

The Treasury

Treasury advice on the financial performance of Health New Zealand

Information Release

November 2024

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- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
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- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

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From: Amy Russell [TSY]
Sent: Monday, 17 June 2024 4:54 pm
To: ^Parliament Marnya Jain
Cc: Jess Hewat [TSY]; Lydia Verschaffelt [TSY]
Subject: Update ahead of Health joint Mins tomorrow at 3pm
Attachments: RE: Revised annotated agenda for JMs - now final

Importance: High

Hi Marnya,

Re joint Mins tomorrow, we have today learned from HNZ that:

- The May result is in and, against expectations, shows a **further deterioration** of the financial position: \$129 million unfavourable for the month, excluding Hauora Māori and pay equity. We are still waiting on detail which will come in the next few days.
- HNZ is now expecting to deliver year-end surplus of \$1 million (compared to an expected surplus of \$583 million), assuming they get pay equity revenue before year-end (which is unlikely.)
- **The underlying run rate indicates a structural deficit of \$1.4 billion** (driven by staff costs) flowing into 2024/25 that needs to be resolved.
- [34]

Our key messages for MoF, as set out in the attached Annotated Agenda, remain unchanged. I would just add that if HNZ seeks to raise a technical issue about pay equity accruals across financial years, we would appreciate it if MoF could swiftly suggest that it be dealt with offline.

As you know, Lester is meeting with Minister Reti on Wednesday morning and will go through plans and options with him in more detail. Jess is attending that meeting.

Cheers,
Amy



Amy Russell (she/her/they/them) | Kaitohu Mātāmua – Principal Advisor | Health | Te Tai Ōhanga – The Treasury
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