



Te Kawa Mataaho
Public Service Commission



Regulatory Impact Statement: Amendments to the Pae Ora (Healthy Futures) Act 2022

Decision sought	Analysis produced for the purpose of informing final Cabinet decisions
Agency responsible	Public Services Commission - Health Assurance Unit
Proposing Ministers	Health
Date finalised	8 May 2025

To streamline and clarify legislative provisions supporting a meaningful Māori voice in health decisions.

Summary: Problem definition and options

What is the policy problem?

There is an opportunity to improve the clarity and useability of the Pae Ora (Healthy Futures) Act 2022 to consider how the Act should change to facilitate meaningful Māori involvement in decisions in the context of a health system that is shifting to be more patient oriented.

What is the policy objective?

The objective is to streamline and simplify the regulatory settings for the health system and ensure that Health New Zealand at all levels has the responsibilities and mechanisms to make its decisions informed by Māori views.

What policy options have been considered, including any alternatives to regulation?

The scope of this work directed precludes any alternative to regulation. A package of legislative changes have been considered against the status quo.

What consultation has been undertaken?

Due to the speed of the work and the need to hold information closely there has been minimal discussions between agencies and no testing of proposals with the public. Proposals have been discussed with the Hauora Māori Health Advisory Committee.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

Yes.

Summary: Minister's preferred option in the Cabinet paper


Costs (Core information)

Outline the key monetised and non-monetised costs, where those costs fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

There are not considered to be any material costs associated with the proposals.

Benefits (Core information)	
<p>Outline the key monetised and non-monetised benefits, where those benefits fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)</p> <p>Proposals are likely to improve clarity of roles and responsibilities and reduce duplication of functions between Iwi-Māori Partnership Boards and the Hauora Māori Health Advisory Committee. It is possible that proposals will improve the ability for Māori to have their voices heard at various levels of the health care system. However, any improvement will likely be marginal and will depend on how changes are given effect by Health New Zealand.</p>	
Balance of benefits and costs (Core information)	
<p>Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?</p> <p>Yes. While benefits are assessed as low (although they have great potential, they are hard to estimate in advance), costs are negligible.</p>	
Implementation	
<p>How will the proposal be implemented, who will implement it, and what are the risks?</p> <p>Proposals will be included in an amendment to the Pae Ora (Healthy Futures) Act 2022 that will be passed into law by the end of 2025. Health New Zealand will be responsible for implementing changes to its internal processes and its support of Iwi-Māori Partnership Boards and the Hauora Māori Advisory Committee.</p>	
Limitations and Constraints on Analysis	
<p>The proposals being assessed have been developed as part of the wider package of legislative changes being advanced as part of the Minister of Health's Health Delivery Plan. This work has been led out of the Health Assurance Unit in the Public Services Commission. Given the sensitivity of this work there has been negligible engagement with the Ministry of Health or Health New Zealand and no public engagement. Because of this limitation the analysis is only able to assess the requirements in law and not how they are implemented in practice currently or are likely to be implemented in the future.</p>	

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager's signature:  .

Hamiora Bowkett
Executive Director
Health Assurance Unit
8 May 2025

Quality Assurance Statement	
Reviewing Agency: Ministry of Health and Public Service Commission	QA rating: Partially meets
<p>Panel Comment:</p> <p>The Ministry of Health QA panel has reviewed the Impact Statement titled "Amendments to the Pae Ora (Healthy Futures) Act 2022", produced by the Ministry of Health and dated April 2025.</p> <p>The panel considers that the Impact Statement Partially Meets the quality assurance criteria.</p>	

The Impact Statement is clear, concise and complete. However, only limited consultation has been undertaken and engagement with Māori representatives has been limited to the Hauora Māori Advisory Committee.

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

1. It is widely recognised that Māori generally experience poorer health outcomes compared to non-Māori with disparities evident in health indicators concerning mortality rates, prevalence of chronic diseases and access to health care. Having regard to this, the previous government enacted the Pae Ora (Healthy Futures) Act 2022 to:
 - protect, promote, and improve the health of all New Zealanders,
 - achieve equity by reducing health disparities amongst New Zealand's population groups, in particular for Māori, and
 - build towards healthy futures for all New Zealanders.
2. The Act intended to improve outcomes for Māori by placing the Treaty of Waitangi at the heart of the health system so that decisions made by health entities would be genuinely informed by health principles identified by the Waitangi Tribunal in the WAI 2575 Inquiry, and that the legislation will support system-wide accountability for Māori health outcomes. Given the extent of the structural and procedural changes made, it was expected that time would be required for them to bed in and that further changes might reasonably be needed to ensure the Act's purpose was being realised.
3. At the 2023 general election all parties that make up the coalition Government made a manifesto commitment to disestablish the Māori Health Authority. This was a specific commitment, given effect through the 100-day plan. Given the speed at which these changes were made, it was not possible to fully consider how Māori involvement in the system could be improved in the changed system, although the Government reaffirmed their commitment to giving Māori a meaningful voice to ensure the health system was outcomes-focused, driven by need, and with decisions made closer to the home and hapū.
4. This change, together with more general issues arising as entities become more familiar working with the Act has meant that provisions intended to facilitate Māori involvement in the health system through a variety of channels may be unnecessarily complex, sometimes duplicative and it can be unclear what Health New Zealand is expected to do with the information it receives from Māori.
5. As well as impacting on effectiveness of the Act, the lack of clarity conflicts with the decisions Cabinet has made to refocus the purpose, objectives, and functions of Health New Zealand and to improve the efficiency of the health system.

What is the policy problem or opportunity?

6. There is an opportunity to improve the clarity and useability of the law and to consider how the Act should change to facilitate meaningful Māori involvement in decisions in the context of a health system that is shifting to be more patient oriented.

What objectives are sought in relation to the policy problem?

7. The objective is to streamline and simplify the regulatory settings for the health system and ensure that Health New Zealand at all levels has the responsibilities and mechanisms to make its decisions informed by Māori views.

What consultation has been undertaken?

8. The Government has committed to moving quickly to make improvements to the delivery of public health services. Consultation on the proposals covered by this Regulatory Impact Statement has been limited to a discussion with the Hauora Māori Advisory Committee.

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to the status quo?

9. We have assessed the options against the following criteria:
 - Simplify the law and improve certainty
 - Facilitating Māori to have a meaningful say in the delivery of health services
 - Effect on Māori health outcomes
 - Cost effectiveness.

What scope will options be considered within?

10. The Minister of Health has advised Cabinet of his intention to amend the Act to streamline planning and accountability arrangements and to remove the complexity it has created within the system. Proposals to facilitate the involvement of Māori interests in the system will only be considered in this context.

What options are being considered?

Option One – Status Quo

11. There is no single provision in the Act to support meaningful Māori involvement in the health system. Rather, the Status Quo comprises the following elements that as a package are intended to ensure that Māori perspectives are taken into account.

Te Tiriti o Waitangi (the Treaty of Waitangi)

12. The Act recognises the Crown's intention to give effect to the Treaty of Waitangi. In practice this has no direct legal effect, other than arguably to form part of interpretation of the scheme of the Act. The actual obligations with respect to Māori are set out in specific provisions, such as those establishing the Hauora Māori Advisory Committee.

Capability requirements for Health New Zealand

13. The Act requires the Board of Health New Zealand to maintain systems and processes to ensure it has the capacity and capability to understand the Treaty of Waitangi.

Iwi-Māori Partnership Boards

14. There are currently 15 iwi-Māori partnership boards recognised in New Zealand. Their purpose under the Act is to represent local Māori perspectives on the health needs and aspirations of Māori, how the system is performing in relation to those needs and aspirations and the design and delivery of services and public health interventions within localities. To achieve this purpose iwi-Māori partnership boards have functions to:
 - engage with whānau and hapū about local health needs, and communicate the results and insights from that engagement to Health New Zealand;
 - evaluate the current state of hauora Māori in the relevant locality for the purpose of determining priorities for improving hauora Māori;
 - work with Health New Zealand in developing priorities for improving hauora Māori;
 - monitor the performance of the health sector in a relevant locality;
 - to engage with Health New Zealand and support its stewardship of hauora Māori and its priorities for kaupapa Māori investment and innovation;
 - to report on the hauora Māori activities of Health New Zealand to Māori within the area covered by the iwi-Māori partnership board.
15. The purpose and functions of iwi-Māori partnership boards were established in the context of there being a Māori Health Authority. Because the manifesto commitment of the new Government was simply to disestablish the Māori Health Authority, a fulsome review of provisions relating to iwi-Māori partnership boards was not undertaken at that time.

Hauora Māori Advisory Committee

16. The Act requires the Minister of Health to establish a Hauora Māori Advisory Committee to advise them on any matter relating to Māori health that the Minister requests. The Act specifies that the Committee must comprise 8 members to be appointed following consultation with the Minister for Māori Development.
17. The Committee established under the Act has identified 9 population priorities for Māori health and has delivered a first tranche of monitoring reports on three of these priorities.

Population-based health strategies

18. In addition to an overarching New Zealand Health Strategy, the Act requires the Minister to prepare and determine the following population-based strategies:
 - Hauora Māori Strategy
 - Pacific Health Strategy
 - Health of Disabled People Strategy
 - Women's Health Strategy
 - Rural Health Strategy
 - Mental Health and Wellbeing Strategy

19. With the exception of the Mental Health and Wellbeing Strategy, the requirement for which was included by an amendment to the Act in October 2024, all population-based strategies have been determined.

Option Two – Streamline and clarify legislative provisions supporting a meaningful Māori voice in health decisions.

20. This option proposes the following changes that are intended to meet our objective.

Elevating the role of the Hauora Māori Advisory Committee and realigning iwi-Māori partnership boards

21. At the centre of the change is an elevated role for the focus of the Hauora Māori Advisory Committee. The function of the Committee would be expanded from advising the Minister on any matter the Minister requests, to a more active and specific role to advise to the Minister and Health New Zealand on:
- healthcare outcomes for Māori based on their needs;
 - how the health sector is performing in relation to those needs and aspirations;
 - the design and delivery of services and public health interventions; and
 - any other matters that the Minister specifies by notice to the committee.
22. In addition, this option proposes that the Health New Zealand board must take into account the advice of the Hauora Māori Advisory Committee.
23. This will ensure the expertise of the Committee is focused more directly on improving health outcomes for Māori. To support the Committee to undertake this role and to prevent duplication, the function of iwi-Māori Partnership Boards would be reset and focused on engaging with local Māori communities about their health needs and aspirations in a similar way to what they do now. A key shift will be that the results of this engagement would be communicated to the Hauora Māori Advisory Committee.

Capability requirements for Health New Zealand

2. Requirements for Health New Zealand to maintain systems and processes to ensure it has the capacity and capability to understand the Treaty of Waitangi would be replaced with a requirement for it to establish and maintain processes to provide opportunities for Māori to contribute. This is intended to focus Health New Zealand on tangible opportunities for Māori involvement in the health system, and ensure that Māori have opportunities to contribute to health services and how they are delivered.

Te Tiriti o Waitangi (the Treaty of Waitangi)

24. The Act would be amended to state that the legislation recognises the Crown's responsibility to consider and provide for Māori interests, rather than recognising the Crown's intention to give effect to the Treaty of Waitangi. This is intended to clarify that the obligations on health entities established by the Act are those set out in the Act and relate to Māori interests in public sector health care.

Consolidating health strategies

25. The option would remove the existing requirement for population-based health strategies, including the requirement for a Hauora Māori Strategy. In place of these requirements changes would be made to the requirements for an overarching New Zealand Health Strategy so it can take the place of those separate strategies. In particular, the proposals would require it to include a strategic framework for achieving equity in health outcomes amongst New Zealand's population groups based on their needs, including for Māori.

How do the options compare to the status quo/counterfactual?

	Option One – <i>Status Quo</i>	Option Two – Streamline and clarify legislative provisions supporting a meaningful Māori voice in health decisions.
Simplify the law and improve certainty	0	<p>+</p> <p>The package of amendments proposed will improve clarity of roles and reduce duplication in some instances.</p>
Facilitating Māori to have a meaningful say in how health services are delivered	0	<p>+</p> <p>While benefits are likely to be marginal and depend on how the option is implemented, the package of amendments proposed has the potential to improve on the status quo.</p>
Effect on Māori Health outcomes	0	<p>0</p> <p>The key purpose of the Act to achieve equitable health outcomes will be unchanged and this will continue to provide a strong incentive for Health New Zealand to design and deliver services that work for Māori.</p>
Cost effectiveness	0	<p>0</p> <p>The option does not materially change the distribution of costs within the health system. Health New Zealand will continue to support iwi-Māori partnership boards and may realise some savings from their clarified function. However, this will likely be offset by the need to take into account the advice of an expanded Hauora Māori Advisory Committee. The Ministry of Health may realise some savings from removing the requirement to produce population-based health strategies, but this is not expected to be significant.</p>
Overall assessment	0	<p>++</p>

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

26. Option Two is the preferred option.
27. The status quo requires the health system to consider Māori perspectives through a range of channels encompassing requirements around knowledge and process, population-based strategy, iwi-Māori partnership boards and the Hauora Māori Advisory Committee. In the context of the Minister's direction to clarify and simplify the statutory settings, roles and responsibilities for the health system, and following further consideration of how these various requirements function in the absence of a Māori Health Authority, there is merit in consolidating these requirements.
28. While success will be dependent on how the change is given effect operationally, it is reasonable to expect that requiring Health New Zealand to establish and maintain processes to provide opportunities for Māori to contribute may more directly facilitate Māori to have a say than the status quo. This is because Option 2 is more tangible and measurable in practice than the status quo which focuses on understanding rather than action.
29. While there will no longer be a legal requirement for a Hauora Māori Strategy, changes to the requirements for the New Zealand Health Strategy will ensure the overarching strategy for health in New Zealand includes frameworks to improve outcomes for Māori. Ministers will also continue to have the ability to direct the Ministry of Health to develop a specific Māori health strategy if needed, in the absence of a legal requirement.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

30. Yes

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulated groups	N/A	N/A	Moderate
Regulators	N/A	N/A	Moderate
Others – Health New Zealand and the Ministry of Health	No additional costs	N/A	Moderate
Total monetised costs	\$0	Low	Moderate
Non-monetised costs	Small amount of resource required by Health New Zealand to support and respond to an elevated role for the Hauora Māori Advisory Committee.	Low	Moderate

	<p>Likely to be offset by reduced requirements to support iwi-Māori partnership boards.</p> <p>Small amount of resource required by Health New Zealand to ensure it establishes and maintains processes to provide opportunities for Māori to contribute at all levels of the organisation. Likely to be offset by removal of the requirement to retain specific expertise in regard to the Treaty of Waitangi.</p>		
Additional benefits of the preferred option compared to taking no action			
Regulated groups	Increased clarity of roles and accountabilities for Māori input into services has great potential for benefit, but these are not quantifiable, and depend on the effectiveness of the Committee and Health New Zealand's response, so assessed for RIS purposes as low.	Low	Moderate
Regulators	N/A	N/A	Moderate
Others –The Ministry of Health	\$0	Low	Low
Total monetised benefits	\$0	Low	Low
Non-monetised benefits	The Ministry of Health may realise some benefits from removing the requirement to develop and maintain six population-based health strategies but this may be offset by the requirement to include population based frameworks in the wider New Zealand Health Strategy. If there were savings they may be immaterial.	Low	Low

Section 3: Delivering an option

How will the proposal be implemented?

- Proposals will be included in an amendment to the Pae Ora (Healthy Futures) Act that will be passed into law by the end of 2025. Realisation of the benefits anticipated will be dependent on Health New Zealand successfully changing its processes which will be supported by changes to the Government Policy Statement on Health and the New Zealand Health Plan.

How will the proposal be monitored, evaluated, and reviewed?

- The Ministry of Health is the monitoring department responsible for Health New Zealand and will monitor the effects of this change as part of its general stewardship of the health system.