Health New Zealand | Te Whatu Ora

Closer to care – Operating Model

Version 1.0

Health New Zealand
Te Whatu Ora

Thanks to the efforts of many, access to care has improved over the past year.

Waiting lists have been steadily reducing since their peak in early 2025, with more people now receiving treatment sooner. We are building on this progress by shifting to an operating model that places decision-making as close as possible to where care is delivered.

Clinicians are being more actively involved in local resource allocation to ensure decisions deliver the greatest benefit for communities. Stronger partnerships between local management and clinical leaders will be critical to making this work. As a result, the need for national decision-making in local matters has reduced, enabling greater reliance on local judgement and community needs.

Additional Digital and People & Culture resources are being embedded locally in response to feedback from local teams, further strengthening this approach.

Looking ahead, our people can expect faster decision-making, closer to services, with fewer layers of approval. We will continue to balance national consistency with local responsiveness. By being clear about accountabilities, decision-making, and expectations, our teams can act with confidence to further improve access to care for patients.

Dr Dale Bramley
Chief Executive

09 July 2026

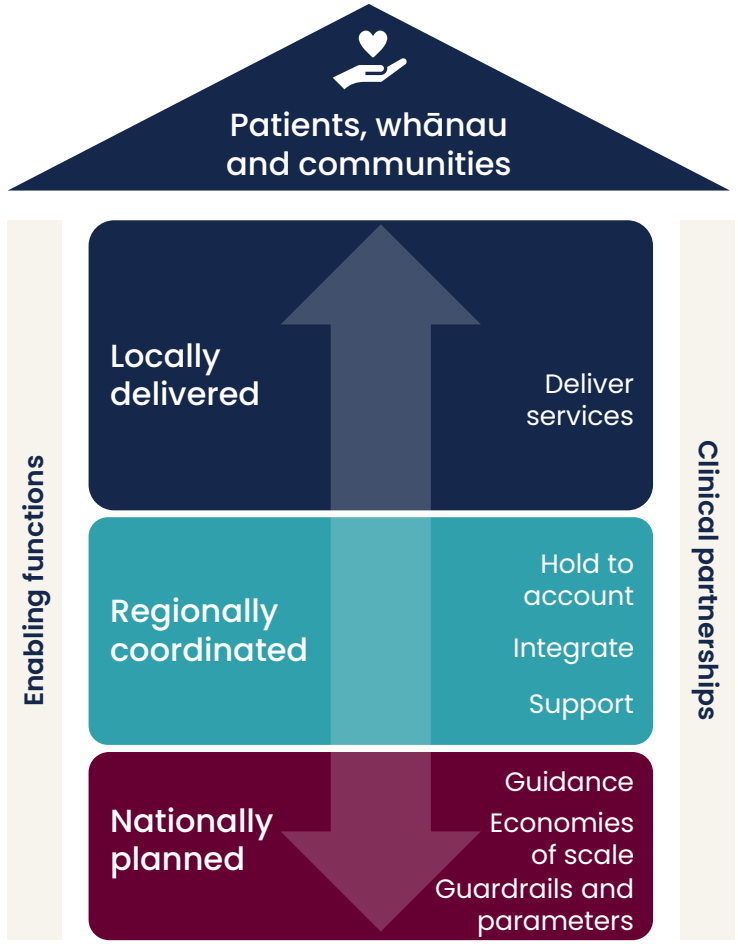
Our operating model is **locally delivered,** **regionally coordinated** and **nationally planned**, putting decision-making as close to where care is delivered as possible. Accountability, funding and capability will mostly sit locally supported by regions, enabling functions and strong clinical leadership.

Health New Zealand (Health NZ) was established in 2022, replacing 20 DHBs with a single organisation to address fragmentation, inequity, and sustainability challenges. Since then, the focus has been on unifying the system, strengthening financial and performance discipline, and shifting towards delivery, moving decision-making, budgets, and capability closer to where care is delivered.

Features of our operating model:

- **Patients, whānau and communities** are at the centre of what we do.
- **Local** teams deliver services and manage day-to-day operations.
- **Regions** coordinate across local teams, manage relationships and contracts with the wider health sector and support shared priorities and challenges.
- **National** teams set strategy, standards and assurance for the system.
- **Enabling functions** provide the backbone services that support delivery.
- **Clinical partnerships** are embedded at all levels to ground decision-making in frontline expertise.

Our operating model is aligned to our strategy, translating strategic priorities into how we organise, make decisions, and deliver outcomes across the system. We have made strong progress and will continue to evolve as capability, processes, and technology mature. Some functions are still delivered nationally but will gradually transition over time, with reporting lines evolving as maturity increases.



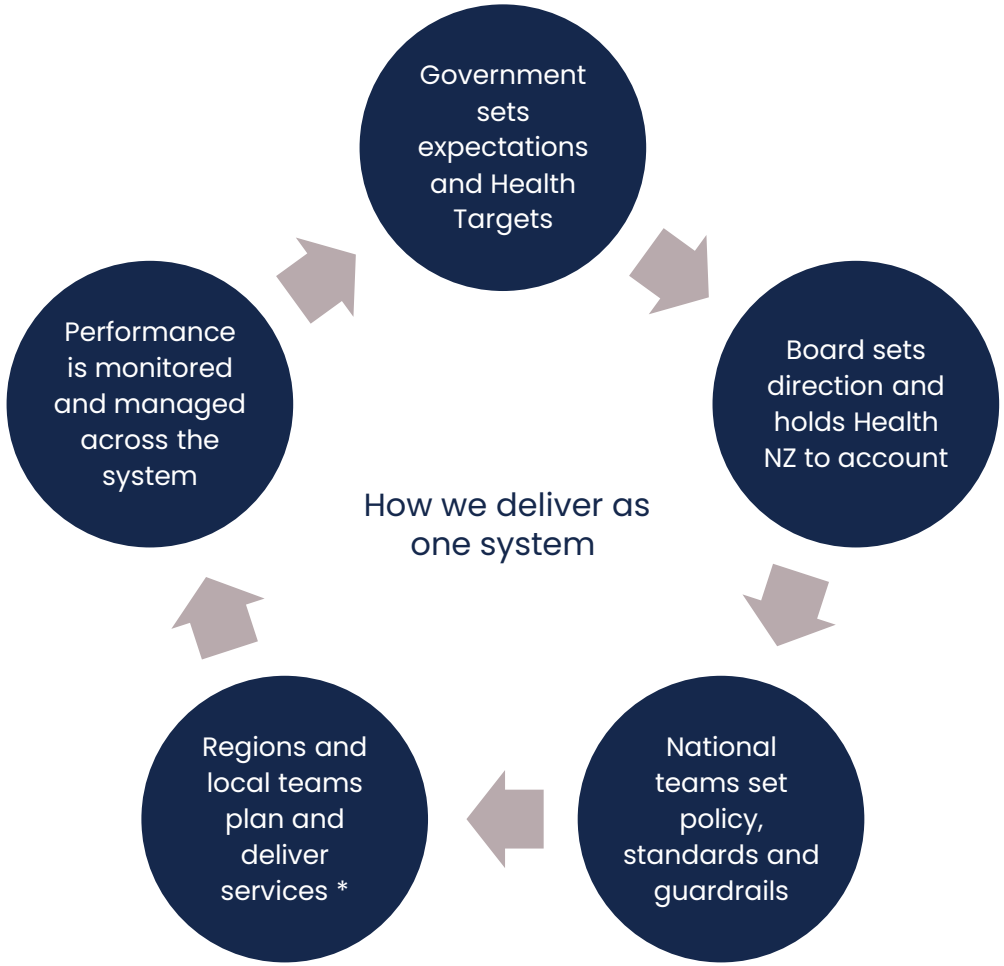
The role we play in the health system

We operate at the centre of the New Zealand health system, funding and delivering services nationwide. Our operating model focuses on improving outcomes, strengthening experience, and ensuring clear system accountability.

We plan, deliver and fund public health services across New Zealand as part of a connected health system. Most of our services are delivered by clinical staff working across our hospitals and other care settings nationwide. Their work is supported by clinical support staff and a range of administrative and operational services. Primary and community care is delivered predominantly through partnerships with external providers and organisations.

We achieve better outcomes for our patients and whānau by using resources in ways that are clinically effective, safe, culturally responsive, equitable and sustainable. We strengthen outcomes, improve consumer and workforce experience, advance equity, and steward public resources; balancing local needs and national priorities.

We manage performance through a tight–loose–tight model. Expectations and priorities are set nationally, combining Ministerial, Board and organisational direction, while regions and local teams have flexibility in how services are delivered, with the system held accountable for results. This approach is the core of public sector management in New Zealand, balancing direction, delivery freedom and accountability.



**working with partners and providers*

Understanding local, regional and national levels

Our operating model brings together **local delivery, regional coordination** and **national planning,** with clear roles, responsibilities and accountabilities at each level, supported by strong clinical leadership throughout.

What this looks like in practice

Local

- Decisions made closer to patients, whānau and communities.
- Services shaped around local needs, contexts and populations.
- Clear local ownership of outcomes and performance.
- Faster, more responsive action without default escalation.
- Local decision-making as the norm, within clear guardrails.
- Active management of trade-offs across service delivery, workforce and budget.

Regional

- More consistent access to and quality of care across the region.
- Faster decision-making, as regions hold greater authority than individual local teams.
- Fewer issues escalated to the national level.
- Regional trade-offs actively managed and resolved at a regional level.
- Regions exercise judgement, take ownership of difficult trade-offs and act as the first line of system leadership.
- Shared solutions to common challenges and promotion of best practice across the region.

National

- One coherent national system with clear guardrails.
- Reduced duplication and clearer roles across the system.
- National teams focus on strategy, oversight and assurance, shaping the future direction of Health NZ.
- Decisions escalated nationally only when they set precedent or affect the whole system.
- National programmes developed with strong local and regional input.
- National scale leveraged to achieve best value procurement.

How we are structured

We organise how we work so governance, accountability and decision-making are clear at every level. Leadership performance, clinical governance and management structures ensure decisions are made at the right level, with clear authority and escalation pathways.

Board

Chief Executive

The **Board** provides governance and independent oversight in line with the *Crown Entities Act* and is accountable to the Minister for the performance of Health NZ. It sets long-term direction and ensures Government expectations are translated into strategy, plans and priorities. The **Chief Executive**, supported by the **Executive Leadership Team (ELT)**, is accountable for delivering these expectations, setting system direction, establishing national guardrails, and driving performance and delivery.

Local teams

Local delivery sits within local teams, led by **Group Directors of Operations (GDOs).** Local teams are supported by management committees that oversee operational decision-making, performance and coordination within delegated authority.

Regions

Executive Regional Directors (ERDs) bring together local teams within each region, working through regional leadership teams and committees to coordinate services, manage performance and resolve local issues at scale. ERDs sit on the ELT and contribute to system-wide decisions.

National functions

Executive National Directors lead our national functions, setting policies, standards and system settings. National forums, including ELT and its sub-committees, connect regional and national leaders to support integrated, system-level decisions.

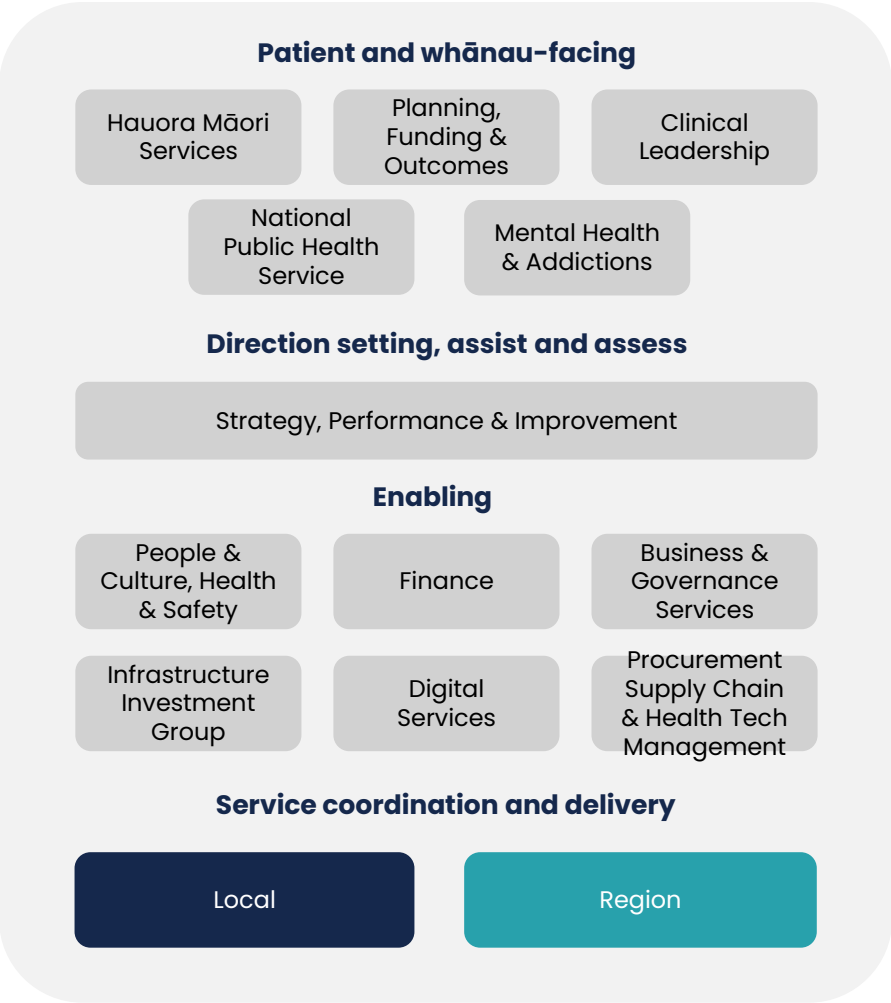
Our functions

Working alongside our local and regional teams, we operate through business units (or "functions"), with teams across national, regional and local levels as appropriate, integrated within our regional and local structures. The level of local decision-making varies by function.

We deliver public health services through our local teams working mostly in our hospitals but also in other care settings across the country. Our clinicians, clinical support staff, service/operational leaders and administrators collaborate locally and coordinate across the region to provide the highest standard of care for our patients across an integrated system.

- **Patient and whānau-facing functions** are focused on delivering health services directly to patients, whānau and communities
- **Enabling functions** provide the systems, capabilities and support needed to enable safe, effective and sustainable service delivery.
- **The strategy and performance function** sets direction, assess and assist performance, and champion continuous improvement across all functions.
- **Service coordination and delivery** occurs through regional and local teams.

The level of '**devolution**' (moving decision-making, accountability and responsibility out from the centre) varies between functions. Some functions are fully devolved to regions or local teams, some retain elements centrally, and others operate through hybrid models spanning national, regional and local levels. As the organisation matures and underlying systems develop, decision-making will continue to be further devolved, where appropriate.



Patient and whānau-facing functions

How each function operates in practice reflects the balance between system direction, coordination, and local delivery.

Business unit	Description	Illustrative examples of how it works in practice		
		Local	Region	National
Hospital Delivery	Delivers high-quality public hospital services focused on improving patient outcomes, access, and experience.	Deliver local hospital services	Partner across region to make the best use of regional resources and investment	
National Public Health Service	Enables families and communities to lead lives of wellness by improving population health outcomes through prevention, protection and promotion.	Accountable for some delivery and performance of key population health programmes (i.e. immunisations) and work with local public health providers to deliver frontline prevention, promotion, and protection services		Set national guardrails to ensure consistency, quality, and equity
Hauora Māori Services	A significant lever to lift Māori health outcomes and meet our commitments to Māori through timely, high-quality, whānau-centred care, culturally safe services, and a skilled, responsive workforce.	Hold most commissioning funding to deliver services with Hauora Māori partners and funds the delivery of Māori health services through local teams, partners, and community input		Set priorities, investment strategy, and standards
Planning, Funding and Outcomes	Funds hospital and primary and community services, and support whole of system design across those services to enable health investment decisions that reflect the current and projected needs of the population.	Coordinate system performance and integration and funds the delivery of services through local teams, partners and community input		Design strategy, funding models, and contracts
Clinical Leadership	Provides clinical leadership and assurance so decisions are safe, evidence-based and focused on improving patient care and outcomes. This includes Pacific Health, Quality and Patient Safety and Clinical Networks.	Deliver locally, tailored within clear national and regional guardrails	Coordinate delivery through service networks and regional clinical leadership structures	Set standards, models of care, priorities to ensure consistency
Mental Health and Addiction	Provides leadership, coordination and oversight of the Mental Health and Addiction system, ensuring performance clinical quality and safety, suicide prevention, workforce development and ring-fenced support.	Deliver frontline Mental Health and Addiction services across hospital, specialist, and community settings	Hold and manage the majority of Mental Health and Addiction funding	Lead national programmes requiring scale and consistency (e.g. suicide prevention, forensic services)

Enabling functions

Business unit	Description	Illustrative examples of how it works in practice		
		Local	Region	National
People and Culture, Health and Safety	Supports a capable, safe and engaged workforce by setting clear expectations for people practices, culture, workforce development, recruitment and safety	Manage day-to-day people and performance	Coordinate regional workforce capacity	Own core people infrastructure and specialist capability (e.g. industrial relations)
Finance	Provides financial stewardship and oversight to ensure resources are managed responsibly and support sustainable health outcomes	Lead local budgeting, forecasting, and reporting	Manage regional financial performance	Set system policy and standards
Business and Governance services	Provides governance, legal, risk, communications and government-facing services that underpin trust, compliance and organisational integrity	Operate as a nationally owned business unit to engage with regional and local teams through nominated contacts and partnerships		
Strategy, Performance and Improvement	Sets direction, monitors performance and drives continuous improvement so the system delivers against priorities and expectations	Monitor local service performance	Monitor regional and local performance	Support the Board to define our strategy, lead system-level performance and frameworks
Infrastructure and Investment Group	Manages health facilities and assets to ensure they are safe, resilient and fit for purpose, supporting the delivery of services now and into the future	Deliver maintenance works and minor capital projects	Prioritise and deliver maintenance, renewal, and capital works	Lead Land and Property, Health Facility design and site master planning
Digital Services	Enables safe, reliable and modern digital systems that support care delivery, information sharing and system improvement	Deliver site-level digital support	Shape priorities through regional insights	Provide national service desk and request management
Procurement, Supply Chain and Health Technology Management (HTM)	Ensures the system has access to safe, effective and affordable goods, equipment and technology when and where they are needed.	Deliver local supply chain, assets, and HTM operations	Provide a single coordination and escalation point through regional partnerships	Lead national sourcing, contacting and supplier governance to drive efficiencies and economies of scale

How decisions are made

Clear directions and guardrails provide the framework for decision-making, ensuring leaders operate within legal and policy requirements, maintain consistency where it matters most, and minimise unintended consequences.

Our operating model has been shaped by a set of Design Principles that provide a shared foundation for decision-making, helping to ensure consistency, alignment, and clear resolution of trade-offs across national, regional, and local levels.

Decision-making principles describe how decisions are made and authority is exercised across our operating model. They apply to the Executive Leadership Team, national, regional, and local leaders, as well as all governance and management committees.

Our **Governance Code** sets the principles and behaviours for high-quality, clinically informed, timely decision-making and value-adding escalation.

The **Delegated Authority Policy** specifies who can make which financial, operational, HR and legal decisions, including limits and decisions reserved for the Chief Executive or Board.

Operational Level Agreements (OLA) have been agreed between national enabling functions and the regions to define service expectations, relationships and how risks and issues are managed.

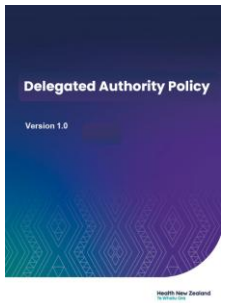
Decision-making principles

Decisions are grounded in the needs of patients and whānau	Decisions are shaped by clinical insight	Decisions are made at the lowest appropriate level, in line with delegated authority	Escalation is deliberate and adds value	National stewardship enables confident local decision-making
Decisions are robustly challenged and collectively owned	Decisions balance local autonomy with regional and system impact	Pace matters- timely decisions are valued	Disagreement is surfaced early and constructively	Decision-making is reviewed and improved over time

Key documents


Guidance for local teams – [insert region]


Operational Level Agreement (OLA) with [business unit]



As healthcare needs and expectations change, we will continue to refine and strengthen our operating model. Our closer-to-care approach provides a foundation for delivering better outcomes and supporting long-term success.

Grounded in our design principles, we have the foundational people, processes (guardrails), and structures required to enable effective local decision-making. **These elements will continue to mature over time as our capability strengthens**. In parallel, we recognise that healthcare delivery will continue to evolve, increasingly enabled by technology and with a stronger focus on care delivered outside hospital settings.

Our operating model will adapt accordingly, maintaining central stewardship to ensure consistency and scale, while enabling local and regional flexibility in how services are configured to meet the needs of our patients, whānau and communities.

As Health NZ continues to mature, we are **evolving our culture approach** to build on existing values and practices, clarifying a shared commitment / purpose that connects how we lead, make decisions and deliver care, while enabling regional and local teams to express this in ways that reflect their communities. We will engage with teams and services as this evolves to support understanding and application in practice.

Examples of key shifts	What this looks like
Home as default care setting	More care is delivered in community, home and digitally-enabled settings, with hospitals focused on acute and complex care.
Integrated networks	Services operate as coordinated local and regional networks rather than standalone sites.
Working at the top of scope	Roles are redesigned so clinicians consistently work at the top of their scope, supported by expanded multidisciplinary teams and regional workforce models.
Smart, automated systems	End-to-end workflows are automated wherever safe, using technology to remove administrative burden.
Interoperable, patient-centred data	Information flows seamlessly across system, providing real-time insight.