

Briefing to the Incoming Minister of Health

Part B: The health portfolio – roles and responsibilities

January 2025

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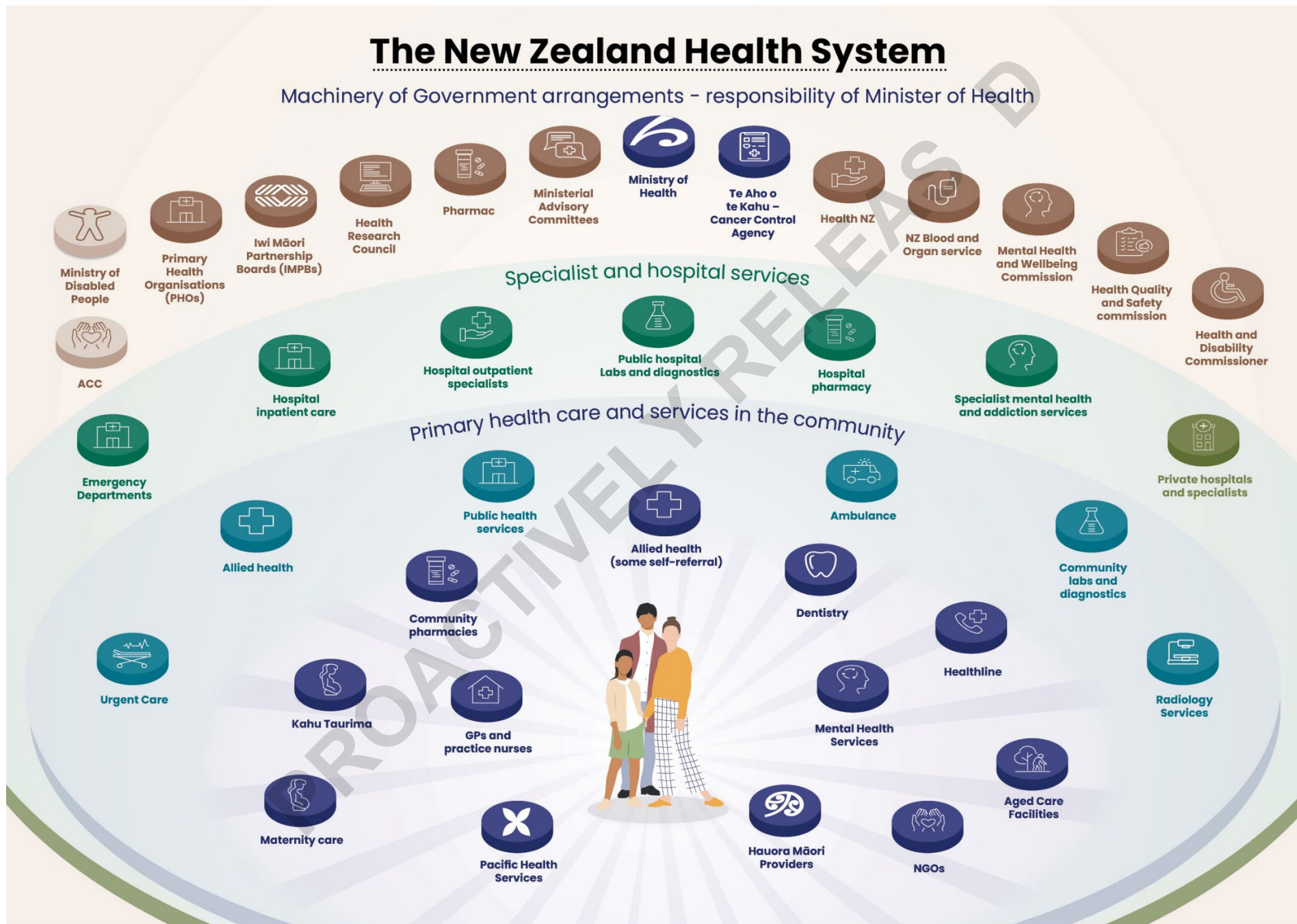
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Figure 1: Overview of the health system, as at January 2025



The health system and your role as Minister of Health

Overview of the current health system

The health system in New Zealand reflects the range of functions required to manage and deliver health services to our population. Many parts of the health sector have different funding and delivery approaches. As a whole, the system includes a range of public sector agencies, health service providers (many of which are private sector organisations or community organisations), professional organisations, and all the health workers within these entities. A high-level overview of the different parts of the health system is set out in Figure 1. A more detailed overview can be found at Appendix A on page 19.

Roles and responsibilities as Minister of Health

The Minister of Health is responsible for setting priorities for health outcomes and the performance of agencies and entities that report to you. This includes Vote Health funding and 30 statutes (Acts of Parliament are listed in Appendix C on page 23). The Pae Ora (Healthy Futures) Act 2022 (the Pae Ora Act) sets high-level roles for the Minister of Health, while other legislation and regulation outline specific responsibilities. You also hold other statutory responsibilities, functions, and powers, which are laid out in specific legislation identified in Appendix C on page 23. Some of these responsibilities have been delegated to the Minister for Mental Health or delegated by your predecessor to Associate Ministers of Health, see Appendix D on page 27. You may wish to consider altering the present delegation arrangements, the Ministry can provide you with further information about current or future delegations if requested.

The Pae Ora Act outlines key responsibilities you hold as Minister of Health:

- to be guided by the health sector principles
- determining the following health strategies:
 - New Zealand Health Strategy
 - Hauora Māori Strategy
 - Pacific Health Strategy
 - Health of Disabled People Strategy
 - Women's Health Strategy
 - Rural Health Strategy
 - Mental Health and Wellbeing Strategy
- issuing a Government Policy Statement on Health (GPS) for a three-year period

- approving the New Zealand Health Plan developed by Health New Zealand (Health NZ)
- endorsing the New Zealand Health Charter for health workforce
- approving a Code of Expectations for consumer and whānau engagement in the health sector
- responsibilities and intervention powers for health entities
- the ability to set up ministerial committees and the Minister's role in existing committees (current committees are listed in Appendix C on page 23).

The Minister of Health can determine the timeframes for issuing strategies under the Pae Ora Act. When released, the strategies were intended to set high-level directions for five to ten years.

In 2022, the Code of Expectations for health entities' engagement with consumers and whānau was set. In 2023, six health strategies and the New Zealand Health Charter were published by the Minister of Health.

The Mental Health and Wellbeing Strategy is a new requirement, made through an amendment to the Pae Ora Act in 2024 from a member's bill. This strategy is required to be developed by October 2025. The Minister for Mental Health is leading the development of this strategy, reflecting the Prime Minister's delegation of mental health strategy and policy matters within the health system to the Minister for Mental Health. In establishing a dedicated Mental Health portfolio, the Prime Minister has also set expectations that you consult with the Minister for Mental Health on direction setting for the health system.

Your Government released the *Government Policy Statement 2024–2027* in June 2024, which sets out priorities for the publicly funded health system over the next three years. The Government Policy Statement must be issued for a period of at least three financial years, but as the Minister of Health, you can amend it at any time. The New Zealand Health Plan is currently nearing completion and will set out how Health NZ and the health sector will deliver on the expectations of your Government.

The Minister of Health can also develop and issue additional strategies, not included in the Pae Ora Act. For example, your predecessor published the Rare Disorders Strategy in July 2024 as part of the Government's response to recommendations from the independent review of the Pharmaceutical Management Agency | Te Pātaka Whaioranga (Pharmac).

As Minister of Health, you have responsibility for Vote Health appropriations relating to funding the health system and health services. More information about Vote Health and how the health sector is funded can be found at page 15 of this document.

The Minister of Health is also responsible for more than 500 statutory appointments for a range of health entities including Crown entities, responsible (regulatory) authorities, tribunals, and technical and advisory committees. Different pieces of legislation set out the specific membership requirements, terms of office, and

vacation of office requirements for each entity. Some of the relevant legislation includes the Crown Entities Act 2004 (for Crown entity board appointments), the Health Practitioners Competence Assurance Act 2003 (for appointments to health profession regulatory bodies and the Health Practitioners Disciplinary Tribunal), and the Pae Ora Act (for various ministerial committees).

Statutory appointments or removals of statutory appointees is one of the levers you have available to you as Minister of Health to ensure strong health system performance, particularly in relation to Crown entities. Generally, the appointment process is triggered when existing members' terms are close to expiring or when a member resigns. The process can also be triggered if a member is removed by the Minister. The various pieces of legislation set out key appointment requirements for each appointment type. However, the process for making most of these types of appointments follows the recruitment and appointment process outlined in the Public Service Commission | Te Kawa Mataaho Board Appointment and Induction Guidelines, and in most cases, includes consideration by the Cabinet Appointments and Honours Committee. A list of statutory entities, boards and committees can be found in Appendix C on page 23.

Roles and responsibilities in relation to Māori health

The Pae Ora Act sets the Crown's commitment to Te Tiriti with specific provisions for Māori health. This includes the guiding principles for the health sector, the requirement to establish the Hauora Māori Advisory Committee, and legislative recognition of Iwi-Māori Partnership Boards to enable Māori to have a meaningful role in the planning, design, and monitoring of local services.

The health sector is guided by the health sector principles set out in Section 7 of the Pae Ora Act. The principles include aims to improve how the health sector responds to and addresses the health and wellbeing of all New Zealanders, with a specific focus on Māori and those with the highest health needs.

The role of the Ministry of Health

Our role as steward of the health system

The Ministry of Health (the Ministry) is the steward of New Zealand's health system. The Ministry is the lead regulator, monitor and advisor to ministers on health and supports you to achieve your priorities for health.

Our aim with respect to stewardship is to ensure that the system settings are in place to support long-term health outcomes, and that we identify and work with partners in the health system to address issues and risks. We also support the health system to respond in the context of global trends, and to work together to achieve the Government's objectives.

The Ministry's stewardship role has two aspects. We are stewards of:

- **the health of the population of New Zealand**, focusing on assessing health outcomes and trends, identifying determinants of health, and encouraging partnerships and actions to protect and improve health across the public and private sectors
- **the health system**, focusing on how the system works, advising the Government on the system's performance and enabling the health entities to deliver in line with expectation, and supporting their accountability to ministers, now and in the future.

Both these aspects of stewardship support the Government to achieve its objectives. To fulfil these responsibilities, we undertake the following four broad roles.

Our strategic priorities

Our stewardship functions provide an organising framework for our priority activities. The functions are enduring and keep us focused on the long-term vision while responding to opportunities and challenges in the shorter term.

Our role as a partner to other health entities, wider government agencies, and organisations and communities outside the public sector, is integral to how we lead, advise, assess, and convene to deliver on these priorities. However, as system steward and lead monitor for health entities and health outcomes, we also raise and highlight issues and concerns with the entities, and ministers, when appropriate.

The Ministry is primarily responsible for developing and maintaining legislation, monitoring regulatory outcomes, and managing relationships between, and performance of, other agents in the regulatory system. Many parts of the Ministry are involved in regulation and oversight of health regulatory systems, alongside other health agencies including service and audit providers and wider health system agents such as responsible authorities.

Our strategic priorities are:

Providing system-level leadership

As the steward of the health system, the Ministry sets the direction for the health system to deliver better health outcomes for New Zealanders. The health system is complex and requires direction to align efforts towards this common cause. The Ministry convenes health system organisations to ensure the health system is focused on Government priorities, develops strategies and frameworks as required such as the Pae Ora Strategies and the Government Policy Statement on Health, and works alongside others across government and the health sector to deliver on priorities.

Driving system performance

The performance of the health system has a material impact on health outcomes. It is important to understand how the system is tracking and that it is doing so within the resources available. The Ministry also sets expectations for health entities. The Ministry monitors performance at an entity and system level to track progress and intervenes and acts in a timely and proportionate manner where issues arise.

Be the Government's primary advisor on health

The Ministry works with the Government to ensure its priorities are delivered by providing high-quality advice to support Government decision-making to deliver better health outcomes for all New Zealanders. The Ministry seeks to be flexible and responsive to Ministers' priorities and to align its work programme accordingly. This includes delivering on key policy for the Government, supporting the Government in its decision making relating to annual Budgets, and delivering on agreed upon legislative programmes.

Future-proofing our health system

To future-proof the health system, the Ministry needs to understand the long-term challenges, risks, and opportunities for the health system so that options to address these can be developed. The Ministry monitors trends and undertakes horizon scanning to prepare for emerging issues. This includes publishing Long-term Insights Briefings and continuing to build a strong evidence base to inform decision-making, strategies, and policies. This is also achieved by setting the long-term vision for health in New Zealand through the Government Policy Statement on Health, which looks at how health funding is used to ensure the best funding decisions are being made.

Regulate the health system

The Ministry is responsible for ensuring public safety, quality, and enabling the application of new innovative solutions through its regulatory functions and activities. This work includes promoting the safe provision of health services to the public, monitoring the safety of medicines, and enabling innovative ways of working to improve health outcomes. This is being achieved by strengthening regulatory understanding, practice and assurance across the Ministry and health sector, and by monitoring and enhancing the health system regulatory environment to ensure it is fit for purpose. The Ministry is currently involved in the review of legislation, that impacts on regulatory design, in the areas of mental health and addiction, health workforce and medical products. Areas of innovation, like Precision Medicine, are being reviewed to ensure regulatory settings are both enabling and provide the appropriate guardrails to ensure safety and quality of health services and products for all.

Organisational excellence

The Ministry continuously strives to improve its ways of working to enable it to effectively deliver on its priorities and have a culture of internal excellence. This is achieved by building on internal capabilities, having an empowered and trusted leadership, having a focus on efficiency and effectiveness in all processes and by

enhancing priority-led business planning to provide a coherent picture of performance across the Ministry.

How the Ministry is set up and structured

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

These functions have long been an integral part of the Ministry's roles and responsibilities. Since July 2022 and in the context of the health system changes, we have been strengthening and enhancing these functions and the way we carry these functions out, through a change process within the Ministry.

To lead the health system through the years ahead, we are working to support ministers to set strategic direction and policy, to shape the regulatory environment, and to monitor how the system is working. Through a transformation programme, we have strengthened and improved the way we do business to ensure we deliver for ministers, communities, partner agencies, and the health sector.

Our overarching organisational structure consists of the Director-General of Health and eight directorates.

Delivery of strategic priorities

Three directorates contain capabilities focused on the delivery of our core roles and responsibilities:

Strategy, Policy and Legislation | Te Pou Rautaki

(Permanent FTE Establishment 93.5)

These related functions support ministers to identify, develop and deliver their priorities. Strategy sets and updates the long-term vision, overall direction, and objectives for health. It scans the horizon, considers trends and potential opportunities, and sets high-level parameters for how the direction is to be achieved over time, including through investment. Policy translates strategy into actions, rules, requirements, and legislation to achieve the direction, working closely with specialist capabilities across the Ministry. This work includes engagement, evidence and evaluation, design thinking, innovation, and behavioural insights. Legislation is a potential lever to achieve our objectives when other options cannot address the problem adequately.

Regulation and Monitoring | Te Pou Whakamaru

(Permanent FTE Establishment 169.55)

These related functions support ministers to ensure the health system works well together to achieve its goals and is fit for purpose over the long term. Regulation involves working to uphold the quality and safety of providers, products, and services,

so the public can have confidence in them. Key examples include HealthCert, which oversaw more than 500 audits of public and private health care providers in 2024; Medsafe, which regulates medicines, both pre- and post-market, with reference to a network of other trusted international medicine regulatory agencies; and the Office of Radiation Safety, which oversees the safe and beneficial use of ionising radiation.

This often requires a degree of statutory independence to ensure the integrity of the regulatory regime. This function uses a range of tools, including approving, monitoring, certifying, licensing, and reviewing responsible authorities, services, and providers. Monitoring involves assessing and analysing population health outcomes and the performance of Crown entities¹ against Government objectives. This function, drawing on specialist capabilities and advice across the Ministry, provides insight and advice on outcomes and performance to support ministers to exercise their role, including to manage the Crown's interests and its relationship with those entities, and to intervene in the health system where necessary.

Public Health Agency | Te Pou Hauora Tūmatanui

(Permanent FTE Establishment 128.2)

The Public Health Agency (as a branded business unit of the Ministry) provides public health leadership across the health sector and beyond. Its roles include influencing the wider determinants of population health, protecting against health risks and threats across New Zealand and internationally, preventing illness and premature mortality, and promoting health and wellbeing. Specific functions include leading public health policy, strategy, regulation, intelligence, surveillance, and monitoring and providing advice to ministers on public health matters.

The Public Health Agency also hosts the Pacific Health Team that delivers leadership, policy advice and engagement for Pacific health across the Ministry; the Global Health team that leads New Zealand's relationship and responsibilities with international health bodies, including the World Health Organization; and the Emergency Management Team, who is responsible for preparedness, leadership and assurance in health emergencies.

Specialist capabilities that work across the Ministry

In addition the Ministry has three further directorates that reflect priority areas and consolidate specialist skills and knowledge that underpin all the Ministry's roles and functions into a directorate or priority portfolio:

Māori Health | Te Pou Hauora Māori

(Permanent FTE Establishment 47)

Te Pou Hauora Māori is the principal advisor to the Minister of Health on Te Tiriti and Māori health equity. It operates at the heart of the Ministry's stewardship function to ensure the health system is meeting its obligations under Te Tiriti, improving Māori

¹ Pharmaceutical Management Agency (Pharmac), Health Quality and Safety Commission, New Zealand Blood and Organ Service, Health Research Council, Mental Health and Wellbeing Commission and the Health and Disability Commissioner. You can find more information about these entities in the next section of this document.

health outcomes, and strengthening relational trust through partnerships with Māori to advance Māori health equity across the health system. Te Pou Hauora Māori leads Māori-Crown relationships across the health sector and facilitates Waitangi Tribunal processes (as the lead Crown agency for Wai 2575 Health Service and Outcomes Kaupapa Inquiry), as well as the health sector's input into wider Māori-Crown relations. It provides strategy and policy advice on Te Tiriti and Māori health, undertakes Māori health monitoring, provides insights on Māori health needs and supports the work of the Hauora Māori Advisory Committee.

Clinical, Community and Mental Health | Te Pou Whakakaha

(Permanent FTE Establishment 64)

This directorate ensures strategy, policy, regulation, legislation, system monitoring and performance are informed by evidence-based mental health, addiction and suicide prevention expertise, as well as clinical, lived experience and health system experience. The specialist expertise in the directorate provides mental health, community, clinical and professional leadership and advice across the Ministry and sector partners to support equitable health outcomes for all New Zealanders. The directorate convenes clinical professions to help influence the future direction of the system.

Evidence, Research and Innovation | Te Pou Whakamārama

(Permanent FTE Establishment 55.5)

Evidence, research and innovation have a powerful impact on how a health system performs and delivers care, and on the health and wellbeing outcomes that it ultimately achieves. As a centre of excellence within the Ministry, this directorate promotes and provides high-quality analytics research, science, health economics and other evidence to better inform strategy and decision-making and drive innovation within the health system. This directorate has an important role in horizon scanning, both globally and nationally, to identify risks and opportunities in relation to health and health services.

Ministry operations

There are two directorates that consolidate the functions and capabilities needed to run the Ministry as an effective organisation and government department.

Government and Executive Services | Te Pou Whakatere Kāwanatanga

(Permanent FTE Establishment 91)

This function is focused on supporting ministers and the business of government and Parliament in line with the norms and conventions of a government ministry and machinery of government. These responsibilities range from supporting you as the Minister of Health to make appointments to Crown entity boards, to preparing responses on your behalf to parliamentary questions and Official Information Act (OIA) requests. In 2024 the Ministry drafted responses to 2211 OIA requests, and 4,580 parliamentary questions out of a total of 9,655 questions for the Health and Associate Health portfolios. It is also responsible for ensuring that the Ministry's leadership maintains high integrity, sound and compelling communications and engagement, and strong organisational governance.

Corporate Services | Te Pou Tiaki

(Permanent FTE Establishment 118.75)

The Corporate Services function protects and looks after our organisation, to ensure we have great people, processes, and technology. It provides high-quality advice, services, and support to enable the business to run efficiently and achieve organisational excellence. It manages key organisational risks and monitors and reports on the overall performance (financial and non-financial) of the Ministry. It also ensures alignment with Public Service Commission and central government direction.

The Finance and Performance function within Corporate Services provides both strategic and day-to-day finance related activities to ensure the Ministry meets its financial management responsibilities. This includes managing and monitoring Vote Health performance and monitoring the financial performance of Health Crown entities.

Our monitoring role

As chief steward of the health system, the Ministry has an important role in monitoring the performance and outcomes achieved by our health system. This includes monitoring and public reporting on health system performance and outcomes for Māori. Monitoring occurs at three levels:

- the health of the population and our diverse communities
- the collective performance of the health system and its constituent parts, in achieving goals and objectives in line with the Government's intent
- the individual performance of each health entity in line with its functions.

For entity performance, their board, commissioner, or council, is responsible for monitoring their performance against the expectations set by the Minister and their role and responsibilities. The Ministry reviews the performance of Crown entities as well, including boards.

The Ministry has evolved our monitoring approach over the past 18 months in response to the health reforms, focused on:

- system-level monitoring (to reflect the breadth of our stewardship role)
- crown-entity monitoring
- enhanced, risk-based monitoring of Health NZ to respond to governance and performance challenges.

Our enhanced, risk-based monitoring of Health NZ approach focuses on four key domains:

- governance, leadership, and accountability
- functional design and delivery

- service performance
- financial performance.

Māori-Crown relations

As principal advisor and agent on Māori health, the Ministry is responsible for leading the effective negotiation and implementation of Māori-Crown relationship agreements within the health sector. Relationship agreements allow iwi and Māori groups to work with public sector agencies (including health organisations) to develop tailored relationships which address both individual and shared aspirations. In a health sector context, relationship agreements allow the Crown and iwi and Māori groups to address health, social needs and aspirations.

The role of other health sector agencies and entities

This section focuses on the agencies and crown entities that are responsible to the Minister of Health and outlines the current roles and functions of each entity.

As outlined in the previous section of this document, the **Ministry of Health | Manatū Hauora (the Ministry)** is the chief steward of the health of the New Zealand population and the health system and lead advisor to the Government on health.

The Ministry hosts the departmental agency **Cancer Control Agency | Te Aho o Te Kahu**. The Cancer Control Agency reports directly to the Minister of Health, while its corporate functions are hosted by the Ministry. The Cancer Control Agency was created in recognition of the impact cancer has on the lives of New Zealanders and provides a sharp focus on this important health issue. The Cancer Control Agency provides central leadership and oversight of cancer control and unites efforts to deliver better cancer outcomes for New Zealand. It is also accountable for ensuring transparency of progress towards the goals and outcomes in the National Cancer Action Plan 2019–2029.

Health New Zealand | Te Whatu Ora (Health NZ) is a Crown agent currently governed by a Commissioner who reports to you as the Minister of Health. Its objectives are set by the Government through strategic directions and policy settings. Health NZ has taken over responsibility for funding and delivering health services from the previous 20 district health boards and some operational functions previously undertaken by the Ministry. Health NZ plans, commissions, and provides most publicly funded health services through a nationally coordinated and regionally delivered health system. Health NZ regions oversee commissioning of primary and community services and manage the delivery of hospital and specialist services networks. Health NZ has also taken over responsibility for the management of buildings with a

replacement value of around \$24 billion and capital intentions over the next 10 years estimated at approximately \$20 billion.

Pharmaceutical Management Agency | Te Pātaka Whaioranga (Pharmac) decides which medicines, vaccines, medical devices, and related products should be funded for New Zealanders from within a capped budget set by the Government.

The **Health Quality and Safety Commission | Te Tāhū Hauora (HQSC)** leads and coordinates work across the health sector, for the purposes of monitoring and improving the quality and safety of health services.

The **New Zealand Blood and Organ Service | Te Ratonga Toto O Aotearoa (NZBOS)** is New Zealand's sole provider of blood, blood products and associated services and co-ordinates deceased organ donation, tissue donation (eye tissue heart valves and skin), hip bone donation, and operates the Heart Valve Bank and the New Zealand Bone Marrow Donor Registry. Almost all its revenue comes from Health NZ for the supply of blood, blood products, and services.

The **Health Research Council (HRC)** is the primary government funder of health research in New Zealand. It was established under the Health Research Council Act 1990 as a Crown agent. It is responsible to the Minister of Health and advises the Minister on national health research policy. However, the HRC is largely funded from Vote Science and Innovation.

The **Mental Health and Wellbeing Commission | Te Hiringa Mahara** was established as an independent Crown entity in response to He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction, to provide independent, system-level oversight of mental health and wellbeing in New Zealand. One of its key objectives is to contribute to better and more equitable mental health and wellbeing for New Zealanders. The statutory independence of the Mental Health and Wellbeing Commission from government policy is important to ensure it can carry out its oversight and monitoring function. The Prime Minister has delegated the Minister for Mental Health as the responsible Minister for the Mental Health and Wellbeing Commission.

The **Health and Disability Commissioner | Te Toihu Hauora, Hauātanga (HDC)** is an independent Crown entity, established by the Health and Disability Commissioner Act 1994. It is steward of the Code of Health and Disability Services Consumers' Rights, and its objective is to ensure that the rights of consumers are promoted, protected, and upheld. The HDC provides an independent mechanism for the assessment and resolution of complaints about the quality of care provided to people, and holds providers to account, where people's rights have not been appropriately respected. This mechanism includes running a complaints process for consumers and running commissioner-initiated inquiries.

Accountability and performance of Crown health entities

As Minister, you have a range of levers under the Crown Entities Act 2004 and specific health legislation available to support performance and accountability from health

entities. Crown entities are governed by boards, or a commissioner or council, that are accountable to you for performing their duties. Levers include:

- setting entities' strategic direction and annual performance requirements (for example, through the Government Policy Statement on Health, annual Letters of Expectation, Statements of Intent/Statements of Performance Expectations, setting funding parameters and giving directions)
- monitoring strategic direction and results (for example, through the monitoring agent, discussing results with entities, requesting information)
- board appointments, remuneration and removals (for example, appointing chairs and members, setting terms and conditions of appointment, ensuring quality induction and review processes).

The Ministry will support you to carry out your duties as Minister

The Ministry acts as your agent in the above roles and is responsible for monitoring health Crown entity performance on your behalf and providing you with advice. The Ministry, through our Director-General or lead Deputy Director-General, supports you as lead monitor in meetings with the chairs of health entities.

The Ministry also supports the Minister and the Governor-General to make appointments to over 500 statutory health roles for a range of entities and bodies. Further information on the full range of entities, boards, and committees for which you are responsible can be found in Appendix C on page 23. These include 18 independent statutory authorities that regulate health professions under the Health Practitioners Competence Assurance Act 2003 and ministerial committees related to ethics and medicines.

Ministerial health committees provide you with independent expert advice and offer a forum for the sector to have a role in decision-making. The Pae Ora Act enables you to establish any committee necessary to deliver on the purpose of the Act. The Act also requires the establishment of three specific ministerial committees:

- The **Hauora Māori Advisory Committee (HMACH)**: provides independent advice to the Minister of Health and ensures a Māori voice and perspective is involved in the exercise of a range of Ministerial powers and decision-making. It also has a role to monitor Māori health outcomes and system performance.
- **Public Health Advisory Committee**: provides independent advice to the Minister, Public Health Agency and Health NZ on public health issues, promotion of public health and any other necessary matters.
- **National Ethics Advisory Committee**: provides advice on ethical issues of national significance in respect of any health and disability matters, including health research and services.

The Ministry provides secretariat support for health committees.

Other government agencies key to health

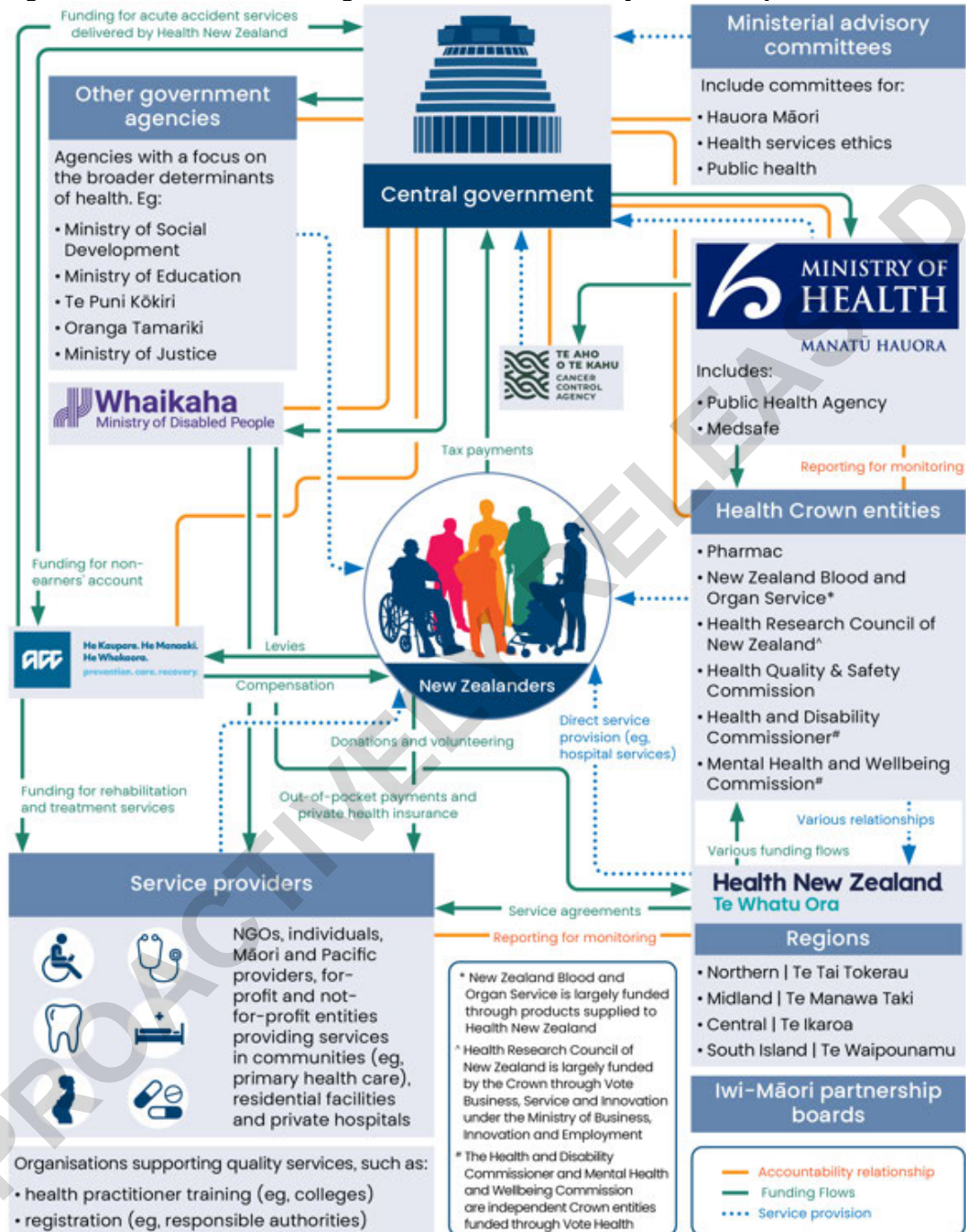
Ministry of Disabled People | Whaikaha was created on 1 July 2022 as a departmental agency hosted by the Ministry of Social Development to fund disability services for disabled people. The Ministry of Disabled People became a standalone public service agency on 1 December 2024 and provides stewardship and strategic leadership on disability issues across government, reporting to the Minister for Disability Issues. The Ministry works closely with the Ministry of Disabled People to improve health services and health outcomes of disabled people.

Accident Compensation Corporation (ACC) provides accident compensation entitlements, including funding for treatment, rehabilitation and support services for individuals suffering from injury and loss of income. There are common providers for many services funded by ACC and by Health NZ. Health NZ provides many emergency and acute services for people covered by the ACC scheme. ACC also fund counselling services for people after a physical injury or sexual abuse.

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How the health sector is funded

Figure 2: Health sector funding flows and accountability relationships.



Funding for the health system and health care is from a combination of public funding and private funding, including from insurance and out-of-pocket payments for care.

Vote Health is a significant public investment in the wellbeing of New Zealanders and their families. Vote Health, \$29.637 billion in Budget 2024 for 2024/25, directly supports the day-to-day operation of strong and equitable public health services

delivered by a skilled workforce in our communities, hospitals, and other care settings. ACC funds some operations undertaken at private healthcare facilities and pays the Crown for acute care received in Health NZ facilities, offsetting some core Crown costs funded through Vote Health.

Vote Health plays a key role in supporting population health across peoples' lives, including improving health equity for Māori and other groups, and helps facilitate the delivery of key system priorities including child wellbeing, mental wellbeing, wellbeing through prevention, and primary health care.

There are also levies collected on some goods or services that have an impact on health outcomes and the costs of healthcare. The problem gambling and alcohol levies are collected by other agencies, but the funding is made available to Vote Health. The problem gambling levy provides funding to implement actions from the Strategy to Prevent and Minimise Gambling Harm, and the alcohol levy funds actions that reduce alcohol-related harm.

Vote Health appropriations


As Minister of Health, you have responsibility for Vote Health appropriations relating to:

- delivering hospital and specialist services
- delivering primary, community, public and population health services
- national pharmaceuticals purchasing
- delivering hauora Māori services
- stewardship of the health system.

While the appropriations within Vote Health relate to different service areas, the majority of operating funding within the health system pays for the workforce. Significant pay increases through settlements and pay equity processes have contributed to operating expenditure increases in current and future years.

At Budget 2024, the amount of funding appropriated for 2024/25 is \$29.637 billion, up from \$24.009 billion in Budget 2022 for the 2022/23 financial year (a 23.4% increase²). Vote Health includes \$3.283 billion for capital funding and \$26.354 billion of operating funding

s 9(2)(f)(iv)

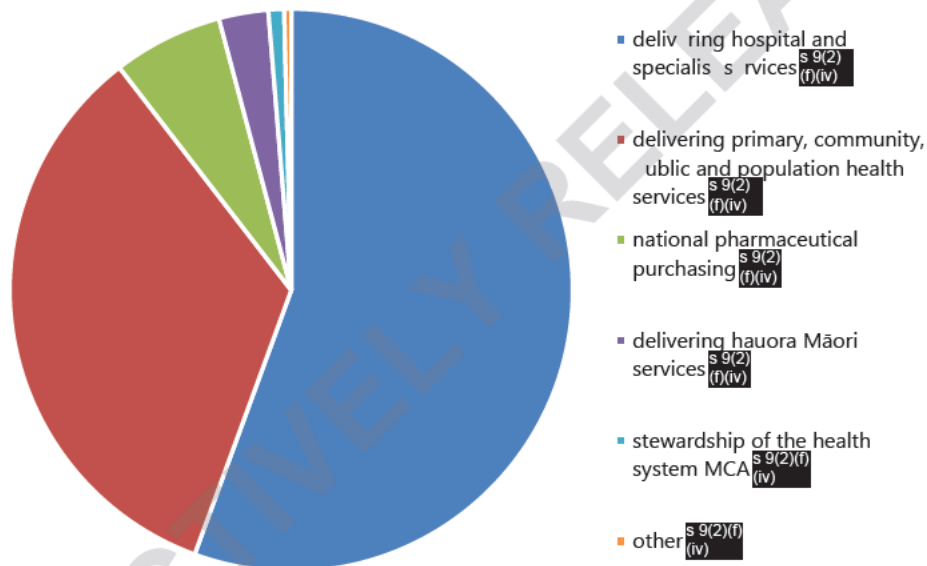


² The funding increase is even more significant at 28.7% if the time-limited COVID-19 funding provided in 2022/23 of approximately \$1 billion is excluded.

§ 9(2)(f)(iv)

§ 9(2)(f)(iv)

Figure 3: Vote Health by main operating appropriations, 2024/25



At an entity level, most of the operating funding is provided to Health NZ, with the remaining funding split among Pharmac, the Ministry and other Crown entities. The other entities are the Health and Disability Commissioner (including the Aged Care Commissioner), New Zealand Blood and Organ Service, Health Research Council, Health Quality and Safety Commission, and Mental Health and Wellbeing Commission.

Vote Health also has significant funding for remediation and resolution of historical non-compliance with the Holidays Act 2003, and the health capital envelope to contribute funding for infrastructure.

Mental health and addiction expenditure

Although not a separate appropriation, Vote Health funding for mental health, addiction and suicide prevention is ring-fenced. The mental health ringfence includes funding within the Vote Health appropriations of delivering hospital and specialist services, delivering primary, community, public and population health services, and delivering hauora Māori services. The Ministry sets the ringfence using a standard formula. The ringfence represents the minimum level Health NZ is expected to spend on mental health and addiction each year to ensure mental health and addiction funding is protected, and that investment grows each year at least in line with other areas of health expenditure.

s 9(2)(f)(iv)

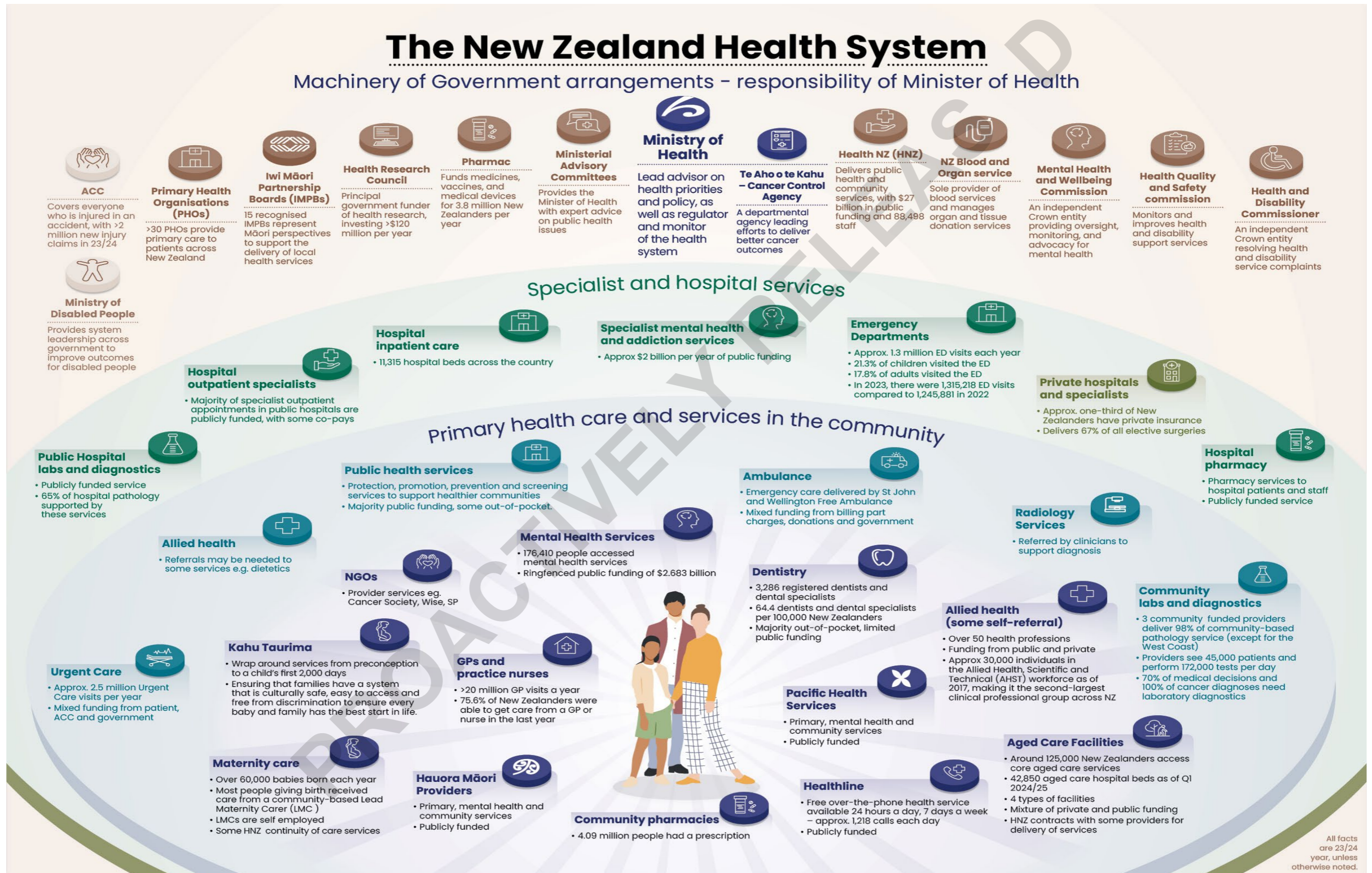
The Minister for Mental Health is responsible for making policy and prioritisation decisions on, and maintaining oversight of, mental health and addiction funding within Vote Health, keeping you informed as the responsible Minister for Vote Health. This includes the mental health and addiction ringfence, the alcohol and problem gambling levies, and expenditure related to the Mental Health and Wellbeing Commission.

Multi-year funding for Health NZ cost pressures

At Budget 2024, a multi-year arrangement was put in place for Health NZ's cost pressure funding. This is staged over three budgets, with \$5.720 billion in additional funding over the four-year forecast period made available through Budget 2024 (\$1.430 billion per annum) and a further pre-commitment of \$5.480 billion (\$1.370 billion per annum) to be made against each of Budget 2025 and Budget 2026. For 2024/25, this represented an uplift of 6.2% across all of Health NZ's operating budget.

Appendices

Appendix A: Overview of the Health System, as at January 2025










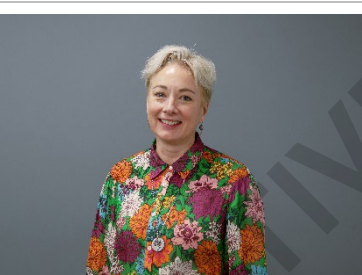
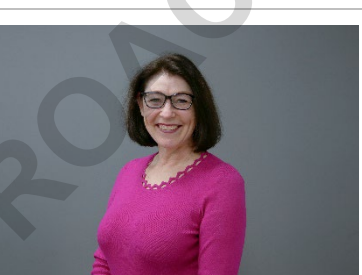
Appendix B: Our leaders

The Executive Governance Team is the Ministry’s strategic governance mechanism. It is responsible for ensuring the Ministry can fulfil its role as steward of the system by:

- setting the strategic direction of the Ministry as steward of the health system
- setting priorities
- understanding performance of the system we oversee
- ensuring we are delivering on our equity obligations.

Executive Governance Team

	<p>Dr Diana Sarfati Director-General of Health and Chief Executive diana.sarfati@health.govt.nz s 9(2)(a)</p>
	<p>Maree Roberts Deputy Director-General, Strategy, Policy and Legislation maree.roberts@health.govt.nz s 9(2)(a)</p>
	<p>Simon Medcalf Deputy Director-General, Regulation and Monitoring simon.medcalf@health.govt.nz s 9(2)(a)</p>
	<p>Dr Andrew Old Deputy Director-General, Public Health Agency andrew.old@health.govt.nz s 9(2)(a)</p>

	<p>John Whaanga Deputy Director-General, Māori Health john.whaanga@health.govt.nz s 9(2)(a)</p>
	<p>Geoff Short Deputy Director-General, Clinical, Community and Mental Health geoff.short@health.govt.nz s 9(2)(a)</p>
	<p>Dean Rutherford Deputy Director-General Evidence, Research and Innovation dean.rutherford@health.govt.nz s 9(2)(a)</p>
	<p>Sarah Turner Deputy Director-General, Government and Executive Services sarah.turner@health.govt.nz s 9(2)(a)</p>
	<p>Celia Wellington Deputy Director-General, Corporate Services celia.wellington@health.govt.nz s 9(2)(a)</p>



Fergus Welsh
Chief Financial Officer
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Other key leaders



Dr Martin Chadwick
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Dr Joe Bourne
Chief Medical Officer
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Lorraine Hetaraka
Chief Nursing Officer
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Heather Muriwai
Chief Clinical Officer Maternity
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s 9(2)(a)

Appendix C: Legislation, statutory entities, boards, and committees

Legislation the Ministry administers

The following Acts of Parliament are within the health portfolio and are administered by the Ministry.

- Burial and Cremation Act 1964
- Cancer Registry Act 1993
- Compensation for Live Organ Donors Act 2016
- Contraception, Sterilisation and Abortion Act 1977
- Disabled Persons Community Welfare Act 1975 (Part 2A)
- End of Life Choice Act 2019
- Epidemic Preparedness Act 2006
- Health Act 1956
- Health and Disability Commissioner Act 1994
- Health and Disability Services (Safety) Act 2001
- Health Benefits (Reciprocity with Australia) Act 1999
- Health Benefits (Reciprocity with the United Kingdom) Act 1982
- Health Practitioners Competence Assurance Act 2003
- Health Research Council Act 1990
- Health Sector (Transfers) Act 1993
- Home and Community Support (Payment for Travel Between Clients) Settlement Act 2016
- Human Assisted Reproductive Technology Act 2004 (in conjunction with the Ministry of Justice)
- Human Tissue Act 2008
- Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003
- Medicines Act 1981
- Mental Health and Wellbeing Commission Act 2020
- Mental Health (Compulsory Assessment and Treatment) Act 1992
- Misuse of Drugs Act 1975
- Organ Donors and Related Matters Act 2019
- Pae Ora (Healthy Futures) Act 2022
- Psychoactive Substances Act 2013
- Radiation Safety Act 2016
- Smoke-free Environments and Regulated Products Act 1990
- Substance Addiction (Compulsory Assessment and Treatment) Act 2017
- Support Workers (Pay Equity) Settlements Act 2017.

Crown entities and independent statutory entities

Below is a list of the Crown entities, independent statutory entities, ethics committees, responsible authorities, Medsafe committees and other boards and committees to which the Ministry assists the Minister of Health to appoint members.

- Health New Zealand | Te Whatu Ora (Health NZ)
- Pharmaceutical Management Agency | Te Pātaka Whaioranga (Pharmac)
- Health Quality and Safety Commission | Te Tāhū Hauora (HQSC)
- New Zealand Blood and Organ Service | Te Ratonga Toto O Aotearoa (NZBOS)
- Health Research Council (HRC)
- Mental Health and Wellbeing Commission | Te Hiringa Mahara (responsibility delegated to the Minister for Mental Health)
- Health and Disability Commissioner | Te Toihau Hauora, Hauātanga (HDC)

Ethics Committees

- Advisory Committee on Assisted Reproductive Technology provides independent advice to the Minister on assisted reproductive procedures or human reproductive research.
- Ethics Committee on Assisted Reproductive Technology – ministerial committee established to review, determine, and monitor applications for assisted reproductive procedures and human reproductive research.
- Health and Disability Ethics Committee – ministerial committee established to provide independent ethical review of health and disability research.
- National Ethics Advisory Committee | Kāhui Matatika o te Motu – ministerial advisory committee established to provide advice to Minister on ethical issues of national significance in respect of any health and disability matter, determine nationally consistent ethical standards across the health sector and provide scrutiny for national health research and health services.

Responsible authorities and Health Practitioners Disciplinary Tribunal

The Health Practitioners Disciplinary Tribunal and 18 independent statutory authorities operate under the Health Practitioners Competence Assurance Act 2003. Each authority's purpose is to protect the health and safety of members of the public by providing mechanisms to ensure that health practitioners are competent and fit to practise their professions.

They work to define the professions' scope of practice, prescribe necessary qualifications, register practitioners, and issue annual practising certificates. Authorities also set standards of competence (including cultural competence) and ethical conduct, and have the authority to investigate a practitioner's fitness, competence, and conduct. The Health Practitioners Disciplinary Tribunal holds disciplinary hearings for health practitioners that are referred by responsible authorities or the Health and Disability Commissioner.

All responsible authorities are funded entirely by their profession and have their own staff and premises. While the Minister of Health has the power of audit and appoints members, the authorities have autonomy in decision-making. Each authority must provide an Annual Report to the Minister of Health every year and can be subject to performance reviews as seen fit.

- Chinese Medicine Council of New Zealand
- Dental Council | Te Kaunihera Tiaki Niho
- Dietitians Board | Te Mana Mātanga Mātai Kai
- Paramedic Council | Kaunihera Manapou
- Medical Sciences Council of New Zealand | Te Kaunihera Pūtaiao Hauora o Aotearoa
- New Zealand Chiropractic Board | Te Poari Kaikorohiti o Aotearoa
- New Zealand Medical Radiation Technologists Board | Te Poari Ringa Hangarau Iraruke
- Occupational Therapy Board of New Zealand | Te Poari Whakao a Ngangahau o Aotearoa
- Optometrists and Dispensing Opticians Board | Te Poari o ngā Kaimātai Whatu me ngā Kaiwahakarato Mōhiti
- Osteopathic Council of New Zealand | Kaunihera Haumanu Tuahiwi o Aotearoa
- Pharmacy Council | Te Pou Whakamana Kaimatū o Aotearoa
- Physiotherapy Board of New Zealand | Te Poari Tiaki Tinana o Aotearoa
- Podiatrists Board of New Zealand | Te Poari Tiaki Waewae o Aotearoa
- Medical Council of New Zealand | Te Kaunihera Rata o Aotearoa
- Nursing Council of New Zealand | Te Kaunihera Tapuhi o Aotearoa
- New Zealand Psychologists Board | Te Poari Kaimātai Hinengaro o Aotearoa
- The Psychotherapists Board of Aotearoa New Zealand | Te Poari o ngā Kaihaumanu Hinengaro o Aotearoa
- Midwifery Council | Te Tatau o te Whare Kahu
- Health Practitioners Disciplinary Tribunal | Taraipuinara Whakatika Kaimahi Hauora.

Medsafe committees

- Medicines Adverse Reactions Committee – advises the Minister on safety of approved medicines.
- Medicines Assessment Advisory Committee – advises Minister on benefits and risks of new medicines.
- Medicines Classification Committee – makes recommendations to the Minister on classification of medicines.
- Medicines Review Committee – makes inquiries into objections to the terms of recommendations made under section 22(2) of the Medicines Act 1981, and reports these to the Minister. Also hears appeals under section 88 of the Medicines Act 1981.

Other committees

- Public Health Advisory Committee – Established under the Pae Ora Act. It gives independent expert advice on public health issues to the Minister, the Public Health Agency, and Health NZ.
- End of Life Choice Review Committee – considers reports sent to it under the End of Life Choice Act 2019.
- Expert Advisory Committee on Drugs – provides advice to the Minister regarding drug classification issues.
- Hauora Māori Advisory Committee – Provides independent advice to the Minister on Māori perspective for Ministerial decision-making. Monitor Māori health outcomes and system performance.
- Health Workforce and System Efficiencies Committee – provides advice to the Minister on the management of health workforce challenges to deliver safe, effective, and accessible health services.
- Mental Health Review Tribunal – an independent body appointed by the Minister to consider whether patients subject to a compulsory treatment order are mentally disordered and make recommendations to the Attorney-General and the Minister of Health regarding whether special patients should remain so (responsibility delegated to the Minister for Mental Health).
- National Cervical Screening Programme Review Committee – established to review the operation of the National Cervical Screening Programme.
- National Kaitiaki Group – ensures the protection of Māori women’s cervical screening data.
- Psychoactive Substances Appeals Committee – independent committee established under the Psychoactive Substances Act 2013 to hear appeals against decisions made by the Psychoactive Substances Regulatory Authority.
- Psychoactive Substances Expert Advisory Committee – established to provide expert advice to the Psychoactive Substances Regulatory Authority regarding safety issues around proposed psychoactive products.
- Radiation Safety Advisory Council – established to provide advice on matters and standards relating to radiation safety.
- Regulated Products Appeals Committee – responsible for determining appeals against decisions of the Director-General of Health to cancel or suspend a product notification for a notifiable product (vaping or smokeless tobacco product).

Appendix D: Associate Health Portfolios

Hon David Seymour – Associate Minister of Health (Pharmac)

Current Roles/Responsibilities:

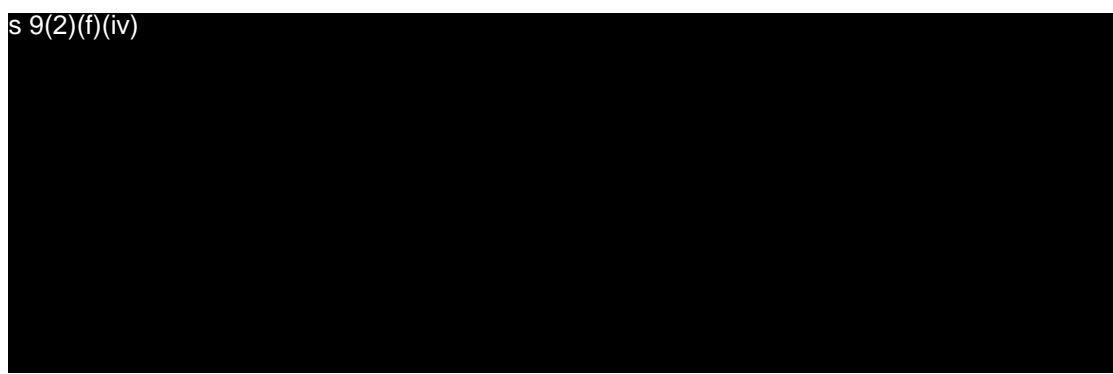
- Pharmac (the entity and its responsibilities, monitoring of Pharmac through the Ministry of Health, and implementation of any review recommendations)
- Medsafe
- The Medicines Strategy
- Any proposed amendments to the Misuse of Drugs Act 1975 in relation to pseudoephedrine.

Appointments relating to:

- | | |
|---|---|
| • Pharmac | • Pharmacy Council |
| • Medicines Adverse Reactions Committee | • Medicines Assessment Advisory Committee |
| • Medicines Classification Committee | • Medicines Review Committee |
| • Psychoactive Substances Expert Advisory Committee | • End of Life Choice Review Committee |

Within Hon Seymour's Associate Health (Pharmac) delegations is an external review of procurement and values assessment of medical devices is taking place. Currently this is a mixed responsibility between Health NZ and Pharmac, and both agencies have raised challenges with the programme. Martin Jenkins was awarded the contract to undertake the review in October 2024 and the report is due to be presented to the Ministry of Health by the end of January 2025. The review will inform Ministry advice on options for the programme (March 2025).

s 9(2)(f)(iv)



Hon Matt Doocoy – Associate Minister of Health

Current Roles/Responsibilities:

- Rural health
- Nutrition and physical activity
- Youth health
- Eating disorders
- Neurodiversity
- Rainbow health

Appointments to the following:

- Mental Health and Wellbeing Commission
- Mental Health District Inspectors
- Expert Advisory Committee on Drugs
- Psychotherapists Board
- Advisory Committee on Assisted Reproductive Technology
- Southern Health and Disability Ethics Committee
- Northern A Health and Disability Ethics Committee
- Central Health and Disability Ethics Committee
- Chinese Medicine Council
- Substance Addiction District Inspectors
- Psychologists Board
- Radiation Safety Advisory Committee
- Dietitians Board
- National Ethics Advisory Committee
- Ethics Committee on Assisted Reproductive Technology
- Northern B Health and Disability Ethics Committee
- Mental Health Review Tribunal

Within Hon Doocoy's Associate Health delegation the current key work programmes include puberty blockers, youth health and responding to recommendations from the Royal Commission into Abuse in Care. In November 2024, Hon Reti and Hon Doocoy took a paper to Cabinet, signalling intent to regulate the prescribing of puberty blockers in the context of gender-affirming care using section 105 of the Medicines Act 1981. Consultation on this proposal closed on 20 January 2025 and the Ministry is now considering submissions. Advice will be provided to ministers in March 2025.

The current focus of work relating to youth health has been on health services that are tailored to meet the health and wider social needs of young people, and in particular Youth One Stop Shops (YOSS). This includes examining how better information can be gathered on the effectiveness of Youth One Stop Shops and similar models, including considering options for an evaluation, with a view to supporting increased investment in the sustainability of these services.

On 24 June 2024, the Royal Commission's final report *Whanaketia – Through pain and trauma, from darkness to light* was presented to Parliament. The recommendations are directed at the Government and faith-based care organisations and are broad-ranging and have a particular emphasis on machinery of government matters, care safety standards, workforce, complaints processes, enforcement, and the justice sector. Of the 138 recommendations, around 79 have been identified as broadly relevant to the health space, including mental health. There is work underway to respond to the final report including through Budget 2025 and development of a Response Plan.

Hon Casey Costello – Associate Minister of Health

Current Roles/Responsibilities:

All matters within the Health portfolio relating to:

- Smokefree Environments and Regulated Products Act 1990
- Smokeless tobacco
- Vaping
- Oral nicotine

Functions and responsibilities within the portfolio relating to:

- women's health (excluding cancer and cancer screening, perinatal and maternal mental health, workforce, and infrastructure)
- perinatal and maternal mortality
- sexual and reproductive health
- the Therapeutic Products Act 2023
- family and sexual violence
- dementia management
- maternity health (including Plunket, but excluding perinatal and maternal mental health, workforce, and infrastructure)
- surgical mesh
- the COVID-19 Inquiry
- emergency road and air services
- surrogacy
- aged care

Appointments to the following entities:

- Paramedic Council
- Dental Council
- Podiatrists Board
- Optometrists and Dispensing Opticians Board
- Aged Care Commissioner
- Chiropractic Board
- Occupational Therapy Board
- Osteopathic Council
- Regulated Products Appeals Committee

Key work programmes under Hon Costello's Associate Health delegations include aged care, tobacco and vaping. Current work is underway to ensure the long-term sustainability and effectiveness of aged care. The Ministry of Health is currently assisting the Health Select Committee with their inquiry into the provision of aged care, focused on the aged care sector's current and future capacity to provide support services for people experiencing neurological cognitive disorders. The Ministry will report to the committee with advice in February 2025.

s 9(2)(f)(iv)