Hauora kounga mō te katoa
Quality health for all

Health Quality & Safety Commission New Zealand
Kupu Taurangi Hauora o Aotearoa

Statement of Performance Expectations | Tauākī o ngā Mahi ka Whāia

2022/23

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

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Foreword | Kōrero o mua

The Health Quality & Safety Commission (the Commission) is here to measure, monitor and improve the health system and health services. With our central role in contributing to health quality, we support the health and disability sector to meet the joint challenges of managing COVID-19 and the health sector reform, and to make the most of opportunities to strengthen thinking, structures, systems and actions for quality, so that we can advance our vision of 'Hauora kounga mō te katoa | Quality health for all'.

While the context around us is changing and transforming, we remain committed to our strategic intentions. Our vision of 'Hauora kounga mō te katoa | Quality health for all' remains as important as ever. Our mission – 'Whakauru. Whakamōhio. Whakaawe. Whakapai ake. | Involve. Inform. Influence. Improve.' – continues to be the basis of how we work. Our enduring priorities, founded on Te Tiriti o Waitangi (Te Tiriti), hold their central place as always, and our strategic priorities are still where our work – to measure, monitor and improve quality – must focus. Just as our strategic intent is consistent, we are consistent in scanning and monitoring our health quality environment and looking for new and better ways to influence quality and to work with the sector for change.

The Commission's independent quality improvement and monitoring role has been deliberately and clearly separated from the elements of quality associated with accountability and commissioning. Because of this separation, the Commission can take a 'helicopter view' of the quality of our health system. We can measure and monitor measures of quality, providing an independent view that allows us to credibly identify both successes and challenges related to quality. We support the health sector to share our measures and our 'helicopter view' so it too can understand where improvement is needed.

In the future system, effective continuous quality improvement will be a function of the key national agencies as they work together positively on the common goal of health quality.

- Health New Zealand (Health NZ) and the Māori Health Authority will have primary responsibility for front-line quality assurance and improvement on a day-to-day basis.
- The Commission will monitor and support quality improvement across the system.
- As system steward, the Ministry of Health will have responsibility for assuring that all parts of the overarching quality system are in place, fit for purpose and working well.

Our focus on system, consumer, whānau and service safety, and our measures that reflect quality, safety and equity, will be important while we transform and reform our system, as well as into the future.

We are flexible and pragmatic in our measurement approach, and we adapt our approaches as we need to. We have already offered our help and support to Health NZ and the Māori Health Authority as they step up their quality processes and structures and establish their monitoring approaches. We are here to work alongside the new agencies and the Ministry of Health to improve quality together.

Recently, we undertook some qualitative 'real-time' monitoring of parts of the sector to better understand the impacts of the Omicron wave, and we distributed reports to key decision-makers across the system. We recognise that, in times of fast change, we need approaches that can provide information rapidly to decision-makers, which we can follow up as time-lagged measures become available. These 'real-time' snapshots will also inform the other work the Commission is undertaking to support health system recovery from COVID-19 and our response, alongside our 'Window on quality' report series.

We would specifically like to acknowledge the health workforce for their efforts on behalf of us all over the last two years. Our 'real-time' snapshots have consistently shown the workforce to be dedicated and hard-working, often going well beyond the requirements of their 'job' in supporting and helping consumers and whānau. We have seen excellent examples of health care resilience, as colleagues and communities have

developed new ways of working and new approaches that we can all learn from. We have also gathered workforce concerns about increasing inequity because of COVID-19 and their views on what is needed to allow us to recover our system and services while maintaining or advancing quality, safety and equity. We have shared these views with key decision-makers and have emphasised how important workforce wellbeing is to quality – as the COVID-19 pandemic has clearly illustrated. We will be further sharing the concerns of the workforce in our next Window report, which will be published in the second half of 2022.

We will be including workforce wellbeing measures and monitoring in our measures of quality so that workforce wellbeing sits alongside the range of other quality indicators we oversee. Further, we will work to underscore the view that workforce wellbeing is an essential and core component of quality in Aotearoa New Zealand.

Board statement | Tauākī a te poari

In signing this statement, we acknowledge we are responsible for the information contained in the Statement of Performance Expectations for Kupu Taurangi Hauora o Aotearoa | Health Quality & Safety Commission. This information has been prepared in accordance with the requirements of the Public Finance Act 1989 and the Crown Entities Act 2004 and to give effect to the Minister of Health's Letter of Expectations and the Enduring Letter of Expectations from the Minister of Finance and the Minister for the Public Service. It is consistent with our appropriations.

Dr Dale Bramley MBCHB, MPH, MBA, FAFPHM

Chair

30 June 2022

Rae Lamb

Deputy Chair

30 June 2022

Introduction | Kupu whakataki

The Health Quality & Safety Commission (the Commission) leads quality improvement within the health sector and system and measures and monitors quality.[1] The health sector has faced challenges in managing through COVID-19 and working to transform and reset our health system. We see these challenges as key opportunities to strengthen our thinking, structures, systems and actions to help achieve both our vision of 'Hauora kounga mō te katoa | Quality health for all' and effective continuous quality improvement.

The Commission was deliberately developed to stand independently of quality roles associated with commissioning and accountability, allowing us to provide an independent, credible assessment of quality successes and challenges across the system. Our voice is separate and sits alongside the voices of those who specify and provide services and who monitor performance. Working collaboratively across agencies, we can strengthen and continuously improve health quality, safety and equity.

In this Statement of Performance Expectations (SPE), we set out our expectations for our work in 2022/23.

- In Section 1, we introduce our organisation's vision, mission and enduring and strategic priorities. We consider the important outcomes that our organisation contributes to, like the many others who work alongside us to influence 'Hauora kounga mō te katoa | Quality health for all'.

  This section shows how our work supports the goals and directions of the Government. We describe how the Government's priorities and the directions the Minister of Health's Letter of Expectations sets for us influence our work and how our priorities contribute to these.

  We also consider what else has influenced our work planned for 2022/23 and how we work according to our mission 'Whakauru. Whakamōhio. Whakaawe. Whakapai ake. | Involve. Inform. Influence. Improve.'
- Section 2 describes how we measure our performance.
- Section 3 gives an overview of how we will take our work forward in 2022/23. It shows how we are responding to the challenges and opportunities provided by **COVID-19 and the health system recovery** and **health sector reform**.

  We also detail our deliverables for advancing and achieving our vision of 'Hauora kounga mō te katoa | Quality health for all'. For each deliverable, we describe how we will assess and monitor our progress and performance against our

Evidence-based, measurable improvement

All our work is underpinned by evidence that we draw from careful measurement and analysis, literature and the knowledge and understanding of those we work with.

We can demonstrate that our efforts have a measurable impact. We also teach and encourage the health and disability sector to measure and monitor their improvement efforts.

In previous years with our core funding of $14.376 million, we estimate that our work saves around $15 million in unnecessary expenditure and adds around $87 million in value through avoiding harm and reducing mortality.

Value gained and costs saved can be measured in terms of both spending health care dollars more effectively and enabling people to live longer, healthier lives. Based on what New Zealanders say they are prepared to spend to save a life, we calculate the value of a life to be $4 million. This can be translated to estimate a value for a year of life in good health, which is $180,000.

We work with organisations such as the New Zealand Institute of Economic Research so that our thinking about value estimation keeps pace with current thinking and costs.

[1] See Appendix 1 on page 54 for further details of how legislation defines our role.

planned work (timeliness, quantity and quality) and how we will assess our planned work's impact.

- In Section 4, we briefly outline our work in partnership with third parties.
- Section 5 focuses on our organisational health and capability.
- Section 6 provides our financial details for the four years ending 30 June 2025 (revenue and proposed expenses).
- Section 7 sets out our financial policy details.

1. Leading health quality improvement and measuring and monitoring health quality | Te ārahi whakapai kounga hauora, te aromatawai me te aro turuki hoki

The Commission's vision is 'Hauora kounga mō te katoa | Quality health for all'. Our role is to measure and monitor quality and to lead improvement in the health system so that everyone can experience health services that meet their health needs and aspirations.

We do not do this alone. We work with those who can influence improvement in the health system and in health care.

Our mission, 'Whakauru. Whakamōhio. Whakaawe. Whakapai Ake. | Involve. Inform. Influence. Improve', recognises that many work alongside us to influence quality and that, together, we can better understand and improve health quality.

We have four permanent, enduring priorities and four strategic priorities that are based on the context and challenges of today. Together, these priorities provide the clear direction for our work. Our four enduring priorities are based on Te Tiriti articles and the Ritenga Māori declaration. Quality, in Aotearoa New Zealand, must start with our founding document, Te Tiriti. As Sir Mason Durie has pointed out, Te Tiriti must be recognised and enacted 'on the ground' as much as in policy.[2]

Kāwanatanga – partnering and shared decision-making	Informed and shaped equally by tangata whenua and tangata Te Tiriti worldviews and perspectives
Tino rangatiratanga – recognising Māori authority	Recognising the importance of tangata whenua authority and autonomy. Supporting tangata whenua-led processes, actions and decision-making, through shared power and resources
Ōritetanga – equity	Undertaking specific actions to ensure equitable outcomes for tangata whenua and recognising that these actions can also support equitable outcomes for other groups
Wairuatanga – upholding values, belief systems and worldviews	Prioritising tangata whenua worldviews, values and belief systems

We are committed to embedding Te Tiriti fully in our work, supporting mana motuhake and making te ao Māori perspectives and worldviews central to what we do. We want to support the development of

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[2] Health Quality & Safety Commission. 2019. *He matapihi ki te kounga o ngā manaakitanga ā-hauora o Aotearoa 2019 – he tirohanga ki te ōritenga hauora o te Māori | A window on the quality of Aotearoa New Zealand's health care 2019 – a view on Māori health equity*. Wellington: Health Quality & Safety Commission. URL: www.hqsc.govt.nz/resources/resource-library/a-window-on-the-quality-of-aotearoa-new-zealands-health-care-2019-a-view-on-maori-health-equity-2 (accessed 17 May 2022).

partnerships based on Te Tiriti that recognise and value mana motuhake solutions and integrate them across the health and disability system and within daily health practices for all. Our aim is to support and champion Māori to lead their own improvements in health and disability services and to share successful initiatives that draw on te ao Māori models to improve the quality of services for all.[3]

The need for Te Tiriti to underpin quality in health care is enduring. That's why we expect these enduring priorities to remain in place for the future.

Our four strategic priorities (below) are based on what we consider to be the cornerstones of health quality. Again, Te Tiriti is so central to health quality it features as a strategic priority.

The outcomes our work contributes toward

For the Commission, the outcomes (or the longer-term improvements) that our work, along with the work of others, contributes to are aligned with our four strategic priority areas. Table 1 specifies the outcomes that we hoped to see our work contributing toward, for these strategic priorities, when we published our Statement of Intent 2020–24. These outcomes still guide us, but our work has developed over time, and new areas of work have added new outcomes to this original list. We have also highlighted outcomes under each deliverable that we have set, later in this SPE. We discuss outcome measures in the next section and show how the measures that we use are improving over time.

Table 1: Outcomes (longer-term improvements) we identified that our work contributes to in our Statement of Intent 2020–24

Strategic priority 1: Improving the experience for consumers and whānau	Strategic priority 2: Embedding and enacting Te Tiriti o Waitangi, supporting mana motuhake
• We can measure patient and whānau experience and track improvement across programme areas. • We can see improvement in patient experience surveys from baselines. • Services monitor the results of patient experience surveys and respond to them. • Shifting narratives in key documents demonstrate active partnerships with consumers and whānau. • Narratives by Māori and Pacific peoples are an integral part of our work and the work of the sector. • The quality and safety marker for consumer engagement is in place, and services are responding to it.	• Māori have developed quality measures, and services can monitor and respond to them. • Māori partners report an increase in work relevant to Māori. • Māori partners report general services are increasingly using mātauranga Māori in health system design and practice. • We demonstrate that key documents contain narratives that reflect and uphold te ao Māori. • Quality improvement capability building upholds te ao Māori frameworks and models. • Māori quality metrics provide evidence of improvement.

[3] See also deliverable 2 (page 32).

Strategic priority 3: Achieving health equity	Strategic priority 4: Strengthening systems for high-quality services
• The whole system is using data and information to prioritise equity-driven and co-designed improvement initiatives. • Key measures show equity or decreased inequity, particularly for Māori and Pacific peoples. • Increasing numbers of improvement programmes prioritise addressing health inequities. • Increasing numbers of Māori and Pacific peoples are involved in quality improvement and health equity capability building across the sector. • We demonstrate that we have built on the range of Māori and Pacific models of practice and knowledge systems available for use across the system.	• We demonstrate that regions are using reports and information in active clinical governance of quality. • Patient experience surveys include cultural safety questions, and services monitor and respond to the results. • Key measures demonstrate reduced harm and mortality. • We demonstrate reduced costs to the system due to reduced harm and mortality. • We show that key stakeholders and agencies are working in partnerships on shared priorities. • Key documents demonstrate shifting narratives on relationships, information sharing, learning and early intervention. • We demonstrate that clinical governance of quality, patient experience improvement work and key documents are using te ao Māori concepts. • We show the Māori and Pacific health workforce is increasingly taking leadership roles and participating in capability building and interventions for quality improvement.

Our outcomes framework and how we contribute to the Government's objectives

Figure 1 sets out our high-level outcomes framework. It shows how the Commission's work contributes up from the output class that determines our work, through our mission, which defines the way that we work, and on to our strategic priorities. The high-level outcomes that we are seeking within each strategic priority are also specified. This all feeds towards our vision of 'Hauora kounga mō te katoa | Quality health for all'.

Figure 1 also shows the Government's overarching system priorities for the reformed health system and its budget area of focus for the health system, which are well aligned with our work. Both our work and that by others also contributes upwards towards the wellbeing objective of 'physical and mental wellbeing'.

Our directions from the Minister of Health

While the intervention logic for aligning our work with the Government's priorities is clear, we also have specific expectations that the Minister of Health sets for us in our Letter of Expectations for the year. As well as progressing the overarching system priorities for reform highlighted in Figure 1, the Minister has directed us to continue our work:

- helping achieve a safe and equitable recovery from COVID-19 by working to minimise adverse impacts on quality and safety
- considering and advising on whether the current mortality review committee structures are fit for purpose and delivering the most useful information in the most efficient manner

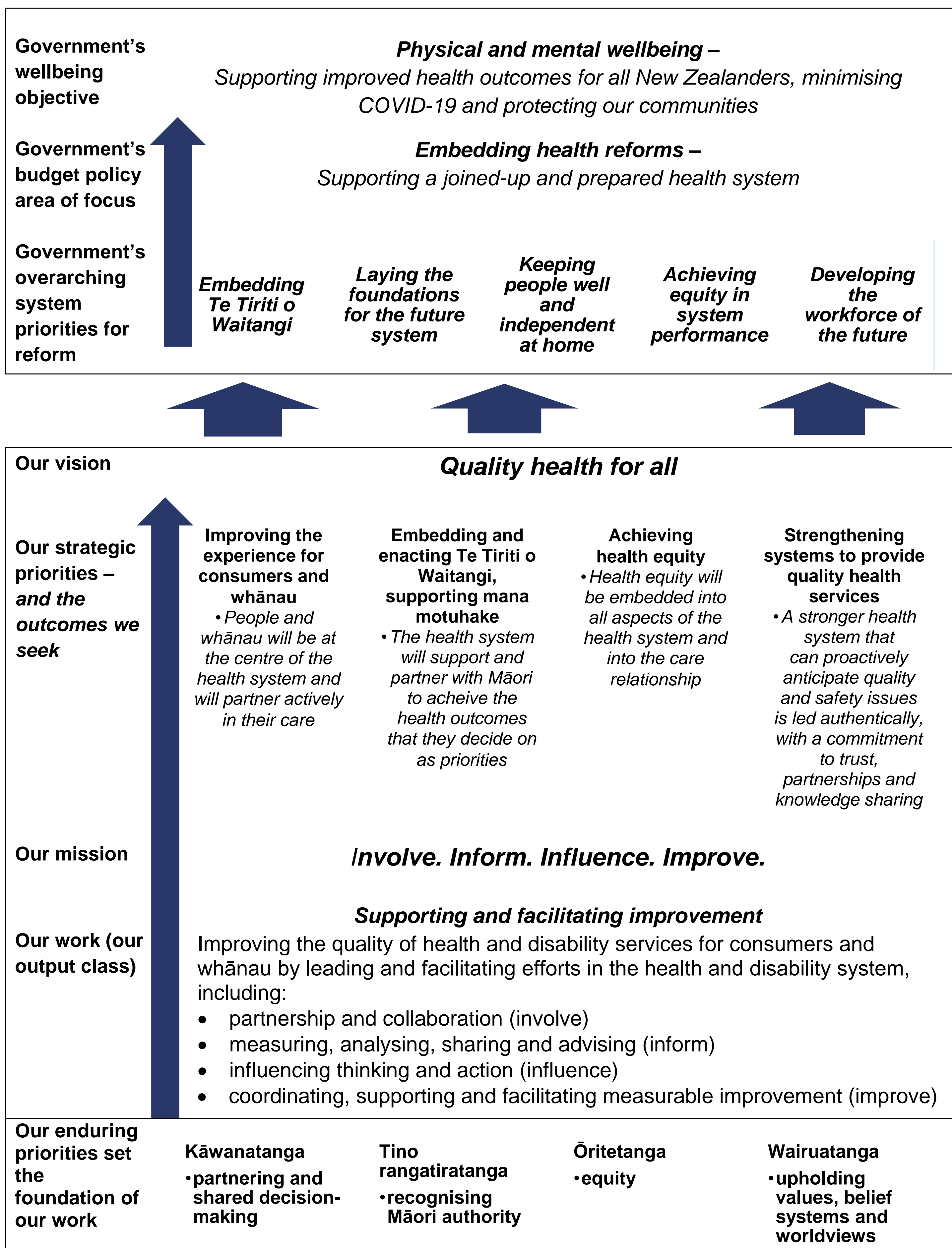
- evaluating how to strengthen and demonstrate our commitment to an equitable health and disability system
- collaborating with key system players in developing a national approach to identifying and responding to quality and safety issues
- leading and encouraging effective partnerships and engagement with consumers and whānau
- upholding the principles of Te Tiriti and implementing *Whakamaua: Māori Health Action Plan 2020–2025*.

The Letter of Expectations also directs us to:

- give effect to the Government's developing interim Government Policy Statement on health (which is not yet available to the sector at the time of writing this SPE)
- support the cross-agency community response to caring for people in the community who are COVID-19 positive through strong clinical governance and adverse event review structures that ensure roles and responsibilities are clear and learnings are shared and embedded.

Appendix 2 gives specific details of how our deliverables align with the Minister's expectations.

Figure 1: Outcomes framework: How our work contributes to outcomes the Commission and Government are seeking



Our other key influences in 2022

As well as the Government’s priorities, the environment we are working in influences the Commission’s work planning.

In particular, **the Omicron variant of COVID-19** and the **health sector reforms** are key influences, as we discuss next. In Section 3, we discuss the areas that we are continuing to focus on, as a result of the Minister’s Letter of Expectations and the challenges and opportunities of our current context.

Our own Statement of Intent’s strategic and enduring priorities remain another key influence on our work, which are not only pertinent but central to quality through this time of challenge and opportunity.

Our mission is central to how we work

Partnership and collaboration (involve)

We facilitate active partnering within the health and disability sector, based on Te Tiriti and the ethos of co-designing and co-producing quality.

We are committed to robust Te Tiriti partnerships with tangata whenua across our work, and we encourage and expect active Te Tiriti partnering throughout the sector. We work to involve Māori worldview leaders, experts and whānau Māori to develop solutions based on mana motuhake that will improve our health system and services. As a small organisation, we aim to work with iwi and hapū through the health services and system organisations that hold direct relationships with them. By partnering with the Māori Health Authority, we will be able to contribute to and support its leadership within the health sector.

We also work with and encourage active partnerships with consumers, whānau and population groups who experience health inequity, including tagata o le moana (Pacific peoples) and disabled people, so that the worldviews, needs and experiences of people who use services are central to improvement initiatives. Our work to support and enhance the impact of consumer and whānau voices will expand and strengthen over 2022/23, and we will further build our work to support health equity.

In working with health sector staff to make improvements, we have a strong focus on clinical and quality leadership. We work with and support quality and safety governance and leadership to help improve the quality of services. We also work with those who can more broadly influence the quality of services, including government agencies and the Government.

In this time of transition and change for the health system, we have a strong focus on working with the new agencies (Health New Zealand (Health NZ), the Māori Health Authority and the Ministry of Health, in its new form) to influence quality across our reformed system. Forming strong, robust relationships is a first, key step in working together effectively to help achieve system quality, safety and equity. We are working to actively lead quality and to support organisations by providing the quality measures and improvement knowledge that they will need to undertake their roles. We facilitate a Quality Forum that brings together the agencies to coordinate system quality and safety.

Measuring, analysing, sharing and advising (inform)

We work to make knowledge available and to make data and information transparent for people. We share the latest data, information and evidence (local and international). Our broad suite of over 250 quality measures supports us to understand, share information about and advise on quality. Our regular Quality Alerts update the sector on quality, safety and equity across our system, and we are building a measures library so that the sector can understand, use and interpret quality measures more consistently.

We publish information on a range of measures of quality, including patient experience surveys; quality and safety markers (QSMs); measures of variation in practice; and other indicators.

Each year, we publish *A window on the quality of Aotearoa New Zealand's health care*, with an overview of key health quality and safety information.

We also know that those we work with hold valuable intelligence that can help improve quality and safety in the health and disability sector. The worldviews, experiences, ideas, successes and challenges of those we work with provide useful information to support improvement. We work alongside those who influence improvement, to share and spread the intelligence they hold, and we share what we know with them. We are currently undertaking 'real-time' monitoring of the rapidly changing impacts of Omicron across the health sector, drawing on soft intelligence from the sector. When change is rapid, our usual time-lagged measures cannot keep us up to date in the way that shared soft intelligence with the sector can.

We are working towards looking at all our information and intelligence from Te Tiriti and health equity perspectives. We are committed to using information that includes Māori worldview priorities, experiences and solutions. We are also committed to measuring health equity across groups that experience health inequity, including people from different ethnic groups and disabled people.

Our measurement and analysis work gives us a 'helicopter view' of the quality of our health system. We support the health sector to share our view and to understand where improvement is needed. Our focus on system safety, as we transform and reform our system, will be essential.

Influencing thinking and action (influence)

As the Commission is a small agency, our ability to influence change is essential to our success. We influence others by sharing knowledge and understanding in the sector; developing advice, tools and techniques; raising awareness of areas for improvement, using our measures and intelligence to identify them; and measuring the impact of our change and improvement work.

We influence through modelling, demonstration and working alongside others in the sector to show what people can do. We are committed to making mātauranga Māori central in our efforts to influence. We recognise that the articles of Te Tiriti provide a framework to guide and influence improvement.

We also work to influence policy that is relevant to improving the health system and health outcomes by providing evidence-based advice to the Government. We will continue advising our Minister and decision-makers about the quality of our health system as we transition into our new system structures, so that quality governance and quality systems are built in from the start.

We encourage the sector to develop active Te Tiriti partnerships with tangata whenua as part of its improvement efforts, so improvement benefits Māori and helps to achieve health equity. We are committed to sharing improvement solutions based on Māori worldviews that will improve both systems and practice for everyone. We are also committed to building improvement capability that benefits Māori and contributes to health equity.

Coordinating, supporting and facilitating measurable improvement (improve)

The Commission builds improvement capability and coordinates and supports quality in the sector. We work alongside people, agencies and services that are seeking to improve, and we lead improvement in specific areas. In our work, we strengthen consumer engagement, Te Tiriti partnerships and relationships for change within the health and disability sector. We work to improve health equity. We support clinical leadership and governance for quality, provide sector education, training and capability building in quality improvement and support providers to strengthen systems and improve through focused interventions.

Our work encourages capability development and learning, sharing and working together for change. Through our targeted quality improvement efforts to reduce specific harm in hospitals and our recent work in partnership with aged residential care, primary health and mental health and addiction, we are supporting the health sector to increase patient safety and reduce harm while improving quality.

Our quality improvement science education and training provides skills to address local improvement challenges as well as the ability to draw on what is available nationally. Our education and training encourages the use of measurement in improvement, providing skills in using both locally developed measures and national measures (such as the System Level Measures[4]). We now offer a pipeline of courses designed to build quality improvement science skills and capability from beginner through to advanced.

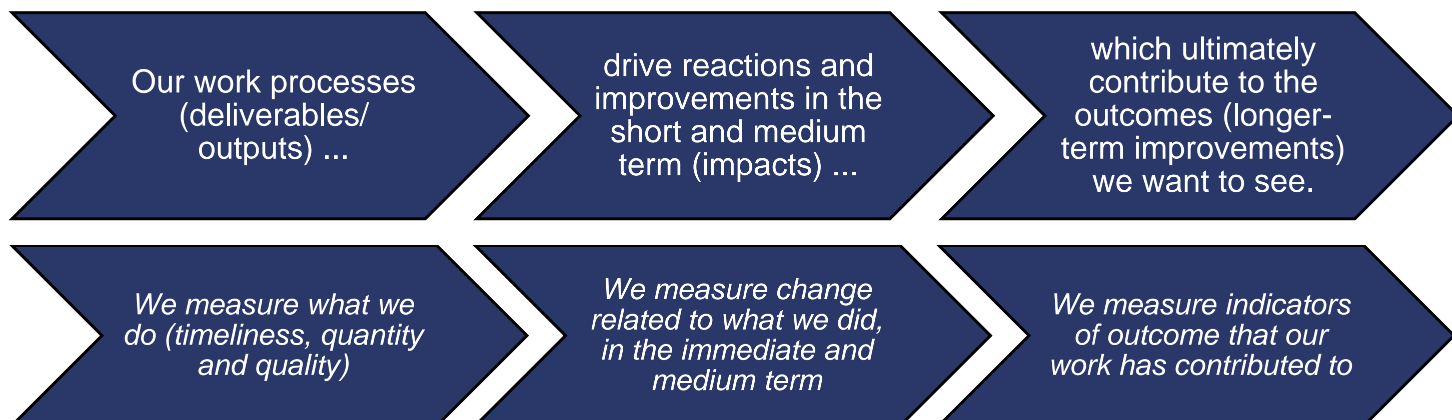
Measuring improvement is vital to what we do, and we support and encourage others to measure improvement as well. Ongoing measurement is essential to understand whether improvement efforts are working. Finding measurable improvements in an area demonstrates that improvement efforts are working there. On the other hand, a finding of no measurable improvement in an area can point to the need for different approaches.

We will continue our work fostering improvement within the reformed health system through capability building, quality improvement programme work and working alongside those who seek to improve.

[4] See also the Ministry of Health webpage on the System Level Measures Framework at: www.health.govt.nz/new-zealand-health-system/system-level-measures-framework.

2. How we will measure our performance | Me pēhea mātou e aromatawai ai i ā mātou mahi

This section provides our organisational performance plan and highlights how we will assess the success of our work. We select measures at each level (process, impact and outcome) that help us track our progress.



Outcomes: Did our work contribute to the change we aimed for?

Table 1: Outcomes (longer-term improvements) we identified that our work contributes to in our Statement of Intent 2020–24 (pages 10 and 11) has introduced a number of ways that we will know we are successfully progressing our strategic priorities. **Table 2: Our outcome measures and progress** (pages 19–24) shows the outcome measures that we specifically track to understand how our work contributes across our strategic priorities, alongside the work of others. Table 2 also gives the timeframes over which we might expect to see change.

We measure and report on our outcome measures in our annual reports, and Table 2 provides our most recent reporting information. We work to measure in ways we can use to track our progress over time. However, real challenges are involved in accurately measuring many of these outcomes.

Challenges of attribution and contribution

When you work 'through' others, it is always a complex task to understand and explain whether an initiative directly caused an outcome (attribution) or contributed to it, along with other influences, including the work that others do alongside you (contribution).

The Commission is very clear that our work, together with the input of the many influencers and improvers we work alongside, contributes to the shared outcomes that we want to see.

Complexity in measuring and monitoring quality and performance

In addition, our measures themselves are complex. Our measures are at various stages of development and will require further development over time. Many of them are developed for use in our wider work within the health system. Many are long-term measures that we expect will take years to shift. However, we will know that our work is contributing to the outcomes we seek when we see changes starting to occur.

We also use ‘proxy’ or ‘impact’ measures as indicators that we are on the right track

Because many of our outcome measures are longer-term, challenging and complex to shift and influenced by many factors beyond the Commission’s control, we also actively measure proxy (impact) indicators for our outcome measures, which can be measured in the immediate and medium term. These measures of the ‘impact’ of our work are more readily matched directly to our work, enabling us to track our progress toward our outcome goals with greater confidence. These measures are detailed under ‘Impacts’ below.

Table 2: Our outcome measures and progress, with columns 3–5 as reported in our Annual Report 2020/21

Strategic priorities	What we expect to see when our work is contributing to our strategic priority outcomes	Column 3 What outcomes we hope to see	Column 4 Key achievements in 2020/21 (bold) *What we achieved prior to 2020/21 (italic)*	Column 5 Future plans[5]
Improving experience for consumers and whānau	We will know we have contributed to improved experiences for consumers and whānau when we see improvements in patient experience survey results from baselines and improvements in patient and whānau measures and reporting across our programme areas.	Improved patient and whānau experience as a result of improvements made by providers, which they were supported to make by learning from patient experience surveys (three to five years)	*Between 2014 and 2019, 20 percent of questions asked in the hospital patient experience survey showed sustained improvements in reported experience.* In 2020, both inpatient and primary care surveys were refreshed. Since August 2020, baselines for a total of 31 new questions in the hospital survey and 49 new questions in the primary care survey were established. **New baseline established.**	Change from these baselines will be measured. It will take a minimum of two years to identify sustained change from a baseline, with expectation that we start to see clear patterns of improvement from 2024 onwards.
		Patient and whānau measures and reporting across our programme areas (qualitative and quantitative) indicating improvement in engagement and experience (three to five years)	A baseline has been established for the Consumer QSM. **Baselines established.**	Change from these baselines will be measured. It will take a minimum of two years to identify sustained change from a baseline, with expectation that we start to see clear patterns of improvement from 2024 onwards.

[5] Based on quarterly reporting, it takes at least two years to identify sustained and significant improvements from the point at which a baseline is set. To prevent seasonal effects from distorting baselines, these need to be collected over the minimum of one year. In addition, the distorting effects of COVID-19 on the operating of the health system (eg, changing case mixes of admitted patients) may further extend the period required to have confidence that improvements are genuine, significant and sustained.

Strategic priorities	What we expect to see when our work is contributing to our strategic priority outcomes	Column 3 What outcomes we hope to see	Column 4 Key achievements in 2020/21 (bold) *What we achieved prior to 2020/21 (italic)*	Column 5 Future plans[5]
Embedding and enacting Te Tiriti o Waitangi, supporting mana motuhake	We will know we have contributed to embedding and enacting Te Tiriti and supporting mana motuhake when we can see improvements in Māori patient and whānau experiences and, over time, in Māori health outcome measures, both at the system level and within our programme areas. However, we recognise that improving wider determinants of health is another key aspect of improving Māori health outcomes.	Improved Māori patient experience surveys results (percentages) from baselines (three to five years)	Baseline measures established for Māori respondents for the 31 and 49 questions in our two patient experience surveys. **Baselines established.**	Change from these baselines will be measured. It will take a minimum of two years to identify sustained change from a baseline, with expectation that we start to see clear patterns of improvement from 2024 onwards.
		Qualitative and quantitative measures and reporting across programme areas that show improved health equity for Māori (three to five years)	*Reduction in inequity for surgical site infections (SSIs) following hip and knee replacements from a rate twice as high as for non-Māori, non-Pacific, to statistically identical between 2014 and 2016.*	Reporting by ethnicity on all QSM outcomes will continue. We expect to see maintenance of equity, where this exists, and achievement of equity in new programmes.
		Improved Māori health outcome measures (five to ten years)	**Baselines established.**	Progress on all measures in the Māori health equity report will be tracked – and baselines for 2018–20 are available.
Achieving health equity	We will know our work has contributed to health equity when we highlight reductions in unwarranted health care variation and inequities across population groups, and we see greater health equity in our	Maintained or improved patient experience survey representativeness, particularly for groups experiencing health inequity (three to five years)	A series of technical fixes, including provision of free data and coupling of text and email invitations, led to increased survey response rates. • **The Māori primary care survey response rate increased from 11 percent**	Continued maintenance and improvement of Māori and Pacific survey response rates will be monitored.

Strategic priorities	What we expect to see when our work is contributing to our strategic priority outcomes	Column 3 What outcomes we hope to see	Column 4 Key achievements in 2020/21 (bold) *What we achieved prior to 2020/21 (italic)*	Column 5 Future plans[5]
	health and disability system and programme measures.		**to 20 percent (equal with non-Māori, non-Pacific) between August 2020 and May 2021.** • **The Pacific primary care survey response rate increased from 9 percent to 15 percent between August 2020 and May 2021.**	
		Reductions in unwarranted health care variation measures across population groups (three to five years)	All Atlas measures are broken down by ethnicity, of which there are well over 100. *There are numerous examples of significant increases in equity, including asthma inhaled corticosteroid dispensing, gout hospital admissions, non-steroidal anti-inflammatory drug use with no urate-lowering therapy, and maternity low birth-rate babies. However, interpretation is complex because many factors are contributing to unwarranted variation.*	We will continue to monitor all Atlas measures.
		Greater health equity in our system and programme measures (three to five years)	*Reduction in inequity for SSIs following hip and knee replacements from a rate twice as high as non-Māori, non-Pacific to*	Reporting by ethnicity on all QSM outcomes will monitor maintenance of equity where this

Strategic priorities	What we expect to see when our work is contributing to our strategic priority outcomes	Column 3 What outcomes we hope to see	Column 4 Key achievements in 2020/21 (bold) *What we achieved prior to 2020/21 (italic)*	Column 5 Future plans[5]
			statistically identical between 2014 and 2016, and the reduction has been maintained.	exists, and achievement of equity in new programmes.
Strengthening systems for high-quality services	We will know our work is contributing to a stronger system for high-quality health and disability services when we see: • greater whānau involvement in adverse event reviews, learning and communication • Health NZ addressing issues raised in relevant Quality Alerts • reduced mortality over time in mortality review cohort groups • improved capability in data and measurement, quality improvement science and clinical governance within the health and disability system and workforce • improved quality and safety measures across the health and disability system and in our own measures.	Reduced mortality over time in mortality review cohort groups (long term, intergenerational)	*There was a steep reduction in child and youth deaths between 2011 and 2014 – equivalent to around 100 deaths per year.*	Key group mortality rates will continue to be monitored, with a specific focus on deaths likely to be amenable.
		Improved quality and safety measures within our programme areas (two to five years or longer)	*Since their inception, the following improvements in outcomes and processes associated with the Commission's quality and safety programmes have been identified.* • *Falls – 25 percent reduction in falls with a fractured neck of femur, equating to 175 avoided fractured necks of femur.* • *The patient deterioration programme has resulted in a 40 percent increase in rapid response team escalations and a statistically significant decrease in hospital cardiopulmonary arrests, avoiding around 200 to date.* • *Safe surgery – 673 post-operative deep vein thromboses*	For all past, continuing and future quality improvement programmes, we will measure key outcomes to quantify avoided harms.

Strategic priorities	What we expect to see when our work is contributing to our strategic priority outcomes	Column 3 What outcomes we hope to see	Column 4 Key achievements in 2020/21 (bold) *What we achieved prior to 2020/21 (italic)*	Column 5 Future plans[5]
			(DVTs)/pulmonary embolisms (PEs) avoided. • *Infection prevention and control – 17 percent reduction in post-operative infections for hips and knees, equating to 92 avoided infections; 18 percent reduction in post-operative infections for cardiac surgery, equating to 81 avoided infections.* • *The Commission supported 18 improvement projects in primary care, and 14 of 18 showed measurable improvement.*	
		Reduced number of disability-adjusted life-years (DALYs) lost due to complications and poor outcomes within our programme areas (two to five years)	*Based on published estimates of the DALY loss associated with specific health care-related harms, we can estimate the following DALYs avoided to date:* • *falls – 175 avoided fractured necks of femur = 287 DALYs avoided* • *safe surgery – 673 post-operative DVT/PEs avoided = 397 DALYs avoided* • *infection prevention and control – 173 avoided post-*	For all past, continuing and future quality improvement programmes, we will measure key outcomes to quantify avoided harms and seek estimated DALY losses associated with these.

Strategic priorities	What we expect to see when our work is contributing to our strategic priority outcomes	Column 3 What outcomes we hope to see	Column 4 Key achievements in 2020/21 (bold) *What we achieved prior to 2020/21 (italic)*	Column 5 Future plans[5]
			operative infections = 87 DALYs avoided.	
		Reduced bed-days within our programme areas (two to five years or longer)	*Re-admission (second admission) of older people as a result of an emergency was reduced, resulting in 98,000 fewer bed-days between June 2014 and June 2019.*	Historically, we have focused on bed-days, but we now have measures and indicators that are more useful (such as DALYs and direct measures of harm and/or cost). However, we will continue to measure bed-days when these are relevant.

Impacts: Did our work impact people and create change in the way we hoped?

As a small organisation, we achieve much of our impact through influence, as our mission statement recognises: 'Whakauru. Whakamōhio. Whakaawe. Whakapai ake. | Involve. Inform. Influence. Improve.' Our work requires others to be interested and involved so that they work alongside us to achieve change. Much of our impact can be assessed by how people react and respond to our work and what they then do with it. Our impact measures focus on these factors. They are also indicators of whether we are headed in the right direction for achieving our outcomes. The box on the right gives examples of the impacts that we consider.

It is appropriate for us to set goals or targets for our impact measures, if we have reason to expect that our work will achieve a certain level of reaction, based on our past experience.

Examples of impacts we can measure

- Generating discussion and debate (media analysis)
- Levels of engagement and response (media analysis, case studies, surveys, interviews)
- Change in knowledge, behaviour, practice, systems, guidelines or policy (surveys, interviews, case studies, documentary analysis)

Deliverables: Did we do what we set out to do?

Our four strategic priorities are strongly integrated and aligned, with many crossovers and areas of common interest. Our SPE deliverables in 2022/23 are designed to contribute to progress across one or more of our strategic priorities as well as our enduring priorities based on Te Tiriti.

Our processes are the steps we take to progress each deliverable.

To assess our performance within the processes of completing work, we plan measures of timeliness, quantity and quality.

- **Timeliness – when will the work be done?**

  We set a clear timeframe or date for completing the work.

- **Quantity – how many or what volume will we deliver?**

  We can set an expected number of delivery units (for example, three training courses) or measures of expected volume of delivery (for example, 300 people will attend a training course). We can also combine the approaches (for example, three courses with 100 people attending each one).

- **Quality – how will we know that we did it well, with a focus on delivering quality?**

  We can use impact measures as one indicator of quality. These measures tell us how our work impacts on our intended audience, as discussed in 'Impacts' above.

  However, we can also use other measures that are based within our work to assess quality, for example, when it is too early to measure impacts on our intended audience. This is useful when work is in development (for example, during analysis, writing, development, piloting and testing). These measures are sometimes referred to as formative measures – see the box alongside for examples.

Other process-based (formative) quality measures completed during the work process

- Expert review of a report or resource (documented feedback) during development
- An external expert advisory group (minutes or advice) during the process of development
- Evidence of partnership with experts, consumers, Māori, Pacific peoples or other groups involved in development (feedback)
- Surveys, interviews or other mechanisms for gathering and assessing how participants viewed aspects of our work
- Stakeholder focus groups undertaken to support the development of work

Our SPE deliverables for 2022/23

Our SPE is made up of seven deliverables that contribute to our one output class, covering the functions outlined within our mission:

- partnership and collaboration (involving)
- measuring, analysing, sharing and advising (informing)
- influencing thinking and action (influencing)
- coordinating, supporting and facilitating measurable improvement (improving).

All our work aims to improve the quality of health and disability services for consumers and whānau by leading and facilitating efforts for change in the health and disability system.

All deliverables are also aligned to our strategic priorities, as outlined in our outcomes framework (Figure 1, page 13). Most of our deliverables align to more than one strategic priority, and some align to all four. Appendix 2 details how each of our deliverables aligns with the Government’s expectations, our strategic priorities and our enduring priorities based on Te Tiriti, as well as the Minister’s expectations outlined in our Letter of Expectation.

Section 3 outlines our SPE deliverables for 2022/23 (pages 27 to 38).

3. Priority work areas of focus in 2022/23 | Ngā mahi hei aronga mō 2022/23

This section introduces our areas of specific work focus in 2022/23. We have a number of areas to work on due to the challenges and opportunities presented by the context of the health and disability system. The Government has asked us to:

- remain focused on COVID-19 and on supporting the recovery and reset of the health system that will follow
- take a stronger leadership role in quality and in supporting, developing and monitoring the quality of our future health system, including during its transition.

Our own priorities for developing work programmes are also a key influence on our focus in 2022/23.

- As our strategic and enduring priorities show, we are committed to progressing our efforts to encourage and support the health sector to better enact Te Tiriti and support mana motuhake so that it advances Māori health outcomes.
- We remain focused on improving quality for people who experience health inequity. We are developing a tagata o le moana team and work programme to improve health quality for Pacific peoples. We are also strengthening our knowledge and measurement foundations to better understand health service quality, safety and equity for disabled people, and we are working in a number of areas to improve the quality of health services for them.

Our developing areas of work

Understanding the impacts of COVID-19 and variants on the health system so that we can support recovery

Since the COVID-19 pandemic started, the Commission has partnered with other agencies, such as the Ministry of Health and the Accident Compensation Corporation (ACC), and with clinical and consumer leaders to help the health and disability sector manage through the unprecedented pressures of the pandemic alongside their usual work. This help involves:

- refreshing and expanding resources on infection prevention and control
- developing shared decision-making resources to support clinicians' conversations with consumers and whānau
- managing a web-based resource hub to give the health and disability workforce access to online resources and webinars on keeping themselves well and safe
- measuring and monitoring the effects of COVID-19 and our wider response on the quality, safety and equity of services to support the health sector to direct efforts in ways that achieve quality most effectively
- sharing stories of resilient health care in action in Māori and Pacific communities and in specific health services that the wider sector can learn from.

The importance of the Commission's role in maintaining an overview of quality through challenges and change was emphasised during the COVID-19 situation of 2020 and again with the emergence of the Delta variant last year.

However, the current Omicron variant presents new challenges, which our health system is currently responding to. We have stepped up again, providing 'real-time monitoring' of different areas of the health system that have been under pressure. Real-time monitoring reports provide a snapshot in time from contacts known to the Commission who have been able to provide information within a short time. While

not comprehensive or representative, this method allows us to collate useful qualitative information about active concerns of frontline staff during the Omicron wave and to share it quickly across the system so it can inform decision-making in a time of rapid change. In the longer term, this 'soft intelligence' needs to be supported with other data and evidence.

We are also continuing with our COVID-19 Window reports,[6] which we aim to deliver six-monthly. These reports provide robust analysis from accumulated data and evidence, outlining the impacts of the pandemic and response on health system quality and safety.

Our real-time snapshots contribute to work toward our COVID-19 Window series, as well as to the Commission's other work to support the health system's recovery from COVID-19 and the response to it.

Over the coming year, we will:

- draw on the strong partnerships we have within the health sector workforce to monitor and share relevant information – such as real-time monitoring reports, as required – that supports quality, including staff wellbeing through the challenges of Omicron over the coming year
- continue our series of COVID-19 Window reports, which provide robust analysis from accumulated data and evidence, outlining the impacts of the pandemic and response on health system quality and safety (see deliverable 3, page 33).

Supporting quality within the New Zealand Health and Disability System Review reform and the new future system

Health and disability sector reform resulting from the Health and Disability System Review is providing opportunities to strengthen the quality of our health and disability system. Our system needs structures and processes in place that strengthen its ability to work in collaboration to continuously improve.

To do this will require effective partnerships and oversight of all the functions of quality as well as information about how those partnerships and functions fit together and how interventions are working.

The Commission has worked alongside those developing the future health system to build in quality from the start. The quality framework and the overarching high-level roles of agencies in quality have now been agreed. The Commission has actively advised on these matters and continues to do so.

We have also provided independent and collaborative oversight of quality issues and emerging concerns as we move through significant structural change, in the form of the Quality Forum and our Quality Alerts.

Over the coming year, we will:

- continue to partner with and support those working on the design of health sector quality systems and structures and to make our expertise available to shape a health system that can deliver high-quality care for everyone
- continue our focus on quality and safety at a system level as we work to lead and establish processes for national agencies to collaborate effectively to achieve continuous quality improvement across the reformed health system
- continue to build strong, trusting relationships with the other agencies working to improve the quality of the health system.

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[6] See Health Quality & Safety Commission. 2021. *A window on quality 2021: COVID-19 and impacts on our broader health system – Part 1 | He tirohanga kounga 2021: me ngā pānga ki te pūnaha hauora whānui – Wāhanga 1*. Wellington: Health Quality & Safety Commission. URL: www.hqsc.govt.nz/resources/resource-library/a-window-on-quality-2021-covid-19-and-impacts-on-our-broader-health-system-part-1-he-tirohanga-kounga-2021-me-nga-panga-ki-te-punaha-hauora-whanui-wahanga-1/ (accessed 18 May 2022).

Enacting Te Tiriti and supporting mana motuhake to strengthen systems and services for Māori and other groups

In 2022/23, we will remain committed to progressing our efforts to encourage and support the health sector to better enact Te Tiriti and support mana motuhake.

Over the coming year, we will:

- work alongside the Māori Health Authority, supporting its leadership in the sector
- continue to strengthen our capability building so that te ao Māori worldviews and mātauranga Māori influence thinking and practice among those who participate in our education and training
- begin to redevelop our Quality & Safety Governance model to more strongly emphasise Te Tiriti as a fundamental component
- support general services to draw on te ao Māori worldviews and mātauranga Māori through encouraging and supporting the use of te ao Māori improvement framework (see deliverable 2, page 32)
- actively support Māori whānau, hapū and marae voices to influence the Commission's consumer and whānau work to support the reformed health system.

Improving the quality of services for people who experience health inequities

We are committed to improving the quality of services for people who experience health inequities.

Strengthening health systems and services for Pacific peoples

Following on from our work on *Bula Sautu – A window on quality 2021: Pacific health in the year of COVID-19*,[7] the Commission is working to strengthen our Pacific expertise by developing a tagata o le moana team. This team will support Commission staff to shape our work towards a health system that better recognises and meets the needs of Pacific peoples. A specific work programme directed toward improving health care for Pacific peoples is in development.

Strengthening health systems and services for disabled people

We are also strengthening our knowledge and measurement foundations to better understand health service quality, safety and equity for disabled people. We are working to explore and better understand definitions and options for self-identification so we know who people with disabilities are and what they want and need from health services. We can then understand more about how disabled people experience health services as well as the outcomes that they get from those services.

We also are undertaking a range of work with disabled people who contribute to key advisory groups across our programmes. As we better understand and can measure quality of services for disabled people, we will be able to increase our work and our impact in improving services to better meet their needs.

The Commission is looking at what work we can most usefully take forward for people with disabilities. The areas we are likely to progress include:

- involving disabled people's voices in our consumer and whānau voices programme
- encouraging and amplifying Māori disabled people's voices through our engagement with whānau, hapū and marae

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[7] See Health Quality & Safety Commission. 2021. *Bula Sautu – A window on quality 2021: Pacific health in the year of COVID-19 | Bula Sautu – He mata kounga 2021: Hauora Pasifika i te tau COVID-19*. Wellington: Health Quality & Safety Commission. URL: www.hqsc.govt.nz/resources/resource-library/bula-sautu-a-window-on-quality-2021-pacific-health-in-the-year-of-covid-19-bula-sautu-he-mata-kounga-2021-hauora-pasifika-i-te-tau-covid-19/ (accessed 18 May 2022).

- developing an implementation guide to the 'Code of Expectations for Consumer and Whānau Engagement' to help set the expectations for how health services work with disabled people (see deliverable 1, page 31)
- supporting the disability community to participate in our advance care planning work, with a focus on making resources and tools more accessible
- reflecting on the experience of disabled people in using health services throughout the COVID-19 pandemic in our COVID-19 Window series (see deliverable 3, page 33).

Our deliverables for 2022/23

Deliverable 1: Consumer engagement

Deliverable 1 contributes to Strategic priority 1: **Improving the experience for consumers and whānau.**

In 2021/22, the Commission developed and consulted on a 'Code of Expectations for Consumer and Whānau Engagement' (the Code) and will complete it by the start of the 2022/23 year. We have implementation guidance immediately available for health entities to assist with applying it. We will follow this up with an implementation guide and additional resources to help the sector implement the Code.

Established evidence shows that engaging consumers and whānau leads to better health and care outcomes.[8] Through our work with the health sector on consumer and whānau engagement and participation, we have seen that parts of the sector do not fully understand or accept the 'why, what and how' of it. While some services are actively seeking to improve consumer and whānau engagement, others are struggling. The Commission works with agencies and providers to support consumer, whānau, hapū and iwi engagement, helping to achieve successful consumer and whānau participation and engagement.

We offer a range of resources and tools to support the sector to actively involve consumers in decision-making about their health at all levels. The Commission is now operating a newly developed 'consumer hub', comprising evidence, resources, training and data analysis and reporting on areas such as how the system is working for diverse consumers and whānau and how it can be improved, growing consumer leadership and capability and promoting the authentic use of co-design. The consumer hub will include Māori experiences and worldviews on system improvement and reflect Te Tiriti in action.

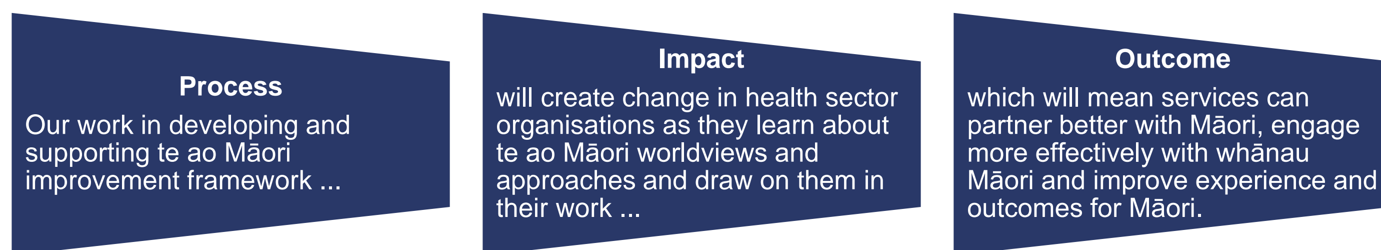
We are also developing our tagata o le moana skills and resources to share with the health sector to help strengthen the participation of Pacific peoples. Their participation will help improve the services and the system for Pacific peoples.

Deliverable 1	Timeliness/quantity	Quality (process)	Impact
Produce an implementation guide for the 'Code of Expectations for Consumer and Whānau Engagement'.	We will develop the implementation guide by 30 June 2023.	We will consult with Health NZ, the Māori Health Authority, Pharmac, the NZ Blood Service, as well as consumer and whānau locality groups and others to tailor the guide to meet the needs of the health system.	We will survey those who we consulted in developing the implementation guide, by 30 June 2023. At least 70 percent of those surveyed will indicate that they consider the guide will be useful in implementing the Code.

[8] Doyle C, Lennox L, Bell D. 2013. A systematic review of evidence on the links between patient experience and clinical safety and effectiveness. *BMJ Open* 3: e001570. URL: https://bmjopen.bmj.com/content/3/1/e001570 (accessed 26 June 2020).

Deliverable 2: Te ao Māori improvement framework and implementation guide

Deliverable 1 contributes to Strategic priority 2: **Embedding and enacting Te Tiriti o Waitangi, supporting mana motuhake.**



Understanding quality improvement from a worldview of te ao Māori is important to address challenges and barriers that affect Māori health and wellbeing and to improve the quality of health care provided in Aotearoa New Zealand. In 2020/21, we set out to develop a framework based on te ao Māori and an implementation guide to that framework. Our aim was to support the health sector to take up te ao Māori and mātauranga Māori concepts and implement them as part of general health system design and health practice for all, which will ultimately improve the quality of care delivered to and for whānau Māori.[9]

The initiative drew wide interest, and many wanted to participate in this important work aimed at improving the health system for Māori. We developed the framework and implementation resources with Māori providers, experts and the Ministry of Health to directly support *Whakamaua: Māori Health Action Plan 2020–2025.*[10]

In 2021/22, once we had developed the te ao Māori improvement framework, we piloted it with three mainstream providers (DHBs, primary health care and non-governmental organisations). This will allow us to review and revise the resource before making the framework and implementation guide available to the broader health and disability sector.

This year, we want to make the te ao Māori improvement framework available to the sector. We will be focusing on engaging with providers on the framework and encouraging training, which will be available through the Commission's education and training services.

Deliverable 2	Timeliness/quantity	Quality (process)	Impact
Develop a variety of engagement and communication strategies to support the use of the te ao Māori improvement framework, within the health sector.	We will develop up to three specific strategies for different services, by June 2023.	We will engage at least three health service providers to support and advise on the engagement and communication strategies.	We will survey services the Commission has engaged with, by 30 June 2023, to assess the application and usefulness of the framework and to inform any further revision or refinement of the framework.

[9] See: www.hqsc.govt.nz/resources/resource-library/te-ao-maori-framework/

[10] Ministry of Health. 2020. *Whakamaua: Māori Health Action Plan 2020–2025*. Wellington: Ministry of Health. URL: www.health.govt.nz/system/files/documents/publications/whakamaua-maori-health-action-plan-2020-2025-2.pdf, page 46, point 6.7.

Deliverable 3: Analyse and report on the impacts of COVID-19 on the quality of health services (COVID-19 Window)[11]

Deliverable 3 contributes to Strategic priority 3, **Achieving health equity**, and Strategic priority 4, **Strengthening systems for quality services.**

The Government has asked us to monitor the broader effects of COVID-19 and the response to it to support the health system to manage emerging quality, equity and safety risks proactively.

We will analyse and report on a series of measures that reflect quality, safety and equity over the time that the system was responding to COVID-19. We will also consider any measures that suggest ongoing effects. In the report, we will highlight any areas of concern that require attention and will suggest appropriate responses to make improvements.

This year, we will consider the impact of COVID-19 and the response to it on the quality of care for cohorts of health system users, particularly Māori, Pacific peoples and people living with disabilities. We will deliver a report on COVID-19 effects on quality in a *Window on the quality of Aotearoa New Zealand's health care*.

Deliverable 3	Timeliness/quantity	Quality (process)	Impact
Analyse and report on the impacts of COVID-19 and the response to it on the quality of health and disability services.	We will complete the analysis and publish the report by 31 March 2023.	The report will include analysis of indicators of access, availability, quality and experience of care, together with early outcomes where these are available. We will use appropriate sub-population analysis to explore effects on equity. The Director, Health Quality Intelligence will sign off the report following a process of review and mediation.	We will survey at least ten providers by 30 June 2023. At least 70 percent of those who respond to the survey, and have read the report, will agree that the report provided useful intelligence on how COVID-19 and the response affected the quality of health and disability services.

[11] This deliverable links to the Vote Health Estimate of Performance: 'A window on the quality of Aotearoa New Zealand's health care published by 30 June'.

Deliverable 4: Quality Alerts[12]

Deliverable 4 contributes to Strategic priority 3, **Achieving health equity**, and Strategic priority 4, **Strengthening systems for quality services.**

Last year, the Commission further developed and consolidated 'Quality Alerts' to bring together information and indicators in a comprehensive report on each district health board (DHB). The alerts can identify quality issues within a region and make clear comparisons with other regions. Quality Alerts are intended to support services to better understand their own quality strengths and weaknesses and help them direct their focus to areas that need improvement.

To support this work and take it into the action stage, we established a national 'Quality Forum' of agencies, with representation from across the health system. Its purpose was to both help in collecting information for the Quality Alerts and provide a collective and collaborative approach to supporting and assisting intervention. At the time of writing this SPE, evaluation of the Quality Alerts and the aligned Quality Forums was underway.

In the current context of Omicron and health sector reform, maintaining oversight of quality within the health sector will be essential. This year, we will continue to provide Quality Alerts to support quality across the health sector.

Deliverable 4	Timeliness/quantity	Quality (process)	Impact
Provide Quality Alerts to support the quality, safety and equity of health services and the system.	We will provide four Quality Alerts across the year ending 30 June 2023.	• All measures used within the Alert will be derived from products designed with clinical and other experts. • Statistical methods used to identify concerns will reflect academic best practice. • The Director, Health Quality Intelligence will sign off each Alert following a process of review and mediation.	• A survey of Alert recipients completed by 30 June 2023 will show that at least 70 percent find the Alerts provide useful information to support system quality. • We will keep a case file of resolved Alerts to learn how Alerts affect improvement. • We will work to establish processes to assess the percentage of Alerts that resulted in change.

[12] This deliverable links to the Vote Health Estimate of Performance: 'Number of Quality Alerts delivered'.

Deliverable 5: Mortality review

Deliverable 5 contributes to Strategic priority 3, **Achieving health equity**, and Strategic priority 4, **Strengthening systems for quality services.**

Mortality review aims to improve systems and practice within services and communities in ways that reduce morbidity and mortality. The Commission currently hosts five statutory mortality review committees: the Child & Youth Mortality Review Committee, the Family Violence Death Review Committee, the Perinatal & Maternal Mortality Review Committee, the Perioperative Mortality Review Committee and the Suicide Mortality Review Committee.

Mortality review function improvements

In 2021/22, we commissioned Francis Health to conduct a first principles review of the national mortality review function. The purpose of this review was to provide advice to the Minister of Health on how the current national committees approach can be applied for the greatest impact on improving health and wellbeing and reducing mortality.

The recommendations Francis Health proposed, alongside further expert advice and the process of orientation within the health system reform, are forming the basis of the Commission's advice to the Board on next steps. At the time of writing this SPE, we are developing this advice. In 2022/23, the Commission will develop an implementation plan for responding to the Board's agreed recommendations and will then undertake the work to implement them.

Mortality review reporting

The mortality review committees report and publish regularly. They make recommendations to the health sector and wider government agencies with the aim of influencing system changes and reducing mortality and morbidity. The mortality review committees engage regularly with government agencies and key stakeholders to identify progress made in implementing the recommendations that apply to them.

Deliverable 5	Timeliness/quantity	Quality (process)	Impact
Publish mortality review committee reports.	Complete two 'reports', including: one paper (Perinatal & Maternal Mortality Review Committee) and one online interactive dashboard (Perioperative Mortality Review Committee) by 30 June 2023.	Relevant mortality review committee and other subject matter experts will review each report before submission to the Board.	We will survey key stakeholders in each area (perinatal and maternal; perioperative) who are provided with the reports. At least 70 percent will confirm that they consider the information provided will improve knowledge in the relevant area.

Deliverable 6: Measures library

Deliverable 6 contributes to Strategic priority 4: **Strengthening systems for quality services.**

The Commission is developing a measures library to support consistent measuring, evaluating and commenting on the quality of health services throughout the health system. The library will describe relevant measure definitions and inform how measures can be used to influence service and system improvements.

The library will include measures relevant to enacting Te Tiriti, improving consumer and whānau experience and achieving health equity. While our current measures allow us to see and understand health equity results for many groups, they provide less insight into some others. We are currently developing the ability for all our measures to provide breakdowns on health quality and equity for disabled people.

The measures library will help develop a shared understanding of measures of quality, how to use them and what they tell us.

Deliverable 6	Timeliness/quantity	Quality (process)	Impact
Develop a measures library so that measures relevant to quality, safety and equity are clear and consistent.	We will make available 150 quality measures to the sector through the measures library by 30 June 2023.	We will derive all measures for the library from products designed with clinical and other experts. Each new iteration of the measures library will go through external user acceptance testing before sign-off by the Director, Health Quality Intelligence.	We will complete a survey of library users by 30 June 2023. The results will confirm that at least 70 percent of users agree that the library is a useful tool for accessing and understanding measures.

Deliverable 7: Quality improvement science capability building in the health and disability sector[13]

Deliverable 7 contributes to Strategic priority 4: **Strengthening systems for quality services.**

Our pipeline 'Ako tahi hei whakapai ake i te kounga | Improving together: Building capability for quality and safety' provides levels of quality improvement skill and capability that can be built on, from basic to advanced. The courses provide skills to address local improvement challenges and build ability to draw on what is available nationally. Our education and training encourage the use of measurement for improvement through developing skills with both locally developed measures and national measures. Our hugely popular pipeline of courses can support all areas of the health workforce, from hospital to primary and community care. We will continue to offer these courses to the sector and shape them to its needs.

The Commission will continue to work with the sector on national and local improvement programmes, particularly in the following two areas.

- Mental health and addiction: We continue to develop a quality improvement programme to reduce the disparities in health and wellbeing between people with mental health and addiction and the general population. We use quality improvement methodology with sector teams to address and improve specific issues. As examples, the programme focuses on reducing and eliminating the use of seclusion in Health NZ inpatient settings, which has produced demonstrable results, and developing quality improvement capability in the sector. Two emergent projects focus on maximising physical health to help remedy the disparity in life expectancy for those with significant mental illness and developing a methamphetamine and synthetics pathway for use in inpatient settings.
- Infection prevention and control: We continue the surgical site infection (hip/knee replacements and cardiac surgery) improvement programme and Hand Hygiene New Zealand programme. We will scope and initiate a quality improvement project to reduce *Staphylococcus aureus* bacteraemia (SAB) events.

We are also working to develop and deliver a course that prioritises and centres on mātauranga Māori views of quality. We recognise the health system can better use te ao Māori values and concepts and integrate them across design and practice in all health settings to improve access to health care, the quality of health services and the health outcomes of all New Zealanders. By making mātauranga Māori and Māori worldviews and approaches central in quality improvement capability, we help to build a system that can draw on these approaches in its improvement efforts, making services work better for Māori.

Restorative approaches and hohou te rongopai (peace-making from a worldview of te ao Māori) appreciate that relationships make us human; they can be positive or harmful and have a role in our healing. When harm occurs, restorative approaches provide a framework in which the central aim is to restore wellbeing, relationships and trust through respectful dialogue, collaboration and consensus. Our objective is to continue to improve the restorative practice capability of the health and disability sector, starting with mental health and addiction staff in 2022/23.

[13] This deliverable links to the Vote Health Estimate of Performance: 'A frontline quality improvement course is delivered by 30 June'.

Deliverable 7	Timeliness/quantity	Quality (process)	Impact
Sponsor mental health and addiction staff in the hospital sector to complete a restorative practice programme.	40 staff will meet the academic requirements by 30 March 2023.	At least 70 percent of participants will meet the learning objectives.	At least 70 percent of participants will have demonstrated how they apply learning to their own professional context.
Develop and deliver the Improving Together Improvers programme, placing mātauranga Māori at its centre, by December 2022.	We will sponsor 20 health sector staff to attend the Improving Together Improvers programme.	At least 70 percent of participants will meet the learning objectives.	A pre–post learning assessment will demonstrate that at least 70 percent of participants who complete the course have improved knowledge as a result of the education and training.

4. Third-party partnerships | Ngā hononga whakahoa

In addition to carrying out the work that the Government funds directly, the Commission partners with third parties when their improvement goals fit with our priorities and mandate. Health NZ, ACC and the Ministry of Health have contributed funding to our third-party revenue projects. These quality improvement projects have helped us expand the scope and scale of improvement work in specific areas.

In contributing to these projects, the Commission brings a focus on improving outcomes for Māori, equitable health outcomes for all and partnerships with consumers. The level of expansion through third-party partnerships within specific areas indicates how highly sector agencies value our role and work. The following are the current projects supported with third-party revenue.

Advance care planning

The advance care planning programme has now completed its strategy and roadmap for 2022–28, and the team is working in the areas it planned.[14] DHBs had committed to two years of funding for the programme. The Commission is expecting that the responsibility for this work will transfer to Health NZ.

Healthcare-associated infections

Infection prevention and control is always central to the work of the Commission. As part of this focus, our work in healthcare-associated infection (HAI), supported by Health NZ and the ACC, continues to be important in this time of COVID-19.

The following are key activities for the HAI programme in 2022/23.

- Hand Hygiene New Zealand programme: Evaluate and increase sector capacity for hand hygiene auditing and auditor training.
- SAB: Implement routine SAB source reporting and scope a quality improvement initiative to reduce peripheral intravenous catheter-related SAB.
- Surgical site infection (SSI) improvement programme:
  - Continue light surveillance for orthopaedic SSI data collection and strengthen the data and system for monitoring orthopaedic SSIs.
  - Complete a five-year cardiac SSI data analysis and report findings for improvement.
- Scope an expansion of the HAI surveillance and improvement programme based on data from the 2021 HAI point prevalence survey.
- Work with the Ministry of Health, Public Health Agency, Māori Health Authority and Health NZ to improve the collection and warehousing of national HAI surveillance data.

Major trauma quality improvement programme

From March 2019 to June 2023, ACC is funding the Commission to provide intelligence and improvement support to Te Hononga Whētuki ā-Motu | National Trauma Network. This support will build on the work to date and support the network to move towards a sustainable business platform. Areas of focus for 2022/23 include:

[14] Health Quality & Safety Commission. 2021. *Mō te hōtaka whakamahere tiaki i mua i te wā taumaha me te hōtaka whakawhiti kōrero ā-haumanu 2022–28 | Strategy and road map of actions for advance care planning and clinical communication programme 2022–28.* Wellington: Health Quality & Safety Commission. URL: www.hqsc.govt.nz/resources/resource-library/advance-care-planning-five-year-strategy/ (accessed 19 May 2022).

- enhancing outcomes for serious traumatic brain injury by improving consistency of post-traumatic amnesia assessment across the sector, with a specific focus on the transition from acute services to community rehabilitation, in collaboration with health and ACC services
- providing data and analytic resources to strengthen the value of the National Trauma Registry and build a greater understanding of trauma rehabilitation using data from ACC and other relevant data to identify outcomes and relevant variation within the system
- developing a suite of resources to support the national roll-out (spread) of successful rehabilitation quality improvement initiative(s).

Mental health and addiction improvement programme

The mental health and addiction improvement programme has agreed funding from Health NZ to the end of the financial year 2023/24. The programme will continue its work of supporting the mental health and addiction sector to improve. In 2022/23, the programme will:

- scope and start the Maximising Physical Health project, which will focus on cardiovascular disease
- continue to undertake the Zero Seclusion project, including by scoping a sub-project focusing on the methamphetamine and synthetics pathway
- continue to provide important capability-building training in quality improvement within the mental health and addiction sector.

Patient experience surveys

The Commission holds the contract for the primary and secondary care patient experience surveys on behalf of the Ministry of Health and Health NZ.

Surveys are the most effective way of understanding the experience of a large population such as people receiving care. The act of regularly undertaking, sharing and publishing the results of surveys is shown to both directly and indirectly improve performance.[15] Confirming this impact, over the first five years of Aotearoa New Zealand's inpatient experience survey (2014–19), around half of all measures in the survey showed a significant, sustained improvement in patient experience when compared with the first, baseline year of the survey.[16]

The Commission is actively involved in leveraging improvement from the survey results. We have aligned the surveys with the consumer quality and safety marker,[17] which aims to improve consumer involvement (one of the weakest-scoring areas of the survey). We have worked with the Ministry of Health to include a requirement for Health NZ annual plans to respond to learnings from the surveys, so we know that the sector is encouraged to use and respond to the surveys in its quality work. These national surveys fit within the System Level Measures series and form a part of the Quality Alerts that the Commission is working on (see deliverable 4, page 34).

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[15] Fung C, Lim Y, Mattke S, et al. 2008. Systematic review: the evidence that publishing patient care performance data improves quality of care. *Annals of Internal Medicine* 148: 111–23. URL: https://www.acpjournals.org/doi/10.7326/0003-4819-148-2-200801150-00006 (accessed 28 June 2020)

[16] Health Quality & Safety Commission. 2020. *Adult Hospital Patient Experience Survey: What have we learned from 5 years' results?* Wellington: Health Quality & Safety Commission. URL: https://www.hqsc.govt.nz/assets/Our-data/Publications-resources/Adult_hospital_patient_experience_survey_report_June2020_web.pdf (accessed 14 May 2020).

[17] See: www.hqsc.govt.nz/consumer-hub/consumer-engagement-quality-and-safety-marker/

5. Organisational health and capability | Te hauora me te kaha o te whakahaere

As an improvement organisation, the Commission prioritises our own capability and capacity so that we can be in the best position to help the health and disability sector to improve. This section outlines our areas of focus for organisational health and capability in 2022/23.

Fulfilling our responsibilities under Te Tiriti o Waitangi

The Commission set ‘Embedding and enacting Te Tiriti o Waitangi, supporting mana motuhake’ as a strategic priority in our 2020–24 Statement of Intent. We started our work toward this priority in 2020/21.

The Commission has established an in-house Māori Health Outcomes Directorate (Ahuahu Kaunuku). Ahuahu Kaunuku works as the internal partner for Te Tiriti with Commission staff, providing Māori worldview knowledge and expertise across the Commission programmes.

All staff have competency requirements in their job descriptions, and te reo Māori training is available to all staff, especially new staff. The Commission employs a Kairuruku Ahurea, who provides regular weekly classes on te reo, waiata and tikanga. These include two reo class options and two waiata sessions each week. This training is available to all staff, and leadership provides both expectations and support for all staff to attend.

During 2022/23, the Commission will continue to run the weekly classes in these areas. We also integrate te reo Māori into our weekly staff hui with mihimihi and karakia.

Karakia have been written specifically for the Commission, and we use these many times each week to open and close hui. An online audio resource has been developed to help staff become proficient with their pronunciation of te reo Māori. When we are able to meet face-to-face, we facilitate marae-based days for staff to support their learning.

A two-day foundational training workshop on Te Tiriti is regularly provided to all staff.

The Commission has developed a new strategy for our work, based on the advice of Te Arawhiti, titled ‘Whāinga Amorangi’.

Staff from every section of the Commission self-selected themselves to form Te Tira Whakarite (the team that takes Te Tiriti forward). The task of this team is to see that we enact Te Tiriti in all our work. This includes taking an active role in the implementation of Whāinga Amorangi.

The Commission’s Communications team is responsible for making all Commission documents consistent with Te Taura Whiri i te Reo Māori guidelines on te reo. We have an ongoing contractual agreement with te reo Māori experts for translation services and have built solid working relationships with them.

Ahuahu Kaunuku meets with the Communications team fortnightly to see that we use Māori worldview concepts across the development of all our publications and that we integrate te reo Māori throughout all events and educational material. The team develops publications in discussion with Ahuahu Kaunuku so that Māori worldview and concepts inform their nature, look and feel. A te reo Māori translator who is Te Taura Whiri registered checks all publications.

The Commission is clearly focused on our ability to enact Te Tiriti across all aspects of our work. We know we are not alone in this commitment. Achieving Māori aspirations, wellness and wellbeing goals is a priority across the whole health and disability system as well as the social, justice, economic and environmental sectors.

Continuing to build our internal capability in specific areas

In addition to the capability building in te reo Māori, tikanga Māori and Te Tiriti, the Commission is developing internal capacity to support us to build capability in working with tagata o le moana (Pacific peoples). In 2022/23, we expect to build capability further following on from the early work we have started with our staff.

Last year, we undertook work required for recertification for the Rainbow Tick. We will continue with this programme, including by providing the internal staff capability building required to maintain our certification. We will continue our 'Write Right' courses, to support staff to write in plain English, and our 'machinery of government' courses, which teach new staff about the processes of government.

Like other government agencies, we are looking at ways to make our public-facing documents more accessible and have committed to the Accessibility Charter.[18] We have established processes to support the development of more accessible publications. These include producing consumer summaries for all public-facing publications and reports and creating accessible formats such as Easy Read, New Zealand Sign Language and Braille. The Commission's new website, launched in February 2022, has met the requirements of the Accessibility Charter.

Each year we publish our pay equity data in our annual report and will continue to do so for the coming year. We are also progressing actions and recommendations from the Kia Toipoto Public Service Gender Pay Gap Action Plan.

At the Commission, we will continue to work together to define and develop a culture that enables us to build the skills necessary to provide better support and the capability required for improving health practices across the health and disability sector.

Governance and strategic advice

The Commission's board consists of at least seven members, who are appointed under section 28 of the Crown Entities Act 2004. Board members provide advice and direction on the Commission's strategic intentions and future direction.

In addition, the Commission gains support for our governance and strategic advice from:

- Te Rōpū Māori, our Māori advisory group
- our consumer advisory group.

The Commission's work programmes also receive specific programme-related content advice from expert advisory groups.

Environmental sustainability strategy

The Commission is committed to reducing our carbon footprint and become fully carbon neutral by 2025. We are well on the way to achieving this, as all our travel carbon is offset annually. The current focus is to measure the Commission's total emissions, using the tools provided by the Ministry of Business, Innovation and Employment and the Ministry for the Environment, to gain a baseline against which to measure future offsets and reductions. Following a baseline audit in April 2022, regular reporting and progress will occur during 2022/23.

The Commission uses the all-of-government procurement templates and Government Electronic Tenders Service templates, which require suppliers bidding to demonstrate their sustainability strategy.

[18] The Accessibility Charter was launched by the Ministry of Social Development in 2018. For more information, see: https://msd.govt.nz/about-msd-and-our-work/work-programmes/accessibility/index.html.

In exploring other ways of improving sustainability, we have addressed such areas as printing, stationery purchasing and cleaning contracts to promote the use of sustainable and renewable products and low waste. We will continue to promote alternatives to travel, reductions in printing and energy savings in the office as a matter of best practice.

Information technologies security

The Commission's information technologies (IT) and cyber security policy aims to keep information safe, with all cyber security practices focused on keeping electronic data free from unauthorised access. Our system focuses on protecting important data and applies to both digital and analogue information.

We regularly review our IT security systems and processes to check they are fit for purpose, given the sensitivity of the information we hold. We have ongoing cyber insurance coverage as requested in last year's Letter of Expectations. The year 2022/23 sees a focus on data management.

6. Prospective financial statements for the four years ending 30 June 2025 | Ngā pūrongo tahua mō te whā tau nei atu ki te 30 o Pipiri 2025

Prospective statement of comprehensive revenue and expense

	Planned	Forecast	Planned	Planned	Planned
	12 months to 30 June 2022	12 months to 30 June 2022	2022/23	2023/24	2024/25
	$'000	$'000	$'000	$'000	$'000
Revenue					
Revenue from Crown	15,653	15,653	18,006	18,006	18,006
Interest revenue	3	15	6	6	6
Other revenue	4,488	5,383	4,662	4,662	4,662
Total operating revenue	**20,144**	**21,051**	**22,674**	**22,674**	**22,674**
Expenditure					
Salaries	11,297	11,722	13,541	13,541	13,541
Travel	283	133	305	305	305
Consultants and contractors	287	437	283	283	283
Board	218	183	218	218	218
Committees	258	138	203	203	203
Printing/communication	249	179	217	217	217
Lease costs	555	555	555	555	555
Overhead and IT expenses	896	976	796	796	796
Other expenses	13	4	13	13	13
Total internal programme and operating expenditure	**14,056**	**14,327**	**16,131**	**16,131**	**16,131**
Quality and safety programmes	4,382	4,332	4,955	4,967	4,955
Mortality review programmes	1,643	1,793	1,413	1,413	1,413
Total external programme expenses	6,025	**6,125**	**6,368**	**6,380**	**6,368**
Depreciation and amortisation	183	185	175	163	175
Total expenditure	20,264	**20,637**	**22,674**	**22,674**	**22,674**
Operating surplus/deficit	(120)	**414**	**0**	**0**	**0**

Note: Numbers are rounded.

The Commission has put forward a balanced budget for 2022/23 that allows for the delivery of all the Commission's proposed SPE measures (and all other non-SPE programme activity) while also maintaining prudent levels of historical reserves. Approximately $0.700 million of reserves is available as a contingency around any additional one-off costs or activity associated with the health sector reforms. No new activity (without a revenue stream) is included within these assumptions.

For 2022/23, revenue assumptions include:

- $14.959 million core Crown revenue (this includes additional new cost pressure funding of $0.583 million per year, received in 2022/23)
- $2.130 million Crown revenue for continued funding for the consumer and whānau voices programme
- $1.500 million from Health NZ as revenue associated with mental health and addiction quality improvement
- $1.228 million from Health NZ for the national data warehouse and expansion of the surgical site infection improvement programme
- $1.081 million from Health NZ as revenue associated with advance care planning
- $0.803 million from ACC to provide support for the National Trauma Network
- $0.390 million from the Ministry of Health for suicide mortality review[19]
- $0.312 million from Health NZ for the primary care patient experience survey
- $0.215 million from the Ministry of Health for the Australian and New Zealand Intensive Care Society Centre for Outcome and Resource Evaluation (ANZICS CORE) registry
- $0.050 million conference and event revenue
- $0.006 million interest.

[19] Includes both $0.390 million revenue and expenses until future funding levels are confirmed/known.

Prospective statement of changes in equity

	Planned	Forecast	Planned	Planned	Planned
	12 months to 30 June 2022	12 months to 30 June 2022	2022/23	2023/24	2024/25
	$'000	$'000	$'000	$'000	$'000
Contributed capital					
Balance at 1 July	500	500	500	500	500
Repayment of capital	0	0	0	0	0
Balance at 30 June	500	500	500	500	500
Accumulated surplus/(deficit)					
Balance at 1 July	1,268	1,609	2,023	2,023	2,023
Net surplus/(deficit) for the year	(120)	414	0	0	0
Balance at 30 June	1,148	2,023	2,023	2,023	2,023
Total equity	**1,648**	**2,523**	**2,523**	**2,523**	**2,523**

Note: Numbers are rounded.

Prospective statement of financial position

	Planned	Forecast	Planned	Planned	Planned
	12 months to 30 June 2022	12 months to 30 June 2022	2022/23	2023/24	2024/25
	$'000	$'000	$'000	$'000	$'000
Accumulated funds	**1,648**	**2,523**	**2,523**	**2,523**	**2,523**
Represented by current assets					
Cash and cash equivalents	2,373	3,124	3,215	3,357	3,179
GST receivable	336	334	342	342	342
Debtors and other receivables	281	336	291	291	291
Prepayments	42	52	60	63	64
Total current assets	**3,032**	**3,847**	**3,909**	**4,053**	**3,876**
Non-current assets					
Property, plant and equipment	327	532	427	284	459
Intangible assets	0	0	0	0	0
Total non-current assets	**327**	**532**	**427**	**284**	**459**
Total assets	**3,359**	**4,379**	**4,336**	**4,337**	**4,335**
Current liabilities					
Creditors	1,143	1,176	1,100	1,101	1,101
Employee benefit liabilities	568	680	713	713	713
Revenue in advance	0	0	0	0	0
Total current liabilities	**1,711**	**1,856**	**1,813**	**1,814**	**1,814**
Total liabilities	**1,711**	**1,856**	**1,813**	**1,814**	**1,814**
Net assets	**1,648**	**2,523**	**2,523**	**2,523**	**2,523**

Note: Numbers are rounded.

Prospective statement of cash flows

	Planned	Forecast	Planned	Planned	Planned
	12 months to 30 June 2022	12 months to 30 June 2022	2022/23	2023/24	2024/25
	$'000	$'000	$'000	$'000	$'000
Cash flows used in operating activities					
Cash provided from:					
Crown revenue	15,653	15,533	18,006	18,006	18,006
Interest received	3	15	6	6	6
Other income	4,418	5,430	4,707	4,662	4,662
Cash disbursed as:					
Payments to suppliers	(8,745)	(8,358)	(9,042)	(8,971)	(8,961)
Payments to employees	(11,283)	(11,849)	(13,508)	(13,541)	(13,541)
Net GST	(32)	(135)	(8)	0	0
Net cash flows from (used in) operating activities	**14**	635	161	162	172
Cash flows used in investing activities					
Cash disbursed as:					
Purchases of property, plant, equipment and intangibles	(411)	(373)	(70)	(20)	(350)
Net cash flows (used in) investing activities	**(411)**	**(373)**	**(70)**	**(20)**	**(350)**
Cash flows used in financing activity					
Equity injection	0	0	0	0	0
Net cash flows (used in) finance activities	**0**	**0**	**0**	**0**	**0**
Net increase/(decrease) in cash and cash equivalents	(397)	262	91	142	(178)
Plus, projected opening cash and cash equivalents	2,770	2,862	3,124	3,215	3,357
Closing cash and cash equivalents	**2,373**	**3,124**	**3,215**	**3,357**	**3,179**

Note: Numbers are rounded.

Declaration of the Board

The Board acknowledges its responsibility for the information contained in the Commission's forecast financial statements. The financial statements should also be read in conjunction with the statement of accounting policies on page 50.

Key assumptions for proposed budget in 2022/23 and out years

In preparing these financial statements, we have made estimates and assumptions about the future, which may differ from actual results.

Estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

As we continue to face the effects of the COVID-19 pandemic in Aotearoa New Zealand, we will see both direct impacts on the health and disability sector and effects on our economy and businesses across the nation. In this time of uncertainty, our engagement with partners and consumers, similar to others in the sector, has been impacted. As such, the financials of this SPE may need to change to accommodate the viability and achievability of our deliverables as our health and disability sector recovers from the impacts of COVID-19.

The Commission's role and mandate have grown since we began in 2011/12. In Budget 2021, the Government provided additional cost pressure funding of $1.400 million per year to support the Commission's work and a further $0.583 million in Budget 2022. This additional funding has enabled us to sustain our work programmes in response to Government and sector demands, while giving us room to respond appropriately to emerging quality issues. The funding will help us maintain our quality, safety and equity overview of the whole health and disability system as it recovers from its COVID-19 response and embarks on health sector reforms, having also undertaken the largest vaccination programme in our country's history.

While we will continue to deliver our targeted quality improvement programmes – building quality improvement sector capability, improving sector data capability and strengthening relationships across the public sector and with Māori and Pacific peoples – the pace and delivery will be determined by funding.

The Commission is considered strong in its financial management, enabling it to deliver better services and outcomes for New Zealanders. The forecast financial statements for the 2022/23 year and out years are in line with generally accepted accounting practices. The statements include:

- an explanation of all significant assumptions underlying these financial statements
- any other information needed to reflect our forecast financial operations and financial statements fairly.

Key assumptions are listed below.

- While personnel costs have been assessed on the basis of expected staff mix and seniority, these may vary. Total expenditure will be maintained within forecast estimates, even if individual line items vary. There may be movements between salary, contractor and programme costs.
- Out year costs in the operating budget are based on a mix of no general inflationary adjustment and limited general inflationary adjustment.
- The timing of the receipt of Crown revenue is based on quarterly payments made at the beginning of the quarter on the fourth of the month.
- Salary budgets currently include no general remuneration increases for higher earners and senior leaders for 2022/23 or out years. Any increases that do occur would have to be funded from within existing budgeted salary levels for 2022/23. Limited or no salary increase may be a risk for staff

retention; however, the Commission is following the *Government Workforce Policy Statement on the Government's Expectations for Employment Relations in the Public Sector*.[20]

- The Commission is working within the assumption of keeping reserve levels of around $1.5 million. This means approximately $0.7 to $1.0 million of reserves is available as a contingency around any additional one-off costs or activity associated with the health sector reforms.
- A total of $0.040 million of furniture replacement is planned across 2022/23 and 2023/24. Also planned is IT replacement of $0.050 million for 2022/23 and of $0.350 million for the full laptop fleet in 2024/25.

[20] Public Service Commission. 2021. *Government Workforce Policy Statement on the Government's Expectations for Employment Relations in the Public Sector.* Wellington: Public Service Commission. URL: www.publicservice.govt.nz/assets/SSC-Site-Assets/Workforce-and-Talent-Management/Government-Workforce-Policy-Statement-on-employment-relations.pdf (accessed 19 May 2022).

7. Statement of accounting policies | Pūrongo o ngā kaupapa here kaute

Reporting entity

Kupu Taurangi Hauora o Aotearoa | Health Quality & Safety Commission (the Commission) is a Crown entity as defined by the Crown Entities Act 2004 and the New Zealand Public Health and Disability Act 2000 and is domiciled in New Zealand. As such, the Commission is ultimately accountable to the New Zealand Crown.

The Commission's primary objective is to provide public services to New Zealanders, rather than to make a financial return. Accordingly, the Commission has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards.

Basis of preparation

Statement of compliance

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004. This includes meeting the Act's requirement to comply with the New Zealand generally accepted accounting principles (NZ GAAP).

The prospective financial statements have been prepared in accordance with tier 2 public benefit entity accounting standards.

The prospective financial statements have been prepared for the special purpose of this SPE to the New Zealand Minister of Health and Parliament. They are not prepared for any other purpose and should not be relied on for any other purpose.

These statements will be used in the annual report as the budgeted figures.

The preceding SPE narrative informs the prospective financial statements, and the document should be read as a whole.

The preparation of prospective financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual financial results achieved for the period covered are likely to vary from the information presented, and variations may be material.

Measurement system

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars. The functional currency of the Commission is New Zealand dollars.

Significant accounting policies

The accounting policies outlined will be applied for the next year when reporting in terms of section 154 of the Crown Entities Act 2004 and will be in a format consistent with NZ GAAP.

The following accounting policies, which significantly affect the measurement of financial performance and of financial position, have been consistently applied.

Budget figures

The Commission has authorised these prospective financial statements for issue in June 2022.

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies the Commission adopted to prepare the financial statements. The Commission is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosure. It is not the Commission's intention to update the prospective financial statements after they have been published.

Revenue

Revenue is measured at fair value. It is recognised as income when earned and is reported in the financial period to which it relates.

Revenue from the Crown

The Commission is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Commission meeting its objectives as specified in this SPE. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest income is recognised using the effective interest method.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Commission are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the prospective statement of financial performance.

Cash and cash equivalents

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

Debtors and other receivables

Debtors and other receivables are measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

Inventories

Inventories held for sale are measured at the lower of cost (calculated using the first-in first-out basis) and net realisable value.

Property, plant and equipment

- Property, plant and equipment asset classes consist of building fit-out, computers, furniture and fittings and office equipment.
- Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.
- 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 Commission and the cost of the item can be measured reliably.
- 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 prospective statement of financial performance.
- Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission 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 prospective statement of financial performance as they are incurred.

Depreciation

Depreciation is provided using the straight-line (SL) basis at rates that will write off the cost (or valuation) 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:

Computers	3 years	33% SL
Office equipment	5 years	20% SL
Furniture and fittings	5 years	20% SL

Intangibles

Software acquisition

- Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.
- Costs associated with maintaining computer software are recognised as an expense when incurred.
- Costs associated with developing and maintaining the Commission's website are recognised as an expense when incurred.

Amortisation

- Amortisation begins when the asset is available for use and ceases at the date the asset is de-recognised.
- The amortisation charge for each period is recognised in the prospective statement of financial performance.
- The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software	3 years	33% SL

Impairment of non-financial assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate 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 amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Appendix 1: Commission objectives and functions | Āpitihanga 1: Ngā whāinga me ngā āheinga

Objectives of the Commission[21]

The objectives of the Commission are to lead and coordinate work across the health and disability sector for the purposes of:

1. monitoring and improving the quality and safety of health and disability support services
2. helping providers across the health and disability sector to improve the quality and safety of health and disability support services.

Functions of the Commission

The functions of the Commission are:

1. to advise the Minister on how quality and safety in health and disability support services may be improved; and
2. to advise the Minister on any matter relating to —
   - health epidemiology and quality assurance; or
   - mortality; and
3. to determine quality and safety indicators (such as serious and sentinel events) for use in measuring the quality and safety of health and disability support services; and
4. to provide public reports on the quality and safety of health and disability support services as measured against —
   - the quality and safety indicators; and
   - any other information that the Commission considers relevant for the purpose of the report; and
5. to promote and support better quality and safety in health and disability support services; and
6. to disseminate information about the quality and safety of health and disability support services; and
7. to perform any other function that —
   - relates to the quality and safety of health and disability support services; and
   - the Commission is for the time being authorised to perform by the Minister by written notice to the Commission after consultation with it.

In performing its functions, the Commission must, to the extent it considers appropriate, work collaboratively with —

- the Ministry of Health; and
- the Health and Disability Commissioner; and
- providers; and
- any groups representing the interests of consumers of health or disability support services; and
- any other organisations, groups or individuals that the Commission considers have an interest in, or will be affected by, its work.

[21] Section 59B–C, New Zealand Public Health and Disability Act 2000.

Appendix 2: How SPE deliverables align with Government expectations | Āpitihanga 2: Te hono o ngā mahi a SPE ki ā te Kāwanatanga

Expectations specified in the Minister's Letter of Expectations	**Where our work supports the expectations: SPE deliverable number or response page number**							
	1	**2**	**3**	**4**	**5**	**6**	**7**	**Other, see page:**
Work closely together with health agencies and Crown entities to monitor the quality and safety of health services			✓	✓	✓	✓		
Maintain linkages and relationships with providers to facilitate and oversee quality improvement	✓	✓	✓				✓	
Government's wellbeing objective: Physical and mental wellbeing – Supporting improved health outcomes for all New Zealanders and minimising COVID-19 and protecting our communities	✓	✓	✓	✓	✓	✓	✓	
Priorities of reform								
Embedding health reforms – supporting a joined-up and prepared health system	✓	✓	✓	✓	✓	✓	✓	
- embedding Te Tiriti	✓	✓	✓	✓	✓	✓	✓	
- laying the foundations for the future system	✓	✓	✓	✓	✓	✓	✓	
- keeping people well and independent at home	✓	✓	✓	✓	✓	✓	✓	
- achieving equity in system performance	✓	✓	✓	✓	✓	✓	✓	
- developing the workforce of the future	✓	✓	✓	✓	✓	✓	✓	
Give effect to the interim Government Policy Statement (once it is available)	***Not complete at time of writing***							
Continue to help achieve a safe and equitable recovery from COVID-19 by working to minimise adverse impacts on quality and safety			✓					
Consider whether the current mortality review committee structures are fit for purpose and delivering the most useful information in the most efficient manner					✓			
Continue to evaluate how you can strengthen and actively demonstrate your commitment to an equitable health and disability system	✓	✓	✓	✓	✓	✓	✓	
Work collaboratively with key system players on developing a national approach to identifying and responding to quality and safety issues				✓		✓		
Continue work on the consumer and whānau voices framework, including work on how health and disability service providers and organisations will involve and work effectively in partnership with consumers and whānau	✓							
Continue to build on work already undertaken to support the cross-agency community COVID-19 response								
- support strong clinical governance	✓	✓	✓	✓	✓	✓	✓	
- ensure adverse event review structures have clear roles and responsibilities and learnings are shared and embedded				✓				
Ensure work programmes and planning and articulation of work support the Government's commitment to upholding the principles of Te Tiriti o Waitangi and to *Whakamaua: Māori Health Action Plan 2020–2025*	✓	✓	✓	✓	✓	✓	✓	
Implement the Kia Toipoto Public Service Gender Pay Gap Action Plan at the Commission								42

Strategic priorities	SPE deliverable number						
	1	2	3	4	5	6	7
Improving the health services experience for consumers and whānau	✓	✓	✓	✓	✓	✓	✓
Embedding and enacting Te Tiriti o Waitangi, supporting mana motuhake	✓	✓	✓	✓	✓	✓	✓
Achieving health equity	✓	✓	✓	✓	✓	✓	✓
Strengthening systems for high-quality services	✓	✓	✓	✓	✓	✓	✓

Enduring priorities based on Te Tiriti o Waitangi	SPE deliverable number						
	1	2	3	4	5	6	7
Kāwanatanga – partnering and shared decision-making	✓	✓	✓	✓	✓	✓	✓
Tino rangatiratanga – recognising Māori authority	✓	✓	✓	✓	✓	✓	✓
Ōritetanga – equity	✓	✓	✓	✓	✓	✓	✓
Wairuatanga – upholding values, belief systems and worldviews	✓	✓	✓	✓	✓	✓	✓