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HEALTH & DISABILITY COMMISSIONER
TE TOIHAU HAUORA, HAUĀTANGA

Office of the Health and Disability Commissioner Te Taihaku Hauora, Hauātanga

Statement of Performance Expectations

2025/2026 (update)

Presented to the House of Representatives pursuant to section 149L of the Crown Entities Act 2004

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Our Statement of Performance Expectations

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Performance Expectations (SPE) for the Health and Disability Commissioner.

This SPE contains the annual financial and non-financial measures by which the Office of the Health and Disability Commissioner (HDC) will be assessed.

This SPE has been prepared in accordance with, and is submitted in compliance with, the Crown Entities Act 2004.

Morag McDowell
Health and Disability Commissioner

17 November 2025

1.0 Statement of Performance Expectations

The Health and Disability Commissioner (HDC) promotes and protects the rights of people who use health and disability services, as set out in the Code of Health and Disability Services Consumers' Rights (the Code). The primary way in which HDC fulfils its role is through the resolution of complaints about infringements of people's rights.

HDC is an Independent Crown Entity, established by the Health and Disability Commissioner Act 1994. HDC's independence enables the Office to be an effective and impartial watchdog for the protection of consumers' rights in the health and disability system.

HDC assists to mitigate the inherent power imbalance between consumers and providers by funding a Nationwide Health & Disability Advocacy Service (the Advocacy Service). The Advocacy Service supports people to resolve their concerns directly with their provider. Promoting awareness of the rights of consumers is also a central part of an advocate's role.

This Statement of Performance Expectations outlines what HDC will achieve in 2025/26, how this will be assessed, and the associated revenues and expenses by reportable output class. It considers HDC's strategic priorities, the Minister of Health's Letter of Expectations and Government strategy, as well as on-going increases in complaint volume and HDC's resource constraints.

1.1 Alignment with our strategic framework

This Statement of Performance Expectations is provided under the Crown Entities Act 2004. The Statement of Performance Expectations aligns with HDC's strategy as provided in the Statement of Intent. We note that some changes have been made to our strategic priorities and output classes to better reflect Government expectations, and HDC's priorities in the context of reduced funding.

HDC's vision is for the rights of people using health and disability services to be understood, upheld, and protected. HDC has been working to ensure that our responsibilities under Te Tiriti o Waitangi are central to our work.

HDC has three **outcomes**, which outline the impact we seek to make over the long term to support improved outcomes for New Zealanders:

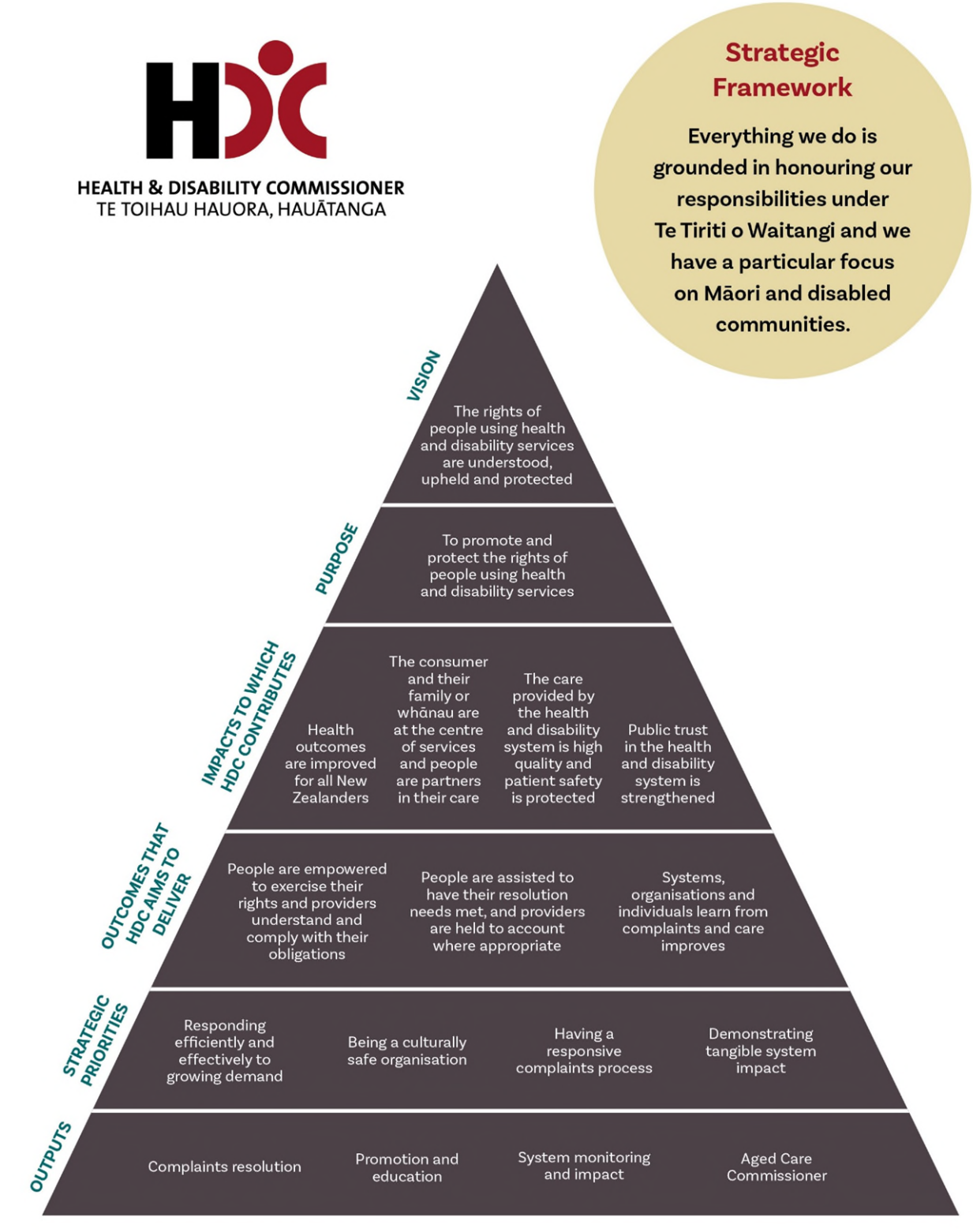
- People understand their rights and are empowered to exercise them, and providers understand and comply with their obligations.
- People are assisted to resolve their concerns and have their resolution needs met wherever possible, and providers are held to account where appropriate.
- Systems, organisations, and individuals learn from complaints, and quality, safety, and consumer experience is improved.

Our strategic **priorities**[1] bring focus to how we deliver our core business. They are:

- Responding efficiently and effectively to growing demand;
- Being a culturally safe organisation;
- Having a responsive complaints process; and
- Demonstrating tangible system impact.

[1] In the context of reduced funding, which has resulted in less focus on education and promotion, HDC has removed a strategic priority around focusing on rights promotion. Some wording changes to our strategic priorities have also been made in response to Government expectations.

1.2 HDC's strategic framework [2]



[2] From 2025/26, HDC revised the fourth output class from the previous 'Focus Population' which also included Māori and disabled people to 'Aged Care Commissioner' only. This better aligns with HDC's funding streams. As noted in the above diagram, HDC retains a focus on Māori and disabled people across all our output classes.

1.3 Key influences on our Statement of Performance Expectations

1.3.1 Government Policy Statement on Health

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 Pae Ora (Healthy Futures) Act 2022, so far as those strategies are applicable.

The work of HDC contributes to the Minister's priorities of access, timeliness, quality, workforce, and infrastructure in the following ways:

Government priority	HDC contribution
Access	• HDC regularly identifies and escalates areas of emerging risk in the health and disability sector, including concerns about access to care and the impact of this on consumers. • The Aged Care Commissioner has a focus on improving access to aged care services and has made several recommendations to improve access for older people. • HDC's powers to support direct resolution of complaints between consumer and provider can assist people in navigating the health system. • HDC also funds a Nationwide Advocacy Service, which supports people to access complaint mechanisms, resolve their concerns directly with their local provider, and get their resolution needs met.
Timeliness	• Health sector targets around timeliness are a factor HDC takes into consideration when assessing the standard of care. HDC therefore has a role in holding providers to account for providing timely care, particularly when it impacts, or has the potential to impact, patient safety. • HDC also ensures that information about delays in care is escalated to appropriate agencies and monitors action taken to improve timeliness. • HDC frequently makes recommendations to providers designed to improve timeliness of care.
Quality	HDC plays a vital role in improving the quality and safety of health and disability services. • The Code of Rights sets the benchmark for consumer-centred care in New Zealand, and HDC holds providers to account for providing quality care. • Through the making and monitoring of our recommendations, we facilitate quality improvement. Our recommendations have a high compliance rate at around 90%. • Our unique dataset is grounded in consumer experience and reflects the quality issues that consumers are most concerned about. • We take a collaborative approach to raising and addressing areas of systemic concern with sector leaders. • We work closely with other agencies to ensure that public safety issues are addressed in a timely way. • We use the insights gained from complaints to influence legislation, policies, and practice, including how safeguards can be strengthened to better protect consumers' rights. • The Aged Care Commissioner has a mandate to drive quality improvement in the care provided to older people and has made several recommendations to improve older people's care.
Workforce	• HDC undertakes educational initiatives to support providers' understanding of their obligations under the Code and how this can be embedded in their day-to-day practice. • Our online education modules on the Code, informed consent, and complaints management have been accessed by over 11,000 providers.

	• Staffing capacity and capability are a common issue identified by HDC in the assessment of complaints, and we work to bring these issues to the attention of relevant agencies, make recommendations, and monitor action taken.
Infrastructure	• The limitations of current physical and digital health infrastructure contribute to many of the systemic issues HDC sees in complaints. We bring these issues to the attention of relevant agencies and monitor action taken. • HDC also has a role in overseeing the quality of telehealth and other digital health services.

HDC also has regard to the New Zealand Health Strategy in our work, and in particular is a strong contributor to priority 1 — placing consumer voice at the heart of the system; and priority 4 — the development of a learning culture.

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

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

- Using our complaints data to highlight the consumer and family/whānau voice in quality and safety;
- Engaging with our Consumer Advisory Group/Whakawaha and other consumer groups to assist in identifying organisational priorities and issues of strategic importance in the health and disability system;
- Monitoring consumer and whānau experience of our complaints process and using this information to inform quality improvement;
- Providing accessible information and educational resources about the Code and avenues for complaint;
- Working with our Māori Directorate to improve the responsiveness of our complaints process for Māori;
- Working with our disability team to improve the accessibility and responsiveness of our complaints process to the needs of disabled people;
- Funding the Advocacy Service to support people to resolve their concerns directly with providers and undertake community-level promotion of the Code with a focus on those populations with the highest need;
- Using HDC's levers to promote equitable health outcomes; and
- The Aged Care Commissioner focusing on meaningful engagement with older people and their family or whānau to inform her monitoring work.

1.3.3 Minister's expectations 2025/26

The Minister's key areas of focus for 2025/26 are:

- Getting Health NZ back to basics;
- Driving shorter stays in emergency departments;
- Getting on top of the elective surgery backlog;
- Enabling faster access to primary care;
- Setting out a long-term health infrastructure programme; and
- Streamlining accountability mechanisms and statutory and regulatory settings to drive performance.

Many of these are in line with HDC's areas of focus for the system. For example, HDC has been escalating to Health NZ and other appropriate agencies the impact of emergency department delays and delays in specialist and primary care on patients. HDC will continue to escalate these concerns as appropriate, monitor action taken, hold providers to account for the responsibilities they carry, and make recommendations to improve care in this regard.

The Minister's key priorities for the Health and Disability Commissioner in 2025/26 include:

- Focusing on basics — including working with health entities to ensure that there is an active programme of identifying and responding to systemic concerns in the health system;
- Prioritising resources on resolving the backlog of complaints;
- Speeding up complaints resolution, including by working with relevant agencies to streamline the complaints processes and pathways so that complaints are addressed earlier; and
- Continuing to focus on delivering our statutory obligations and objectives in an effective, efficient, and fiscally responsible manner.

The ways in which HDC plans to meet these expectations in 2025/26 are outlined throughout this document.

1.3.4 Growing demand in the context of resource constraints

Complaints to HDC have increased by 45% since the onset of the COVID pandemic. Currently, HDC is receiving around 300 complaints a month.

From 1 July 2025 time-limited funding of $2.9m (in HDC's current baseline) will cease. The Government has provided HDC with an additional $1m for 2025/26 to assist us to clear our backlog of complaints. However, our funding will reduce by $1.9m (9.6%) in 2025/26.

In the context of this budget reduction and rising complaint volumes, HDC's core strategic priority will be complaints resolution. HDC must also be focused on protecting the public for urgent matters that come to its attention, as well as maintaining our role in quality and safety improvement. By necessity, there will be less focus on statutory requirements around rights promotion, education, and stakeholder engagement. These priorities are reflected within this SPE.

1.3.5 Focus populations

HDC is aware that some communities experience multiple barriers to learning about their rights under the Code 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:

- **Tāngata whaikaha|disabled people**. HDC has a key role to play in protecting the rights of tāngata whaikaha|disabled people, and the Deputy Commissioner, Disability is tasked with leading HDC's work in this area. HDC has developed an action plan to ensure that we are using our limited resource to work with tāngata whaikaha|disabled people to improve HDC processes. The aim of our action plan is to ensure that tāngata whaikaha|disabled people are knowledgeable about their rights under the Code and that barriers for engagement with HDC are reduced.

- **Māori.** Supported by our Māori Directorate, HDC has expanded our use of tikanga-led approaches to complaints resolution to assist 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.

2.0 HDC's Output Classes

HDC achieves its purpose and strategic priorities through four **output classes.**[3] These are:

1. Complaints resolution
   - Supporting timely and appropriate resolution pathways
   - Provider accountability
2. Promotion and education
3. System monitoring and impact
4. Aged Care Commissioner

2.1 Complaints resolution

HDC is tasked with the fair, simple, speedy, and efficient resolution of complaints about health and disability services providers. HDC is focused on resolution at the lowest appropriate level, and has several options for resolution, including referring the complaint for direct and early resolution between the parties; making recommendations for systemic change; referring complaints to other agencies; and undertaking a formal investigation, which may result in a provider being found in breach of the Code.

The volume of complaints has increased significantly in recent years, with HDC now receiving around 300 complaints a month. HDC received 3,628 complaints in 2023/24 — the highest number of complaints ever received by HDC.

Around 70% of complaints to HDC are closed within six months; however, serious and complex complaints require thorough assessment, and the rising volume of complaints has resulted in an aging profile of open complaints. In the current context of on-going increases in volume within a resource-constrained environment, we have prioritised our resource to identify and manage serious and urgent complaints and reduce the number of older complaints under assessment.

HDC has focused on finding efficiencies within our complaints process. These changes have been largely successful with on-going increases in the number of complaint closures. Currently, HDC is closing more complaints than we receive, placing us in a good position to start reducing our backlog, while maintaining attention on incoming complaints and facilitating early resolution where possible. This requires careful balancing of resource across the complaint process.

Reducing our aging profile of complaints and improving the timeliness of our process will remain our key priority in 2025/26.

To gain further efficiencies, HDC will invest in replacing our out-of-date complaints management system in 2025/26. The implementation of a fit-for-purpose complaints management system will

[3] HDC has removed 'focus populations' as an output class. While Māori communities and disabled people will remain a focus for HDC (as noted in section 1.3.5), in light of reduced funding, HDC's priority will be complaints resolution and system impact with less focus on promotion and stakeholder engagement. Therefore, our resources in respect of focus populations will be similarly directed towards complaints resolution and system impact (which are already output classes). We have retained 'aged care commissioner' as an output class to reflect the role of the Aged Care Commissioner and to account for the ring-fenced funding for this role.

increase efficiency and productivity, improve the transparency and responsiveness of our process, and allow us to better analyse and share our data.

Supporting appropriate and timely resolution

Where appropriate, HDC is focused on facilitating early resolution. In this respect, the work of the Advocacy Service is greatly aligned with, and supports the work of, HDC.

The Advocacy Service assists people to resolve complaints directly with providers and resolves around 2,500 complaints a year. Almost all complaints to the Advocacy Service are closed within nine months. Advocates guide and support people to clarify their concerns and the outcomes they seek, and this clarity in turn enables providers to respond effectively and directly. The advocacy process can assist to mitigate the power imbalance between consumers and providers, and to restore trust and rebuild relationships.

HDC is exploring ways in which we can work more effectively with the Advocacy Service to assist people to resolve their concerns at source, and ensure that HDC's resources are focused on those complaints that require HDC's intervention.

HDC has been trialling and implementing several process changes to assist in ensuring that our processes support appropriate and timely resolution. This will continue to be a focus for HDC in 2025/26. Recent initiatives include:

- Putting more senior and clinical resource into our triage process to further improve our prioritisation of complaints;
- Supporting the early resolution of complaints directly between complainant and provider where appropriate;
- Engaging with other agencies, such as regulatory authorities, to consider how we best work together to resolve complaints in a timely way while ensuring appropriate accountability and public protection;
- Working more closely with complainants to understand their resolution outcomes and what resolution paths may meet these in a timely way;
- Improving our internal capability to enhance the responsiveness of our complaints process to disabled people;
- Streamlining our administrative and review processes; and
- Expanding our use of tikanga-led approaches to complaints resolution to support more effective resolution for Māori whānau where appropriate.

Provider accountability

HDC provides an important mechanism for providers to be held to account for failing to uphold consumers' rights. HDC may formally investigate a complaint where a provider's actions appear to be 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. Around 7–8% of complaints to HDC are investigated.

In very serious cases, HDC can refer a provider found in breach of the Code to the Director of Proceedings (an independent statutory role), who will decide whether to take legal proceedings

against that provider. The Director can lay a disciplinary charge before the Health Practitioners Disciplinary Tribunal or issue proceedings before the Human Rights Review Tribunal, or both.

HDC's accountability function also plays an important role in improving the quality and safety of services. Accountability is an important aspect of a learning system and assists to ensure that risk is escalated appropriately, public safety is protected, recurrent behaviour and systemic issues are addressed, change occurs, people's resolution needs are met, and public trust in the system is maintained.

2.2 Promotion and education

HDC has a statutory obligation to promote the Code. Our promotional and educational initiatives help to promote and build an understanding of people's rights and providers' obligations under the Code.

We aim to focus our promotional and educational activities on those communities who may experience multiple barriers to learning about their rights under the Code and accessing complaints processes, including Māori and tāngata whaikaha|disabled people. We have refreshed our promotional material to ensure that it is fit for purpose, culturally appropriate, and accessible. Our online education resources for consumers to raise awareness of their rights and how to exercise them are well utilised.

Raising providers' awareness of their obligations under the Code and how to apply the Code in their day-to-day practice improves quality of care and patient experience. HDC also aims to increase providers' capability to resolve complaints directly with the complainant to facilitate timely resolution. To date, our online education modules for providers on the Code, informed consent, and managing complaints, which were introduced in November 2022, have been accessed by over 11,000 providers. Our Māori directorate has also been working with providers to support a cultural approach to complaints resolution.

HDC also funds the Advocacy Service to promote the Code through community-level educational initiatives. Advocates undertake over 2,000 activities each year to raise people's awareness of the Code and complaint avenues. They focus on communities at need, and services that support people who may be least able to self-advocate and whose welfare may be most at risk, such as those residing in aged care and disability residential services. Advocates also have more than 20,000 contacts with consumers and providers every year to assist people to understand their rights under the Code and their avenues for complaint, connect them with appropriate support agencies, and educate them on self-advocacy skills.

Resource constraints have reduced the capacity of the Advocacy Service to undertake networking and educational activities, and, in this context, advocates will concentrate these activities on focus populations.

2.3 System monitoring and impact

HDC plays a key role in improving quality and safety of health and disability services. Our data reflects consumer experience and often indicates the issues of most concern to people. We closely monitor the trends that emerge across complaints and aim to take a timely, collaborative approach to raising issues of systemic concern.

HDC works closely with sector leaders and other agencies who have an interest in quality and safety, to take a timely approach to sharing intelligence and amplifying the consumer voice. We have robust processes to ensure that public safety issues are escalated swiftly to appropriate agencies, as well as opportunities to take a timely approach to systemic concerns within the health and disability sector. In these circumstances, HDC monitors actions taken to protect public safety and consumer rights.

From time to time, HDC also publishes reports detailing trends in complaints about particular service areas. For example, we report annually on complaints to HDC about public hospital services. We also recently published a report detailing themes in complaints about disabled people's experiences of residential disability support services. This report made several recommendations to improve the quality of disability support, and we continue to work with the sector to support and monitor the implementation of these recommendations. Currently, HDC is undertaking an analysis of the themes in complaints about maternity services.

Through the making and monitoring of recommendations, HDC holds the system to account to ensure that quality and safety improves. HDC makes around 400 quality improvement recommendations in relation to individual complaints each year. Our recommendations have a 90% compliance rate. We are concerned that there has been a small decline in compliance with HDC's recommendations in recent years and are working closely with the sector to understand the reasons for this and ensure that any risk is being mitigated and to escalate any quality and safety concerns.

Finally, HDC uses the insights gained from complaints to influence legislation, policies, and practice, including through submissions and strategic engagement. Our public statements and published decisions serve to highlight areas of concern, promote the Code, and share learnings from complaints.

2.4 Aged Care Commissioner

The role of the Aged Care Commissioner is to advocate for better health and disability services for older people. She provides a focal point for monitoring and addressing quality and safety issues by reporting on emerging systemic issues and making and monitoring recommendations to improve the quality of care provided to older people.

The Aged Care Commissioner is also a statutory decision-maker on complaints made about care provided to older people. This is an important aspect of the role, which allows her to understand the issues of most concern to older people and their families and address these in her wider monitoring work; further drive quality improvement through the making and monitoring of recommendations on individual complaints; and hold providers to account for upholding the rights of older people using health and disability services.

In March 2024 the Aged Care Commissioner published a monitoring report that set out 20 recommendations for the sector to improve the quality of care provided to older people. These recommendations focused on:

- The need for better transitions of care for older people from hospital to home and community support services and aged residential care;

- Investing in innovative primary and community care models, including assisting older people to navigate health and disability services;
- Preventative interventions for dementia mate wareware; and
- Ensuring that people can access reliable, quality home care and community support services to age well at home.

The Aged Care Commissioner's current focus is on evaluating and reporting on actions taken in response to her recommendations in order to drive quality improvement in the sector, as well as reporting on emerging issues for older people. In 2025/26, the Aged Care Commissioner will also work with the sector to improve older people's hearing health, bone health, and oral health — noting that these are all preventative factors that assist people to age well.

3.0 Annual Information

3.1 Prospective Financial Statements 2025/26

3.1.1 Key assumptions for Proposed Budget 2025/26 and out years

The 2025/26 budget reflects the following key assumptions:

- Time-limited funding of $2.9 million will cease on 1 July 2025. This reduction in funding has been partially offset by an additional $1 million in 2025/26 to assist HDC to address our backlog of complaints. HDC's baseline funding will therefore reduce by $1.9m (9.6%) in 2025/26.
- HDC's funding for 2025/26 will be $17.8 million, which includes $15.697 million for HDC's core functions and $2.104 million for the functions of the Aged Care Commissioner.
- In the context of this budget reduction, HDC has identified our core strategic priorities as complaints resolution, public protection, and quality improvement.
- We intend to maintain our current level of complaints resolution. This will enable us to resolve around 3,600–4,000 complaints and lead to a reduced number of open complaints.
- By necessity, there will be less focus on statutory requirements around rights promotion, education, and stakeholder engagement.
- The proposed 2025/26 budget reflects reduced personnel costs resulting from a restructure undertaken as a critical cost-saving measure in 2024/25.
- We are committed to delivering our statutory obligations and objectives in an effective, efficient, and fiscally responsible manner.
- We are committed to demonstrating our critical role in improving quality across the health and disability systems.
- HDC is considering several cost-saving measures to ensure that we are operating within our reduced baseline. The proposed budget reflects a reduced total expenditure of $1.7 million for 2025/26 compared to the 2024/25 budget. This is a $0.4 million reduction of the total expenditure compared to the 2024/25 actuals. Cost savings primarily result from reduced personnel costs.
- In 2024/25, HDC received $0.5 million to support us to implement a new CMS to improve the efficiency of our operations. We expect this CMS to be in place by early 2026.
- In order to maintain our level of service to the public, the proposed budget indicates a deficit of $0.49 million for 2025/26. The deficit indicated in the budget would bring the taxpayer's equity to $3.5 million. This includes an additional $0.5m in funding which will be invested in a new CMS. The amortisation of the new CMS will reduce the equity further in 2026/27 and 2027/28.
- The taxpayer's equity will reduce over 2025/2026 as we invest in a new CMS. Following a further funding reduction in 2026/27, the taxpayer's equity is expected to further reduce.
- For 2026/27 and 2027/28, revenue forecasts align with current Vote Health Estimates. HDC's funding will reduce by a further $1 million from 2026/27. HDC is currently undertaking budget planning to ensure that we operate within our funding baseline for these out-years. We will

be implementing savings over the next two years to ensure the equity remains above its minimum level of $1.5 million in future years.

- HDC will continue to work with Government to ensure our funding allows us to sustainably meet our core statutory obligations.

- HDC maintains a risk management framework to identify and mitigate financial and non-financial risks. This includes ensuring the new digital CMS is implemented on time and within budget, and minimising the impact from reduced funding (including the impacts of a reduction in promotion and engagement activity and from having to manage growing demand within constrained resources).

CAPITAL EXPENDITURE INTENTIONS

HDC has identified a vendor to assist us to develop and implement a fit-for-purpose digital complaints management system. The system is expected to be in place by early 2026. It will allow us to improve our operational efficiency and productivity, communicate more responsively and transparently with complainants and providers, and analyse our data more effectively.

HDC will use one-off funding of $0.5 million received in 2024/25, as well as part of our operating surplus in 2024/25, to fund the initial CMS development and implementation costs.

3.1.2 Statement of Accounting Policies

The Statement of Accounting Policies relevant to the Prospective Budget can be found at the end of this document under 3.4.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDING 30 JUNE 2026

	Planned 24/25 $000s	Unaudited Actual 24/25 $000s	Planned 25/26 $000s	Planned 26/27 $000s	Planned 27/28 $000s
Revenue					
Funding from the Crown	19,701	20,201	17,801	16,801	16,801
Interest revenue	280	275	170	100	50
Publications revenue	50	47	50	50	50
Other revenue	21	14	13	-	-
Total revenue	20,052	20,537	18,034	16,951	16,901
Expenditure					
Personnel costs	13,417	12,362	11,766	11,145	10,935
Advocacy services	3,543	3,543	3,543	3,543	3,543
Occupancy	1,157	1,135	1,183	1,212	1,242
Travel & accommodation	113	72	106	109	111
Communication	134	105	128	130	133
Computer Costs	736	722	712	712	726
Depreciation & amortisation	138	125	264	401	395
Clinical & expert advice	280	335	280	250	220
Other operating costs	717	541	545	592	639
Total expenditure	20,235	18,940	18,527	18,094	17,944
Net surplus/(deficit)	(183)	1,597	(493)	(1,143)	(1,043)
Total comprehensive revenue and expense	(183)	1,597	(493)	(1,143)	(1,043)

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Planned 24/25 $000s	Unaudited Actual 24/25 $000s	Planned 25/26 $000s	Planned 26/27 $000s	Planned 27/28 $000s
Equity					
Opening accumulated surplus	1,647	1,647	3,244	2,751	1,608
Current year surplus/(deficit)	(183)	1,597	(493)	(1,143)	(1,043)
Contributed capital	788	788	788	788	788
Total equity	**2,252**	**4,032**	**3,539**	**2,396**	**1,353**
Assets					
Current assets					
Bank account	2,918	5,057	3,895	3,121	2,441
Prepayments	160	180	150	150	150
Inventories	20	9	20	20	20
Receivables	20	6	30	30	30
Total current assets	3,118	5,252	4,095	3,321	2,641
Non-current assets					
Property, plant & equipment	220	198	169	112	61
Intangible assets	50	-	668	404	140
Total non-current assets	270	198	837	516	201
Total assets	**3,388**	**5,450**	**4,932**	**3,837**	**2,842**
Liabilities					
Current liabilities					
Employee entitlements	600	631	500	500	500
Payables	536	787	893	941	989
Total current liabilities	1,136	1,418	1,393	1,441	1,489
Total liabilities	**1,136**	**1,418**	**1,393**	**1,441**	**1,489**
Net assets	**2,252**	**4,032**	**3,539**	**2,396**	**1,353**

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2026

	Planned 24/25 $000s	Unaudited Actual 24/25 $000s	Planned 25/26 $000s	Planned 26/27 $000s	Planned 27/28 $000s
Cash flow from operating activities					
Receipts from the Crown	22,656	23,231	20,471	19,321	19,321
Interest received	280	274	170	100	50
Publications and other revenue	75	81	75	58	58
Payments to suppliers	(7,681)	(7,428)	(7,472)	(7,530)	(7,606)
Payments to employees	(13,417)	(12,245)	(11,766)	(11,146)	(10,935)
GST	(1,980)	(1,997)	(1,980)	(1,485)	(1,476)
Net cash flow from operating activities	(67)	1,916	(502)	(682)	(588)
Cash flow from investing activities					
Cash was used in:					
Purchase of fixed asset	(214)	(58)	(660)	(92)	(92)
Net cash flow used in investing activities	(214)	(58)	(660)	(92)	(92)
Net (decrease)/increase in cash and cash equivalents	(281)	1,858	(1,162)	(774)	(680)
Cash and cash equivalents at the beginning of the year	3,199	3,199	5,057	3,895	3,121
Cash and cash equivalents at the end of the year	**2,918**	**5,057**	**3,895**	**3,121**	**2,441**
Cash balances in the Statement of Financial Position					
Bank account	2,918	5,057	3,895	3,121	2,441
Total cash and cash equivalents	**2,918**	**5,057**	**3,895**	**3,121**	**2,441**

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2026

	Planned 24/25 $000s	Unaudited Actual 24/25 $000s	Planned 25/26 $000s	Planned 26/27 $000s	Planned 27/28 $000s
Balance at 1 July	**2,435**	**2,435**	**4,032**	**3,539**	**2,396**
Total comprehensive revenue and expense for the year	(183)	1,597	(493)	(1,143)	(1,043)
Balance at 30 June	**2,252**	**4,032**	**3,539**	**2,396**	**1,353**

3.2 Statement of Forecast Service Performance

HDC has **four strategic priorities**, which outline the impact we seek to make while delivering on our purpose of promoting and protecting the rights of health and disability services consumers:

1. Responding effectively and efficiently to growing demand;
2. Being a culturally safe organisation;
3. Having a responsive complaints process; and
4. Demonstrating tangible system impact.

The services provided under the Health and Disability Commissioner Act 1994 are delivered through four output classes: complaints resolution; promotion and education; system monitoring and impact; and Aged Care Commissioner.

	Unaudited Actual 24/25 $000s	Planned 25/26 $000s
1. Complaints resolution		
Crown revenue	14,412	12,986
Non-Crown revenue	239	170
Total revenue	14,651	13,156
Expenditure	13,418	13,545
Net surplus/(deficit)	1,233	(389)
2. Promotion and education		
Crown revenue	2,026	1,724
Non-Crown revenue	33	23
Total revenue	2,059	1,747
Expenditure	1,886	1,798
Net surplus/(deficit)	173	(51)
3. System monitoring and impact		
Crown revenue	1,659	987
Non-Crown revenue	27	13
Total revenue	1,686	1,000
Expenditure	1,545	1,030
Net surplus/(deficit)	141	(30)
4. Aged Care Commissioner **		
Crown revenue	2,104	2,104
Non-Crown revenue	37	27
Total revenue	2,141	2,131
Expenditure	2,091	2,154
Net surplus/(deficit)	50	(23)
Totals		
Crown revenue	20,201	17,801
Non-Crown revenue	336	233
Total revenue	20,537	18,034
Total expenditure	18,940	18,527
Net surplus/(deficit)	1,597	(493)

*All figures are GST exclusive & each output class has been costed to include a percentage of HDC's overhead costs.
** From 2025/26, HDC revised the fourth 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 streams. As noted above, HDC retains a focus on Māori and disabled people across all our output classes.

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 our 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 together with the Executive Leadership Team. They reflect our areas of focus and the impacts we seek to deliver within current resourcing and funding levels. KPIs 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 our 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 complaint management and education activities.

Output Class 1 — Complaints resolution

Output 1.1 — Complaints Management (HDC)			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
Supporting timely and appropriate resolution pathways (HDC) *(which contributes to achievement of Strategic Objective 1).*	Assume 3,600 complaints will be received. Close an estimated 3,000–4,000 complaints[4] (HDC). The above figure includes 150–200 investigations. Manage complaints received from 1 July 2025 so that for:[5] • Early resolution complaints: 100% are closed within 1 month • Complex non-investigation complaints:[6] 85% are closed within 9 months Manage complaints received from 1 July 2024 • Investigations: 70% are closed within 2 years Manage complaints received prior to 1 July 2025 so that of open complaints: • No more than 15% are over 24 months old	Assume 3,600 complaints will be received. Close an estimated 2,700–3,000 complaints. The above figure includes 150–200 investigations. Manage complaints so that of closed complaints: • At least 60% are closed within 3 months • At least 80% are closed within 12 months • At least 85% are closed within 24 months Manage complaints so that of open complaints: • No more than 15% are over 24 months old	3,628 complaints were received. 3,148 complaints were closed, including 154 investigations. Of complaints closed: • 70.7% were closed within 3 months • 80.5% were closed within 12 months • 90.9% were closed within 24 months Total number of open files at year end was 2,822. • 20.4% (575) of open complaints were over 24 months old.

[4] 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.

[5] This 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.

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

Output 1.1 — Complaints Management (HDC)			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
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: • % of complaints referred for resolution directly between the parties[7] • # of complaints on which recommendations are made[8] • # of complaints notified for investigation[9] • # of hohou te rongo completed[10] 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.	Use HDC's levers effectively and appropriately to resolve complaints. Report on: • % of complaints referred for resolution[11] directly between the parties • # of complaints on which recommendations are made • # of complaints notified for investigation • # of hui ā-whānau completed 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.	As at 30 June 2024: • 35.6% of complaints closed were referred for resolution directly between the parties • 236 complaints had recommendations made • 143 complaints were notified • 47 hui ā-whānau were completed For the year ended 30 June 2024, early notification of systemic issues was made to the Ministry and other relevant agencies on 354 occasions.

[7] Over time, this measure provides an assessment of the degree to which HDC is fulfilling our mandate to support the early resolution of complaints where appropriate.

[8] Over time, this measure provides an assessment of how often HDC uses our levers in respect of complaints resolution to improve quality and safety.

[9] Over time, this measure provides an assessment of how often HDC uses its investigatory powers to ensure that providers are held to account for the duties they carry, as well as an assessment of the seriousness of our complaints profile.

[10] 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.

[11] This includes complaints that are referred to the Advocacy Service to support the complainant to resolve their concerns with the provider.

Output 1.2 — Complaints Management (Advocacy Services)			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
Supporting timely and appropriate resolution pathways (Advocacy Services) *(which contributes to achievement of Strategic Objective 1).*	Assume up to 2,600 complaints will be received. Close an estimated 2,600 complaints by Advocacy. Manage complaints so that: • 75% are closed within 3 months • 85% are closed within 6 months • 100% are closed within 9 months	Assume up to 2,600 complaints will be received. Close an estimated 2,600 complaints.[12] Manage complaints so that: • 75% are closed within 3 months • 85% are closed within 6 months • 100% are closed within 9 months	2,455 new complaints were received by the Advocacy Service. 2,402 complaints were closed by the Advocacy Service. Complaints were managed so that: •76% were closed within 3 months •96% were closed within 6 months •99% were closed within 9 months
Consumers are satisfied with Advocacy's complaints management processes *(which contributes to achievement of Strategic Objective 2)*.	Undertake consumer satisfaction surveys, with 80% of respondents satisfied with Advocacy's complaints management processes.	Undertake consumer satisfaction surveys, with 80% of respondents satisfied with Advocacy's complaints management processes.	83% of consumers who responded to satisfaction surveys were either satisfied or very satisfied with the Advocacy complaints management process.

[12] These measures have been adjusted to account for a recent decrease in complaints to Advocacy.

Output 1.3 — Provider Accountability — Proceedings			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
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 *(which contributes to achievement of Strategic Objective 4)*.	The Director makes decisions on complaints referred to its office. Report on:[13] • The number of providers referred to the Director • The number of decisions made	The Director makes decisions on complaints referred to its office. Report on: • The number of providers referred to the Director • The number of decisions made	For the year ended 30 June 2024: • 9 new referrals relating to 13 consumers and 8 providers were received. • 10 decisions to take proceedings were issued.
Proceedings are taken in the relevant forum (HPDT or HRRT) where the Director determines it warranted *(which contributes to achievement of Strategic Objective 4)*.	The Director takes proceedings in the HPDT and HRRT in cases where determined warranted. In relation to both the HRRT and HPDT, report on:[14] • Number of proceedings filed • Number of proceedings concluded • Outcome of proceedings concluded	The Director takes proceedings in the HPDT and HRRT in cases where determined warranted. In relation to both the HRRT and HPDT, report on: • Number of proceedings filed • Number of proceedings concluded • Outcome of proceedings concluded	For the year ended 30 June 2024: <u>HRRT proceedings</u> • 1 HRRT proceeding was filed. • 2 HRRT proceedings were completed (declaration that the practitioner had breached the Code was made in both cases). <u>HPDT proceedings</u> • 2 HPDT proceedings were filed. • 1 HPDT proceeding was completed (professional misconduct finding made).

[13] These measures provide an overall assessment of the level of activity of the Director. Having a specific target is not appropriate as the Director and HDC do not have control over the number of complaints that met the threshold for referral to the Director.

[14] 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

Output 2.1 — Access to Advocacy			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
Network to promote awareness of the Code and access to the Advocacy Service in local communities *(which contributes to achievement of Strategic Objective 2 & 3)*.	Advocates carry out 1,200[15] 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. At least 85% of these visits and meetings are provided to focus populations and the family/whānau members who support them.	Advocates carry out 2,800 scheduled visits or meetings with community groups and provider organisations for the purpose of providing information about the Code, HDC, and the Advocacy Service. At least 75% of these visits and meetings are focused on priority populations and the family/whānau members who support them.	For the year ended 30 June 2024, the Advocacy Service had carried out 3,075 networking visits across the motu. 76% (2,359) of these visits were focused on vulnerable consumers.

[15] Note that this measure has been adjusted to account for reduction in advocacy capacity over time.

Output 2.2 — Advocacy Education			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
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 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. Seek evaluations on all sessions, with 80% of respondents satisfied.	Advocates provide an estimated 1,000[16] education sessions. Consumers and providers are satisfied with the education sessions. Seek evaluations on sessions, with 80% of respondents satisfied.	For the year ended 30 June 2024, the Advocacy Service had delivered 1,151 education sessions across the motu. 92% of survey respondents were satisfied with the education session they attended.
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. Report on the total number of contacts with enquirers.	Provide responses to enquiries as requested. Report on the total number of contacts with enquirers.	For the year ended 30 June 2024, the Advocacy Service had responded to 20,518 enquiries. For the year ended 30 June 2024, HDC had received 1,645 enquiries, and responded to 1,499 enquiries.

[16] This measure has been adjusted to account for reduced capacity of the Advocacy Service over time, as well as the release of HDC provider modules, which have replaced advocacy education sessions for some providers.

Output 2.3 — HDC Promotion			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target[17]	**2024/25 SPE Target**	**2023/24 Actual**
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 the practical implication of consumers' rights.	Monitor the reach of our online education resources for providers and consumers. Report on the number of people who have accessed these resources.	<u>Education modules</u> There are three online provider education modules. During 2023/24, 4,718 providers completed Module 1 about the Code, 4,184 providers completed Module 2 about informed consent, and 3,910 providers completed Module 3 about complaints management. In September 2023, a whiteboard animated video was launched with the objective of increasing awareness of the Code and empowering individuals to exercise their rights. By 30 June 2024, the English version had garnered over 4,000 views, while the te reo Māori version had received 607 views, reflecting a 25% increase for both versions over the preceding three quarters.
~~Promote awareness of, respect for, and observance of, the rights of consumers and how they may be enforced *(which*~~	~~Partner with other agencies to raise awareness of consumer rights and reduce barriers to resolving complaints for Māori, kaumātua, whānau, hapū, and iwi, Pacific~~	Partner with other agencies to raise awareness of consumer rights and reduce barriers to resolving complaints for Māori, kaumātua, whānau, hapū, and iwi, Pacific	In the 2023/24 year, we developed our relationships with external stakeholders across the country to raise awareness of HDC consumer rights. External stakeholder

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

Output 2.3 — HDC Promotion			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target[17]	**2024/25 SPE Target**	**2023/24 Actual**
~~*contributes to achievement of Strategic Objective 2).*~~	~~peoples, older people and other focus communities. Report on activity.~~ [18]	peoples, older people and other focus communities. Report on activity.	relationships were established with Kaupapa Māori providers who provide health and disability services, including regulatory authorities, Ministry of Health Māori Health team, public and private health and disability service providers, as well as community social service providers. Through these relationships we took the opportunity to share our tikanga-led complaints process in support of reducing barriers to resolving complaints for Māori and to empower all consumers' understanding of the Code. In addition, HDC delivered a tikanga-led process for the HDC Act and Code review. This tikanga-led process strengthened meaningful engagement and provided space for whānau voice and whānau experience to be heard to influence service improvement. We continue to support whānau and communities to build confidence to

[18] HDC is removing this measure. In the context of a funding reduction, our focus in this respect will be on ensuring that our complaints resolution process is culturally appropriate. Our capacity for education and promotion work will be reduced significantly.

Output 2.3 — HDC Promotion			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target[17]	**2024/25 SPE Target**	**2023/24 Actual**
			advocate on their own behalf directly with providers in the first instance.
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 2)*.	~~Publish on the HDC website (and make accessible to people who use 'accessible software') educational resources that are written in plain language for disability services consumers and disability services providers. Report on number of resources published.~~ [19]	Publish on the HDC website (and make accessible to people who use 'accessible software') educational resources that are written in plain language for disability services consumers and disability services providers. Report on number of resources published.	During the year ended 30 June 2024, 13 new accessible formats of resources were developed for disability services consumers and disability services providers and 2 easy read booklets were updated — making a total of 15 accessible resources.

[19] HDC is removing this measure. HDC has recently undertaken a review of our resources to ensure that they are accessible and culturally appropriate. Given that all resources have now been updated, ensuring that these resources remain accessible will become part of BAU (rather than resources being updated each year).

Output Class 3 — System monitoring and impact

Output 3 — System impact			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
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: • 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%[20] compliance	Make recommendations to improve quality of services, and monitor compliance with the implementation of recommendations by providers: • Providers make quality improvements as a result of HDC recommendations. Verify provider's compliance with HDC's quality improvement recommendations, with a target of 95–100% compliance	During the year ended 30 June 2024, a total of 586 recommendations due for completion had been reviewed, of which 96.4% had been fully complied with.
Engage with key sector stakeholders to promote the Code, share intelligence and insights relating to complaint trends, and collaborate on issues of shared concern *(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.	Maintain engagement with key stakeholders to share intelligence, collaborate on issues of shared concern and promote people's rights. Report on number of engagements. Provide briefings, and raise issues or make recommendations, suggestions, or submissions to	During the year ended 30 June 2024, HDC undertook 373 engagements with key sector stakeholders. During the year ended 30 June 2024, HDC made 15 submissions on various issues.

[20] 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 operational environment.

Output 3 — System impact			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
	~~Provide annual complaint trend reports to stakeholders in relation to service areas of interest.~~ [21]	any person or organisation in relation to the Code and/or trends identified through complaints. Report on activity. Provide annual complaint trend reports to stakeholders for complaints about Health NZ and other service areas of interest.	
~~Make public statements and publish reports in relation to matters affecting the rights of consumers *(which contributes to Strategic Objective 2).*~~	~~Work with the media to generate 200 media stories on HDC decision reports or other matters of public interest that affect consumer rights.~~ [22]	Work with the media to generate 200 media stories on HDC decision reports or other matters of public interest that affect consumer rights.	During the year ended 30 June 2024, HDC published 107 decisions on the website. During the year ended 30 June 2024, HDC issued 112 media releases, with 1,440 stories generated from the releases.
Monitor complaint trends in relation to disability and collaborate with other agencies to protect and promote the rights of disability services consumers *(which contributes to achievement of Strategic Objectives 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.	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.	Complaints about disability service providers continued to be monitored monthly. HDC undertook work to produce a report detailing the trends in complaints about residential disability support. The report makes several recommendations towards monitoring and improving the quality

[21] HDC has removed a measure around annual complaint trend reporting as this is part of BAU.
[22] HDC has removed a measure around working with the media to reflect a reduction in communications capacity in line with a reduction in our overall baseline funding.

Output 3 — System impact			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
			of support provided. The report was published on 17 July 2024 and HDC will be monitoring the implementation of its recommendations. HDC is also working with relevant agencies on a collaborative approach to a monitoring framework — including engaging with the Ministry of Disabled People|Whaikaha (as funders and disability systems stewards), the Independent Monitoring Mechanism, and disability support providers. During the year ended 30 June 2024, the Deputy Commissioner, Disability held 76 engagements with sector stakeholders.

Output Class 4 — Aged Care Commissioner

Output 4.3 — Aged Care Commissioner			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
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 • 4 quarterly reports[23]	Develop effective relationships with stakeholders and monitor sector performance. • 100 engagements	During the year ended 30 June 2024, the Aged Care Commissioner had undertaken 123 stakeholder engagements with a wide range of stakeholders to keep informed about service issues and trends. These relationships support her mandate of quality improvement of health and disability services for older people.
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.[24]	Monitor and report on quality and safety issues in the health and disability system for older people, including action taken in response to recommendations made by the Aged Care Commissioner and emerging issues. Report on activity.	Priority issues for the Aged Care Commissioner and associated recommendations for the sector are outlined in the inaugural Aged Care Commissioner's report, released on 7 March 2024. A draft monitoring approach is being created for the 20 recommendations in the report, which will be updated regularly.
~~Provide enhanced advocacy on behalf of older consumers and their whānau and support~~	~~Actively engage with older consumers and their whānau from all communities and reflect their~~	Actively engage with older consumers and their whānau from all communities and reflect their	During the year ended 30 June 2024, 123 engagements were held with older people, their whānau and

[23] This measure is being 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.

[24] This measure has been amended to better reflect the Aged Care Commissioner's role in complaints resolution.

Output 4.3 — Aged Care Commissioner			
Contribution to Strategic Objectives	**Performance Measures**		
	2025/26 SPE Target	**2024/25 SPE Target**	**2023/24 Actual**
~~commitments to Te Tiriti o Waitangi.~~	~~perspectives in the Aged Care Commissioner's work. Report on activity.~~	perspectives in the Aged Care Commissioner's work. Report on activity.[25]	stakeholders working on older people's health and wellbeing. These included meetings with a diverse range of older people's groups and making visits to, and speaking with, people living in aged residential care (ARC) facilities.

[25] This measure has been removed. During the first years of the Aged Care Commissioner's establishment her focus was on developing relationships with stakeholders to inform her priorities and monitoring report. Now that these relationships have been established, her focus has shifted to driving quality improvement and advocating for better services. Stakeholder engagement will continue as part of the Aged Care Commissioner's BAU. However, to reflect this shift in focus, measures around engagement have been removed and replaced with measures reflecting the Aged Care Commissioner's role in quality improvement.

3.3 Reporting

HDC will provide quarterly reports to the Minister of Health that cover:

- Progress on our operations, including commentary on any significant variations from objectives and measures in our Statement of Performance Expectations relevant to the quarter.
- An update on key operations, identifying any emerging risks and how these are being managed, and providing a commentary on any significant variation from the objectives and measures in the Commissioner's Statement of Performance Expectations.
- Current financial reports in the same format as the agreed Forecast Financial Statements, prepared to align with generally accepted accounting practices.

Reports will be provided to the Minister by the following dates unless otherwise agreed:

Report	Period covering	Due date
Quarter 1	1 July 2025–30 September 2025	1 November 2025
Quarter 2	1 October 2025–31 December 2025	1 February 2026
Quarter 3	1 January 2026–31 March 2026	1 May 2026
Quarter 4	1 April 2026–30 June 2026	1 August 2026
Annual Report	1 July 2025–30 June 2026	31 October 2026

3.4 Statement of Accounting Policies

REPORTING ENTITY

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

These prospective financial statements reflect the operations of the Health and Disability Commissioner only and do not incorporate any other entities. These prospective financial statements are for the year ending 30 June 2026 and were approved by the Commissioner prior to issue. The prospective financial statements cannot be altered after they have been authorised for issue.

BASIS OF PREPARATION

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The opening position of the prospective statements is based on the June 2025 unaudited results for 2024/25.

STATEMENT OF COMPLIANCE

The prospective 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 requirements to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The information in these prospective financial statements may not be appropriate for purposes other than those described above.

The prospective financial statements have been prepared in accordance with Tier 2 PBE accounting standards and disclosure concessions have been applied. HDC can report in accordance with Tier 2 PBE Standards as HDC does not have public accountability and HDC's annual expenses are under $33 million.

These prospective financial statements comply with PBE FRS 42 Prospective Financial Statements and other applicable Financial Reporting Standards, as appropriate for PBE.

The prospective financial statements are based on financial assumptions about future events that the Health and Disability Commissioner reasonably expects to occur. Any subsequent changes to these assumptions will not be reflected in these financial statements.

Actual financial results achieved for the period covered are likely to vary from the information presented and the variations may be material.

PRESENTATION CURRENCY AND ROUNDING

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

SIGNIFICANT ACCOUNTING POLICIES

Revenue

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 using the effective interest method.

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

IT cost contribution
IT cost contribution is recognised when services are provided to the National Advocacy Trust by HDC based on mutual agreement.

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

Foreign currency transactions
Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Expenditure
Expenses are recognised when goods or services have been delivered, or when there is a present obligation that is expected to result in an outflow of economic benefits.

Leases

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.

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

Receivables
Short-term receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that the Health and Disability Commissioner will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Investments

Bank term deposits

Investments in bank term deposits are initially measured at the amount invested.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

Inventories

Inventories held for distribution in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services 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 for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Property, plant, and equipment

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 HDC 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. Gains and losses on disposals 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 HDC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in 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. 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%)

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 residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets
Software acquisition and development
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the maintenance of HDC's website are recognised as an expense when incurred.

Amortisation
The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that

the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

Acquired computer software	3 years (33%)
Developed computer software	3 years (33%)

Impairment of property, plant, and equipment and intangible assets
The Health and Disability Commissioner does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets
Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Payables
Short-term payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

Equity
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.

Goods and services tax (GST)
All items in the prospective 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.

Cost allocation
The cost of outputs is determined using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output. Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Indirect personnel costs are charged on the basis of estimated time incurred. Other indirect costs are assigned to outputs based on the proportion of direct staff headcount 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 prospective 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 continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment
At each balance 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 several 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
- asset replacement programmes.

The Health and Disability Commissioner has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant, and equipment are disclosed.

Critical judgements in applying accounting policies
Management has exercised the following critical judgements in applying accounting policies at each balance date:

Lease classification
Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Health and Disability Commissioner.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

The Health and Disability Commissioner has exercised its judgement on the appropriate classification of equipment leases and has determined that no lease arrangements are finance leases.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the lease expense.

Statement of changes in accounting policies
There have been no changes in existing accounting policies.