a range of mechanisms including the establishment of Iwi-Māori Partnership Boards (IMPBs) and the Hauora Māori Advisory Committee.

Our strategic framework

The Government is focused on achieving timely access to quality health care, both mental and physical health. The GPS reflects the Government's long-term vision to achieve longer life expectancy and improved quality of life for all people eligible for publicly funded health services in New Zealand. This vision is described in more detail in the New Zealand Health Strategy 2023.

Our objectives for 2024-28, as detailed in the SOI are to:

- Deliver the NZ Health Plan, and
- Empower and enable leadership at all levels.

The SOI includes our strategic framework which shows the connection between these objectives and the longer-term objectives of the GPS.

Delivering the NZ Health Plan

The NZ Health Plan describes the key activities we are delivering to meet the GPS priorities within our available resources. It refers to other key plans, namely the Health Targets Implementation Plan, Mental Health & Addiction (MH&A) Targets Implementation Plan, Workforce Plans, the Health Infrastructure Plan as well as the Health Delivery Plan.

Together this planning landscape forms a roadmap to deliver on government priorities and establish a more stable and sustainable path as a platform to improve patient outcomes.

Empower and enable leadership at all levels

We are empowering regions to support and coordinate how health care is delivered for local communities. Local healthcare providers and communities will be fully engaged in shaping the future of delivery of services. This includes regions working closely with their IMPBs. Regions will assume greater accountability for outcomes, with a clearer governance accountability framework supporting this.

Clinical leadership and clinically informed decision-making will be enhanced at all levels of Health NZ. To further support clinicians, including in the community, we plan to make further investments in clinical and technological enablers.

Our organisational culture will be strengthened to ensure our people feel valued and can focus on ensuring health care is delivered in a compassionate way.

Our Focus for the Year

Health Targets

On 8 March 2024, the Government announced that from 1 July 2024 it would be introducing long-term health targets, and these were activated via the GPS which set annual milestones for their achievement.

The health targets are:

	 Faster cancer treatment	 Improved immunisation for children	 Shorter stays in emergency departments	 Shorter wait times for first specialist assessment	 Shorter wait times for elective treatment
By 2030	**90%** of patients to receive cancer management within 31 days of the decision to treat.	**95%** of children fully immunised at 24 months of age.	**95%** of patients to be admitted, discharged or transferred from an emergency department within six hours.	**95%** of patients wait less than four months for a first specialist assessment.	**95%** of patients wait less than four months for elective treatment.
By 30 June 2026	**87%**	**87%**	**77%**	**65%**	**70%** (interim target of 67% by 31 August 2025)

Delivering measurable improvements against the health targets is a key priority to ensure timely care and preventative treatment is available to all.

We will work with existing and new providers, and the community sector, to maximise service delivery and improve outcomes to achieve results. This includes making better use of the overall capacity of the hospital and specialist services we deliver as well as building partnerships with private hospitals.

The Government also set five targets related to mental health and addiction services:

	 Faster access to specialist mental health and addiction services	 Faster access to primary mental health and addiction services	 Shorter mental health and addiction-related stays in emergency departments	 Increased mental health and addiction workforce development	 Strengthened focus on prevention and early intervention
By 2030	**80%** of people accessing specialist mental health and addictions services are seen within three weeks.	**80%** of people accessing primary mental health and addiction services through the Access and Choice programme are seen within one week.	**95%** of mental health and addiction-related emergency department (ED) presentations are admitted, discharged, or transferred from an ED within six hours.	**500*** mental health and addiction professionals trained each year	**25%** of mental health andaddiction investmentis allocated towards prevention and early intervention
By 30 June 2026	**80%** (over 25 years old) **75%** (under 25 years old)	**80%** (or an increase from baseline)	**77%**	**500** (per academic year)	**23.9%**

*to be revised upwards as new occupational groups are included over time

The 10 targets are included in the relevant output class measures in this SPE. We will publicly report on our progress towards them quarterly, and in our 2025/26 Annual Report.

Ministerial priorities and Health Delivery Plan

We have published our Health Delivery Plan that responds to the Minister of Health's priorities and Letter of Expectations.

The Minister's priorities for Health NZ, and examples of what we will be doing to respond to them, are:

1. Stabilise Health NZ's governance and accountability arrangements to allow the organisation to **get back to basics**.
    - Enduring governance arrangements will be put in place and embedded
    - More timely and transparent reporting on delivery of the health targets
2. Drive **shorter stays in emergency departments**.
    - Extended coverage for urgent and after-hours care which will see a consistent set of core urgent care services across New Zealand.
3. **Get on top of the elective surgery backlog** by delivering a boost in elective surgery volumes to reduce waiting lists.
    - Delivery of an additional 31,600 elective treatments between March 2025 and June 2026, with 11,315 having already been delivered from 17 February 2025 - 1 June 2025.
    - Partnering with the private sector to maximise delivery for New Zealanders and enable public hospitals to focus more on acute care
4. Enable **faster access to primary care**.
    - Introduce performance-based funding for primary care practices that meet new access to care performance standards; an outcomes payment based on performance against key quality targets; and activity-based funding to support health targets through interventions such as streamlined access to diagnostics and delivering more specialist interventions in primary care settings.
5. Provide **clarity on the health infrastructure investment pipeline**, and an intended level of investment in built infrastructure, to give communities visibility of the investment they are getting into healthcare facilities.
    - Implement the Health Infrastructure Plan and ensure consideration of all available funding and financing options (including long term leases and Public Private Partnerships) to support health infrastructure development.

Outcomes and milestones for the seven priorities in our Health Delivery Plan 2025/26 include:

Priority 1: New Zealanders have improved access to health services and waitlists are reduced

- Achieving the Health and MH&A targets milestones (see graphic page 8 & 9)
- Improving access to primary care services
  - 98% of people are within an hour's drive of urgent care.
  - New 24/7 urgent care services in six additional locations established.
  - 100 international doctors and up to 50 NZ-trained graduates start the primary care pathway.
  - Up to 400 additional graduate nurses are employed in primary care.
  - Up to 120 nurses start first round of Nurse Practitioners training.
  - Up to 120 nurses start advanced education.

Priority 2: New Zealanders health is protected and promoted

- Improved immunisation coverage rates for children
- Increase participation in screening
  - On track to achieve target number of women aged 45-69 years who have a breast cancer screen in the last two years.
  - On track to achieve target number of bowel screening rates of adults aged 60 - 74 years (two yearly screening interval).
  - On track to achieve target number of cervical (HPV) screening rates of eligible women aged 25-69 years (five-yearly screening interval).
- Reduce harmful public health behaviours
  - Delivery of Investment plan for 2025-26 alcohol levy revenue.

Priority 3: Quality and safety in the centre of what we do

- Ensure there is clinical leadership at all levels
  - Clinical Senate work is embedded.
  - Clinical Advisory Board annual impact assessment is completed.
  - Agreed clinical networks are fully embedded at national and regional levels.
- Embed systems to ensure the quality and safety of all health services
  - Clinical risk assessment and escalation pathways demonstrate measurable consistency.
  - Consumer engagement and whānau voice improvements demonstrate measurable enhancement in consumer participation and satisfaction rates
  - National access thresholds confirmed and deployed across at least four specialities.

Priority 4: Stay within budget and improve value for money

- Ensure that budget is tracking to plan (including the strategic procurement programme)
- Improve productivity performance - develop a plan and targets
- Ensure that budget accountability and financial controls are in place
  - Financial capability and maturity plan is on track.

Priority 5: Enable our people by strengthening the organisation, leadership and culture

- Embed and stabilise the organisation model of locally delivered, regionally coordinated and nationally enabled
  - Complete implementation of organisation changes.
- Embed an enabling organisation culture and an engaged workforce
  - Enterprise-wide organisational culture programme underway.
- Improve our health, safety and wellbeing (HSW)
  - All health, safety and wellbeing improvements in the HSW Horizon 1 work programme complete.
- Establish an integrated performance management system
  - Design of Health NZ performance system, including a performance management system for staff.
  - National, regional and district performance model agreed.

Priority 6: Modernise the infrastructure we use to deliver health services

- Deliver health infrastructure investments in line with the Health Infrastructure Plan
  - Specific major health infrastructure projects underway, achieving planned milestones.
- Finalise the Digital Investment Plan and deliver investments in line with it
  - Delivery of national programmes in line with agreed plans.

Priority 7: Develop new ways to deliver healthcare sustainably

- Deliver the case for change for sustainable healthcare
  - Roadmap for long-term implementation of sustainable healthcare developed.
  - Strategic case for long-term sustainable healthcare.
- Improve and increase levels of innovation
  - Establishment of a centre for innovation as part of a global innovation healthcare network.

Our revenue

Our work is funded through annual and multi-year appropriations under Vote Health. The largest revenue contribution in 2025/26 ($26.2 billion) is revenue from the Crown (Vote Health estimates of appropriation), with a further amount ($4.4 billion) funded through other ex Crown / Crown entities and third parties.

	Group 2024/25 Est. Actual $m	Group 2025/26 Budget $m	Increase or (Decrease) %
Revenue	27,959	30,581	9.4%
Appropriations – Crown funding	24,296	26,218	7.9%
Other funding – ex Crown / Crown entities	3,115	3,395	9.0%
Third party and other revenue	428	889	107.7%
Interest received	120	79	(34.2%)

Other funding ex Crown/Crown entities: As agreed with funding entities (e.g., Pharmac, Ministry of Disabled People, Accident Compensation Commission) based on expected activity and associated funding arrangements. Approximately two-thirds of revenue within this category relates to the Combined Pharmaceutical Budget held and managed by Pharmac.

Third party and other revenue: Estimated, based on historic trends and ongoing market conditions, adjusted for time-limited revenue. Also included in third party and other revenue is funding transferred forward from 2024/25 to 2025/26 for budget initiatives and matching budgeted expenditure, including via the In Principle Expense Transfer process.

Interest received: As forecast based on anticipated investments and expected rates of return.

The table on the following page shows the output classes mapped to appropriations for 2025/26.

2025/26 Budget output classes mapped to appropriations

2025/26 Revenue and Expenditure by Output Class	Appropriations			Third Party Revenue $m	Total $m	%
	Hospital and Specialist $m	Primary and Community $m	Hauora Māori $m			
Revenue						
Hospital and specialist services	13,941	0	0	2,149	**16,090**	53%
Mental health and addictions	1,787	792	273	49	**2,901**	9%
Primary and community services	0	8,363	0	2,116	**10,479**	34%
Public health services	0	556	0	0	**556**	2%
Hauora Māori Services	0	0	506	49	**555**	2%
Total Revenue	**15,728**	**9,711^**	**779***	**4,363**	**30,581**	
Total Expenditure	**15,928**	**9,711**	**779**	**4,363**	**30,781**	
Net Surplus / (Deficit)	**(200)**	**0**	**0**	**0**	**(200)**	

^ includes $19m from Problem Gambling appropriation
* includes $6m from Problem Gambling appropriation

Our Operating Context

The budget for 2025/26 has been prepared based on the best available information to inform the revenue and expenditure required to deliver on our priorities (see pages 9 -11).

In 2024/25, Health NZ has improved both its financial and non-financial performance.

On financials, Health NZ's structural deficit at the beginning of the 2024/25 year was estimated at $1.76bn. We are on track to deliver within our budgeted $1.1bn deficit for 2024/25, with our reported monthly deficit reducing significantly over the course of that financial year. Maintaining this progress, as well as a further step-up will be required to deliver the budgeted $200m deficit for 2025/26 and meet the June 2026 health target milestones. Key to achieving this will be:

- ongoing tight control of costs, with any new spending tightly aligned to priorities;
- productivity and efficiency gains;
- deepening partnerships with private sector providers where this presents good value;
- stabilising teams and rebuilding capability across Health NZ; and
- embedding an operating model focused on local delivery, with clear decision-rights and accountabilities.

Key risks that need to be managed within 2025/26 include:

- Workforce relations, capacity and personnel cost pressure;
- Funded sector cost, capacity and sustainability pressures;
- Improving health care outcomes whilst also delivering fiscal efficiencies, including through service redesign and new models of care, which take time to implement.

Further information on the basis for preparation of our budget for 2025/26 is provided in the 'Our Prospective Financial Statements' section.

Our Performance

The SPE records how we will measure our financial and non-financial performance during 2025/26.

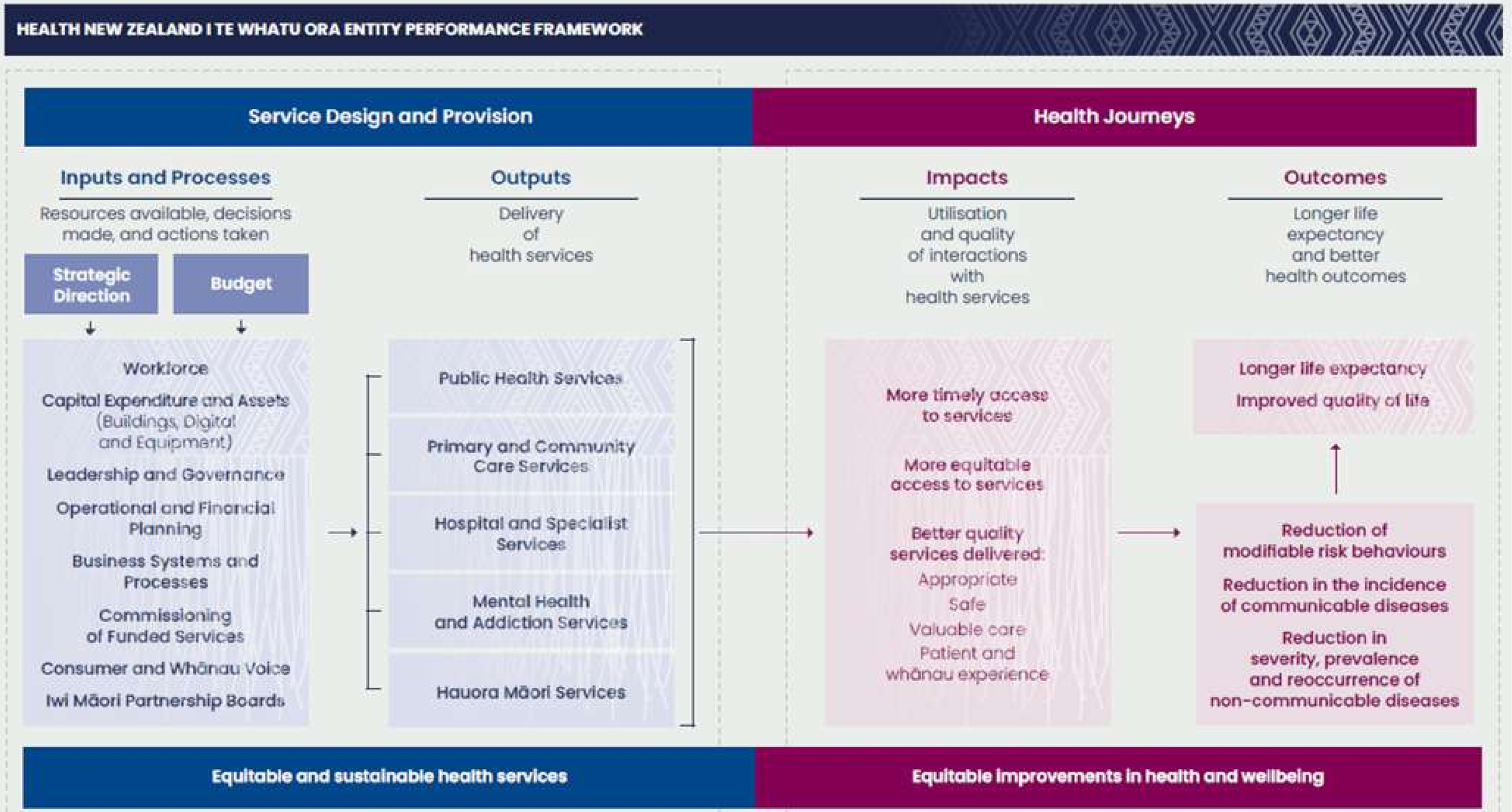
'Our Performance' and 'Our Prospective Financial Statements' sections in this SPE form part of the auditable requirements that will be reported in the Annual Report 2025/26.

Entity Performance Framework

We have developed a framework (see below), with a set of high-level measures that enable us to tell our organisational performance story and provide clear line of sight on how we are going to achieve both intermediate and long-term equitable health outcomes.

The framework reflects the Government's vision for achieving timely access to quality health care for all people in New Zealand eligible for publicly funded health care, delivered by a financially sustainable health system. It reflects key national priorities and health targets detailed in the GPS and the Minister of Health's planning priorities that have informed the NZ Health Plan.

Good design and effective delivery of services (inputs and outputs) enable us to provide timely access to quality care (impacts), leading to equitable health improvement – improved quality of life and longer life expectancy (outcomes).


HEALTH NEW ZEALAND I TE WHATU ORA ENTITY PERFORMANCE FRAMEWORK
Service Design and Provision
Health Journeys
Inputs and Processes
Resources available, decisions made, and actions taken
Strategic Direction
Budget
Workforce
Capital Expenditure and Assets (Buildings, Digital and Equipment)
Leadership and Governance
Operational and Financial Planning
Business Systems and Processes
Commissioning of Funded Services
Consumer and Whānau Voice
Iwi Māori Partnership Boards
Outputs
Delivery of health services
Public Health Services
Primary and Community Care Services
Hospital and Specialist Services
Mental Health and Addiction Services
Hauora Māori Services
Impacts
Utilisation and quality of interactions with health services
More timely access to services
More equitable access to services
Better quality services delivered:
Appropriate
Safe
Valuable care
Patient and whānau experience
Outcomes
Longer life expectancy and better health outcomes
Longer life expectancy
Improved quality of life
Reduction of modifiable risk behaviours
Reduction in the incidence of communicable diseases
Reduction in severity, prevalence and reoccurrence of non-communicable diseases
Equitable and sustainable health services
Equitable improvements in health and wellbeing

Measures used in this SPE

Improving performance against SPE measures will contribute to us moving toward the long term and intermediate outcomes outlined in our performance framework. Namely:

Long term	An increase in life expectancy Improved quality of life
Intermediate	Reduction of modifiable risk behaviours Reduction in the incidence of communicable diseases Reduction in severity, prevalence and reoccurrence of non-communicable diseases

All impact measures and Government targets are included in this SPE. The government targets largely reflect the timeliness aspect of the Government's vision. The other impact indicators in this SPE were selected to demonstrate the quality and access aspects. Together they are part of Health NZ's wider performance story. Measures related to our intermediate and long-term outcomes are set out in our SOI 2024-28.

The measures in this SPE aim to cover the core services we provide or fund, and those that are the most meaningful to the public. They allow us to monitor performance across the three dimensions of timeliness access and quality. They are sourced largely from the GPS and the Vote Health Estimates of Appropriations and Supplementary Estimates of Appropriations 2025/26. This linkage (see key below) is detailed in each of the output class tables that follow.

The GPS targets are ambitious and longer term, whereas this SPE details the incremental milestones for 2025/26.

Our measures were selected in accordance with the Public Benefit Entity Financial Service Reporting Performance Standard (PBE FRS 48)

Targets and comparative historic data for each measure are included in the following sections. Where the target set is as an improvement from baseline, the baseline data period is 2023/24 (unless stated otherwise). The 2024/25 Estimated Actual is a forecast of the expected 2024/25 year-end performance, based on data available at the time this SPE was prepared.

Legend - Performance measure tables

🎯	Government health target
GPS	Government Policy Statement on Health 2024-27
MHA	Government mental health and addiction target (in GPS)
VH	Vote Health Supplementary/Estimates of Appropriation 2025/26

Our measures will (where possible) be reported broken down in our annual reports by:

- region
- district
- rurality; and
- ethnicity.

Activities to improve financial sustainability and value for money were described in our first Health Delivery Plan (published in March 2025) and have been successfully implemented. A programme of work will continue during 2025/26 to give further effect to financial sustainability expectations set out in the GPS. Financial measures are also included in Vote Health Estimates of Appropriation.

Criteria for performance reporting

In our 2025/26 Annual Report we will use the following criteria to rate performance against each measure (except for mental health and addictions where 'Achieved' and 'Not achieved' only will apply).

Criteria		Rating
On target or better		**Achieved**
95 – 99.9%	0.1 – 5%* away from target	**Partially achieved**
<95%	> 5%* away from target	**Not achieved**

* Relative to target

Measuring performance in our Output Classes

Output classes are the way we group a common set of goods or services funded in a financial year. They provide useful insight into the scale of spending across different settings.

Services in each output class are delivered in accordance with accountabilities determined by the Minister of Health here: Accountability Arrangements.

The following section describes each of our five output classes and how we will assess performance by measuring our impacts. It provides a breakdown of our expected revenue and proposed expenditure for each of the output classes.

During 2025/26, we will continue to refine appropriation and output class reporting. These improvements will be specified in our next SPE.

Output Class 1 – Public health services

Public health services improve community health by population level actions to prevent or reduce illness and disease and promote quality of life. Health NZ organises its public health service delivery via a division called the National Public Health Service.

This output class aims to reduce the burden of illness on people and the demand on our health care services by investing in prevention and health promotion. This includes:

- immunisation programmes (e.g. child immunisations, measles, whooping cough, polio, influenza and COVID-19).
- screening programmes (e.g. for cervical, breast and bowel cancers).
- protection and enforcement functions related to health-related regulations and legislation.
- programmes to address modifiable risk factors for ill-health (harmful alcohol consumption, smoking, poor nutrition, lack of physical activity).
- maintenance of processes, infrastructure and systems to respond to outbreaks of communicable diseases.
- activity relating to protection against environmental hazards for health.

This work is funded through the Vote Health: Delivering Primary, Community, Public and Population Health Services appropriation.

Expected revenue and proposed expenditure	2024/25 Estimated Actual $ million	2025/26 Budget $ million
Operating revenue		
Revenue – Crown	533	556
Other revenue	0	0
Total operating revenue	**533**	**556**
Total operating expense	524	556
Surplus/(deficit)	**9**	**0**

Performance measure	Link	2023/24 baseline	2024/25 estimated actual	2024/25 target	2025/26 target (overall target)
🎯 Percentage of children fully immunised at 24 months of age	VH GPS	77.3%	80.7%	84%	87% (95% by 2030)
Percentage of children fully immunised at five years of age	VH	80.5%	71.4%	95%	95%
Percentage of people aged at least 65 years who have completed at least one influenza vaccination		64.3%	61.75%	75%	75%
Bowel screening rates of adults aged 60–74 years (two-yearly screening interval) *	VH GPS	57.0% (Mar 24)	57.8%	60%	60%
Percentage of eligible women aged 45-69 years who have a breast cancer screen in the last two years ^	VH GPS	68.8%	70.4%	70%	70%
Cervical screening rates of eligible women aged 25–69 years (five-yearly screening interval)	VH GPS	69.3%	73.2%	80%	80%
Increase the percentage of girls and boys between 9 and 26 who have completed their Human Papillomavirus (HPV) immunisation course as per schedule, and recorded on the Aotearoa Immunisation Register (AIR) as fully immunised #	VH	57.1%	38.5%	75%	75%

* There is a time lag for bowel screening participation, as once kits are sent out, participants have six months to complete and return the kit and therefore reporting on this indicator requires the six months to elapse.

A phased roll out of the age extension to 74 years for breast cancer screening will commence in October 2025. This measure will be updated in SPE 2026/27 to capture this.

This measure is based on the relevant birth cohort who have completed their HPV immunisation course. Reporting for this measure in 2025/26 will cover children born in 2013 and enrolled on the AIR with a status of ‘active.’

Output Class 2 – Primary and community care services

Over 3,000 providers are funded via this output class deliver a wide range of routine, urgent, and proactive care services, in a community setting, spanning prevention, early detection, treatment, long-term condition management, and rehabilitation. This includes general practice, Māori health providers, Pacific health services, community pharmacies, child and adolescent dental health services, physiotherapy clinics and others.

This output class is intended to provide services that are designed to help people stay well and manage health conditions effectively with specialist input as clinically needed to maintain their independence and avoid further illness. This includes supporting people in the community with long-term conditions, such as diabetes, cardiovascular disease and mental health and addiction conditions.

This output class is funded through the Vote Health: Delivering Primary, Community, Public and Population Health Services appropriation.

Expected revenue and proposed expenditure	2024/25 Estimated Actual $ million	2025/26 Budget $ million
Operating revenue		
Revenue – Crown	7,727	8,363
Other revenue	1,958	2,116
Total operating revenue	**9,685**	**10,479**
Total operating expense	9,413	10,479
Surplus/(deficit)	**272**	**0**

Performance measure	Link	2023/24 baseline	2024/25 estimated actual	2024/25 target	2025/26 target (overall target)
Increase in percentage of people who say they receive care from a GP or nurse when they need it	VH	78.4% (05/2024)	76%	At least 76%	At least 76%
Increase in percentage of people who say they feel involved in their own care and treatment with their GP or nurse	VH	90.3% (05/2024)	86%	At least 86%	At least 86%
Percentage of people enrolled with a general practice or kaupapa Māori provider delivering general practice care		94.4%	94%	95%	95%
Percentage of children enrolled with a general practice or kaupapa Māori provider delivering general practice care by age 3 months		86.6%	86%	85%	85%
Increase in percentage of pregnant women who register with a Primary Maternity Carer in the first trimester of their pregnancy of all registrations	GPS VH	76.40%	80%	Increase from baseline	82%
Rate (per 100,000) of hospital admissions for children aged 0-4 years for an illness that might have been prevented or better managed in the community	GPS VH	7486	Achieved	Decrease from baseline	Improve from baseline (trend to decrease)
Rate of hospital admissions (per 100,000) for people aged 45-64 years for an illness that might have been prevented or better managed in the community	GPS VH	3865	Achieved	Decrease from baseline	Improve from baseline (trend to decrease)
Number of Primary Health Organisation (PHO) enrolments	VH	5,023,471	5,076,300	5,076,300	5,129,700
Number of General Practice Qualifying Encounters (GPQEDs)	VH	21,368,589	21,593,000	21,593,000	21,819,800

Output Class 3 – Hospital and specialist services

The focus for hospital and specialist services is to ensure all eligible people in New Zealand receive timely access to specialist outpatient and hospital services to prevent deterioration of their condition and improve their quality of life.

This output class is intended to secure hospital and specialist services for people eligible for publicly funded health services in New Zealand in line with service coverage expectations and operating policy requirements, and the actions set out in the NZ Health Plan.

Specialist services are typically situated in intensive health service environments like surgical centres and hospitals but may also be provided in community settings or virtually through telehealth. Specialist clinicians provide diagnosis, planned and emergency treatment, and rehabilitation to reduce mortality, restore functional independence, and improve health related quality of life.

This output class funds acute presentations and inpatient admissions, diagnostics (imaging and pathology), planned care assessments and treatments, including surgery.

It is funded through the Vote Health Delivering Hospital and Specialist Services appropriation.

Expected revenue and proposed expenditure	2024/25 Estimated Actual $ million	2025/26 Budget $ million
Operating revenue		
Revenue – Crown	12,894	13,941
Other revenue	1,647	2,149
Total operating revenue	**14,541**	**16,090**
Total operating expense	15,973	16,290
Surplus/(deficit)	**(1,432)**	**(200)**

	Link	2023/24 baseline	2024/25 estimated actual	2024/25 target	2025/26 target (overall target)
Percentage of patients receiving cancer management within 31 days of the decision to treat	VH GPS	84.2%	86%	86%	87% (90% by 2030)
Percentage of patients admitted, discharged or transferred from an emergency department within six hours	VH GPS	69.7%	74%	74%	77% (95% by 2030)
Percentage of patients waiting less than four months for a first specialist appointment	VH GPS	61.5%	62%	62%	65% (95% by 2030)
Percentage of patients waiting less than four months for elective treatment	VH GPS	62.2%	63%	63%	70% (95% by 2030)
Percentage of cardiac patients who wait less than four months for elective treatment	VH GPS	77.6%	75%	75%	75%
Percentage of missed first specialist assessment appointments	VH GPS	7.4%	Achieved	Decrease from baseline	Decrease from baseline
Decrease in acute readmissions within 28 days of discharge	VH	12.4%	12%	12%	12%
Percentage of inpatients who reported they were involved as much as they wanted to be in making decisions about their treatment and care	GPS	83.23% (05/2024)	Achieved	Increase from baseline	Increase from baseline
Rate of renal failure hospitalisations, age-standardised per 100,000 people with diabetes	VH GPS	Improve from baseline June 2022 (trend to decrease) [Māori 10,965.5, Pacific 9,954.8, Non-Māori Non-Pacific 3,579.5]	Achieved	Improve from baseline (trend to decrease)	Improve from baseline (trend to decrease)

	Link	2023/24 baseline	2024/25 estimated actual	2024/25 target	2025/26 target (overall target)
Percentage of people accepted for a CT scan receive their scan in 42 days (six weeks) or less	VH	New Measure	New Measure	TBC	65%
Percentage of people accepted for an MRI scan receive their scan in 42 days (six weeks) or less	VH	New Measure	New Measure	TBC	65%
Proportion of medical appointments completed through digital channels	VH GPS	6.7%	8%	At least 10%	At least 10%
Payments for former employees who have registered on the national employee portal and whose information has been validated will be made within agreed timelines	VH	Not Achieved	Achieved	Achieved	Achieved
Remediation payments made to all current Health New Zealand employees by 31 December 2025	VH	N/A	Not Achieved	Achieved	Completed by 31 December 2025
The extent to which actual benefits meet the expected benefits from those capital investments as set out in the relevant business case	VH	N/A	100%	80%	80%
Hospital redevelopment project meets project milestones	VH	N/A	65%	90%	90%
Health New Zealand has self-assessed all regions against the Consumer Engagement Quality and Safety Marker at a minimum of Level 3	VH	Not Achieved	Achieved	Achieved	Achieved

Output Class 4 – Mental health and addictions services

Mental health and addiction services provide support and treatment across the continuum of mental distress/mental illness and addiction. They include primary, secondary and tertiary services which support recovery and maximise outcomes.

This output class is intended to achieve improved and appropriate access to services to support improved mental health and addiction outcomes. This includes community-based early intervention options, and ensures services and support make a positive difference to how people experience services and their recovery.

This output class also ensures people with serious mental health and addiction conditions can gain help from specialist inpatient services, followed by support on discharge that enables them to live well in the community. Good quality wraparound services help to reduce future admissions to acute services, and help people maintain relationships, retain jobs, and enjoy valued activities.

The output class also funds mental health and addiction actions as set out in the NZ Health Plan and includes investment in suicide prevention.

This work is funded through the Vote Health Delivering Hospital and Specialist Services, Vote Health Delivering Primary, Community, Public and Population Health Services, and Vote Health Hauora Māori services appropriations.

Expected revenue and proposed expenditure	2024/25 Estimated Actual $ million	2025/26 Budget $ million
Operating revenue		
Revenue – Crown	2,668	2,852
Other revenue	48	49
Total operating revenue	**2,716**	**2,901**
Total operating expense	2,695	2,901
Surplus/(deficit)	**21**	**0**

Performance measure	Link	2023/24 baseline	2024/25 estimated actual	2024/25 target	2025/26 target (overall target)
Percentage of people accessing specialist mental health and addiction services who are seen within three weeks	MHA VH	New measure	80%	80%	80% (80% by 2030)
Train additional mental health and addiction professionals each year	MHA VH	New measure	500	Establish baseline	500 (500 by 2030)
Percentage of people accessing primary mental health and addiction services through the Access and Choice programme are seen within one week	MHA VH	New measure	Achieved	Improve from baseline as at Feb 2025	80% (80% by 2030)
Percentage of mental health and addiction-related presentations admitted, discharged, or transferred from an emergency department within six hours	MHA VH	New measure	65%	74% (95% by 2030)	77% (95% by 2030)
Percentage of mental health and addiction investment allocated towards prevention and early intervention	MHA VH	New measure	24.4%	23.9%	23.9% (25% by 2030)
Number of people who accessed primary mental health and addiction services through the Access and Choice programme	VH	Achieved	325,000	325,000	325,000
Percentage of young people seen within the three weeks from a mental health referral	VH	66.7%	72%	72% (80% by 2030)	75% (80% by 2030)
Mental health and addiction expenditure ringfence expectations are met ^	VH	Achieved	Achieved	Achieved	Achieved
The number of people accessing support from problem gambling services	VH	4,817	6,750	6,750	6,750
The number of brief interventions delivered #	VH	8,790	4,000	4,000	4,000

Brief intervention services are short, personalised, non-confrontational conversations which target people at risk of gambling harm who aren't seeking help.
^ The mental health and addiction ringfence sets out the minimum amount of funding that Health New Zealand is expected to spend on mental health and addiction services.

Output Class 5 – Hauora Māori services

This output class funds a range of services that are kaupapa Māori-based and were developed to improve Māori health outcomes and reduce health inequities. It provides for the development, implementation and delivery of hauora Māori services, and the development of hauora Māori partners, including partnerships with iwi and IMPBs.

This output class enables commissioning for integrated outcomes and implementation of hauora Māori actions as set out in the NZ Health Plan.

This output class is intended to ensure the needs and aspirations of Māori are reflected in the priorities and plans of the health system, and in the way that services are designed and delivered. This involves the use of wellbeing models that draw on the particular context and experiences of Māori to ensure our health system offerings can be designed in a manner that continues to respond to the needs of all people eligible for publicly funded health services in New Zealand.

While this output class focuses on Māori, the services purchased within it are accessible to and accessed by all New Zealanders. Equally, it does not fund all care that Māori receive. The impact on outcomes for Māori needs to be seen in the context of contributions from other output classes that also fund access for Māori.

This work is funded through Vote Health Delivering Hauora Māori Services appropriation.

Expected revenue and proposed expenditure	2024/25 Estimated Actual $ million	2025/26 Budget $ million
Operating revenue		
Revenue – Crown	474	506
Other revenue	10	49
Total operating revenue	**484**	**555**
Total operating expense	454	555
Surplus/(deficit)	**30**	**0**

Performance measure	Link	2023/24 baseline	2024/25 estimated actual	2024/25 target	2025/26 target (overall target)
Percentage of people reporting that their family/whānau or someone close to them were involved in discussions about the care received	VH	90.3% (05/2024)	Achieved	Improve from baseline (trend to increase)	Improve from baseline May 2025 (trend to increase)
Percentage of people reporting that they had trust and confidence in their treatment provider	VH	88.4% (05/2024)	Achieved	Improve from baseline May 2024 (trend to increase)	Improve from baseline May 2025 (trend to increase)
Percentage of Hauora Māori partners that are meeting their contracted outcome targets as defined in the new outcomes-based contracts	VH	0%	50%	50%	85%

Our Prospective Financial Statements

The purpose of the prospective financial statements is to provide a base against which our future actual financial performance can be assessed and to enable Parliament, and the New Zealand public, to be informed of those expectations.

The prospective financial statements are prepared to support internal management and resource allocation, to support governance by our Commissioner and Ministers and to support public accountability through external publication.

The prospective financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (New Zealand GAAP) for Public Benefit Entities, PBE FRS 42 Prospective Financial Statements.

Our purpose is to assure Parliament of the planned financial performance of Health NZ. The use of the information for any other purpose may not be appropriate.

By nature, prospective financial statements make assumptions about future events, which may or may not transpire. Not all events will be known at the time of preparation, as such, users of this information need to be mindful of the degree of uncertainty attaching to this prospective financial information and the potential impacts the uncertainty may have on future results.

We have disclosed the basis on which the significant assumptions underpinning the prospective financial statements have been prepared (including the principal sources of information from which they have been derived), risks surrounding assumptions and the potential impact of a change in an assumption on the prospective financial statements. Refer to the Preparation of financial forecasts – underlying assumptions and Notes to the prospective financial statement sections.

The audited future actual financial results for the periods covered may vary from the prospective information presented, and the variations may be material.

In our view, the prospective financial statements of Health NZ comply with all the requirements of PBE FRS 42.

Reporting entity

Health NZ is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing Health NZ's operations is the Crown Entities Act and the Pae Ora (Healthy Futures) Act 2022 (Pae Ora Act). Health NZ's ultimate parent is the New Zealand Crown.

Health NZ is an amalgamation of the 20 District Health Boards, Health Promotion Agency (Te Hiringa Hauora), the Māori Health Authority (Te Aka Whai Ora), six shared service agencies and some functions of the Ministry of Health (MoH), referred to as the Combining Entities.

Health NZ has five objectives set out in the Pae Ora Act; the main one being to design, arrange and deliver services to protect, promote and improve the health of all New Zealanders. Health NZ does not operate to make a financial return.

The prospective financial statements present a consolidated view of all the entities and functions that have been amalgamated into Health NZ as part of the reform outlined in the Pae Ora Act and the Pae Ora (Disestablishment of the Māori Health Authority) Amendment Bill 2024.

Statement of compliance and basis of preparation

The prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act which includes the requirement to comply with GAAP.

The prospective financial statements have been prepared in accordance with and comply with the PBE FRS 42 Prospective Financial Statements External Reporting Board Public Sector Standards.

Health NZ is a Crown agent within the meaning of section 10(1)(a) of the Crown Entities Act 2004. Requirements include the need for Health NZ to have a Board of Directors. Currently, Health NZ has a Crown appointed Commissioner – Professor Lester Levy, who replaced the Board in July 2024. Three Deputy Commissioners were appointed by the Commissioner: Mr Roger Jarrold, Mr Ken Whelan and Ms Kylie Clegg. In early 2025 the Minister of Health announced the intention to reinstate Board governance at Health NZ.

Preparation of financial forecasts – underlying assumptions and risks

Column totals may not reconcile due to rounding of numbers within the tables. The following assumptions have been used in preparing these prospective financial statements:

	Group 2024/25 Est. Actual $m	Group 2025/26 Budget $m	Increase or (Decrease) %
Revenue	27,959	30,581	9.4%
Appropriations – Crown funding	24,296	26,218	7.9%
Other funding – ex Crown / Crown entities	3,115	3,395	9.0%
Third party and other revenue	428	889	107.7%
Interest received	120	79	(34.2)%

Appropriations – Crown funding from Ministry of Health

As advised by the Government in the Vote Health Estimates of Appropriation 2025/26, most of the increase between 2024/25 and 2025/26 related to funding uplifts for core cost pressures for Delivering Hospital and Specialist Services, Delivering Primary, Community, Public and Population Health Services, and Delivering Hauora Māori services appropriations. Additional movements relate to funding increases for Government initiatives confirmed during 2024/25.

Third party and other revenue includes funding proposed to be transferred forward to 2025/26, including via the In Principle Expense Transfer process. Funding will be confirmed in October 2025, noting that this is neutral to the 2025/26 bottom-line as associated expenditure has also been budgeted.

Refinement of funding and expenditure allocation at appropriation and output class levels is underway for 2024/25 reporting, as per the requirements of the GPS 2024-27. Refinement includes better allocating service delivery and enabling service funding and expenditure between appropriations and output classes.

In that context:

- **Public Health:** In the 2024/25 SPE, the Public Health Output Class was budgeted at break-even, with $533m of revenue and expenses planned. The 2024/25 forecast is a surplus of $9m, which is primarily due to savings delivered in Shared Functions that are partially attributed to the Public Health Output Class.
- **Primary and Community:** In the 2024/25 SPE, the Primary and Community Output Class was budgeted at a $250m deficit, with $9,387m of revenue and $9,637m expenses, including $1,617m of third-party revenue (primarily Pharmac funded pharmaceuticals).

The 2024/25 forecast is a surplus of $272m, which is primarily due to savings delivered in Shared Functions that are partially attributed to the Primary and Community Care Output Class and favourable Other Income $341m.

- **Mental Health and Addictions:** In the 2024/25 SPE, the Mental Health & Addictions Output Class was budgeted at break-even, with $2,683m of revenue and expenses. The 2024/25 forecast is a $21m surplus, which is due to revenue ($15m) below budget, personnel expenses below budget of ($13m) and a net ($11m) across other operating expenses under the Hospital and Specialist Services Appropriation, Commissioning Provider Payments expenses below budget of ($35m) offset by Māori Health Provider Payments expenses above budget $24m.
- **Hospital and Specialist Services:** In the 2024/25 SPE, the Hospital and Specialist Services Output Class was budgeted at a deficit of $850m. The 2024/25 forecast is a deficit of $1,432m. The primary drivers are lower than budgeted appropriation revenue ($354m unfavourable), investments made to improve access to planned care, and other above budget cost pressures (e.g., All-of-Government reticulated gas prices).
- **Hauora Māori Services:** In the 2024/25 SPE, the Hauora Māori Health Services output class was budgeted at break-even. The 2024/25 forecast is a surplus of $30m, mainly due to underspend in Hauora Māori Services, reflecting timing of service design and contracting.

Variance, 2024/25 SPE Budget versus 2024/25 estimated full year actual revenue and expenditure by Output Class

Revenue and Expenditure by Output Class	Hospital and Specialist Appropriation $m	Primary and Community Appropriation $m	Hauora Māori Appropriation $m	Third Party Revenue $m	Total $m	%
Revenue						
Hospital and specialist services	(354)	-	-	(221)	(575)	(4%)
Mental health and addictions	(86)	-	71	48	33	1%
Primary and community services	-	(43)	-	341	298	3%
Public health services	-	0	-	-	0	0%
Hauora Māori Services	-	-	(102)	8	(94)	(17%)
Total Revenue	**(440)**	**(43)**	**(31)**	**176**	**(338)**	
Total Expenditure	**133**	**(575)**	**(35)**	**139**	**(338)**	
Net Surplus / (Deficit)	**(573)**	**532**	**4**	**37**	**0**	

Please note that this table sets out revenue variances at an output class level. However, the variance for expenditure is set out at the consolidated level. For this reason, the variances explained in the narrative above the table do not match the variances explained in the table. The table below shows the output classes mapped to appropriations for 2025/26 (also appears on page 13).

2025/26 Revenue and Expenditure by Output Class	Hospital and Specialist Appropriation $m	Primary and Community Appropriation $m	Hauora Māori Appropriation $m	Third Party Revenue $m	Total $m	%
Revenue						
Hospital and specialist services	13,941	0	0	2,149	**16,090**	53%
Mental health and addictions	1,787	792	273	49	**2,901**	9%
Primary and community services	0	8,363	0	2,116	**10,479**	34%
Public health services	0	556	0	0	**556**	2%
Hauora Māori Services	0	0	506	49	**555**	2%
Total Revenue	**15,728**	**9,711^**	**779***	**4,363**	**30,581**	
Total Expenditure	**15,928**	**9,711**	**779**	**4,363**	**30,781**	
Net Surplus / (Deficit)	**(200)**	**~~0~~**	**0**	**0**	**(200)**	

^ includes $19m from Problem Gambling appropriation
* includes $6m from Problem Gambling appropriation

Operating costs

	Group **2024/25 Est. Actual $m**	Group **2025/26 Budget $m**	**Increase or (Decrease) % (rounded to one decimal point)**
Expenditure – Operating Costs	29,059	30,781	5.9%
Personnel costs	12,023	12,416	3.3%
Outsourced personnel	431	260	(39.7)%
Outsourced services	797	999	25.3%
Clinical supplies	2,526	2,637	4.4%
Depreciation and amortisation	910	931	2.3%
External service providers	10,078	10,880	8.0%
Capital charge	508	550	8.3%
Interest expense	7	5	(28.6)%
Infrastructure, non-clinical supplies and other	1,779	2,103	18.2%

The forecast operating costs for budget 2025/26 have been prepared based on known and planned expenditure to deliver the planned level of service provision and the budget priorities as outlined by the Government for Vote Health appropriations, the 2024-27 Government Policy Statement on Health, and the Minister's Letter of Expectations, and the expectations of other funders (e.g. Pharmac, Whaikaha, and ACC), subject to the savings required to live within expected revenue as outlined further below.

Inflation is one driver of cost pressures

While there are variations, general economy-wide measures of inflation, and inflation within the health sector, tend to track in parallel with each other over the medium to long-term. In general, non-personnel price inflation has been assumed to be 2% in-line with the forecasts prepared by Treasury through the Budget and Economic Fiscal Update 2025. By exception, inflation assumptions have been adjusted for non-personnel costs where different rates are applicable by contractual agreement or on the basis of established funding models.

Personnel cost assumptions have been prepared on the basis of existing collective agreements, current bargaining parameters, and affordability within Health New Zealand's available funding for 2025/26.

Funded sector prices

Provider expectations of price uplifts could also increase due to sustained cost pressures, particularly from inflation and wage pressures.

Lower inflationary pressure would provide for greater ability to manage risks over the forecast period. This might allow for targeted performance improvement actions to continuously lift baseline performance should there be sufficient funding to allow for this.

We will manage these operating performance risks through further developing costing models (for Hospital and Specialist Services) and pricing uplift models (for the funded sector) to inform estimates of potential impacts of prioritisation and de-prioritisation decisions. For example, in Hospital and Specialist Services we are introducing revenue allocation for services provided in 2025/26 building on work in 2024/25, which will support efficiency, benchmarking, greater funding and management controls.

Operating model changes

We continue to re-set Health NZ's operating model to empower regional decision-making and clinical leadership, reduce inefficiencies and remove duplication. We have established four new Chief Delivery Officer, Community and Hospital roles – one for each region (Northern, Te Manawa Taki, Central and Te Waipounamu). They are responsible for services provided and funded by Health NZ in their region and support us to deliver to the Health Targets. We are strengthening financial accountability by devolving the majority of Health NZ's revenue and expenditure to the four regions. This will support more effective prioritisation and responsiveness to regional, district and local needs – within our available funding.

We have strengthened system planning, performance and improvement through consolidation of roles, responsibilities and expertise into a single national function, and streamlined key enabling functions such as Finance, People & Communications, Data & Digital and Infrastructure & Investment.

Productivity and Operating Efficiency

In 2025/26, Health NZ will continue to focus on delivering maximum value for available resources. In order to deliver targeted uplifts in health outcomes and also reduce its operating deficit to $(200)m, there will be a particular focus on improving internal productivity and ongoing tight control of costs.

Health NZ will target areas for savings and efficiency in 2025/26, including:

- Procurement and supply chain improvements
- Process simplification and benefits of systems investment
- Maximising third party revenue
- Improvements to service model delivery

Clinical Operating Environment

During 2025/26 we will continue to develop opportunities in our clinical operating environment. These include:

- 14 national clinical networks established which will support consistent thresholds and models of care across the country, that support health target achievement.
- Implementing consistent clinical governance structures and reporting frameworks.
- Establishing the Clinical Senate to provide strategic recommendations to the Board.
- Exploring regional models of service delivery where appropriate.

Holidays Act remediation costs

The financial projections assume that the Holidays Act remediation and rectification programme will be completed across all Health NZ components during 2025/26. The majority of remediation payments to current staff have been completed as at 30 June 2025, with $522.8 million paid to 70,276 staff (including interim payments for some districts). Payments are still pending to the remaining current staff, balance of interim payments and all former staff who have registered with Health NZ. These are expected to be complete by June 2026. Until the remediation projects are completed for all components, there remain uncertainties as to the actual amount Health NZ will be required to pay to current and former employees. A best estimate of these liabilities has been made as at 30 June 2024 and this estimate is reviewed each year end.

The estimates and assumptions may differ to the subsequent actual results as further work is completed. We are keeping the MoH informed of Holidays Act provisions and impacts on Health NZ cash and operational expenditure.

Refer to Critical accounting estimates and assumptions page 45, for further details regarding Holidays Act remediation costs.

Land and Buildings' Revaluations

Health NZ is completing revaluation of land and building assets at 30 June 2025 and the results will be recorded in our accounts. The estimated actuals for 2024/25 do not yet reflect the impact of this and this will be shown in the actual audited 2024/25 annual report through a gain (loss) on property revaluations a part of Other Comprehensive Revenue and Expenses.

Cashflow Assumptions

The projected cashflows for 2024/25 and 2025/26 assume that the Holidays Act Remediation and rectification programme is completed per current schedule, with all payments to registered former employees made by June 2026, including Health NZ contributions. Cashflows assume that the Capex budget in 2024/25 will be underspent by $433m, with $290m of depreciation underspend carried forward. In 2025/26, Capex budget is assumed to be fully met, including the carry-forward.

Prospective financial statements

The following tables provide information on the forecast financial performance, financial position, movements in equity and cash flows of Health NZ.

Forecast Statement of Comprehensive Revenue and Expenses

	Group 2024/25 Est. Actual $m	Group 2025/26 Budget $m
Revenue		
Appropriations – Crown funding ex MOH	24,296	26,218
Other funding ex Crown/Crown entities	3,115	3,395
Third party and other revenue	428	889
Interest received	120	79
Total revenue	**27,959**	**30,581**
Expenditure – Operating Costs		
Personnel costs	12,023	12,416
Outsourced personnel	431	260
Outsourced services	797	999
Clinical supplies	2,526	2,637
Depreciation and amortisation	910	931
External service providers	10,078	10,880
Capital charge	508	550
Interest expense	7	5
Infrastructure, non-clinical supplies and other	1,779	2,103
Total expenditure	**29,059**	**30,781**
Surplus/(Deficit)	**(1,100)**	**(200)**
Other comprehensive revenue and expenses		
Gain/(loss) on property revaluations*	**0***	**0***
Total other comprehensive revenue and expenses	**0**	**0**
Total comprehensive revenue and expenses	**(1,100)**	**(200)**

* Yet to be quantified

Forecast Statement of Changes in Equity

Expected revenue and proposed expenditure	Group 2024/25 Estimated Actual $m	Group 2025/26 Budget $m
Balance at 1 July	9,612	10,572
Capital contributions from the Crown	2,063	3,038
Capital contributions returned to the Crown	(12)	(12)
Movements in trust, special funds and other reserves	9	0
	11,672	**13,598**
Comprehensive income		
Surplus/(deficit) for the year	(1,100)	(200)
Other comprehensive revenue and expense	**(1,100)**	**(200)**
Gain/(loss) on property revaluations	0	0
Total comprehensive revenue and expense for the year	**(1,100)**	**(200)**
Balance at 30 June	**10,572**	**13,398**

Forecast Statement of Financial Position

	Group 2024/25 Estimate Actual $m	Group 2025/26 Budget $m
Assets		
Current assets		
Cash and cash equivalents	923	343
Receivables	420	420
Prepayments	131	131
Investments	35	35
Inventories	190	190
Assets held for resale	0	0
Total current assets	**1,699**	**1,119**
Non-current assets		
Prepayments	5	5
Investments	120	120
Investments in associates and joint venture	3	3
Property, plant and equipment	14,502	16,292
Intangible assets	542	690
Total non-current assets	**15,172**	**17,110**
Total assets	**16,871**	**18,229**
Liabilities		
Current liabilities		
Payables and deferred revenue	2,198	2,149
Borrowings	20	20
Employee Entitlements	2,125	2,167
Holidays Act Remediation Programme	1,480	20
Provisions	80	50
Total current liabilities	**5,903**	**4,406**
Non-current liabilities		
Borrowings	85	104
Employee entitlements	305	315
Restricted funds	0	0
Provisions	6	6
Total non-current liabilities	**396**	**425**
Total liabilities	**6,299**	**4,831**
Net assets	**10,572**	**13,398**
Equity		
Crown equity	6,154	9,180
Accumulated Surpluses/(deficits)	(2,835)	(3,035)
Revaluation reserves	7,173	7,173
Trust and special funds	75	75
Minority interests and other reserves	5	5
Total Equity	**10,572**	**13,398**

Forecast Statement of Cash Flows

	Group 2024/25 Estimated Actual $m	Group 2025/26 Budget $m
Cash flows from operating activities		
Funding from the Crown/Crown entities	27,411	29,613
Interest received	120	79
Other revenue	439	889
Payments to employees	(12,663)	(13,824)
Payments to suppliers	(15,507)	(16,978)
Capital charge	(508)	(550)
Interest paid	(7)	(5)
GST (net)	23	20
Net cash flows from operating activities	**(692)**	**(756)**
Cash flows from investing activities		
Receipts from sale of property, plant and equipment	5	0
Receipts from sale or maturity of investments	359	0
Investment in restricted and trust funds	(8)	0
Funds placed on short term deposit >3 months	0	0
Purchase of property, plant and equipment	(1,530)	(2,623)
Purchase of intangible assets	(103)	(246)
Net cash flows from investing activities	**(1,277)**	**(2,869)**
Cash flows from financing activities		
Capital project contributions from the Crown	1,398	1,594
Holidays Act remediation Crown equity	246	1,094
Equity Support	420	350
Capital contributions returned to the Crown	(12)	(12)
External borrowings	0	19
Net cash flows from financing activities	**2,052**	**3,045**
Net increase/(decrease) in cash and cash equivalents	**83**	**(580)**
Cash and cash equivalents at the start of the year	840	923
Cash and cash equivalents at the end of the year	**923**	**343**

Notes to the prospective financial statements

1. Prospective financial statements and assumptions

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004. They provide information about the future operating intentions and financial position of Health NZ, against which it must report and be formally audited at the end of the financial year.

The information in these financial statements may not be appropriate for purposes other than those described above. Health NZ has complied with financial reporting standard PBE FRS 42 Prospective financial statements in the preparation of these prospective financial statements.

These prospective financial statements are based on significant financial assumptions about future events that Health NZ reasonably expects to occur.

Any subsequent changes to these assumptions will not be reflected in these financial statements.

Actual results for the forecast period are likely to vary from the information presented, and variations may be material.

Statement of significant underlying assumptions

Health NZ has made assumptions in preparing the prospective financial statements. The most significant of these are outlined below.

2. Statement of accounting policies

Reporting Entity

Health NZ is a Crown entity as defined by the Crown Entities Act 2004 (CEA) and is domiciled and operates in New Zealand. The relevant legislation governing Health NZ's operations is the CEA and the Pae Ora (Healthy Futures) Act 2022 (the Act). Health NZ's ultimate parent is the New Zealand Crown.

Health NZ is designated as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP). The prospective financial statements for Health NZ are for the year ending 30 June 2026. They were approved for issue by the Commissioner on 23 June 2025.

Basis of Preparation

Accounting Policies

The prospective financial statements have been prepared with the accounting policies expected to be used for future period reporting of general-purpose financial statements in accordance with GAAP.

Health Sector Reforms

Health NZ was formed on 1 July 2022 from the amalgamation of 20 District Health Boards (DHBs), the Health Promotion Agency, six shared service agencies and some functions of the MoH, referred to as the Combining Entities.

On 5 March 2024 the Pae Ora (Disestablishment of Māori Health Authority) Amendment Act 2024 was passed by Government. Effective from 1 April 2024, certain functions, assets, liabilities and staff of the Māori Health Authority (MHA) were transferred to Health NZ, with a small number transferred to the MoH.

Measurement of the Assets and Liabilities on amalgamation

The assets and liabilities of the Combining Entities and MHA were measured at their carrying amount as of the amalgamation date in accordance with the requirements in PBE standards, with adjustments made where required to conform to Health NZ's accounting policies and to eliminate balances between the Combining Entities.

Going Concern

The prospective financial statements have been prepared on a going concern basis. The Commissioner and Deputy Commissioners of Health NZ, after making enquiries, have a reasonable expectation that Health NZ has adequate resources to continue operations for the foreseeable future subject to the matters set out below. The Commissioner and Deputy Commissioners have reached this conclusion having regard to circumstances which they consider likely to affect Health NZ during the period of one year from the date of signing the prospective financial statements, and to circumstances which they know will occur after that date which could affect the validity of the going concern assumption. The key considerations are set out below:

- Forecast financial performance and cashflows prepared using funding expectations indicate that Health NZ will have sufficient funds (including equity funding from the Crown for approved capital projects and deficit support required to meet forecast operating and investing cash flow requirements for 2025/26 year subject to:
  - Sufficient funding appropriated by the Crown to enable Health NZ to settle remaining holiday pay liability and project costs for the remediation liability calculations.
  - Sufficient funding made available for approved capital plans to implement the projects either through the Health Capital Envelope or other funding streams agreed with the Crown.
  - Health NZ will be seeking a Letter of Comfort from Joint Ministers to support going concern assumptions for 2024/25 annual reporting. The financial projections assume equity funding from the Crown totalling $350 million before 30 June 2026.
  - It is assumed that the MoH will phase appropriated funding payments to enable Health NZ to manage liquidity requirements.

3. Statement of significant accounting policies

The following is a summary of the significant accounting policies that affect the prospective financial statements. A comprehensive list of policies is contained within the Health NZ 2023/24 Annual Report – there have been no changes to the accounting policies.

Basis of Consolidation

Health NZ consolidates in the group prospective financial statements all entities where Health NZ has the capacity to control financing and operating policies to obtain benefits from the activities of subsidiaries. This power exists where Health NZ controls the majority voting power on the governing body or where financing and operating policies have been irreversibly predetermined by Health NZ.

The group prospective financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

The group prospective financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date Health NZ obtains control of the entity and ceases when Health NZ loses control of the entity.

Estimated Actuals 2024/25

The estimated actual financial statements for 2024/25 are the forecast results to 30 June 2025.

Crown funding

Health NZ receives annual funding from the MoH, which is based on appropriations made from the Treasury as part of Vote Health, to support the health sector.
Crown funding is restricted in its use for the purpose of meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of MoH. Funding is recognised as revenue when it becomes receivable unless there is an obligation in substance to return the funds if conditions are not met. If there is an obligation, the funding is initially recorded as deferred revenue and recognised as revenue when conditions of the funding are satisfied. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Other funding from Crown/Crown entities

Health NZ receives funding from the Ministry for Disabled People for specific services to support disabled people and from Pharmac to reimburse Health NZ for hospital and community pharmaceutical expenditure. The Crown funding accounting policy also applies to the funding from the Ministry for Disabled People.

Pharmac funding is recognised as revenue when Health NZ is entitled to be reimbursed for the pharmaceutical expenditure, which is when the pharmaceuticals have been dispensed.

ACC contract revenue is recognised as revenue when eligible services are provided, and any contract conditions have been fulfilled.

Cost allocation

The cost of outputs has been determined 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 identified in an economically feasible manner, with a specific output. Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity/usage information. Depreciation is charged based on asset utilisation. Personnel costs are charged based on actual time incurred. Property and other premises costs, such as maintenance, are charged based on 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.

Personnel costs

Salaries and wages

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

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver (the Government Superannuation Fund) and the State Sector Retirement Savings Scheme are accounted for as defined contribution schemes and are recognised as an expense as incurred.

Defined benefit schemes

Health NZ makes employer contributions to the Defined Benefit Plan Contributors Scheme, which is managed by the Board of Trustees of the NPF, and to the ASB Group Master Trust Scheme (collectively the schemes). The schemes are multi-employer defined benefit schemes.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the schemes the extent to which surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The schemes are therefore accounted for as defined contribution schemes.

The funding arrangements for the Defined Benefit Plan Contributors Scheme are governed by section 44 of the National Provident Fund Restructuring Act 1990 and by a Trust Deed. This Act requires that any increase or decrease to the employer contribution rate should result in contributions being at a level which, on reasonable assumptions, is likely to achieve neither a surplus nor deficit in the trust fund of the scheme at the time that the last contributor to that

scheme ceases to so contribute. The Trust Deed specifies that immediately before the scheme is wound up, the assets and the interests of all contributors in the scheme will be transferred to the DBP Annuitants Scheme. Employers have no right to withdraw from the plan.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of Leases

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to Health NZ. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment and intangible assets, whereas for an operating lease no such asset is recognised. Health NZ exercises its judgement on the appropriate classification of leases.

Principal or agent of the Pharmaceutical Management Agency (Pharmac)

In determining whether Health NZ is a principal or an agent of Pharmac in relation to community pharmaceutical funding and expenditure transactions – as there is no written agreement between Health NZ and Pharmac, judgement has been exercised in assessing which party has exposure to the significant risks and rewards associated with the supply of community pharmaceuticals.

Management reached the view that Health NZ is acting as a principal and therefore recognises the funding from Pharmac as revenue and the payment of claims from community pharmacies for their dispensation of funded pharmaceuticals as expenditure.

Critical accounting estimates and assumptions

Health NZ has made estimates and assumptions concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

Estimating the fair value of land and buildings

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. The comparable land value rates ($/m2) that have been applied across Health NZ land vary from site to site across New Zealand.

Titles to land transferred from the Crown to Health NZ are subject to a memorial in terms of the Treaty of Waitangi Act 1975 (as amended by the Treaty of Waitangi (State Enterprises) Act 1988).

Some of the land is subject to Right of First Refusal (RFR) in favour of certain iwi under the Ngai Tahu Claims Settlement Act 1998 and the Tamaki Collective Deed of Settlement.

Land held in the Auckland Region is subject to Section 148 of Nga Mana Whenua o Tamaki Makaurau Collective Redress Act 2014 ("The Redress Act") which means that the land is RFR land as defined in section 118 and is subject to Subpart 1 of Part 4 of The Redress Act, which restricts disposal, including leasing of the land.

The disposal of certain properties may also be subject to the provision of section 40 of the Public Works Act 1981.

Health NZ does not have full title to Crown land it occupies, but transfer is arranged if and when land is sold.

Restrictions on Health NZ's ability to sell land would normally not impair the value of the land because Health NZ has operational use of the land for the foreseeable future and will substantially receive the full benefit of outright ownership. However, adjustments have been made to some "unencumbered" land values for where there is a designation against the land, or the use of the land is restricted. These adjustments vary from site to site, depending on the designation/restriction, and are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely or at its highest and best use.

Buildings

Specialised hospital buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for optimisation due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts awarded for similar assets, Quantity Surveyor cost estimates or by applying relevant indices (e.g., Property Institute of New Zealand) to previous replacement costs.

- For earthquake-prone buildings that are expected to be strengthened, the estimated earthquake-strengthening costs have been deducted off the depreciated replacement cost in estimating fair value. Where no decision has been made to strengthen earthquake-prone buildings, the remaining useful life has been reduced if Health NZ is required to remediate the buildings within a specific timeframe.
- The estimated cost of asbestos/other remediation works have been deducted off the building depreciated replacement cost in estimating fair value.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

Estimated useful life of property, plant and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Health NZ, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit and the carrying amount of the asset in the Statement of Financial Position. Health NZ minimises the risk of this estimation uncertainty by:

- regular/cyclical physical inspection of critical buildings and associated plant
- asset replacement programmes
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

Health NZ has not made significant changes to past assumptions concerning useful lives and residual values.

Measuring the liabilities for Holidays Act 2003 remediation

Holidays Act 2003 remediation

A number of New Zealand’s public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003 (the Holidays Act).

Work has been ongoing since 2016 on behalf of Health NZ and the New Zealand Blood Service, with the Council of Trade Unions, health sector unions, and the Ministry of Business, Innovation and Employment Labour Inspectorate, for an agreed approach to identify, rectify and remediate any Holidays Act non-compliance. Prior to the establishment of Health NZ, the then-DHBs agreed to a Memorandum of Understanding, which contains a method for determination of individual employee earnings, for the calculation of the liability for any historical non-compliance.

The health sector has a workforce that includes differential occupational groups with complex entitlements, non-standard hours, allowances/overtime. The process of assessing non-compliance with the Holidays Act and determining any additional payment is complex.

The remediation project, including the process of reviewing payroll processes and assessing non-compliance with the Holidays Act and determining any additional payment, is a significant undertaking and the work required is time consuming and complicated. Judgements and assumptions have been made to make an estimate of the liability.

The opening balance transferred to Health NZ from combining entities on 1 July 2022 had been estimated either by using remediation scripts (where 100% of the population is recalculated) or using a sample and extrapolation approach across the population. The sample and extrapolation method generated an estimate by using both terminated and current employees. Employees were taken from each district that were employed between 1 May 2010 and 30 June 2022 (being the agreed remediation period).

For years 2022/23 to 2024/25, no further sampling and extrapolation has been completed given the progress made on remediation projects, with payments having commenced in July 2023 to current employees in some districts. Also, further sampling and extrapolation would be unlikely to provide a significantly different financial liability estimate.

An estimate has been made of the amount required for each additional year of non-compliance since 1 July 2022 and this has been added to the provision in financial years 2022/23 to 2024/25 (until the payroll system is rectified and remediation payments to current employees are made). Ernst & Young (EY) modelling was used to estimate the uplift required in the provision for each year for those districts where a sample and extrapolation method was used to estimate the liability.

A level of non-compliance based on a percentage of gross pay on average has been assumed as the level of ongoing non-compliance in year 2022/23 and 2024/25 on a district-by-district basis. The percentage ranges from 2.34% to 4.02%. This assumes that no corrective actions have been taken to reduce non-compliance with the Holidays Act and that the level of non-compliance is therefore consistent across years on a district-by-district basis.

For districts that used remediation scripts, the liability uplift was determined from updated remediation scripts or the weighted average estimated level of ongoing non-compliance for districts from EY’s modelling of 3.09%.

Payments to settle this provision commenced in July 2023 and are continuing till 2025/26. Payments made to date have been deducted from the provision. The majority of payments to current staff are expected to be made by June 2025.

Amounts relating to revaluation of annual leave because of the Holidays Act remediation payments is also deducted from the provision when payments are made to employees (to reflect the leave rates agreed to be used for calculating annual leave entitlements as part of the remediation project). When these employees received remediation payments, this “revaluation” was transferred to the annual leave balance.

Payments to current and former staff are expected to be completed in 2025/26, for those current and former employees who have registered with Health NZ.

Measuring the liabilities long service leave, retirement gratuities, sabbatical leave, and continuing medical education leave

Long service leave and retirement gratuities

The present value of sabbatical leave, long service leave, and retirement gratuities obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating these liabilities are 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 outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

The discount rates used are those advised by the New Zealand Treasury published risk-free discount rates as at the end of each financial year end the salary inflation factor is Health NZ’s best estimate of forecast salary increments.

If the discount rate were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service leave and retirement gratuities obligations would not be materially higher or lower. If the salary inflation factor were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service leave and retirement gratuities obligations would not be materially higher or lower.

Provision for Covid-19 inventory obsolescence

Covid-19 inventories may become obsolete. Covid-19 inventory obsolescence is calculated based on product expiry dates and the expected future usage given the current national pandemic response settings.

Capital charge

The capital charge is recognised as an expense in the financial year to which the charge relates. The capital charge rate for the year ended 30 June 2025 was 5.00% and the prospective financial statements for 2025/26 are prepared using 5%.

Investments

Trust/special fund assets

The assets are funds held by Health NZ and comprise donated/endowed and research funds. The use of the funds must comply with the specific terms of the sources from which the funds were derived. The revenue and expenditure in respect of these funds are recognised in the surplus or deficit and is transferred from/to trust funds in equity.

Loan receivables

The long-term loan receivables are initially measured at fair value plus transaction costs. The loans receivable has been measured at fair value through surplus or deficit.

Residential care loans

Interest free loans are provided to eligible rest home patients. The loans are secured over the property of the borrower and repayable at the earlier of sale of the secured property or death of the borrower. The loans are recorded at valuation based on an actuarial valuation carried out by Deloitte Ltd (as trustee for the Deloitte Trading Trust) using the property prices based on the return in the Reserve Bank of New Zealand (RBNZ) House Price Index. The discount rate applied is based on the risk-free spot rates prescribed by the Treasury for use for valuations.

Equity investments

Health NZ designates short-term investments at fair value through other comprehensive revenue or expense, which is initially measured at fair value plus transaction costs. After initial recognition, these investments are measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/deficit.

Investment Portfolios with fund managers and some equity investments are measured at fair value through surplus or deficit, having been designated as such on initial recognition. The fair value of portfolio investments and some equity investments has been calculated based on quoted market prices at the balance sheet date without deduction for transaction costs.

Equity

Health NZ's capital is its equity, which consists of Crown equity, accumulated surplus or deficit, revaluation reserves, and trust funds. Equity is represented by net assets.

Health NZ is subject to the financial management and accountability provisions of the Crown Entities Act, which impose restrictions in relation to borrowings, acquisition of securities, issue of guarantees and indemnities and the use of derivatives.

Health NZ manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that it effectively achieves its objectives and purposes while remaining a going concern.

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Crown Equity
- Accumulated surplus or deficit
- Revaluation reserves
- Trust and special funds
- Minority interests and other reserves.

Contributions from/(repayment to) the Crown

This relates to funding from the Crown for Crown approved capital projects, funding of Holidays Act Remediation and related project costs, and funding for pay equity for Allied Health and Midwifery.

Revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Trust and special funds

The receipt of donations, bequests, and investment revenue earned on trust funds, is recognised as revenue and then transferred to the trust funds' reserve from accumulated surplus or deficit. Application of trust funds on the specified purpose is recognised as an expense, with an equivalent amount transferred to accumulated surplus or deficit from the trust funds' reserve.

This reserve records the unspent amount of unrestricted donations and bequests provided to Health NZ.

Forecast Statement of Service Performance

	Group 2024/25 Estimated Actual $m	Group 2025/26 Budget $m
Output Class		
Public health services		
Revenue	533	556
Expenditure	524	556
Net Surplus / Deficit	**9**	**0**
Primary and community services		
Revenue	9,685	10,479
Expenditure	9,413	10,479
Net Surplus / Deficit	**272**	**0**
Hospital and specialist services		
Revenue	14,541	16,090
Expenditure	15,973	16,290
Net Surplus / Deficit	**(1,432)**	**(200)**
Mental health and addiction		
Revenue	2,716	2,901
Expenditure	2,695	2,901
Net Surplus / Deficit	**21**	**0**
Hauora Māori services		
Revenue	484	555
Expenditure	454	555
Net Surplus / Deficit	**30**	**0**
Total revenue	**27,959**	**30,581**
Total operating expenditure	**29,059**	**30,781**
Net Surplus / Deficit	**(1,100)**	**(200)**

Glossary

Term / acronym	Description
ACC	Accident Compensation Commission
CEA	Crown Entities Act 2004
CT scan	Computed Tomography Scan
DHB	District Health Board
ED	(Hospital) Emergency Departments
GAAP	New Zealand generally accepted accounting practice
GP	General Practitioner
GPS	Government Policy Statement on Health 2024-2027
GST	Goods and services tax
hauora	Health and wellbeing
Health NZ	Health New Zealand | Te Whatu Ora
IMPB	Iwi Māori Partnership Board
kaupapa	Topic, policy, matter for discussion, plan, purpose, scheme, proposal, agenda, subject, programme, theme, issue, initiative.
MoH	Ministry of Health
MRI	Magnetic resonance imaging
PBE FRS	Public Benefit Entity Financial Reporting Standard
PHO	Primary Health Organisation
RFR	Right of First Refusal
SOI	Health NZ's Statement of Intent 2024-2028 (published on our website)
SPE	Health NZ's annual Statement of Performance Expectations (published on our website)
whānau	Extended family, family group.

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