HEALTH & DISABILITY COMMISSIONER
TE TOIHAU HAUORA, HAUĀTANGA

E.17

# Annual Report 2026

## Pūrongo ā-Tau 2026

**For the year ended 30 June 2026**
Mō te tau mutunga o te 30 Hune 2026

## The Code of Health and Disability Services Consumers' Rights

Ōu mōtika

1. **Respect**
   Mana
2. **Fair treatment**
   Manaakitanga
3. **Dignity and independence**
   Tū rangatira motuhake
4. **Appropriate standard of care**
   Tautikanga
5. **Effective communication**
   Whakawhitinga whakaaro
6. **Full information**
   Whakamōhio
7. **Informed choice and consent**
   Whakaritenga mōu ake
8. **Support**
   Tautoko
9. **Teaching and research**
   Ako me te rangahau
10. **Right to complain**
    Amuamu

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# Commissioner's foreword
## Te kupu takamua a te Toihau

I am pleased to present the Health and Disability Commissioner's Annual Report for 2025/26.

Our primary focus this year was on reducing delays in our complaints process caused by the unprecedented growth in complaints since the COVID-19 pandemic. Building on our efficiency gains in 2024/25, we made substantial progress to further reduce our number of open complaints. HDC is currently closing around 90% more complaints than we were prior to the pandemic. I am extremely proud of my team for achieving this in the face of increasing demand and within tight constraints. Timely resolution of complaints makes an important contribution to people's well-being and trust in the health system and improves the quality and safety of care.

HDC plays a key role in improving quality and safety across the health and disability support system. Each of our decisions reflects a consumer's experience, and the power of the consumer voice to create change should not be underestimated. HDC's recommendations contributed to improvements across a number of areas this year, including setting national expectations for informed consent around tissue testing and return and the use of donor tissue; bringing attention to the need for action to address delays in ophthalmology follow-ups; contributing to improved support for disabled people in prison; and monitoring actions taken to improve delays in stem-cell transplants.

This year we completed an investigation into the care provided to an 11-year-old Māori autistic girl incorrectly admitted to an adult psychiatric unit. Our report found that the child's rights had been severely compromised. It serves as a stark reminder of the urgent need to improve the care provided to disabled people in the health system.

In June 2026, HDC published a report examining the themes in complaints about disabled people's experiences of health services. Our report made a series of recommendations around the need for coordinated, cross-system action to improve the care provided to disabled people. I have been encouraged by the commitment of health and disability agencies to the implementation of our recommendations, and we will continue to monitor progress in this area closely.

This year also saw changes to our leadership team. Aged Care Commissioner Carolyn Cooper resigned in August 2025. Carolyn was the inaugural Aged Care Commissioner, and I thank her for the significant contribution she made to the establishment of this role and to improving the care of older people.

In April 2026 we welcomed our new Aged Care Commissioner, Erin James, which provides us with an opportunity to review our monitoring approach. Looking ahead, Erin's work will focus on areas where we have the strongest statutory levers, including complaints, monitoring, advocacy and rights protection.

We also farewelled our Director Māori Ikimoke Tamaki-Takarei in April 2026. Ikimoke played a pivotal role in improving HDC's cultural capability, raising awareness of the Code among Māori communities and improving the responsiveness of our complaints processes to Māori whānau.

Finally, and most importantly, I want to acknowledge the incredible work of HDC's staff, whose passion and dedication are fundamental to the protection of people's rights. I also extend my thanks to the Advocacy Service, who ensure that people are supported to raise their concerns.

The Code, now 30 years old, provides the benchmark for consumer-centred care in New Zealand. It is a privilege to be the Health and Disability Commissioner, and I continue to be proud of the contribution our Office makes to ensuring people receive safe, respectful care that meets their needs.



Harikoa ana ahau kia whakatakotoria te Pūrongo ā-tau a Te Toihau Hauora, Hauātanga mō te tau 2025–26.

Ko tā mātou aronga matua he whakaiti haere i ngā āhua takaroa o roto i tā mātou tukanga amuamu nā te kaha pikinga ake o ngā amuamu mai i te wā o te mate urutā KOWHEORI-19. Nā te hua o tā mātou mahi rawe i ngā tau 2024/25, i kaha kauneke whakamua kia whakaiti haere anō ngā amuamu. I tēnei wā kei te whakaea i te āhua 90 ōrau o ngā amuamu i tō ērā o mua o te mate urutā rā. E poho kererū ana ahau ki taku nei rōpū nāna nei i whakatutuki i te aroaro o te tinimano amuamu me te iti o te tāima. Ina tere whakatatū i ngā amuamu ka āwhina i te oranga o te tangata, me tōna whakapono mai ki te pūnaha hauora e whakapai ake ana i te haumaru me te tauwhiro.

He tino wāhanga tō HDC hei whakapai ake i te kounga me te haumaru puta noa i te pūnaha tautoko hauora, tautoko hauātanga. Ka whakaaturia mai tēnā whakataunga ā mātou, me tēnā whakataunga te wheako o ngā tangata, ā, ko te kaha hoki o ō rātou reo hei mea awe i te panoni he tino. Nā ā HDC tohutohu i āwhina atu i ngā mahi whakapai puta noa i ngā wāhanga maha i tēnei tau, tae atu ki te whakatakoto i ngā whāinga ā-motu mō te kupu whakaae ina whakamātautau pūtautau me te whakahoki atu ki te tangata nōna te pūtautau; mā konei ka āta tirohia te mahi hei urupare i te takaroa o ngā mahi whaimuri i te mātai karu; te tautoko i te tangata mauhere; te aroturuki hoki i ngā mahi hei whakaiti i te takaroa mō ngā huaranga pūtau tō.

I tēnei tau i oti i a mātou he tirohanga ki te mahi tauwhiro i whakaratongia ai ki tētahi kōtiro Māori 11 tau te pakeke e pāngia ana ki te takiwātanga, i hē rawa atu te whakauru ki tētahi whare haumanu mate hinengaro mō ngā pakeke. I kitea i te pūrongo i tino takahia ngā motika o te tamaiti rā. Nā konei ka whakakaha mai i te mahara kia tere whakapai ake i te tauwhiro e whakaratongia ana ki te hunga whaikaha o roto o te pūnaha hauora.

I te marama o Pipiri, i whakaputa a HDC i tētahi pūrongo e tirotiro ana i te wairua o ngā amuamu mō ngā wheako o te hunga whaikaha ki ngā ratonga hauora. I puta i tā mātou nei pūrongo he rārangi tohutohu mō te hiahia kia mahi ngātahi ngā wāhanga o te pūnaha hei whakapai ake i te tauwhiro ka hoatu ki te hunga whaikaha. He tino pai ki a au te manawanui o ngā pokapū hauora, hauātanga kia whakatinana mai i ā mātou nei tohutohu, me te aha, ka āta aroturuki tonu mātou i te kauneke o tēnei wāhanga.

I tēnei tau anō i panoni mai tā mātou rōpū whakahaere. I te marama o Hereturikōkā i rihaina a Carolyn Cooper te Te Toihau Tautiaki Kaumātua. Ko Carolyn te Toihau Tautiaki Kaumātua tuatahi, me taku mihi atu ki a ia mōna i whakarite i tēnei tūranga me te whakapai ake i te tauwhiro o ngā kaumātua.

I te Paengawhāwhā o tēnei tau i pōhiritia mai te Toihau Tautiaki Kaumātua hou a Erin James, me te whai wāhi mai kia arotakengia tā mātou tukanga aroturuki. Hei titiro whakamua, ko tā Erin mahi he aro atu ki ngā wāhanga e kaha nei te whai ture, tae atu ki ngā amuamu, te aroturuki, te tautoko me te tiaki motika.

I poroaki hoki mātou i tā mātou nei Kaitohu Mātāmua Māori i a Ikimoke Tamaki-Takarei i te marama o Paengawhāwhā 2026. He tino mahi tā Ikimoke hei whakapai ake i tā HDC āheinga ahurea, te hāpai māramatanga o Te Tikanga ki ngā hapori Māori me te whakapai ake i te urupare ki ngā whānau Māori mō tā mātou nei tukanga amuamu.

Ā kāti, ko te mea tino hirahira, he hiahia nōku kia whakamihi atu ki te mahi autaia nei o ngā kaimahi o HDC mō tō rātou ngākau whiwhita, ngākau titikaha, hei tūāpapa kia tiakina ngā motika o te tangata. Ka tukua atu hoki taku mihi nui ki ā mātou nei kaimahi o Ngā Kaitautoko māna te tangata e tautoko hei tuku āwangawanga.

Ko tā ōu mōtika, o ngā 30 tau nei, he whakatakoto i tētahi paearu mō te tauwhiro kiritaki i Aotearoa nei. He hōnore nui ki ahau te kawe i te tūranga Te Toihau Hauora, Hauātanga, ā, ka tū whakahīhī tonu ki te mahi nui a tā mātou nei Tari hei whakapūmau kia whiwhi ai te tangata i te tauwhiro e haumaru ana, e whakaute ana hei whakatutuki i ō rātou hiahia.

Ngā mihi nui

**Morag McDowell**
Health and Disability Commissioner
Te Toihau Hauora Motuhake

# Who we are
## Ko wai mātau

The Health and Disability Commissioner (HDC) promotes and protects the rights of all people who use health and disability services.

Primarily we do this through the resolution of complaints about the quality of care provided to people, including by holding providers to account for breaches of consumers' rights. Through the resolution of complaints, HDC plays a key role in public protection and improving the quality of care.

HDC is an independent Crown entity. Our independence from Government policy and service provision enables HDC to be effective and impartial in our protection of consumers' rights.

HDC also contracts the National Advocacy Trust which, through the Nationwide Health and Disability Advocacy Service (the Advocacy Service) supports people to resolve their complaints directly with their provider and undertakes community-level promotion of the Code.

## Our funding

We are funded through Vote Health. In the year ended 30 June 2026, HDC received $17,801,000 from Government to fund the four output classes set out in our Statement of Performance Expectations.

## Our outputs

**Complaints resolution:** HDC's core function for the protection of consumer rights is to assess, investigate and resolve complaints about the quality of care provided to people.

**Promotion and education:** HDC is required to promote people's rights under the Code. Together with the Advocacy Service, HDC delivers education to improve consumers' awareness of their rights and providers' understanding of their responsibilities under the Code of Rights.

**System monitoring and impact:** HDC makes recommendations to improve the quality of care provided to people and influence system-wide change. We also share our complaints data to improve policies and practice across the health and disability system.

**Aged Care Commissioner:** The Aged Care Commissioner advocates for better health and disability services on behalf of older people and their family and whānau and drives quality improvement across the sector.

## Focus populations

HDC is aware that some communities experience multiple barriers to learning about their rights under the Code, exercising them, and accessing our complaints process. HDC has a focus on all people who use health and disability services, and our focus populations evolve over time. Noting the barriers faced by some communities and our commitment to our statutory obligations, currently we have placed a particular focus on:

- **Disabled people | Tāngata whaikaha:** HDC has a key role to play in protecting the rights of disabled people, and the Deputy Commissioner, Disability is tasked with leading HDC's work in this area
- **Māori:** HDC's use of tikanga-led approaches to complaints resolution assists in ensuring that our process works better for all communities
- **Older people:** The Aged Care Commissioner provides a focal point for monitoring and addressing quality and safety issues for older people

## Our Executive Leadership Team – 2025/26

### Morag McDowell

Health and Disability Commissioner
Te Toihau Hauora Motuhake

### Rose Wall

Deputy Health and Disability Commissioner, Disability
Te Toihau Hauātanga Tuarua

### Dr Vanessa Caldwell

Deputy Health and Disability Commissioner, Operations
Te Toihau Tuarua Hauora, Hauātanga

### Erin James[1]

Aged Care Commissioner & Deputy Health and Disability Commissioner
Te Toihau Tautiaki Kaumātua

### Ikimoke Tamaki-Takarei[2]

Kaitohu Mātāmua Māori
Director Māori

### Jane Herschell

Director of Proceedings
Pouārahi o Ngā Hāmenetanga

### Charmaine Pene

Director of Advocacy
Pouārahi Taunaki Motuhake

### Jane King

Associate Commissioner, Legal
Toihau Tūhono, Ture

### Jason Zhang

Corporate Services Manager
Pouwhakahaere Rangatōpū

1 Erin James commenced in the role on 7 April 2026.

2 Ikimoke Tamaki-Takarei resigned from this position in April 2026.

# Summary of key performance achievements

HDC achieves its strategic objectives through four key functions:

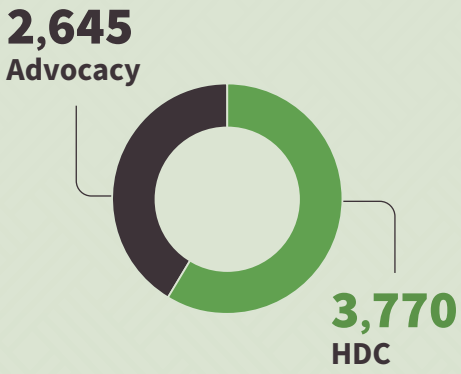
**Complaints resolution**

**Promotion and education**

**System monitoring and impact**

**Aged Care Commissioner**

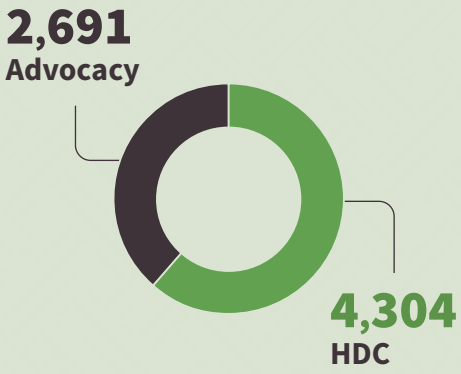
## Complaints received




**28%**

**reduction** in HDC's backlog at year end

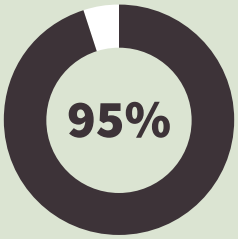
## Complaints closed




**14%**

**more complaints closed** than HDC received (overall net clearance rate of 114%)

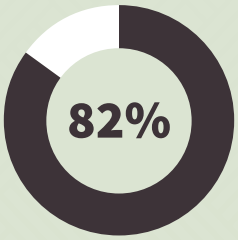
## Complaints




**Advocacy complaints** closed within 6 months



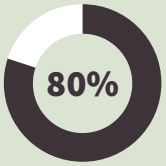

**Complex non-investigation** completed within 9 months by HDC




Respondents who were **satisfied** with the Advocacy Service's complaints management process

**1,013**
**Education sessions** carried out by Advocacy

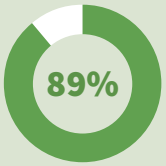
**1,357**
**Networking visits** carried out by Advocacy




focused on priority populations

**706**
**Recommendations made** to improve quality of services

**945**
**Recommendations reviewed**




fully complied with

**46**
**Aged care engagements** with the sector and older people to advocate for better services and drive quality improvement

### Thematic report published

'Disabled People's | Tāngata Whaikaha Experiences of Health Services: report on complaints to HDC' published.



# Influences on our priorities and performance

## Ngā awe whakaarotau, awe mahi

### Our operating environment – managing increasing demand in a resource-constrained environment

HDC is a demand-driven organisation, and demand for our service is increasing. Complaint volumes rose by 8% in 2025/26, and currently are at 57% above pre-COVID levels.[3]

In 2025/26, with the end of time-limited funding, HDC's baseline funding reduced by 9.6%. HDC's funding reduced by a further 5.6% on 1 July 2026. The primary challenge for HDC in upcoming years is to maintain our current level of complaint resolution and improve the timeliness of our complaints process in the context of rising demand and constrained resources.

HDC remains committed to progressing our strategic priorities. However, given our constraints we must be focused on our core legislative purpose of complaints resolution and rights protection. Our key priorities for 2025/26 were therefore on improving the timeliness of our complaints process, contributing to quality and safety improvement and public protection. This has necessitated an associated reduction in our level of activity in relation to Code promotion, education and stakeholder engagement.

### Government expectations and priorities

The Health and Disability Commissioner Act 1994 requires the Commissioner to take account of the Government Policy Statement on Health and any health strategy issued under the Healthy Futures (Pae Ora) Act 2022, so far as those strategies are applicable.

The Government Policy Statement on Health is focused on access to timely, quality health care. This is consistent with people's rights under the Code to an appropriate standard of care that optimises their quality of life and minimises potential harm to them. HDC, therefore, supports the implementation of these priorities by:

- Holding providers to account for upholding people's rights under the Code
- Making recommendations to improve quality of care and monitoring implementation of those recommendations
- Identifying and escalating areas of emerging risk in the health and disability sector
- Sharing complaint data to highlight the consumer voice and support quality improvement

3 As compared to 2019/20.

- Contracting the Advocacy Service to support people to resolve their concerns directly with the provider in a timely way that supports quality improvement at source
- Influencing legislation, policies, and practice with a focus on how safeguards can be strengthened to better protect consumers' rights
- Advocating for better services for older people and their families through the functions of the Aged Care Commissioner

In addition, the Minister's Letter of Expectations, dated 16 April 2025, identified the following key priorities for HDC for the 2025/26 year:

- Focusing on basics – including working with health entities to identify and respond to systemic concerns in the health system
- Prioritising resources on resolving the backlog of complaints
- Speeding up complaints resolution so that complaints are addressed earlier
- Continuing to focus on delivering our statutory obligations and objectives in an effective, efficient, and fiscally responsible manner

The ways in which HDC delivered on these priorities are detailed throughout this annual report.

## Code of expectations for health entities' engagement with consumers and whānau (code of expectations)

While the Healthy Futures (Pae Ora) Act 2022 does not require HDC to act in accordance with the code of expectations, we continue to ensure that the principles and intent of the code are built into our work.

By holding providers to account for consumers' rights under our Code and making recommendations for quality improvement informed by the voices of consumers, HDC's core work is closely aligned with the intent of the code of expectations. In addition, the role of the Advocacy Service assists to mitigate the power imbalance between consumers and providers by supporting people to resolve their concerns.

# Delivering our strategy
## Te whakarato i tā tātau rautaki

HDC's vision is for the rights of people using health and disability services to be understood, upheld and protected.

| | | | | |
|---|---|---|---|---|
| **VISION** | The rights of people using health and disability services are understood, upheld and protected | | | |
| **PURPOSE** | To promote and protect the rights of people using health and disability services | | | |
| **IMPACTS THAT HDC CONTRIBUTES TO** | Health outcomes are improved for all New Zealanders | Consumers and their family or whānau are at the centre of services and people are partners in their own care | The care provided by the health and disability system is high quality, and patient safety is protected | Public trust in the health and disability system is strengthened |
| **OUTCOMES HDC AIMS TO DELIVER** | People understand their rights and are empowered to exercise them, and providers understand and comply with their obligations | People are assisted to resolve their concerns and have their resolution needs met wherever possible, and providers are held to account where appropriate | Systems, organisations, and individuals learn from complaints, and quality, safety, and consumer experience is improved | |
| **STRATEGIC PRIORITIES** | Responding efficiently and effectively to growing demand | Being a culturally safe organisation | Having a responsive complaints process | Demonstrating tangible system impact |
| **OUTPUTS** | Complaints resolution | Promotion and education | System monitoring and impact | Aged Care Commissioner |

**Everything we do is grounded in honouring our responsibilities under Te Tiriti o Waitangi and we have a particular focus on Māori and disabled communities**

The information below summarises how HDC met these strategic objectives in 2025/26. More detail can be found in the performance section of this annual report.

STRATEGIC PRIORITY 1

## Responding efficiently and effectively to growing demand

**How we delivered**

Despite growing demand, HDC continues to make sustained improvements to the timeliness of our process. For example:

- HDC maintained a high level of closures in 2025/26 – closing 14% more complaints than we received
- We closed 197 investigations in 2025/26 – the highest number of investigations ever closed within a single year
- We reduced our number of open complaints by a further 28%, including a 42% decrease in the number of complaints aged over two years
- HDC implemented a new digital complaints management system to replace our legacy system. This will improve our visibility over our process and support efficiencies, improvements and quality assurance
- The Advocacy Service closed 2,691 complaints, with 95% of these complaints being closed within 6 months

STRATEGIC PRIORITY 2

## Being a culturally safe organisation

**How we delivered**

HDC provides an important platform for the consumer voice to be heard, and HDC's recommendations are informed by consumer voice and experience. However, we acknowledge that some communities face multiple barriers to making complaints and accessing our service, so we remain committed to operating in an accessible and culturally responsive way. For example, in 2025/26 HDC:

- Continued to focus on improving our internal cultural responsiveness, including staff knowledge of the diverse experiences of disabled people and mātauranga Māori. We also have dedicated resource with expertise in disability, the health needs of older people and mātauranga Māori
- Published a report detailing the themes in complaints about disabled people's experiences of the health system. The aim was to help bring further attention to concerns long raised by the disability community and make recommendations to support greater protection of disabled people's rights
- Continued to advocate for the implementation of a consistent quality framework across disability support services – informed by concerns raised in complaints to HDC
- Undertook consumer engagement on our review of the Advocacy Guidelines, concentrating on high-need communities
- Improved community-level knowledge of the Code, with over 80% of Advocacy's education and promotion activities concentrated on focus communities
- Undertook engagement with older people to help inform the priorities of the incoming Aged Care Commissioner

STRATEGIC PRIORITY 3

## Having a responsive complaints process

**How we delivered**

HDC's backlog reduction plan aims to improve the efficiency and responsiveness of our process while maintaining the high quality of our decision-making. In 2025/26 HDC:

- Improved the efficiency of our early resolution process to enable timely resolution between the parties. 84% of complaints deemed suitable for early resolution were closed within one month of receipt
- Contracted the Advocacy Service to support people to resolve their concerns directly with the provider. Surveys show that 82% of respondents are satisfied or very satisfied with the Advocacy Service's complaints process
- Implemented a refreshed consumer and provider experience survey. This survey has a quality improvement focus and provides HDC with information about where changes can be made to improve people's experience of our process
- Implemented a modern digital complaints management system that assists us to have greater visibility over communication with complainants and providers during the process
- Reduced bottlenecks within our process and improved file ownership models, which improves communication and continuity for complainants and providers throughout the process

STRATEGIC PRIORITY 4

## Demonstrating tangible system impact

**How we delivered**

HDC has a key role in improving the quality and safety of care. Our performance in this area is detailed in the system impact section of this annual report. In summary HDC:

- Made 706 recommendations to providers to improve quality of care. 945 recommendations were reviewed,[4] 89% (839) were fully complied with
- Made early notification of urgent and systems issues to relevant agencies on 263 occasions
- Undertook a review of our data collection and analysis as part of the implementation of a new digital complaints management system. Going forward, this system will improve HDC's data reporting capabilities
- Provided Health NZ with a report detailing an analysis of complaints about public hospital care to support quality improvement
- Made several recommendations to improve the quality of care provided to disabled people in the health system based on a thematic analysis of complaints
- Made 13 submissions on legislation, Government policy and professional guidelines to support greater protection of people's rights
- Undertook 197 stakeholder engagements to bring attention to the themes in complaints
- Monitored the implementation of the Aged Care Commissioner's 2024 recommendations to improve the quality of care provided to older people
- Began the development of an Aged Care Commissioner advocacy and monitoring framework to prioritise those aspects of care where HDC has levers to effect change

4 A recommendation can be made by HDC in one reporting year and be due for completion (and therefore reviewed) in another reporting year. This means the number of recommendations made will not correlate with the number of recommendations reviewed.

# Performance on key functions
## Te whakatutukitanga mō ngā mahi hira

HDC achieves its strategic objectives through four key functions:

**Complaints resolution**

**Promotion and education**

**System monitoring and impact**

**Aged Care Commissioner**

## Complaints resolution

"We did get the answers we needed to move forward, and our case was handled with patience and respect."

"Nothing can ever take away from the pain of losing [consumer], but this outcome has brought me so much healing … it has definitely shown me that making a complaint is our right as citizens of Aotearoa and that yes an effective outcome is possible. People are held to account because of [HDC]."

"We acknowledge and respect the important statutory role of HDC in promoting accountability, upholding professional standards, and safeguarding patient rights, we recognise that this function is essential to maintaining trust and confidence in the healthcare system."

"Complaining has helped me understand what happened to me and cleared a lot of confusion."

"I have always found [HDC] to be fair, impartial, and informative if any changes need to be made."

HDC is tasked with the fair, simple, speedy, and efficient resolution of complaints about the quality of care provided to people by health and disability providers.

The volume of complaints to HDC is increasing. HDC received 3,770 complaints in 2025/26, representing an 8% increase on the number of complaints received in the previous year, and a 57% increase compared with pre-COVID-19 levels.[5] Many complaints reflect people's concerns around a lack of support to navigate a complex and constrained system.

HDC has a flexible jurisdiction with several options to resolve complaints. These include referring the complaint to the provider or the Advocacy Service for direct and early resolution between the parties; electing to take no action where care appears reasonable; making recommendations to improve care quality and safety; referring complaints to other agencies; and undertaking a formal investigation, which may result in a provider being found in breach of the Code. HDC's assessment process is thorough and can involve assessing information from multiple sources, including clinical records, and obtaining expert advice on the standard of care provided.

## HDC supports the timely resolution of complaints between consumer and provider where appropriate

When done well, resolution between the parties can often result in the best outcome. It can assist people's resolution needs to be met quickly, restore trust and rebuild relationships. It can also allow any quality improvement measures to be implemented at source, in a time proximate to the event that gave rise to the complaint.

Around 32% of complaints closed in 2025/26 were referred to the provider or Advocacy Service for direct resolution between the parties. This also allows HDC to focus our limited resources on those complaints that require our intervention. Where we undertake such a referral, HDC has processes in place to review those complaints that have not been resolved successfully by the provider – to determine whether the complaint process followed was reasonable in the circumstances.

HDC seeks to close those complaints deemed suitable for early resolution within a month of receipt, and in 2025/26 84% were closed within this period. However, improvements made in 2026 mean that currently over 90% are being closed within one week of receipt.

5 As compared to 2019/20.

CASE STUDIES – EARLY RESOLUTION

## Accessing urgent prescriptions

A consumer complained to HDC about difficulties accessing an urgent prescription and a lack of information provided by their medical centre about alternative options. The medical centre had apologised to the consumer for omissions in their communication and undertaken to review their urgent prescription policy. Senior members of staff reviewed this complaint as part of our daily triage process and decided to close the complaint with no action as they considered the medical centre had taken the appropriate steps. HDC also provided the consumer with information about their options for obtaining their medication urgently, including attending their regular pharmacy.

The consumer thanked HDC for providing them with practical information about the options available to them. They also felt reassured that HDC's review of the provider's response considered the actions taken were appropriate.



"Thank you again for taking my concerns seriously and for the respectful way they have been handled."

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## Accessing disability support

A parent made a complaint to HDC about a lack of access to disability support for their daughter after they moved regions within New Zealand. They reported that the new provider had advised that there would be a stand-down period before they could receive disability support – meaning they would be left without support for a period of months. HDC referred this complaint to Disability Support Services because they are best placed to address matters around access to funding.

Disability Support Services contacted the provider, who advised that there had been a miscommunication. An agreement was reached for the consumer to continue receiving the same amount of support as they were prior to their move. Disability Support Services noted that the complaint had provided valuable insights into areas for improvement, including ensuring that accurate, timely and consistent information is conveyed to disabled people across different regions. Feedback from the family about improving information for disabled people moving between regions was also provided to relevant teams.

## Despite increasing demand HDC maintained high output levels throughout 2025/26 to reduce our backlog of open complaints

HDC's key focus in 2025/26 was on consolidating the efficiency gains we had made in the previous year to address the delays in our process caused by the unprecedented growth in complaints since the COVID-19 pandemic. Substantial progress has been made throughout the year to reduce our backlog of open complaints. HDC is currently closing over 90% more complaints now than we were before the COVID-19 pandemic.[6]

HDC closed 4,304 complaints in 2025/26. This equated to a net clearance rate of 114% – meaning we closed 14% more complaints than we received. Maintaining a high closure rate allowed us to reduce our number of open complaints by a further 28% in 2025/26 (this was further to a 33% reduction in the previous year), including a 42% reduction in the number of complaints aged over two years. This means that for those complaints received from 1 July 2025, 99% of complex non-investigations[7] were closed within nine months (against a target of 85%).

This was achieved through the implementation of HDC's backlog reduction plan, which at the end of 2025/26 had been in place over a period of 18 months. This is a structured plan applying key operational design principles to improve efficiency and productivity. It is actively reported against and monitored by our leadership team. Our aim is to streamline our processes while maintaining the high quality of our analysis and decision-making.

Key areas targeted by the plan include ensuring that resources are deployed across the complaint continuum appropriately; managing bottlenecks in the process; reducing duplicate processes or workarounds; ensuring clear performance measures; improving visibility of file ownership; and improving engagement with complainants and providers at key points in the process.

Between 1 January 2025 and 1 August 2026, this plan resulted in:

- A 52% reduction in the number of complaints under assessment and a 59% reduction in the number of open complaints aged over two years
- Significant improvements to the efficiency of our early resolution process (complaints that are deemed suitable for closure or referral for resolution between the parties at triage)
- Improvements in the timeliness of our non-investigation complaints. Currently only around 13% of our non-investigation complaints are aged over two years
- A 54% reduction in our number of open investigations
- A targeted focus on addressing bottlenecks within our process. For example, streamlining our approach to reviewing responses from providers resulted in an 83% reduction in the number of complaints awaiting such review. This allows us to more quickly identify complaints requiring formal investigation and to move more swiftly to closure for complaints that do not require investigation
- The roll-out of a comprehensive training programme for our complaints assessment and investigations staff. In 2025, our operational staff received over 140 hours of training

6 As compared to 2019/20.

7 These are complaints that are not suitable for early resolution but which, following assessment, were considered not to meet the threshold for investigation.

## The implementation of a fit-for-purpose digital complaints management system improves our visibility over the complaints we have on hand

In March 2026, HDC implemented a modern, fit-for-purpose, digital complaints management system to replace our previous legacy system. This new system is based in Microsoft Dynamics 365 and is compatible with HDC's document management and email systems, enabling more seamless and coordinated ways of working. HDC is currently undertaking a continuous improvement programme to enhance the system in response to staff feedback.

This system provides HDC with greater oversight over our process, allowing us to better identify and address bottlenecks and duplicate processes, as well as improving file ownership and reducing work-arounds to ensure consistent ways of working. Such visibility has allowed us to refresh our quality assurance framework to better monitor the quality of our processes, outputs and decisions. This framework has been implemented for the 2026/27 year.

## The responsiveness of our process remains a focus

The responsiveness of our process, including to the diverse needs of communities across New Zealand, is a strategic priority for HDC. We have dedicated internal resource with expertise in mātauranga Māori, disability support and the health needs of older people. However, it must be acknowledged that HDC's resources in these areas, including in relation to engagement with high-need communities, remain extremely limited.

In 2025/26, following a review of our tikanga-led processes, HDC sought to embed these practices more seamlessly within HDC's overall process. HDC has also begun work to engage with Māori health teams to explore coordination of support for whānau making complaints. Following the resignation of our Director Māori in April 2026, HDC is undertaking a review of our cultural capability requirements to ensure we remain responsive to the needs of our focus populations.

HDC implemented a refreshed provider and complainant experience survey in 2025/26. This survey is carried out on an on-going basis and has a quality improvement focus. It provides our Executive and Operational Leaders with valuable information about areas where the responsiveness of our process can be improved, and this information is fed into our improvement programme.

As noted above, HDC's backlog reduction plan has also sought to generally improve our communication and engagement with complainants and providers throughout the process. Strengthening our file ownership model (so that complaints are swiftly allocated to a staff member) and improving the timeliness of our process will result in improved communication and continuity for complainants.

## The Advocacy Service plays an important role in supporting people to navigate complaints processes and resolve their concerns directly with the provider



"Having support from the advocacy service was an important enabler for me. Without the assistance of the advocacy service I might not have been able to go through with submitting a complaint on my own. I am grateful for the advocacy service and their help."



"Absolutely fantastic service because he wrote everything down – he listened and took my complaint seriously."



"Highly recommend [this] service because it plugs the gap between the provider and consumer. Great job by the advocate led to a great outcome."

HDC contracts the Advocacy Service to support people to resolve their complaints directly with the provider. The Advocacy Service plays a vital role in supporting HDC's focus on early resolution, as well as strategic objectives around responding efficiently to increasing demand and having a responsive complaints process.

Advocates (24 FTE) are located throughout New Zealand, and they guide people to clarify their concerns and resolution needs, which in turn facilitates effective responses from providers. Advocates also assist people to develop self-advocacy skills where appropriate, and by doing so empower people to resolve their concerns with providers on an on-going basis. The advocacy process helps to mitigate the power imbalance between consumers and providers and to restore trust and rebuild relationships. HDC will refer complaints to the Advocacy Service where a person may benefit from support to resolve their concerns with the provider, and the Advocacy Service can also assist people to make a complaint to HDC where appropriate. In 2025/26, HDC referred 247 complaints to the Advocacy Service.

In 2025/26 the Advocacy Service received 2,645 complaints and closed 2,691 complaints. 74% of complaints were closed within three months and 95% were closed within six months. The success of the advocacy model is underscored by their complainant satisfaction rates, with 82% of respondents reporting that they were satisfied or very satisfied with the Advocacy Service's process. The Advocacy model also assists to reduce pressure on provider complaint processes, as well as assisting to ensure HDC's resources are focused on complaints that require an independent assessment.

As well as supporting consumers to resolve their concerns, a small team of advocates (3 FTE) responds to enquiries from the general public through the combined HDC and Advocacy 0800 service. In 2025/26 the number of enquiries continued to grow, with 26,613 calls made to the 0800 service compared to 25,120 the previous year. Over 60% of callers were provided with information about HDC and the Code, and approximately 12% of callers were given information about available support agencies.

The geographical coverage of the Advocacy Service remains a concern. Static funding over a prolonged period of time has resulted in a considerable reduction in the size of the service, and there are some regions of the country that lack dedicated advocacy support. While the Advocacy Service has strategies in place to mitigate these gaps where possible, many advocates are covering large geographical areas. We are monitoring the impacts of these gaps and working with funders to ensure the future sustainability of this valuable service.

## Communication with dentist

A consumer contacted the Advocacy Service about difficulties they were having following the fitting of dentures. They had attempted to raise their concerns directly with their dentist but had not received the response they required.

An advocate assisted the consumer to clearly identify the on-going impact the dentures were having on their well-being, as well as the resolution outcomes that could reasonably be sought through the complaints process. The provider responded promptly once these issues were raised and offered the complainant a review of their dentures. The advocate further supported the consumer by helping them develop concise, solution-focused points they could raise with the provider during the review. Following the appointment, the consumer reported that the provider had successfully readjusted the dentures and their resolution outcomes had been met.

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## Improvements in support provided by home care service

An older consumer with several health conditions contacted the Advocacy Service in relation to their concerns about inconsistencies in the support they were receiving from a home care service, including that support workers often arrived late or not at all. They had previously made a complaint to the provider with positive results; however, they were concerned that changes made had not been sustained.

An advocate supported the consumer to identify their resolution needs, including that they wanted a lead point of contact within the service and a plan for how service disruptions would be managed and communicated. Following receipt of the complaint, the provider agreed to meet with the consumer, and a clear plan was agreed. The consumer reported feeling heard, respected, and taken seriously. The improved communication from the provider gave them confidence that they would continue working in partnership toward a more consistent service.

## HDC's investigation process holds providers to account by determining whether there have been breaches of consumers' rights

HDC's investigations are a quasi-judicial process by which a provider may be found in breach of the Code. Investigations tend to focus on more serious departures from acceptable standards or professional boundaries, public safety concerns, and significant systems or equity issues. HDC may also undertake an investigation into any issue affecting consumer rights in the absence of a complaint.

Investigations ensure that providers and organisations are held to account where needed, public safety is protected, recurrent behaviour and systemic issues are addressed, preventative action is taken, and public trust is strengthened. Many complainants report that the process of independent inquiry and accountability has brought them a sense of closure and assisted to restore their trust in the system.

An investigation is a thorough process. All relevant evidence is gathered and assessed, and a statutory decision-maker (the Commissioner or Deputy Commissioner) issues an opinion outlining their findings and recommendations. When assessing the care provided, HDC considers the contribution of organisational failings to individual behaviour – that is, individual behaviour is assessed within its systemic context. Where care is provided in an organisational context, systems and organisations are found in breach of the Code more often than are individuals.

## HDC closed a record number of investigations in 2025/26

In 2025/26 HDC closed 197 investigations – the highest number of investigations closed in any year to date. 155 investigations resulted in a finding that the provider had breached the Code, and 165 investigations were commenced.

Improving the timeliness of our investigations process is a considerable challenge. The quasi-judicial nature of this process means the drivers of delay are complex, and HDC must balance the timeliness of the process against ensuring we meet statutory and procedural fairness requirements and maintain the high quality of our decision-making.

However, despite these challenges, we are making good progress, reducing our number of open investigations by 54% over 19 months. Our aim is to be in a position where incoming investigations can be completed within 18 months to two years by the end of 2026/27.

## Some examples of investigations include:

- A Commissioner-initiated investigation into the care provided to an 11-year-old Māori autistic girl incorrectly admitted to a psychiatric unit found Health NZ in breach of the Code. The girl was incorrectly identified as an adult mental health patient, and inappropriately restrained and administered medications intended for an adult. HDC called on Health NZ to take leadership to ensure hospitals have appropriate systems and processes to support disabled people and other at-risk consumers. The Deputy Commissioner referred Health NZ to the Director of Proceedings.
- A GP was found in breach of the Code for failing to refer a man to urology services in response to rising PSA levels, and for failing to openly disclose or apologise for the error once this was identified. The Commissioner noted that the missed PSA levels and need for urology referral was information the man should have received in a timely fashion.
- A counsellor was found in breach of the Code and referred to the Director of Proceedings in relation to four complaints about his conduct. HDC identified a pattern of disrespectful and unprofessional behaviour by the counsellor over a sustained period. The counsellor also failed to engage meaningfully in HDC's investigation process. The Deputy Commissioner noted that despite the counselling profession not being regulated in New Zealand, counsellors are nonetheless required to comply with their duties under the Code, including to meet the ethical standards of their profession.
- The Commissioner found Health NZ in breach of the Code for involuntarily withdrawing a man's methadone treatment without reasonable grounds or appropriately exploring alternatives. Given that the man was already undertaking a stable and voluntary managed dose reduction, the Commissioner found Health NZ's decision to proceed with a high-risk rapid involuntary withdrawal of medication particularly concerning.
- Health NZ was found in breach of the Code for failing to consider a tetraplegic man's support needs during his lengthy wait in an Emergency Department (ED). The man spent nine hours confined to his wheelchair and his hygiene needs were not attended to during his wait. The Deputy Commissioner acknowledged that the ED and hospital were overcrowded at the time of his presentation. However, appropriate support and equipment should have been provided to the man, particularly given the length of the delays he experienced.
- A midwife was found in breach of the Code for failing to monitor a baby appropriately following birth. The baby was not actively monitored during the suturing of a perineal tear, and, sadly, died following accidental asphyxiation.
- A Disability Navigation Service was found in breach of the Code and referred to the Director of Proceedings for financially exploiting a disabled woman. The navigator encouraged her to enter a formal agreement with his organisation without ensuring she clearly understood the arrangement, including that she would be charged for the services. The Deputy Commissioner was also critical of the navigator's failure to engage with HDC's complaint process.

CASE STUDIES – INVESTIGATIONS CONTINUED

- A surgeon was found in breach of the Code for failing to obtain consent from a consumer for their whare tangata (uterus) to undergo histological testing following a hysterectomy. The Commissioner also found Health NZ in breach of the Code for inadequate processes around obtaining informed consent for tissue return and for failing to take into account the consumer's cultural and spiritual needs, values and beliefs.
- Health NZ was found in breach of the Code for failures to monitor a deteriorating patient appropriately, and delays in escalating their care and transferring them to an Intensive Care Unit (ICU). There was an absence of clear policies, procedures and handover processes for ICU referral and transfer. The Deputy Commissioner also made educational comment about the importance of clear regional escalation frameworks and defined handover procedures when care spans more than one district. They noted that these measures are particularly essential when ICU capacity is constrained.

## The Director of Proceedings protects the public interest by holding providers to account for the most serious breaches of the Code

Referrals by HDC to the Director of Proceedings are usually reserved for the most serious breaches of the Code. The Director decides whether to take proceedings independently of the Commissioner, and may take proceedings against providers in the Health Practitioners Disciplinary Tribunal (HPDT) and/or the Human Rights Review Tribunal (HRRT).

The overall objective of the Director is to protect the public interest by holding providers to account, determining and upholding appropriate standards for health and disability providers, vindicating Code rights, facilitating meaningful consumer restitution, and promoting consumer confidence in the quality and safety of health and disability services.

In 2025/26 HDC referred four providers to the Director (including Health NZ on two occasions and two disability support providers), and the Director issued four decisions to take proceedings and/or pursue a restorative outcome. Twelve referrals are currently in progress.

The Director successfully prosecuted one health practitioner before the HPDT in 2025/26 for professional misconduct and concluded one proceeding in the HRRT that resulted in a declaration that the provider breached the Code. The Director also resolved one matter by way of restorative justice. As at 30 June 2026 the Director was awaiting two decisions (one from the HPDT and another from the HRRT).

CASE STUDY – PROCEEDINGS

## Disrespectful and unprofessional conduct by a consultant psychiatrist

www.hpdt.org.nz/portals/0/1518Med24617D.pdf (820KB)

The Director filed a charge of professional misconduct against a consultant psychiatrist in the HPDT. The charge related to the psychiatrist's interactions with three patients between 2014 and 2019. It was alleged that his communication with and about the patients was unprofessional, inappropriate and disrespectful; and in one case potentially dangerous. The patients were vulnerable with serious mental health conditions, and some of the conduct occurred in acute and risk settings.

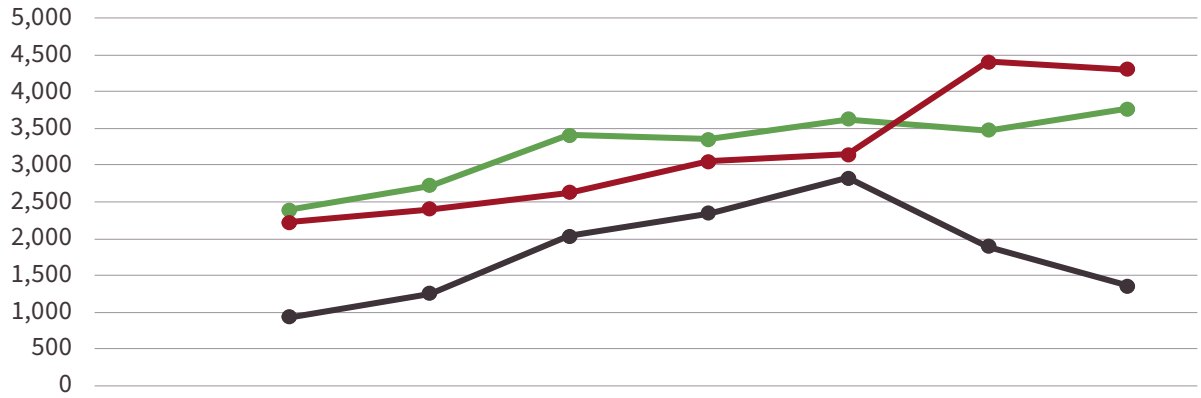
The Director obtained expert advice, which outlined how the psychiatrist's communications fell short of expected standards and how such conduct impacts the therapeutic relationship. Once the Director had filed their evidence, the psychiatrist admitted negligence and discredit to the profession in relation to the charge, as well as admitting to key facts. At the hearing, the psychiatrist accepted that his actions amounted to professional misconduct, but his counsel submitted that the disciplinary threshold should only be reached cumulatively across all five particulars of the charge. His counsel also submitted that the psychiatrist's conduct did not amount to malpractice, nor was it 'potentially dangerous' in relation to one case.

Aside from not finding the psychiatrist's actions 'potentially dangerous' in relation to one case, the HPDT found the rest of the charge proved on the balance of probabilities. The HPDT found that the psychiatrist's conduct fell well short of expected professional standards and therefore he was guilty of negligence. They also found that his actions brought discredit to the profession, noting that many people would be appalled at the way he expressed himself and that such a manner clearly undermines confidence in the medical profession.

However, the HPDT recognised the psychiatrist's long and esteemed career and that he had taken steps to address the conduct. The psychiatrist was censured. The HPDT did not impose any conditions on his practice, noting that those aspects had already been addressed through a Medical Council process. However, a fine of $3,000 was imposed as they considered his actions warranted some punishment. The HPDT ordered 40% of costs against the psychiatrist and declined his application for permanent name suppression.

# Key statistics – HDC

**Figure 1** **Number of complaints received and closed over the past seven years**




| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|---|---|---|
| Received | 2,393 | 2,721 | 3,413 | 3,353 | 3,628 | 3,477 | 3,770 |
| Closed | 2,226 | 2,404 | 2,627 | 3,048 | 3,148 | 4,406 | 4,304 |
| Open at 30 June | 934 | 1,251 | 2,037 | 2,342 | 2,822 | 1,893 | 1,359 |

**Table 1** **Outcomes of complaints closed by HDC in 2025/26**

| Outcome | Number of complaints |
|---|---|
| **Investigation**[8] | **197** |
| Breach finding | 155 |
| No breach finding | 41 |
| Complaint withdrawn | 1 |
| **Non Investigation** | **4,056** |
| No further action[9] | 2,533 |
| Referral to another agency | 57 |
| Referral for resolution between parties[10] | 1,369 |
| Complaint withdrawn by complainant | 97 |
| **Outside jurisdiction** | **51** |
| **Total** | **4,304** |

8 HDC made recommendations in relation to 182 of these investigations.

9 This includes 115 complaints on which HDC made recommendations to the provider.

10 This includes complaints referred to the provider and to the Advocacy Service (247 complaints were referred to the Advocacy Service).

## Whose care was complained about?

**Figure 2** **Ethnicity of consumers whose care was complained about in 2025/26**

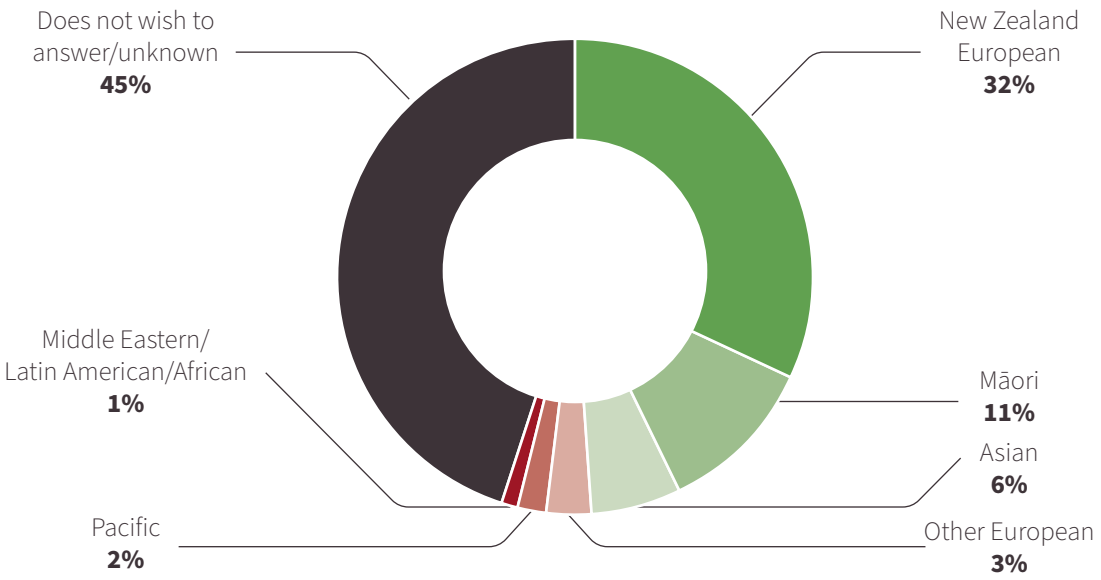



**Figure 3** **Gender of consumers whose care was complained about in 2025/26**

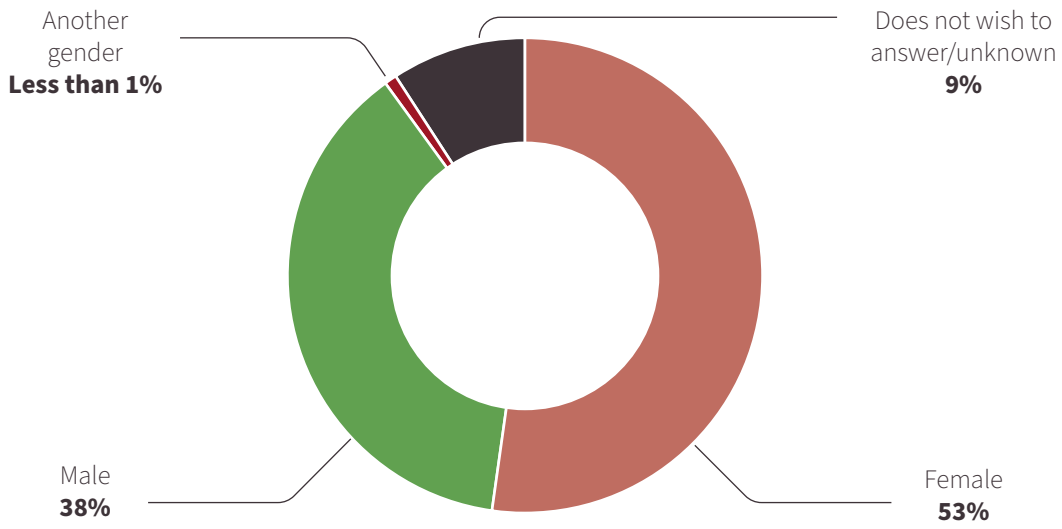


**Figure 4** **Age of consumers whose care was complained about in 2025/26**

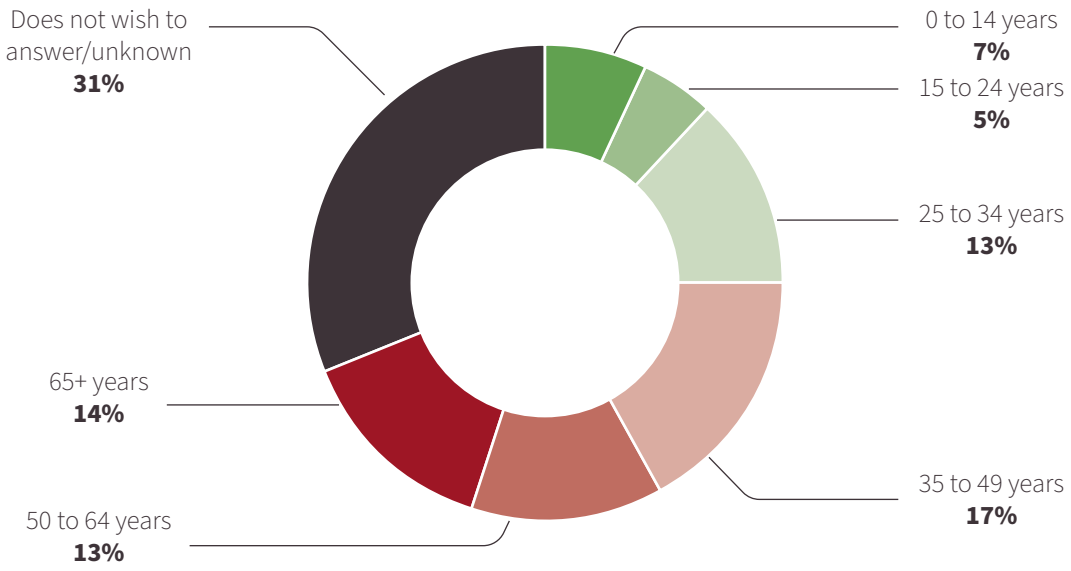
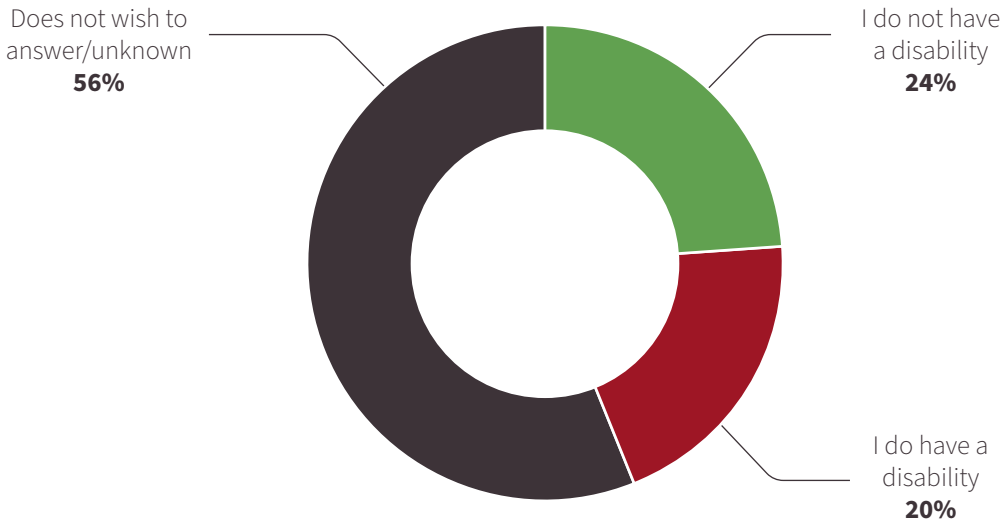



**Figure 5** **Disability status of consumers whose care was complained about in 2025/26**



## What was complained about?

**Table 2** **Most common primary issues in complaints**

| Primary Issue | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|
| Inadequate/inappropriate treatment | 302 | 358 | 391 | 302 |
| Missed/incorrect/delayed diagnosis | 246 | 228 | 261 | 257 |
| Delay in treatment | 135 | 237 | 252 | 230 |
| Inadequate/inappropriate examination/assessment | 131 | 168 | 198 | 202 |
| Unexpected treatment outcome | 122 | 179 | 149 | 148 |
| Failure to communicate effectively with consumer | 151 | 170 | 165 | 132 |
| Lack of access to services | 176 | 156 | 148 | 124 |
| Disrespectful manner/attitude | 138 | 152 | 138 | 131 |

When all issues raised in complaints are considered – not just primary issues – the most common complaint issue categories in 2025/26 were:

**72%**
**Care/treatment**

**54%**
**Communication**

**14%**
**Consent/information**

**14%**
**Medication**

**11%**
**Provider complaint processes**

**11%**
**Access/funding**

## Who was complained about?

**Table 3** **Most common organisations complained about**

| Organisation type | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|
| Health New Zealand district | 1,377 | 1,468 | 1,326 | 1,512 |
| Medical centre | 786 | 745 | 742 | 650 |
| Prison health service | 112 | 139 | 174 | 183 |
| Aged residential care facility | 185 | 184 | 154 | 163 |
| Dental clinic[11] | 98 | 177 | 121 | 114 |
| Pharmacy | 114 | 109 | 86 | 106 |
| Disability support provider | 64 | 66 | 78 | 62 |
| Specialist clinic | 70 | 62 | 67 | 79 |

**Table 4** **Most common provider occupations complained about**

| Occupation | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|
| General practitioner | 371 | 334 | 314 | 283 |
| Midwife | 86 | 96 | 105 | 98 |
| Psychologist | 46 | 67 | 58 | 90 |
| Nurse | 74 | 90 | 93 | 89 |
| Dentist[12] | 58 | 186 | 82 | 91 |
| Psychiatrist | 68 | 71 | 69 | 69 |
| Orthopaedic surgeon | 50 | 57 | 60 | 62 |

11 The increase in 2023/24 was primarily driven by a high number of complaints about a single provider.

12 The increase in 2023/24 was driven by a high number of complaints about a single provider.

# Key statistics – Advocacy

**Figure 6** **Number of complaints received and closed by the Advocacy Service each year**

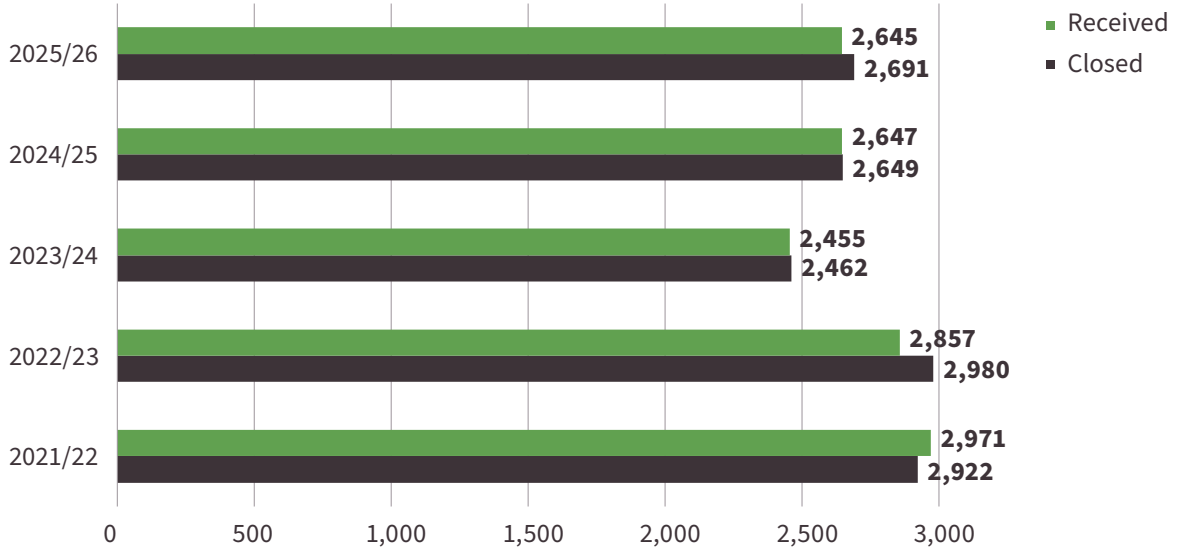



**Figure 7** **Ethnicity of complainants to the Advocacy Service in 2025/26**

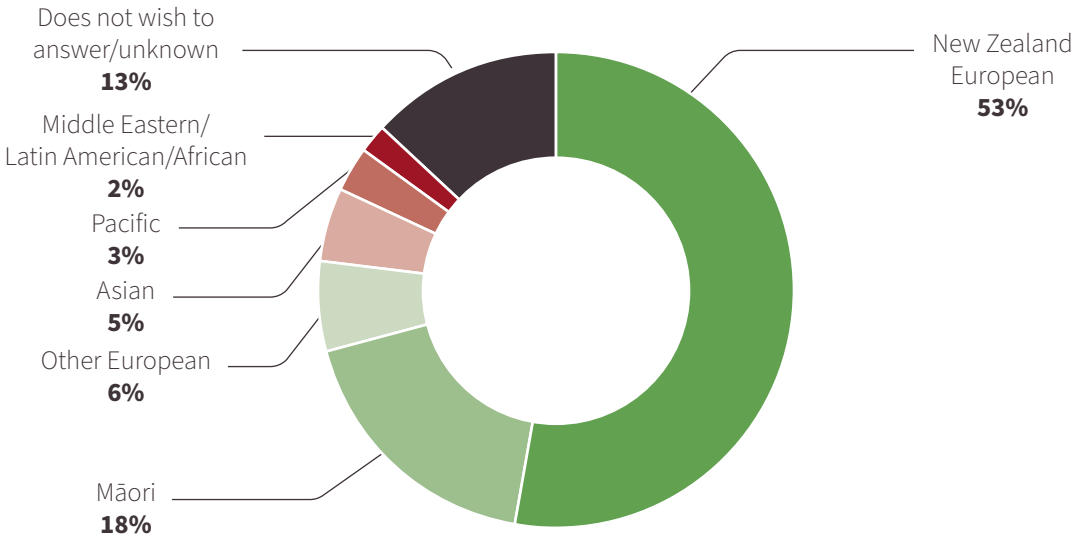


**Figure 8** **Age of complainants to the Advocacy Service in 2025/26**

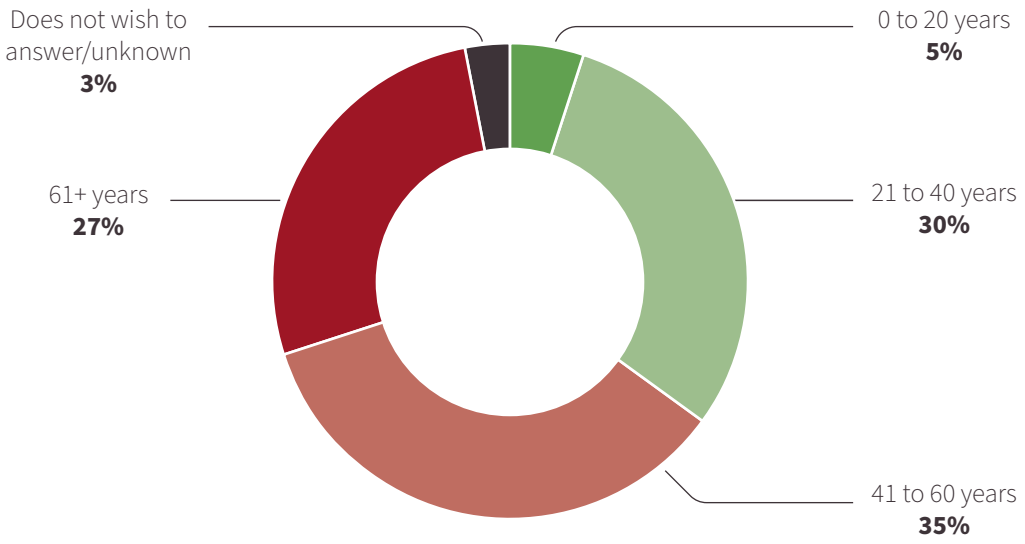
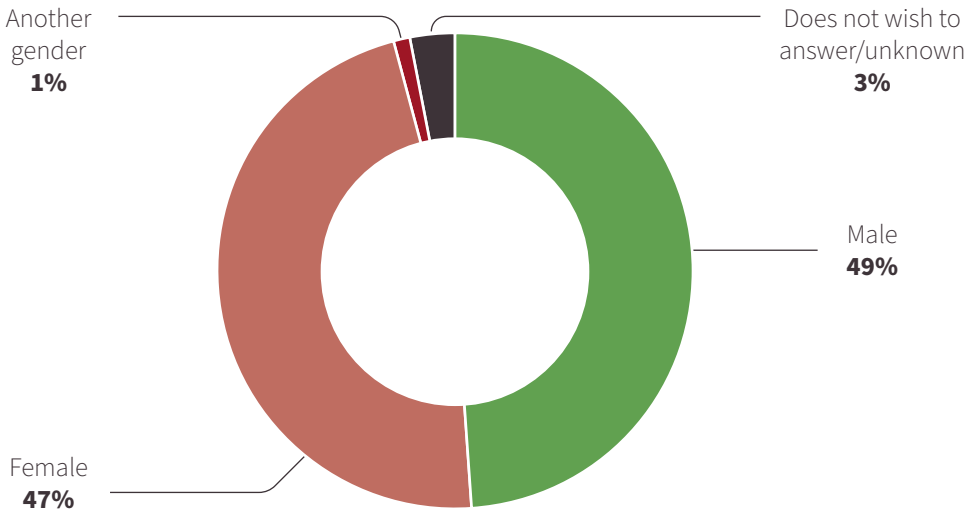



**Figure 9** **Gender of complainants to the Advocacy Service in 2025/26**



## Promotion and education

HDC's promotion and education initiatives help to build the public's understanding of their rights and providers' understanding of their obligations under the Code. Ultimately, this contributes to improved care in the health and disability system and to people's rights being upheld.

HDC has prioritised our resources towards managing increasing complaint volumes and reducing our backlog of open complaints. This means that our resources to undertake Code promotion and education are extremely limited.

### In the context of funding pressures, HDC's online education modules are the primary way in which we deliver education

HDC's online resources for providers and consumers are self-sustaining and continue to be well utilised. Many health sector organisations report that these modules are now a regular part of staff induction and training, and feedback continues to be positive.

> "I really love the e learning modules – they have made the education really clear."

> "You've given us the tools [we need] to educate and implement in our facility."

> "The online training [you have] available is the most valuable tool."

In 2025/26:

- 5,197 providers completed our education module on the Code
- 4,630 providers completed our education module on informed consent
- 4,102 providers completed our education module on complaints management

In 2025/26, HDC's online 'Your Rights' video received 4,390 views. While this is lower than the 6,000 views it received in 2024/25 it still represents a reasonable level of engagement. This video aims to increase the general public's awareness of their rights under the Code and empower people to exercise those rights.

HDC also regularly engages with the sector and community/consumer groups to help raise awareness of the Code, avenues for complaint, and common themes in complaints. More information about our engagement in this respect is detailed in the system impact section.

HDC's resources on the Code are available in most health and disability settings and are translated into a range of languages and accessible versions.

### The Advocacy Service continues to focus on raising awareness of the Code among communities

HDC contracts the Advocacy Service to promote the Code through community-level educational initiatives. Advocates build and maintain relationships in their communities to raise awareness of the Code and avenues for complaint. Given the small size of the Advocacy Service, we have focused on those communities who face barriers to accessing information about their rights and making complaints (including, for example, people in residential health and disability settings).

In 2025/26, the Advocacy Service carried out 1,013 education sessions, and 85% of these sessions were directed towards high-need communities. Feedback to these education sessions is positive, with 92% of respondents reporting being satisfied or very satisfied with the session. 93% of respondents also reported that the session provided them with a greater knowledge of how the information applied to them. In addition to specific education sessions, advocates also undertook 1,357 engagements within their communities to support people to understand and exercise their rights under the Code. 82% of these engagements were with focus populations.

As noted previously, the size of the Advocacy Service has reduced over the past decade and, like HDC, they must be focused on maintaining their role in complaints resolution. This means the number of education and promotional activities has declined in recent years. Geographical gaps in coverage also means there are regions where such activities are extremely limited. The Advocacy Service mitigates such gaps where possible, and we are monitoring the impacts of coverage gaps on complaint volumes.

CASE STUDY – ADVOCACY NETWORKING AND EDUCATION

### Kaitaia Feed My Lambs parenting support programme

Kaitaia Feed My Lambs parenting support programme, run through Rongopai House Community Trust, provides a safe, practical and culturally grounded space for whānau to connect. It also responds to the immediate needs of the community such as baby supplies. Many participants are Māori, and the programme reflects tikanga. Advocacy presentations are offered to new group members regularly.

In a recent session with around 30 people, participants explored the Code of Rights, with a particular focus on respect, effective communication and what these rights mean when receiving care. Many had not previously known they had rights, so the session also explained the role of the Advocacy Service and HDC, and how to access support. The discussion reinforced that it is OK to speak up when care is not meeting people's needs. Whānau were encouraged to see rights-based information as a tool for self-advocacy, and to understand that advocacy support can be flexible depending on the need of the person. Brochures and contact details were shared so people could follow up with the Advocacy Service if needed.

The relationship with this service is reciprocal, and the group helps advocates better understand the issues whānau face in the region, including barriers to accessing care. Feedback from the programme coordinator highlighted the impact of the session. Participants felt more confident in raising health-related matters with services, and the coordinator also noted the high level of engagement.

## HDC is undertaking a review of the Advocacy Guidelines to ensure they remain modern and fit-for-purpose

Under the HDC Act, the Commissioner is required to issue Advocacy Guidelines relating to the operations of Advocates. These guidelines are secondary legislation, and set out, at a high level, the areas that advocacy services are expected to deliver on and how they will engage with consumers and providers.

The Advocacy Guidelines were last updated in 2005, and HDC's Director of Advocacy is undertaking a consultation process to refresh these guidelines. This will ensure they are consistent with the current environment, including the structure and priorities of the health and disability system and the needs of consumers. This refresh is informed by consultation with a targeted group of consumer and sector stakeholders (66 responses have currently been received), as well as feedback obtained during HDC's 2024 public consultation on the review of the HDC Act and Code (to which there were over 200 responses). It is expected that HDC's recommendations on these Guidelines will be delivered to the Minister in early 2027.

## System monitoring and impact

> "I hope that the recommendations for communication between the hospital staff and the patient and whānau are taken seriously so no other whānau go through what we experienced."

> "I am relieved beyond compare to see a measure of understanding and solace … thank you for your [recommendations about] how [doctors] should include non-verbal patients in [care planning]."

> "Thank you for … your support throughout this process, and for the important role you play in promoting safety, accountability, and learning within New Zealand's health and disability sector."

HDC has a key role to play in quality and safety, including through the making and monitoring of recommendations, sharing complaint trend information, and escalating systems and public safety issues. The publication of key decision reports and complaint trend reports, as well as our associated recommendations, help to ensure that complaint data and information are shared in a way that amplifies the consumer voice and supports improvement.

### Providers complied with 89% of HDC's recommendations

HDC made 706 recommendations to health and disability providers in 2025/26 to improve quality, safety, and consumer experience. An additional 180 recommendations were made to help ensure people's resolution needs were met (e.g., that the provider apologise for the care provided).

Our quality improvement recommendations addressed diverse areas of practice, including coordination of care, care planning, medication safety, patient assessment and care escalation, documentation, communication with consumers and families, and improving staff skills or knowledge. Most recommendations were directed towards services run by Health NZ, followed by care homes.

HDC closely monitors the implementation of the recommendations we make. In 2025/26, 89% of our recommendations were complied with.

While compliance with HDC's recommendations remains high, we are concerned that compliance has been declining in recent years (prior to 2024/25 compliance rates sat at over 95%). Reasons for non-compliance in 2025/26 were as follows:

- 54 recommendations (involving nine organisations and 10 individuals) were not complied with as the provider did not provide any evidence of compliance to HDC or refused to comply with the recommendation. Where appropriate, these providers were referred to their professional body or another relevant authority. In addition, HDC publicly named some providers in 2025/26 for non-compliance, in line with our naming policy
- 19 recommendations were not complied with as the provider was no longer practising
- 15 recommendations could not be complied with for practical reasons, for example, resourcing or funding issues. Where appropriate, HDC has followed up with the provider to ensure any risk to patients was being mitigated in the absence of recommendations being implemented. We continue to emphasise that feedback on the practicality of completing the recommendations should be given to HDC before recommendations are finalised
- 17 recommendations were superseded by subsequent changes (such as the introduction of additional funding or national projects that addressed the issue). Where appropriate, HDC follows up on the improvements that superseded the recommendation to ensure they are implemented and address the issue of concern

We have raised our concerns about increasing levels of non-compliance with Health NZ and other sector agencies and will continue to strongly advocate for our recommendations and other safety measures to be implemented in response to complaints.

CASE STUDIES – RECOMMENDATIONS

## Some examples of recommendations made by HDC in 2025/26 include:

- Following an investigation about a failure to obtain a consumer's informed consent for an allograft bone transplant (the transplantation of bone tissue from a deceased person), HDC recommended that Health NZ develop standardised information resources for consumers on the use of allograft bone, as well as guidance for clinicians. In response, Health NZ has developed a national consumer information resource and included guidance for clinicians in the development of its national informed consent policy. This includes guidance on engaging local Māori Health Services, where appropriate, to support culturally appropriate care and decision-making for whānau.
- Following an investigation into delays within an ophthalmology service that led to a consumer losing sight in one eye, HDC made a series of recommendations around managing the risk associated with ophthalmology delays. This included asking regional leadership at Health NZ to work with the district to develop an overall service plan for the service's mid- to long-term sustainability. This plan is currently under development, and Health NZ has reported back to HDC outlining the actions it is undertaking to strengthen visibility and mitigation of risk in the meantime.
- Following an investigation into the lack of disability support provided to a person in prison, HDC made a series of recommendations to the Department of Corrections around improving the support provided to disabled people. In response, Corrections advised that it has updated its health-screening tool to identify any immediate disability support needs; rolled out training programmes to staff to improve disability awareness; developed a model to provide better targeted support to vulnerable prison populations; and developed an Accessibility Guideline to improve physical access.
- Following a complaint about an ambulance provider's response times as well as the care provided to a patient during 'ramping' (where patients are cared for within ambulances due to a lack of capacity within the hospital), HDC made a series of recommendations to the provider to improve recognition of clinical deterioration and call-handling capacity. In response, the provider advised that it had increased funding for call handlers; developed operating procedures for Delayed Entry of Hospitals; and implemented an early warning system to better identify patients at risk of deterioration when entry to hospital is delayed.
- Following an investigation into the assault of a disabled person within a disability support service, HDC made several recommendations to the service to improve safeguarding practices. In response, the provider strengthened its safeguarding approach, including actively seeking the consumer's preferences for support. The provider also improved staff training on recognising and preventing abuse, harm and neglect and strengthened associated policies and procedures.

## HDC has robust processes to swiftly escalate urgent public safety concerns and emerging risk

HDC undertook early notification of system and public safety issues to relevant agencies on 263 occasions in 2025/26. Primarily these were made to registration authorities (e.g., Medical Council), national leadership at Health NZ, the Ministry of Social Development (Disability Support Services), and regulatory functions within the Ministry of Health (e.g., Medicines Control, HealthCERT, Registrar (assisted dying)). In many of these cases, HDC will ask the agency to report back on the action taken and will monitor progress.

Some examples of systems issues raised with agencies in 2025/26 include:

- A lack of oversight of the prescribing practices of private single-issue online clinics (such as cannabis, weight loss and ADHD clinics)
- Safety of transport services for disabled children
- Capacity constraints and fragmentation of laboratory and pathology services across New Zealand
- Reducing the risk of choking-related harm in residential disability support settings
- Maternity escalation processes across districts in the context of capacity constraints and unplanned maternity presentations
- The management of allogeneic stem-cell transplant delays across New Zealand
- Quality and safety of mental health helplines, including risk management and escalation and clinical governance
- The contributing role that inadequate cardiotocography (CTG) monitoring and interpretation continues to play in serious maternity-related complaints, and our continued concerns that mandatory multidisciplinary fetal surveillance training has not been implemented

In 2025/26, HDC undertook 197 engagements with sector stakeholders to share intelligence, collaborate on areas of shared concern, and promote people's rights. This included regular attendance at the National Quality Forum – a multi-agency group of sector stakeholders designed to take a collaborative approach to quality improvement concerns.

A further 55 engagements were undertaken with a focus on the rights of disabled people. Many of these engagements concentrated on advocating for the development of a consistent quality framework for disability support services (a recommendation from HDC's report into residential disability support complaints), as well as actions to reduce the risk of choking-related harm in disability settings.

Our insights from complaints also inform our submissions on policy and legislation. In 2025/26 we made 13 submissions, including in relation to the Government's consultations on the Disability Support Services Bill, the Mental Health and Wellbeing Strategy, Ngā Paerewa Health and Disability Services Standards, the New Zealand Disability Strategy, as well as a range of professional standards.

## HDC publishes reports detailing the themes in complaints to bring attention to the consumer voice and support quality improvement

HDC continues to review our data collection and reporting to ensure that it aligns with Government and sector priorities. The implementation of our new digital complaints management system has provided an opportunity to strengthen our data collection and reporting. Over time this system will improve HDC's data analysis capabilities, including tracking priority issues and emerging risks and reporting on the experience of focus populations.

In 2025/26, we continued to provide Health NZ with annual in-depth reports outlining the trends in complaints about public hospital care. We also publish a summary of this information on our website. Feedback on these reports from the sector is positive.

CASE STUDY – DISABLED PEOPLE'S EXPERIENCES OF THE HEALTH SYSTEM

## Disabled People's | Tāngata Whaikaha Experiences of Health Services: report on complaints to HDC

In June 2026, HDC published a report examining the themes in complaints about disabled people's experiences of health services. Disabled people continue to experience poor health outcomes, and implicit and explicit biases towards disability are evident within the health system.

The findings of this report highlight the significant barriers disabled people continue to face when engaging with health services. Themes included:

- A lack of person-centred care, including use of restraint, failures to provide reasonable accommodations,[13] and failures to recognise disabled people as experts in their own experience
- Concerns around cultural responsiveness, particularly for tāngata whaikaha Māori and Deaf | Turi communities
- Inadequate communication, including inaccessible communication, inconsistent recognition of communication needs and inadequate engagement with family, whānau and support people
- Informed consent processes, including concerns about bodily autonomy and supported decision-making
- Quality of disability-related cares, such as a lack of timely personal cares and appropriate support during hospital admissions
- Quality of medical treatment, including lack of provider knowledge about disability and diagnostic overshadowing
- Continuity and coordination of care, including delays in access to diagnosis and inadequate coordination within and between health and disability systems

The report identified the need to strengthen reasonable accommodations and reduce barriers to care, and highlighted the importance of cross-agency collaboration in supporting disabled people to navigate between multiple systems. HDC made several recommendations to support change in these areas and is monitoring their implementation.

13 The term 'reasonable accommodation' refers to necessary and appropriate modification and adjustments to support disabled people to live their lives on an equal basis with others.

# Aged Care Commissioner

The Aged Care Commissioner provides a focal point for monitoring and addressing quality and safety issues for older people. They advocate for the rights of older people to be protected, with a strong focus on the quality and safety of care and the experiences of older people and their family and whānau. In addition to ensuring timely and appropriate resolution of individual complaints made about the care provided to older people, the Aged Care Commissioner brings together insights from complaints, sector intelligence and engagement with consumers and the sector to identify emerging systemic issues and opportunities for improvement.

## A new Aged Care Commissioner was appointed in April 2026 providing an opportunity to consider future priorities for this work

The former Aged Care Commissioner resigned her position in August 2025, and Erin James commenced in the role in April 2026.

During the recruitment and appointment process for the incoming Aged Care Commissioner, HDC's focus was on ensuring that complaints about the care provided to older people were progressed appropriately, emerging areas of risk were responded to, and recommendations were made to improve quality and safety of care.

HDC also continued to monitor the action taken by agencies to implement the recommendations of the former Aged Care Commissioner in her 2024 monitoring report, Amplifying the Voices of Older People, and reported on this progress to both the Ministry of Health and the Minister for Seniors. The appointment of a new Aged Care Commissioner in April 2026 has provided an opportunity to review our monitoring approach in line with the priorities of the incoming appointee.

While the findings of the 2024 monitoring report remain an important foundation for our work, in response to recent sector reviews, recommended changes in aged care, and the priorities of the new Aged Care Commissioner, the work programme for 2026/27 will focus on areas where HDC has the strongest statutory levers, including complaints, monitoring, advocacy, and rights protection. This programme will support a proactive, risk-based approach to monitoring and advocacy. The Aged Care Commissioner has begun work on an advocacy and sector monitoring framework to guide this work and support system-level learning and improvement.

## The new Aged Care Commissioner is undertaking broad stakeholder engagement to inform her priorities

In 2025/26, HDC undertook 46 engagements with key stakeholders focused on older people's rights and understanding emerging issues for older people in the health and disability system.

In her first three months of her appointment, the Aged Care Commissioner undertook 22 engagements with Government, sector stakeholders and consumer groups to inform her priorities and strengthen how HDC and the Aged Care Commissioner can protect the rights, safety, and dignity of older people using health and disability support services. A key engagement for the Aged Care Commissioner was meeting with the Aged Care Ministerial Advisory Group to highlight the importance of embedding a rights-based approach and strengthening safeguarding and prevention processes as part of service model and funding reforms.

## A key focus for the Aged Care Commissioner is the resolution of complaints about care provided to older people

The Aged Care Commissioner is a statutory decision-maker on complaints, and complaints management is an important aspect of their role. Complaints provide insights into the issues about which older people are concerned and provide an important mechanism for the Aged Care Commissioner to hold the sector to account and ensure the rights of older people are upheld, and quality and safety of care are improved.

In 2025/26 HDC closed 307 complaints about aged-care providers, including 44 investigations.

As part of HDC's focus on reducing our backlog of open complaints, we have sought to improve the timeliness of our process in respect of aged-care complaints, including streamlining our processes for seeking advice on aged-care files. The new Aged Care Commissioner is working with HDC's operations team to identify whether any further improvements can be made to improve timeliness while also ensuring a high quality of assessment and decision-making.

CASE STUDY – AGED-CARE INVESTIGATIONS

## Current priorities for the Aged Care Commissioner

The following case examples highlight three current priorities for the Aged Care Commissioner: strengthening safeguarding and harm prevention for older people; embedding a rights-based approach to care (including people's right to respect, dignity and needs-based care); and the quality of respite care for older people.

- A care home was found in breach of the Code in relation to the care provided to a vulnerable consumer following an alleged assault. HDC found that the care home's abuse and neglect policy was inadequate to guide staff actions in response to allegations of abuse, and therefore staff failed to escalate their concerns appropriately or undertake appropriate safeguarding actions.
- A care home was found in breach of the Code for the quality of care provided to a consumer with complex conditions affecting their swallowing, hearing and speech. The Deputy Commissioner found that staff failed to uphold the consumer's right to respect and dignity, noting that there were repeated incidences of demeaning conduct towards the consumer by the staff she was reliant on for her cares. Staff also repeatedly failed to respect the consumer's communication needs. The Deputy Commissioner concluded that there was a failure by the care home to manage concerns about staff attitudes appropriately.
- A retirement village was found in breach of the Code for failing to recognise a respite-care resident's deterioration adequately. The Deputy Commissioner was critical of a failure to seek medical review and contact the consumer's family in response to the consumer's clinical deterioration, poor monitoring of the consumer's hydration and nutrition needs, and inadequate documentation of the consumer's care during her respite stay.

## Aged-care providers complied with 97% of HDC's recommendations

As well as making broader recommendations to the sector, the Aged Care Commissioner also effects systemic change by making recommendations on individual complaints. For example, HDC made 163 quality improvement recommendations to aged-care providers in 2025/26, and 97% of our recommendations were complied with.

Recommendations commonly focused on improving documentation; care planning and assessment; safe medication administration; falls prevention; person-centred communication; recognising clinical deterioration; coordination of care; and incident reporting and complaints management.

Some examples of recommendations made by HDC to aged-care providers in 2025/26 included:

- In response to a complaint about inadequate care provided to a resident in a retirement village during its COVID-19 isolation period, HDC recommended that the provider review its subcontracting arrangements and organisational processes to reduce the risk of missed cares; provide clinical training to its home care staff; and consider improvements to complaint processes. In response, the provider, in coordination with contracted agencies, developed a dedicated policy for care delivery for village residents. It also provided training to staff to improve care to village residents and undertook a review of its complaints processes.
- In response to a complaint where a medication error resulted in an older person receiving an incorrect dose of fentanyl, HDC recommended that the care home improve training for staff on use of transdermal patches, audit compliance with its medication management policy and undertake actions to ensure representatives are informed of medication incidents. In response, the provider undertook an audit of fentanyl patches across all its sites and undertook corrective actions where required. Staff training was also undertaken, and its Medication Management Policy was updated to include a requirement to inform designated representatives (e.g., welfare guardians) of any incidents.
- In response to a complaint where a resident sustained a second-degree burn due to the positioning of her bed, HDC recommended that the care home develop contingency plans for staff shortages and the prioritisation of support for vulnerable residents and improve staff training. In response, a contingency plan and roster management protocol was developed, and staff received training in pain management, first aid, and short-term care planning.

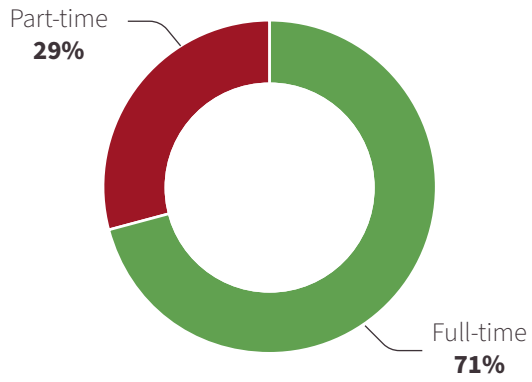
Noting that a key theme in complaints about aged care is delays in identifying clinical deterioration, the Aged Care Commissioner has been supportive of work undertaken by the Health Quality and Safety Commission and University of Auckland to develop and implement an early warning score system for residential aged care (DEWS). DEWS is an evidence-based tool that supports aged residential care staff to identify appropriately and respond quickly to residents who become acutely unwell. The Aged Care Commissioner is represented on the expert advisory group for this work, and will support its ongoing implementation through HDC's recommendations.

# Organisational health and capacity
## Te hauora me te kaha o te whakahaere

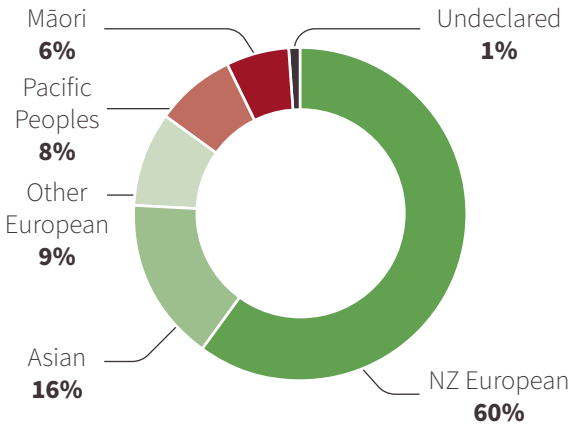
### At a glance

**93** **staff** (82.29 FTE)

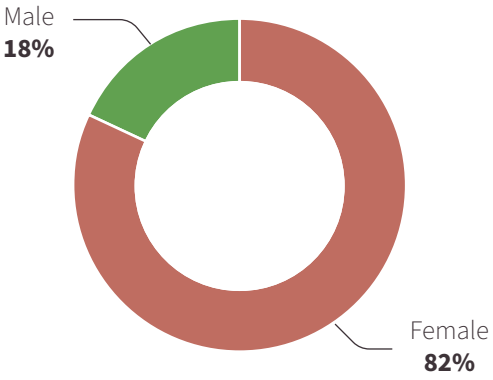
#### Employment type



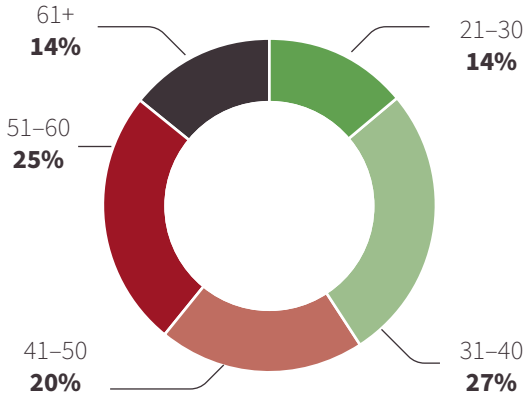

#### Ethnicity




#### Gender




#### Age profile



The Commissioner is responsible for setting and leading the strategic direction of the organisation.

She is supported by three Deputy Commissioners (who are statutory appointments) and an Executive Leadership Team. HDC's Executive Leadership Team is responsible for leading our performance culture, managing operational matters, budget planning, and risk identification and management.

HDC staff work collectively to promote and protect the rights of people who use health and disability services. We deliver high-quality services supported by staff who bring expertise across law, dispute resolution, cultural advice, disability support and clinical practice. Almost all our staff are dedicated to carrying out our core statutory function to resolve complaints.

## Our people

We are committed to being a good employer and to building a workforce that reflects the diversity of Aotearoa New Zealand. HDC continues to build on the progress we have made to date, while aligning our efforts with the refreshed Public Service Workforce Diversity Strategy.

## Leadership and culture

HDC's internal culture is grounded in the values set by our staff-led Charter. In 2025/26, HDC implemented a revised performance management approach (the employee success framework) to better reinforce a respectful, collaborative and high-performance culture across the organisation. This framework provides greater support and clarity for leaders and staff.

In 2025/26, HDC implemented a regular staff engagement survey. The results of this survey provided valuable information around what is currently working well and areas where HDC can take action to improve employee experience. Identified actions are currently being implemented.

## Health, safety, and wellbeing

Supporting staff safety and wellbeing is central to sustaining a high-performing organisation. We provide a range of wellbeing initiatives some of which include professional supervision, an Employee Assistance Programme, and flexible working arrangements and leave provisions. HDC is currently reviewing what further wellbeing initiatives can be introduced as part of our staff engagement survey action plan.

HDC has clear policies and procedures setting out expectations for behaviour in the workplace and processes for raising concerns. We undertook a review of our Preventing Bullying, Harassment and Discrimination Policy in consultation with staff in 2025/26. This also provided opportunities to educate staff on the policy, and further work to reinforce staff knowledge is planned in 2026.

Our health and safety framework is actively overseen by staff and leadership, ensuring that issues are identified and addressed quickly and staff feel safe and supported.

## Recruitment, induction and employee development

HDC's recruitment practices are fair and inclusive to attract and appoint the most suitable candidates. We provide recruitment training for leaders and have streamlined our online recruitment platform to improve transparency and staff experience.

We have a comprehensive induction process, and feedback from our 'fresh eyes' survey is used regularly to make improvements. In general, staff speak positively of our induction process.

HDC continues to offer career development opportunities where possible, while acknowledging that we are restricted by the small size and specialist jurisdiction of our Office. Internal and external secondments and acting-up opportunities are offered where available. Investing in staff training remains a priority and is further supported by our revised performance management processes.

In 2025/26 HDC rolled out a comprehensive training programme for our operational staff to further support them in their work, with staff undertaking 140 hours of training in 2025. Building internal staff understanding of mātauranga Māori and the diverse experiences of disabled people remains an area of focus, and in 2025/26 this work was informed by feedback from staff on how we could further improve cultural capability within the organisation.

## Remuneration, recognition, and conditions

We are committed to fair and transparent remuneration practices. Pay equity is monitored regularly across gender and ethnicity. Independent market advice supports our remuneration framework, and the complexity and accountability of roles are assessed alongside relevant public sector guidance.

We have improved transparency by making salary band information readily available to all staff and have taken steps to provide greater clarity to staff around how pay decisions are made.

Staff rate HDC's support for flexible working positively, and our employment policies continue to evolve in response to staff feedback.

Celebrating and recognising achievement is an important aspect of HDC's Staff Charter and is a key focus for improvement within our staff engagement survey action plan.

The Health and Disability Commissioner is an independent Crown entity and is required to disclose certain remuneration information in its annual reports. The information reported is the number of employees receiving total remuneration of $100,000 or more per annum. During the year ended 30 June 2026, five employees received compensation and other benefits totalling $30,829 in relation to cessation[14] (2025: nil).

**Table 5** **Remuneration of employees over $100,000 per annum**

| Total remuneration paid or payable | Actual 2026 No. of employees | Actual 2025 No. of employees |
|---|---|---|
| $100,000–$109,999 | 7 | 7 |
| $110,000–$119,999 | 1 | 3 |
| $120,000–$129,999 | 4 | 6 |
| $130,000–$139,999 | 4 | 4 |
| $140,000–$149,999 | 2 | 3 |
| $150,000–$159,999 | 3 | 4 |
| $160,000–$169,999 | 2 | 1 |
| $170,000–$179,999 | 1 | 2 |
| $180,000–$189,999 | 1 | 1 |
| $190,000–$199,999 | – | 2 |
| $200,000–$209,999 | 2 | – |
| $210,000–$219,999 | – | 2 |
| $220,000–$229,999 | 2 | – |
| $260,000–$269,999 | – | 1 |
| $270,000–$279,999 | – | 2 |
| $280,000–$289,999 | 2 | – |
| $380,000–$389,999 | – | 1 |
| $410,000–$419,999 | 1 | – |
| **Total** | **32** | **39** |

In accordance with the disclosure requirements of sections 152(1)(a) of the Crown Entities Act 2004, the total remuneration paid to the Commissioner during the year from 1 July 2025 to 30 June 2026, including all benefits, is $411,500 (2025: $388,000).

14 It should be noted that in August 2025 HDC finalised a restructure of our organisation in line with a reduction in funding.

## Processes and technology

HDC proactively manages its IT security arrangements, using specialist support where required. Key technology solutions are reviewed regularly, data is backed up frequently, and the IT disaster recovery plan is tested annually.

We have a rolling programme of work to review and enhance systems to ensure they meet organisational requirements and improve staff experience and productivity. We continue to invest in technology to support a paperless working environment and hybrid working arrangements.

On 30 March 2026 HDC implemented a new digital complaints management system, replacing our previous outdated system. The new system was delivered on time and within budget, following a six-month discovery and build process. A continuous improvement programme has been introduced to implement improvements to the system in response to staff feedback. The new system is expected to deliver several improvements to our processes, including improved quality assurance measures.

The Health and Disability Commissioner has identified our new complaint management system as a service critical asset under the Cabinet Office Circular CO (23) 9. HDC closely monitors the system's performance to ensure it remains fit for purpose and supports continuous improvement. The cloud-based system is regularly backed up in a controlled and secure environment to support business continuity.

On 1 July 2025 HDC successfully implemented a new financial management system (Xero) to streamline invoicing processes and enhance the efficiency of day-to-day financial management and accounting activities. In addition, a centralised approval platform was introduced, improving operational efficiency and strengthening internal controls and audit traceability.

HDC is continuously reviewing and enhancing its business applications, cybersecurity tools, and security controls. These measures, supported by 24/7 monitoring, help ensure that the organisation's systems meet users' needs and remain secure and resilient.

## Sustainability

HDC works to reduce its environmental impact and manage costs responsibly. This includes operating a recycling programme; reviewing consumables with a focus on reducing packaging and waste; buying locally where possible; closely monitoring and reducing travel; encouraging staff to use public transport where appropriate; and purchasing environmentally friendly products and services where practicable, such as recycled courier bags.

## Physical assets and structures

HDC looks for cost-effective ways to manage its assets and continues to review business requirements to improve the usability of existing workspaces and resources. For example, in 2025/26 we replaced more than 30 laptops to meet software application requirements. We maintain and care for our assets to maximise their useful life.

# Statement of performance
## Tauāki whakatutukitanga

The table below sets out the assessment of our performance against the targets set out in the Statement of Performance Expectations. The following grading system has been used:

| Criteria | On target or better | ≤5% below target | >5% below target |
|---|---|---|---|
| Rating | Target achieved | Target substantially achieved | Target not achieved |

## Output Class 1 – Complaints Resolution

This output is to achieve fair, simple, speedy, and efficient resolution of complaints.

| Financial performance for the year ended 30 June | Actual 2026 ($,000) | Budget 2026 ($,000) | Actual 2025 ($,000) |
|---|---|---|---|
| Crown revenue | 12,937 | 12,986 | 13,284 |
| Non-Crown revenue | 240 | 170 | 220 |
| **Total revenue** | **13,177** | **13,156** | **13,504** |
| Output cost | 12,661 | 13,545 | 12,452 |
| **Surplus/(deficit)** | **516** | **(389)** | **1,052** |

**Output 1.1 – Complaints Management (HDC)**

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| Supporting timely and appropriate resolution pathways (HDC)<br>(which contributes to achievement of Strategic Objective 1). | Assume 3,600 complaints will be received.<br><br>Close an estimated 3,000–4,000 complaints (HDC). This figure includes 150–200 investigations. | 3,770[15] complaints were received (2025: 3,477).<br><br>4,304 complaints were closed, including 197 investigations (2025: 4,406 complaints closed, including 190 investigations).<br><br>**Target achieved** |
| | Manage complaints received from 1 July 2025 so that for:<br>• Early resolution complaints[16]: 100% are closed within 1 month<br>• Complex non-investigation complaints:[17] 85% are closed within 9 months | For complaints received from 1 July 2025:[18]<br>• 84% of early resolution complaints were closed within 1 month.<br><br>**Target not achieved**<br><br>• 99% of complex non-investigation complaints were closed within 9 months.<br><br>**Target achieved** |
| | Manage complaints received from 1 July 2024:<br>• Investigations: 70% are closed within 2 years | For complaints received from 1 July 2024:<br>• 100% of investigations were closed within 2 years.<br><br>**Target achieved** |

15 The 3,770 new complaints includes 14 complaints that were previously closed prior to the month of June 2026 and subsequently reopened following a closed file review process. This number has been adjusted to account for the fact that in order to clear our backlog of open complaints, HDC will need to close more complaints than we receive.

16 Early resolution complaints are complaints that can be resolved following initial triage without seeking further information.

17 These are complaints that are not suitable for early resolution but that following assessment were considered not to meet the threshold for investigation.

18 This new measure has been amended from an overall complaint closure measure to different measures for different resolution pathways. This measure better considers the complexity and time involved in different types of assessments undertaken by HDC, and reflects the benchmarks used by HDC for different complaints resolution pathways.

**Output 1.1 – Complaints Management (HDC)**

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| | Manage complaints received prior to 1 July 2025 so that of open complaints:<br>• No more than 15% are over 24 months old | There were 1,359 open complaints as at 30 June 2026 (2025: 1,893):<br>• 20.5% (279) of open complaints were over 24 months old[19] (2025: 25.5%).<br>**Target not achieved** |
| Supporting timely and appropriate resolution pathways (HDC (which contributes to achievement of Strategic Objective 3). | Use HDC's levers effectively and appropriately to resolve complaints. Report on:<br>• Percentage of complaints referred for resolution directly between the parties<br>• Number of complaints on which recommendations are made<br>• Number of complaints notified for investigation<br>• Number of hohou te rongo completed<br><br>Provide early notification of systemic and public safety issues to Ministry of Health, Whaikaha, Health NZ, and/or other relevant agencies. Report on total number.[20] | For the year ended 30 June 2026:[21]<br>• 31.8% (1,368) of complaints closed were referred for resolution directly between the parties (2025: 29.5%)<br>• 297 complaints had recommendations made (2025: 336)<br>• 165 complaints were notified for investigation (2025:160)<br>• No hohou te rongo were completed and 14 hui ā-whānau were completed (2025: 28 hui ā-whānau)[22]<br><br>For the year ended 30 June 2026, early notification of systemic and public safety issues was made to relevant agencies (primarily Health NZ, MSD, Medicines Control, HealthCERT and regulatory authorities) on 263 occasions (2025: 329). |

19 We focused on increasing our productivity and efficiency in 2024/25 to achieve a closure rate of over 100%. This contributed to meaningful progress in 2025/26 in reducing the ageing profile of open complaints. Although the proportion of complaints aged over 24 months remained above the target, HDC has established an action plan to continue reducing complaints older than 2 years.

20 This measure is designed to demonstrate the use of HDC's public protection levers. Introducing a target for this would be inappropriate, as HDC does not have control over the seriousness of complaints, and a legislative threshold ('in the public interest') must be reached before issues are escalated. Introducing such a target would risk introducing perverse incentives into a statutory decision-making process.

21 HDC has no control over the nature and seriousness of complaints received. Accordingly, establishing a target would not be appropriate.

22 This has been amended from 'number of hui a-whānau completed' to 'number of hohou te rongo completed'. Hui a-whānau are completed as part of the complaints assessment process, whereas hohou te rongo is used to resolve the complaint, and therefore hohou te rongo provides a better measure of appropriate resolution.

**Output 1.2 – Complaints Management (Advocacy Services)**

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| Supporting timely and appropriate resolution pathways (Advocacy Services)<br>(which contributes to achievement of Strategic Objective 1). | Assume up to 2,600 complaints will be received.<br><br>Close an estimated 2,600 complaints by Advocacy.<br><br>Manage complaints so that:<br>• 75% are closed within 3 months<br>• 85% are closed within 6 months<br>• 100% are closed within 9 months | 2,645 new complaints were received by the Advocacy Service (2025: 2,647).<br><br>2,691 complaints were closed by the Advocacy Service (2025: 2,649).<br><br>**Target achieved**<br><br>• 74% of complaints were closed within 3 months (2025: 76%).<br><br>**Target substantially achieved**<br><br>• 95% of complaints were closed within 6 months (2025: 96%).<br><br>**Target achieved**<br><br>• 99% of complaints were closed within 9 months (2025: 99%).<br><br>**Target substantially achieved** |
| Consumers are satisfied with Advocacy's complaints management processes<br>(which contributes to achievement of Strategic Objective 2). | Undertake consumer satisfaction surveys, with 80% of respondents satisfied with Advocacy's complaints management processes. | For the year ended 30 June 2026, 1,881 consumers were invited to participate in the survey over the phone, and 547 (29%) consumers participated in the survey.<br><br>Of those, 82% of complainants were satisfied with the Advocacy complaints management process (2025: 82%).<br><br>**Target achieved** |

**Output 1.3 – Provider Accountability – Proceedings**

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| On referral of a complaint from the Commissioner, a decision is made whether to take further action (including disciplinary or HRRT proceedings, or resolution by way of a restorative approach) where it is appropriate to do so<br>(which contributes to achievement of Strategic Objective 4). | The Director makes decisions on complaints referred to its office. Report on:[23]<br>• The number of providers referred to the Director<br>• The number of decisions made | • 4 new referrals relating to 4 providers were received (2025: 12 referrals relating to 12 providers)<br>• 4 decisions to take proceedings were issued (2025: 5) |
| Proceedings are taken in the relevant forum (Human Rights Review Tribunal or Health Practitioners Disciplinary Tribunal) where the Director determines it warranted<br>(which contributes to achievement of Strategic Objective 4). | The Director takes proceedings in the HRRT and HPDT in cases determined to be warranted.<br>In relation to both the HRRT and HPDT, report on:[24]<br>• Number of proceedings filed<br>• Number of proceedings concluded<br>• Outcome of proceedings concluded | **HRRT proceedings:**<br>• 2 HRRT proceedings were filed (2025: 6)<br>• 1 HRRT proceeding was completed (2025: 7)<br>• 1 restorative outcome was negotiated (2025: 2)<br>**HPDT proceedings:**<br>• No HPDT proceeding was filed (2025: 1)<br>• 1 HPDT proceeding was completed (professional misconduct finding made) (2025: 2) |

23 This measure is designed to demonstrate the use of HDC's public protection levers. Introducing a target for this would be inappropriate, as HDC does not have control over the seriousness of complaints. Introducing such a target would risk introducing perverse incentives into a statutory decision-making process.

24 These measures provide an overall assessment of the level of activity of the Director. Having a specific target is not appropriate as the Director does not have control over the number of complaints where it is appropriate to file proceedings.

## Output Class 2 – Promotion and Education

This output is to build awareness and understanding of people's rights and providers' obligations under the Code.

| Financial performance for the year ended 30 June | Actual 2026 ($,000) | Budget 2026 ($,000) | Actual 2025 ($,000) |
|---|---|---|---|
| Crown revenue | 1,808 | 1,724 | 1,902 |
| Non-Crown revenue | 24 | 23 | 32 |
| **Total revenue** | **1,832** | **1,747** | **1,934** |
| Output cost | 1,770 | 1,798 | 1,783 |
| **Surplus/(deficit)** | **62** | **(51)** | **151** |

**Output 2.1 – Access to Advocacy**

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| Network to promote awareness of the Code and access to the Advocacy Service in local communities (which contributes to achievement of Strategic Objectives 2 & 3). | Advocates carry out 1,200 scheduled visits or meetings with community groups and provider organisations to provide information about the Code of Health and Disability Services Consumers' Rights, HDC, and the Advocacy Service. | For the year ended 30 June 2026, the Advocacy Service had carried out 1,357 networking visits across the country (2025: 2,642).<br>**Target achieved** |
| | At least 85% of these visits and meetings are provided to focus populations and the family/whānau members who support them. | 82% (1,118) of these visits were provided to focus populations and the family/whānau members who support them (2025: 81%).<br>**Target substantially achieved** |

**Output 2.2 – Advocacy Education**

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| **Promote awareness of, respect for, and observance of, the rights of consumers and how they may be enforced** (which contributes to achievement of Strategic Objectives 2 & 3). | Advocates provide an estimated 1,000 education sessions. Consumers and providers are satisfied with the education sessions. At least 85% of these sessions are provided to focus communities. | For the year ended 30 June 2026, the Advocacy Service had delivered 1,013 education sessions across the country (2025: 1,092). Of these, 85% (862) were provided to focus communities (2025: 83% (911)).<br>**Target achieved** |
| | Seek evaluations on sessions, with 80% of respondents satisfied. | 92% of survey respondents were satisfied with the education session they attended (2025: 93%).<br>**Target achieved** |
| **Report on number of enquiries managed by the Advocacy Service and HDC about the Act, the Code, and consumer rights under the Code** (which contributes to achievement of Strategic Objective 3). | Provide responses to enquiries as requested.<br>Report on the total number of contacts with enquirers.[25] | For the year ended 30 June 2026, a total of 26,613 contacts with enquirers had been undertaken by the Advocacy Service, and a total of 1,875 enquiries had been directly managed by HDC (2025: 25,120 by Advocacy Service, and 1,643 by HDC). |

25 This measure reflects the Advocacy Service's contribution to education by supporting enquirers to learn about their rights, self-advocate and navigate available complaint pathways. As the Advocacy Service does not have control over the number of enquiries it receives, setting a target would be inappropriate.

**Output 2.3 – HDC Education**

| Output and assumptions | Performance measures and targets[26] | Actual performance |
|---|---|---|
| Promote awareness of, respect for, and observance of, the rights of consumers and how they may be enforced (which contributes to achievement of Strategic Objective 4). | Report on the number of people who have accessed the online provider educational resources and number of people who have viewed the online consumer 'Your Rights' video, which promotes and educates on the practical implication of consumers' rights. | For the year ended 30 June 2026, 5,197 providers had completed Module 1 about the Code, 4,630 providers had completed Module 2 about informed consent, and 4,102 providers had completed Module 3 about complaints management (2025: 6,725 Module 1, 6,656 Module 2, and 5,079 Module 3).<br><br>For the year ended 30 June 2026, the online consumer 'Your Rights' video on YouTube received 4,390 views (3,800 for the English version, and 590 for the te reo Māori version) with the aim to increase awareness of the Code and empower consumers to exercise their rights (2025: 5,300 views for English version and 700 views for te reo Māori version). |

26 HDC has developed online educational resources to improve the reach and effectiveness of our educational activities.

# Output Class 3 – System Monitoring and Impact

This output is to contribute to improving the quality and safety of health and disability services.

| Financial performance for the year ended 30 June | Actual 2026 ($,000) | Budget 2026 ($,000) | Actual 2025 ($,000) |
|---|---|---|---|
| Crown revenue | 952 | 987 | 1,408 |
| Non-Crown revenue | 12 | 13 | 23 |
| **Revenue** | **964** | **1,000** | **1,431** |
| Output cost | 931 | 1,030 | 1,320 |
| **Surplus/(deficit)** | **33** | **(30)** | **111** |

**Output 3 – System Impact**

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| Use HDC complaints management processes to facilitate quality improvement (which contributes to achievement of Strategic Objective 3). | Make recommendations to improve quality of services, and monitor compliance with the implementation of recommendations by providers:<br>• Providers make quality improvements as a result of HDC recommendations. Verify provider's compliance with HDC's quality improvement recommendations, with a target of 90%[27] compliance | During the year ended 30 June 2026 HDC made 706 quality improvement recommendations. HDC also reviewed and closed 945 quality improvement recommendations that had been made previously.<br>• 89%[28] of recommendations were fully complied with (2025: 91.3%).<br>**Target substantially achieved** |

27 The compliance rate of 95–100% has been reduced to 90% to reflect the fact that compliance with HDC's recommendations has reduced over the past few years. This is partially attributable to resource constraints in the health and disability sector and individual providers leaving the workforce. In HDC's view, a target of 90% compliance demonstrates HDC's impact on improving quality and safety while also taking into account the current operating environment.

28 Compliance with our recommendations continues to remain under the target of 90%. Barriers to completing recommendations include providers leaving the workforce and providers no longer having the resources to implement improvements. We continue to encourage providers to provide feedback on the feasibility of our recommendations before they are finalised to minimise the number of recommendations that are not complied with. We continue to take actions to mitigate any risk posed by recommendations not being implemented. Where appropriate, HDC made alternative recommendations.

**Output 3 – System Impact**

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| Engage with key sector stakeholders to promote the Code, share intelligence and insights relating to complaint trends, and collaborate on issues of shared concern<br>(which contributes to achievement of Strategic Objective 3). | Provide briefings, and raise issues or make recommendations, suggestions, or submissions to any person or organisation in relation to the Code and/or trends identified through complaints. Report on activity. | **Engagement**<br>During the year ended 30 June 2026, HDC undertook 197[29] engagements with key sector stakeholders (2025: 182).<br>**Submissions**<br>During the year ended 30 June 2026, HDC made 13 submissions on various issues (2025: 11).<br>**Complaints trend reporting**<br>In 2025/26, HDC published:<br>• A summary to our website of a report provided to Health NZ detailing the trends in complaints about public hospital services for 2024/25<br>• A thematic report and associated recommendations on disabled people's experiences of the health system |
| Monitor complaint trends in relation to disability and collaborate with other agencies to protect and promote the rights of disability services consumers<br>(which contributes to achievement of Strategic Objective 4). | Monitor trends in complaints and maintain engagement with key sector stakeholders to share trends, highlight areas of emerging risk and ensure timely action is taken in response to public safety concerns. Report on activity. | For the year ended 30 June 2026, the Deputy Commissioner, Disability undertook 55 engagements with key stakeholders to share complaint data and highlight areas of emerging risk relating to the rights of Deaf and disabled people (2025: 74). |

29 This does not include engagements undertaken as a function of the Aged Care Commissioner. These engagements are counted in the Aged Care Commissioner section.

# Output Class 4 – Aged Care Commissioner

This output is to drive quality improvement in the care provided to older people.

| Financial performance for the year ended 30 June | Actual 2026 ($,000) | Budget 2026 ($,000) | Actual 2025 ($,000) |
|---|---|---|---|
| Crown revenue | 2,104 | 2,104 | 3,607 |
| Non-Crown revenue | 25 | 27 | 60 |
| **Total revenue** | **2,129** | **2,131** | **3,667** |
| Output cost | 1,857 | 2,154 | 3,385 |
| **Surplus/(deficit)** | **272** | **(23)** | **282** |

**Output 4 – Aged Care Commissioner**[30]

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| Provide strategic oversight and leadership to drive quality of care improvements for older people (which contributes to achievement of Strategic Objective 4). | Provide regular reports to the Ministry of Health on progress made to implement the recommendations of the Aged Care Commissioner to improve the quality of care provided to older people:<br>• 4 quarterly reports[31] | In 2025/26, HDC provided 3 quarterly reports to the Ministry in relation to the implementation of the recommendations that were made in the previous Aged Care Commissioner's[32] monitoring report. Data relating to compliance with HDC's recommendations on aged care complaints was also provided to the Ministry of Health.<br>**Target not achieved**<br>The new Aged Care Commissioner has been focused on developing an Advocacy and Monitoring framework for monitoring the implementation of her recommendations going forward. |

30 From 2025/26, HDC revised the 4th output class from the previous 'Focus Population', which also included Māori and Disabled people populations, to 'Aged Care Commissioner' only. This better aligns with HDC's funding stream and strategic priorities. HDC retains a focus on Māori and disabled people across all our output classes.

31 This is a new measure and has been changed from an engagement measure to a measure of the Aged Care Commissioner's impact on the system and quality improvement. In 2024, the Aged Care Commissioner published her first monitoring report, which made 20 recommendations to the sector. A measure detailing progress towards the implementation of those recommendations better reflects this role in driving quality improvement and advocating for better services.

32 The previous Aged Care Commissioner resigned effective 29 August 2025, and the new Aged Care Commissioner took up the role on 7 April 2026.

**Output 4 – Aged Care Commissioner**[30]

| Output and assumptions | Performance measures and targets | Actual performance |
|---|---|---|
| Monitor the performance of health and disability services for older people and identify emerging issues and priorities (which contributes to achievement of Strategic Objective 4). | Monitor trends in complaints and maintain engagement with key sector stakeholders to share trends, highlight areas of emerging risk and ensure timely action is taken in response to public safety concerns. Report on activity.[33] | For the year ended 30 June 2026, the Aged Care Commissioner undertook 46 engagements with key stakeholders to gain their perspectives and insights about challenges in the sector (2025: 53).<br><br>HDC wrote to the Chair of the Ministerial Advisory Group outlining the key themes in complaints to inform the work the group is undertaking. |

33 This measure has been amended to better reflect the Aged Care Commissioner's role in complaints resolution. HDC has no control over the nature and seriousness of complaints received. Accordingly, establishing a target would not be appropriate.

# Notes to the performance information

## Statement of compliance

The HDC's Statement of Performance on pages 46 to 57 has been prepared in accordance with the requirements of the Crown Entities Act 2004, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and Service performance reporting standard (PBE FRS 48).

## Disclosure of significant performance judgements

HDC has primary discretion over the selection, measurement, aggregation, and presentation of performance information in relation to our outputs, with oversight and input from our responsible Minister.

## Selection of measures

HDC has supplemented its performance measures with additional information on outcomes and impacts of HDC activities to better capture and reflect HDC's performance and how we have met our strategic priorities over the past year.

Our performance measures are developed and agreed upon by the Commissioner and the Executive Leadership Team. They reflect our areas of focus and the impact we seek to deliver within current resourcing and funding levels. Key performance indicators for each output are selected to demonstrate progress against our strategic goals as set out in our Statement of Intent, which in turn reflects Government expectations and our statutory requirements.

HDC reviews its performance measures annually. Our quantitative and qualitative measures have remained largely stable over the medium term to enable comparative (prior year) reporting and reflect progress made in key areas. Changes to measures reflect new areas of focus, changing expectations or changes to resourcing.

## Surveys

Consumer satisfaction surveys are a key measure to assist HDC to monitor the quality of the Advocacy Service's complaints management and educational activities. Advocacy Service performs satisfaction survey by calls to consumers.

## Aggregation and presentation of performance information

There were no significant judgements on aggregation or presentation of measures in the Statement of Service Performance.

Wherever possible, HDC has included comparative performance data for the preceding year for each new measure. Where such comparisons have not been provided, the relevant data was unavailable.

| Output | Original measure | Revised measure / Removed | Reason |
|---|---|---|---|
| Output 2 | Number (3,300) of networking visits carried out by advocates with community groups and provider organisations to provide information about the Code of Health and Disability Services Consumers' Rights, HDC and the Advocacy Service | Removed | **Note 1** |
| Output 2 | At least 75% of networking visits and meetings are focused on vulnerable consumers | Removed | **Note 1** |
| Output 2 | Number (12,000) of people that accessed the online provider educational resources and number of people who have viewed the online consumer 'Your Rights' video, which promotes and educates the practical implication of consumers' rights | Removed | **Note 1** |
| Output 2 | Number of enquiries managed by HDC and the Advocacy Service about the Act, the Code, and consumer rights under the Code | Number of contacts with enquirers by HDC and the Advocacy Service about the Act, the Code, and consumer rights under the Code | **Note 1** |
| Output 3 | Make recommendations to improve quality of services, and monitor compliance (97% compliance) with the implementation of recommendations by providers | Make recommendations to improve quality of services, and monitor compliance (90% compliance) with the implementation of recommendations by providers | **Note 2** |
| Output 1 | New measure | Percentage of complex non-investigation complaints completed within nine months (new) | **Note 3** |
| Output 4 | Develop effective relationships with stakeholders, including actively engaging with older consumers and their whānau (100 engagements) | Provide regular reports to the Ministry of Health on progress made to implement the recommendations of the Aged Care Commissioner to improve the quality of care provided to older people (4 reports) | **Note 4** |

**Note 1** – Performance measures adjusted to ensure a coherent and proportional set. Their removal reflects HDC's limited focus on education and promotion in order to maintain our current level of complaint resolution in the context of reduced funding and rising complaint volumes.

**Note 2** – The standard for compliance has been adjusted to reflect the current external operating environment.

**Note 3** – Health and Disability Commissioner's performance measure reflects the Commissioner's focus on timely complaint resolution – against benchmarked timeframes.

**Note 4** – The discontinued performance measure in the Aged Care Commissioner appropriation has been replaced with a more informative measure that reflects the Aged Care Commissioner's impact on the system and quality improvement.

## Reconciliation of output class tables to the financial statements

| | Output 1 $000 | Output 2 $000 | Output 3 $000 | Output 4 $000 | Per Financial Statements $000 |
|---|---|---|---|---|---|
| **Actual 2026** | | | | | |
| Crown revenue | 12,937 | 1,808 | 952 | 2,104 | 17,801 |
| Non-Crown revenue | 240 | 24 | 12 | 25 | 301 |
| **Total revenue** | **13,177** | **1,832** | **964** | **2,129** | **18,102** |
| Output cost | 12,661 | 1,770 | 931 | 1,857 | 17,219 |
| **Surplus/(deficit)** | **516** | **62** | **33** | **272** | **883** |
| **Budget 2026** | | | | | |
| Crown revenue | 12,986 | 1,724 | 987 | 2,104 | 17,801 |
| Non-Crown revenue | 170 | 23 | 13 | 27 | 233 |
| **Total revenue** | **13,156** | **1,747** | **1,000** | **2,131** | **18,034** |
| Output cost | 13,545 | 1,798 | 1,030 | 2,154 | 18,527 |
| **Surplus/(deficit)** | **(389)** | **(51)** | **(30)** | **(23)** | **(493)** |
| **Actual 2025** | | | | | |
| Crown revenue | 13,284 | 1,902 | 1,408 | 3,607 | 20,201 |
| Non-Crown revenue | 220 | 32 | 23 | 60 | 335 |
| **Total revenue** | **13,504** | **1,934** | **1,431** | **3,667** | **20,536** |
| Output cost | 12,452 | 1,783 | 1,320 | 3,385 | 18,940 |
| **Surplus/(deficit)** | **1,052** | **151** | **111** | **282** | **1,596** |

# Financial statements
Ngā tauākī pūtea

## Statement of comprehensive revenue and expense

For the year ended 30 June 2026

| | Notes | Actual 2026 $000 | Budget 2026 $000 | Actual 2025 $000 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Funding from the Crown | | 17,801 | 17,801 | 20,201 |
| Interest revenue | 2 | 187 | 170 | 275 |
| Other revenue | 2 | 114 | 63 | 60 |
| **Total revenue** | | **18,102** | **18,034** | **20,536** |
| **Expenditure** | | | | |
| Personnel costs | 3 | 10,924 | 11,766 | 12,362 |
| Depreciation and amortisation expense | 8, 9 | 184 | 264 | 125 |
| Advocacy services | | 3,543 | 3,543 | 3,543 |
| Other expenses | 4 | 2,568 | 2,954 | 2,910 |
| **Total expenditure** | | **17,219** | **18,527** | **18,940** |
| Surplus/(deficit) | | 883 | (493) | 1,596 |
| **Total comprehensive revenue and expense** | | **883** | **(493)** | **1,596** |

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

## Statement of financial position

As at 30 June 2026

| | Notes | Actual 2026 $000 | Budget 2026 $000 | Actual 2025 $000 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | 5 | 5,015 | 3,895 | 5,057 |
| Receivables | 6 | 22 | 30 | 5 |
| Prepayments | | 153 | 150 | 180 |
| Inventories | 7 | 8 | 20 | 9 |
| **Total current assets** | | **5,198** | **4,095** | **5,251** |
| **Non-current assets** | | | | |
| Property, plant, and equipment | 8 | 146 | 169 | 198 |
| Intangible assets | 9 | 676 | 668 | - |
| **Total non-current assets** | | **822** | **837** | **198** |
| **Total assets** | | **6,020** | **4,932** | **5,449** |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Payables | 10 | 551 | 893 | 737 |
| Employee entitlements | 11 | 555 | 500 | 631 |
| Provisions | 12 | - | - | 50 |
| **Total current liabilities** | | **1,106** | **1,393** | **1,418** |
| **Total liabilities** | | **1,106** | **1,393** | **1,418** |
| **Net assets** | | **4,914** | **3,539** | **4,031** |
| **Equity** | | | | |
| Contributed capital | 14 | 788 | 788 | 788 |
| Accumulated surplus | 14 | 4,126 | 2,751 | 3,243 |
| **Total equity** | | **4,914** | **3,539** | **4,031** |

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

## Statement of changes in equity

For the year ended 30 June 2026

| | Notes | Actual 2026 $000 | Budget 2026 $000 | Actual 2025 $000 |
|---|---|---|---|---|
| Balance at 1 July | | 4,031 | 4,032 | 2,435 |
| Total comprehensive revenue and expense for the year | | 883 | (493) | 1,596 |
| **Balance at 30 June** | 14 | **4,914** | **3,539** | **4,031** |

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

## Statement of cash flows

For the year ended 30 June 2026

| | Notes | Actual 2026 $000 | Budget 2026 $000 | Actual 2025 $000 |
|---|---|---|---|---|
| **Cash flows (used in)/from operating activities** | | | | |
| Receipts from the Crown | | 17,801 | 20,471 | 20,201 |
| Interest received | | 187 | 170 | 275 |
| Receipts from other revenue | | 99 | 75 | 69 |
| Payments to suppliers | | (6,177) | (7,472) | (6,277) |
| Payments to employees | | (11,000) | (11,766) | (12,464) |
| GST (net) | | (139) | (1,980) | 102 |
| **Net cash (used in)/from operating activities** | | **771** | **(502)** | **1,906** |
| **Cash flows used in investing activities** | | | | |
| Purchase of property, plant, and equipment | | (53) | (44) | (48) |
| Purchase of intangible assets | | (760) | (616) | - |
| **Net cash used in investing activities** | | **(813)** | **(660)** | **(48)** |
| **Net increase/(decrease) in cash and cash equivalents** | | (42) | (1,162) | 1,858 |
| Cash and cash equivalents at beginning of the year | | 5,057 | 5,057 | 3,199 |
| **Cash and cash equivalents at end of the year** | 5 | **5,015** | **3,895** | **5,057** |

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

# Notes to the financial statements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# 1 Statement of accounting policies

## Reporting entity

The Health and Disability Commissioner (HDC) has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Health and Disability Commissioner are for the year ended 30 June 2026, and were approved by the Commissioner on 28 October 2026.

## Basis of preparation

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

### Statement of compliance

The financial statements of the Health and Disability Commissioner have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with and comply with PBE Standards RDR. The Health and Disability Commissioner is eligible and has elected to apply the PBE Standards RDR because its expenses are less than $33 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values other than related party transaction disclosures in Note 15 are rounded to the nearest thousand dollars ($000). The related party transaction disclosures are rounded to the nearest dollar.

## Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### Goods and services tax (GST)

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### Income tax

The Health and Disability Commissioner is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

## Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the Health and Disability Commissioner at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Health and Disability Commissioner for the preparation of these financial statements.

## Cost allocation

The Health and Disability Commissioner has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are costs directly attributed to an output. Indirect costs are costs that cannot be attributed to a specific output in an economically feasible manner.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Depreciation is charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

## Critical accounting estimates and assumptions

In preparing these financial statements the Health and Disability Commissioner has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are evaluated continually 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:

- Useful lives and residual values of property, plant, and equipment – refer to Note 8.
- Useful lives of software assets – refer to Note 9.
- Employee entitlement – refer to Note 11.

## Critical judgements in applying accounting policies

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

- Leases classification – refer to Note 4.

# 2 Revenue

## Accounting policy

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

### Funding from the Crown (non-exchange revenue)

The Health and Disability Commissioner is primarily funded from the Crown. This funding is restricted in its use for the purpose of the Health and Disability Commissioner meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder.

The Health and Disability Commissioner considers that there are no conditions attached to the funding, and it is recognised as revenue at the point of entitlement.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

### Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

### Sale of publications

Sales of publications are recognised as revenue when the product is sold to the customer.

### Sundry revenue

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised as revenue in proportion to the stage of completion at balance date.

| Breakdown of interest revenue | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Interest revenue | 187 | 275 |
| **Total interest revenue** | **187** | **275** |

| Breakdown of other revenue | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Sale of publications | 43 | 46 |
| Sundry revenue | 71 | 14 |
| **Total other revenue** | **114** | **60** |

# 3 Personnel costs

## Accounting policy

### Defined contribution schemes

Employer contributions to defined contribution plans include contributions to KiwiSaver. The obligations to make employer contributions are recognised as an expense in the surplus or deficit as incurred.

| Breakdown of personnel costs | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Salaries and wages | 10,716 | 12,149 |
| Defined contribution plan employer contributions | 284 | 315 |
| Increase/(decrease) in employee entitlements | (76) | (102) |
| **Total personnel costs** | **10,924** | **12,362** |

# 4 Other expenses

| Breakdown of other expenses | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Advertising | 1 | – |
| Audit fees | 66 | 63 |
| Clinical and legal advice | 192 | 333 |
| Communications & IT | 805 | 775 |
| Educational publication & eLearning | 20 | 37 |
| Write-off of property, plant, and equipment | 1 | 6 |
| Operating lease expense | 993 | 993 |
| Policy and operational consultancy | 50 | 86 |
| Staff travel and accommodation | 57 | 72 |
| Other expenses | 383 | 545 |
| **Total other expenses** | **2,568** | **2,910** |

Audit fees are for the audit and assurance services, which was provided by Audit Office. No other services were received from Audit Office. The 2026 audit fee includes an overrun of $1,819 relating to the 2025 financial year.

## Accounting policy

### Operating leases

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

### Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

| | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Not later than one year | 1,018 | 1,002 |
| Later than one year and not later than five years | 2,228 | 3,223 |
| **Total non-cancellable operating leases** | **3,246** | **4,225** |

The Health and Disability Commissioner leases two properties – one in Auckland and one in Wellington.

A significant portion of the total non-cancellable operating lease commitment relates to the lease of these two offices and office equipment (2025: two office leases and office equipment). The Auckland office lease expires in October 2029 and the Wellington office lease expires in June 2029. Both leases have an option to vacate the premises at the end of the current leases. HDC has assumed that it will not vacate the premises at the end of the current leases.

# 5 Cash and cash equivalents

## Accounting policy

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

| | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Cash on hand and at bank | 5,015 | 5,057 |
| **Total cash and cash equivalents** | **5,015** | **5,057** |

As at 30 June 2026, the Health and Disability Commissioner holds no unspent grant funding received that is subject to restrictions (2025: nil).

# 6 Receivables

## Accounting policy

Short-term receivables are recorded at the amount due, less any allowance for expected credit loss.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

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

The allowance for credit loss in 2026 is $86 (2025: $435).

| | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Trade receivables | 22 | 5 |
| **Total receivables** | **22** | **5** |
| Total receivables comprise: | | |
| Receivables from the sale of goods (exchange transactions) | 22 | 5 |

# 7 Inventories

## Accounting policy

Inventories held for use in the provision of goods on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

| | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| **Commercial inventories** | | |
| Publications held for sale | 8 | 9 |
| **Total inventories** | **8** | **9** |

Inventories were written down by $30 (2025: $67). There has been a $3,144 reversal of write-downs (2025: $225).

# 8 Property, plant, and equipment

## Accounting policy

Property, plant, and equipment consist of the following asset classes: computer hardware, communication equipment, furniture and fittings, leasehold improvements, motor vehicles, and office equipment.

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses.

### Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Health and Disability Commissioner and the cost of the item can be measured reliably.

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

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

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the surplus or deficit.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Health and Disability Commissioner and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are expensed in the surplus or deficit as they are incurred.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| | | |
|---|---|---|
| Leasehold improvements | 3 years | 33% |
| Furniture and fittings | 5 years | 20% |
| Office equipment | 5 years | 20% |
| Motor vehicles | 5 years | 20% |
| Computer hardware | 4 years | 25% |
| Communication equipment | 4 years | 25% |

The residual value and useful life of an asset is reviewed annually and adjusted if applicable.

**Estimating useful lives and residual values of property, plant, and equipment**

At each reporting date the Health and Disability Commissioner reviews the useful lives and residual values of its property, plant, and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires the Health and Disability Commissioner to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Health and Disability Commissioner, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the surplus or deficit, and the carrying amount of the asset in the Statement of Financial Position. The Health and Disability Commissioner minimises the risk of this estimation uncertainty by:

- physical inspection of assets; and
- aligning estimates of useful lives to asset replacement programmes.

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

Movements for each class of property, plant, and equipment are as follows:

| | Computer hardware $000 | Comms equip $000 | Furniture and fittings $000 | Leasehold improve-ments $000 | Office $000 | Total $000 |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| Balance at 1 July 2024 | 1,067 | 17 | 267 | 681 | 63 | 2,095 |
| Balance at 30 June 2025 | 674 | 10 | 249 | 17 | 49 | 999 |
| Additions | 44 | 3 | – | – | 1 | 48 |
| Disposals | (67) | (5) | – | (11) | (16) | (99) |
| Balance at 30 June 2026 | 651 | 8 | 249 | 6 | 34 | 948 |
| **Accumulated depreciation** | | | | | | |
| Balance at 1 July 2024 | 861 | 17 | 196 | 679 | 63 | 1,816 |
| Balance at 30 June 2025 | 527 | 10 | 198 | 17 | 49 | 801 |
| Depreciation expense | 80 | – | 19 | – | – | 99 |
| Disposals | (67) | (4) | – | (11) | (16) | (98) |
| Balance at 30 June 2026 | 540 | 6 | 217 | 6 | 33 | 802 |
| **Carrying amounts** | | | | | | |
| At 1 July 2024 | 206 | – | 71 | 2 | – | 279 |
| At 30 June 2025/1 July 2025 | 147 | – | 51 | – | – | 198 |
| At 30 June 2026 | 111 | 2 | 32 | – | 1 | 146 |

There are no restrictions on the Health and Disability Commissioner's property, plant, and equipment.

During the year, the Health and Disability Commissioner disposed of some computer hardware, communication equipment, leasehold improvement, and office equipment that had reached the end of its useful life.

The net loss on all disposals was $521 (2025: $5,622).

There were no capital commitments for the acquisition of property, plant, and equipment at balance date (2025: nil).

# 9 Intangible assets

## Accounting policy

### Software acquisition and development

Computer software licences are capitalised on the basis of the costs incurred to acquire the specific software and bring it to use.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset where this results in an asset controlled by the Health and Disability Commissioner. Direct costs include software development, employee costs, and an appropriate portion of relevant overheads.

Where software is provided under a Software-as-a-service (SaaS) arrangement, costs of configuration and customisation are recognised as an intangible asset only if the activities create an intangible asset that the Health and Disability Commissioner controls and asset recognition criteria are met. Costs, including ongoing fees for use of software, that do not result in an intangible asset or a software finance lease are expensed as a service contract as incurred. However, where fees represent payment for future services to be received, the Health and Disability Commissioner recognises these as a prepayment and expenses these as subsequent services are received.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with developing and maintaining the Health and Disability Commissioner's website are expensed when incurred.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date on which the asset is derecognised. The amortisation charge for each period is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

| | | |
|---|---|---|
| Computer software | 3 years | 33% |

Movements for each class of intangible asset are as follows:

| | Acquired software $000 | Total $000 |
|---|---|---|
| **Cost** | | |
| Balance at 1 July 2024 | 766 | 766 |
| Balance at 30 June 2025/1 July 2025 | 311 | 311 |
| Additions | 761 | 761 |
| Disposals | (20) | (20) |
| Balance at 30 June 2026 | 1,052 | 1,052 |
| **Accumulated amortisation and impairment losses** | | |
| Balance at 1 July 2024 | 765 | 765 |
| Balance at 30 June 2025/1 July 2025 | 311 | 311 |
| Amortisation expense | 85 | 85 |
| Disposals | (20) | (20) |
| Balance at 30 June 2026 | 376 | 376 |
| **Carrying amounts** | | |
| At 1 July 2024 | 1 | 1 |
| At 30 June 2025/1 July 2025 | – | – |
| At 30 June 2026 | 676 | 676 |

There are no restrictions on the Health and Disability Commissioner's intangible assets, nor are any intangible assets pledged as security for liabilities.

During the year, the Health and Disability Commissioner identified certain software assets that were no longer in use and fully written off.

The net loss on all disposals was nil (2025: $854).

The new complaints management system, Microsoft Dynamics 365, was implemented successfully and commenced operation on 30 March 2026, enhancing the organisation's ability to manage and track complaints efficiently. As at 30 June 2026, it had a carrying amount of $676,288, with the remaining amortisation period to 28 February 2029.

# 10 Payables

## Accounting policy

Short-term payables are recorded at their face value.

| Breakdown of payables and deferred revenue | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| **Payables under exchange transactions** | | |
| Creditors | 138 | 149 |
| Accrued expenses | 152 | 205 |
| **Total payables under exchange transactions** | **290** | **354** |
| **Payable under non-exchange transactions** | | |
| Taxes payable (GST, PAYE and rates) | 261 | 383 |
| **Total payables under non-exchange transactions** | **261** | **383** |
| **Total current payables** | **551** | **737** |
| **Total payables** | **551** | **737** |

# 11 Employee entitlements

## Accounting policy

### Short-term employee entitlements

Employee benefits that are expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date.

| Breakdown of employee entitlements | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Current portion | | |
| Annual leave | 555 | 631 |
| **Total current portion** | **555** | **631** |

# 12 Provisions

| Breakdown of provisions | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| Current portion | | |
| Restructuring | – | 50 |
| **Total current portion** | **–** | **50** |

# 13 Contingencies

## Contingent liabilities

As at the reporting date there were no contingent liabilities (2025: nil).

## Contingent assets

The Health and Disability Commissioner has no contingent asset (2025: nil).

# 14 Equity

## Accounting policy

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

- contributed capital; and
- accumulated surplus or deficit.

| | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| **Contributed capital** | | |
| Balance at 1 July | 788 | 788 |
| Balance at 30 June | 788 | 788 |
| **Accumulated surplus** | | |
| Balance at 1 July | 3,243 | 1,647 |
| Surplus/(deficit) for the year | 883 | 1,596 |
| Balance at 30 June | 4,126 | 3,243 |
| **Total equity** | **4,914** | **4,031** |

## 15 Related party transactions

The Health and Disability Commissioner is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship; and on terms and conditions no more or less favourable than those that it is reasonable to expect the Health and Disability Commissioner would have received in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Ministry of Health, Ministry of Inland Revenue, ACC, and New Zealand Post) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

| Key management personnel compensation | Actual 2026 $ | Actual 2025 $ |
|---|---|---|
| **Leadership Team** | | |
| Remuneration ($) | 2,108,332 | 2,489,859 |
| Full-time equivalent members | 8.18 | 10.18 |

## 16 Financial instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

| | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|
| **Financial assets measured at amortised cost** | | |
| Cash and cash equivalents | 5,015 | 5,057 |
| Receivables | 22 | 5 |
| **Total financial assets measured at amortised cost** | **5,037** | **5,062** |
| **Financial liabilities measured at amortised cost** | | |
| Payables (excluding deferred lease incentives and taxes payable) | 290 | 354 |
| Provisions | – | 50 |
| **Total financial liabilities measured at amortised cost** | **290** | **404** |

# 17 Events after the reporting date

There were no significant events after the reporting date.

# 18 Explanation of major variances against budget

Explanations for major variances from the Health and Disability Commissioner's budgeted figures in the Statement of Performance Expectation are as follows:

## Statement of Comprehensive Revenue and Expense

### Total revenue

Other revenue was higher than budget due to unbudgeted court cost recoveries of $70k.

### Total expenditure

Personnel costs were lower than budgeted due to holding staff vacancies and reducing higher annual leave balance during the year.

Other expenses were lower than budgeted mainly due to several cost-saving measures undertaken, including reducing discretionary expenses and operating costs, and streamlining processes for seeking external expert advice.

## Statement of Financial Position

Cash and cash equivalents were higher than budgeted owing to the higher-than-expected surplus for the year.

## Statement of Changes in Equity

The closing equity balance was higher than budgeted because of the higher-than-expected surplus.

## Statement of Cash Flows

The higher net cash movement was mainly a result of the favourable variances in court cost recoveries, personnel costs, and other operating expenses noted above.

The actual amount received from the Crown is presented on a GST-exclusive basis, while the corresponding budgeted amount is presented on a GST-inclusive basis.

# 19 Reporting against appropriation

The Health and Disability Commissioner is funded under the Monitoring and Protecting Health and Disability Consumer Interests (M36) in Vote Health. This appropriation is intended to protect the rights of people using health and disability services. This includes addressing the concerns of whānau and investigating alleged breaches of patients' rights.

The Aged Care Commissioner is funded under non-departmental output expenses (M61). This appropriation is intended to provide greater oversight of the aged care sector, including monitoring and addressing emerging quality and safety issues, and advocating on behalf of consumers and their whānau for better services.

| For the year ended 30 June 2026 | 2026 Budget appropriation $000 | 2026 Actual expenditure $000 | 2025 Actual expenditure $000 |
|---|---|---|---|
| Health and Disability Commissioner | 15,697 | 15,065 | 16,848 |
| Aged Care Commissioner | 2,104 | 2,154 | 2,092 |
| **Total** | **17,801** | **17,219** | **18,940** |

| Assessment of performance | 2025/26 Budget standard | 2025/26 Actual performance | 2024/25 Actual performance |
|---|---|---|---|
| **Health and Disability Commissioner** | | | |
| Number of complaints closed by HDC | 2,700–3,000 | Achieved | Achieved |
| Number of complaints closed by Advocacy | 2,600–3,100 | Achieved | Achieved |
| Number of contacts with enquirers managed by HDC and the Advocacy Service about the Act, the Code, and consumer rights under the Code | 20,000 | Achieved | Achieved |
| Make recommendations to improve quality of services, and monitor compliance with the implementation of recommendations by providers | 90% compliance | Not achieved 89% compliance | Not achieved 91% compliance |
| Percentage of complex non-investigation complaints completed within nine months | 85% | Achieved | Not applicable |
| **Aged Care Commissioner** | | | |
| Provide regular reports to the Ministry of Health on progress made to implement the recommendations of the Aged Care Commissioner to improve the quality of care provided to older people | 4 | Not achieved | Not applicable |

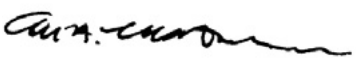
# Statement of responsibility
## Tauākī kawenga

We are responsible for the preparation of the Health and Disability Commissioner's financial statements and statement of performance and for the judgements made in them.

We are responsible for any end-of-year performance information provided by the Health and Disability Commissioner under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and the statement of performance fairly reflect the financial position and operations of the Health and Disability Commissioner for the year ended 30 June 2026.



**Morag McDowell**
Health and Disability Commissioner



**Jason Zhang**
Corporate Services Manager

28 October 2026

# Independent Auditor's Report
## Pūrongo ōtita

The Audit Office
Te Mana Arotake

**To the readers of Health and Disability Commissioner's financial statements and performance information for the year ended 30 June 2026.**

The Auditor-General is the auditor of Health and Disability Commissioner (the Crown Entity). The Auditor-General has appointed me, Liz Tombleson, using the staff and resources of The Audit Office, to carry out the audit of the financial statements and performance information on his behalf.

### Opinion

We have audited:

- the financial statements of the Crown Entity that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 61 to 79; and
- the performance information that consists of the statement of performance for the year ended 30 June 2026 on pages 46 to 60 and the end-of-year performance information for the appropriations for the year ended 30 June 2026 on page 80.

In our opinion:

- The financial statements of the Crown Entity present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- The performance information is appropriate and meaningful and prepared in accordance with the Crown Entity's measurement bases or evaluation methods and Public Benefit Entity Standards Reduced Disclosure Regime, and presents fairly, in all material respects:
  - the Crown Entity's service performance and actual revenue and expenses for each reportable class of outputs for the year ended 30 June 2026 compared to the forecast standards and budgets included in the statement of performance expectations for the year, and
  - what has been achieved with the/each appropriation, and the actual expenses or capital expenditure incurred in relation to the appropriation for the year ended 30 June 2026.

### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

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

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

### Responsibilities of the Health and Disability Commissioner for the financial statements and the performance information

The Health and Disability Commissioner is responsible on behalf of the Crown Entity for preparing financial statements and performance information that are fairly presented and comply with Public Benefit Entity Standards Reduced Disclosure Regime. This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of performance, in

accordance with the Crown Entity's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Health and Disability Commissioner is also responsible for the preparation of end-of-year performance information for an appropriation that is prepared in accordance with the entity's measurement bases or evaluation methods and complies with Public Benefit Entity Standards Reduced Disclosure Regime and legislative requirements.

The Health and Disability Commissioner is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Health and Disability Commissioner is responsible on behalf of the Crown Entity for assessing the Crown Entity's ability to continue as a going concern. The Health and Disability Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Crown Entity, or there is no realistic alternative but to do so.

The Health and Disability Commissioner's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

## Responsibilities of the auditor for the audit of the financial statements and the performance information

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

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

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Crown Entity's statement of performance expectations or to the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Crown Entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Health and Disability Commissioner.
- We obtain an understanding of the process applied by the Crown Entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- We evaluate whether:
  - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance; and
  - the performance information is prepared in accordance with the Crown Entity's

measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, what has been achieved with the appropriation, and for each class of reportable outputs:

  - the actual performance of the Crown Entity as compared with the forecast standards of performance included in the Crown Entity's statement of performance expectations for the financial year; and
  - the actual revenue earned and output expenses incurred as compared to the expected revenues and the proposed output expenses included in the Crown Entity's statement of performance expectations for the financial year.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Health and Disability Commissioner and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Crown Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Crown Entity to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Health and Disability Commissioner is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the financial statements, the performance information consisting of the statement of performance and the end-of-year performance information for appropriations, and our auditor's report thereon.

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

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

## Independence

We are independent of the Crown Entity in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

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



**Liz Tombleson**
The Audit Office
On behalf of the Auditor-General
Hamilton, New Zealand

28 October 2026



HEALTH & DISABILITY COMMISSIONER
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