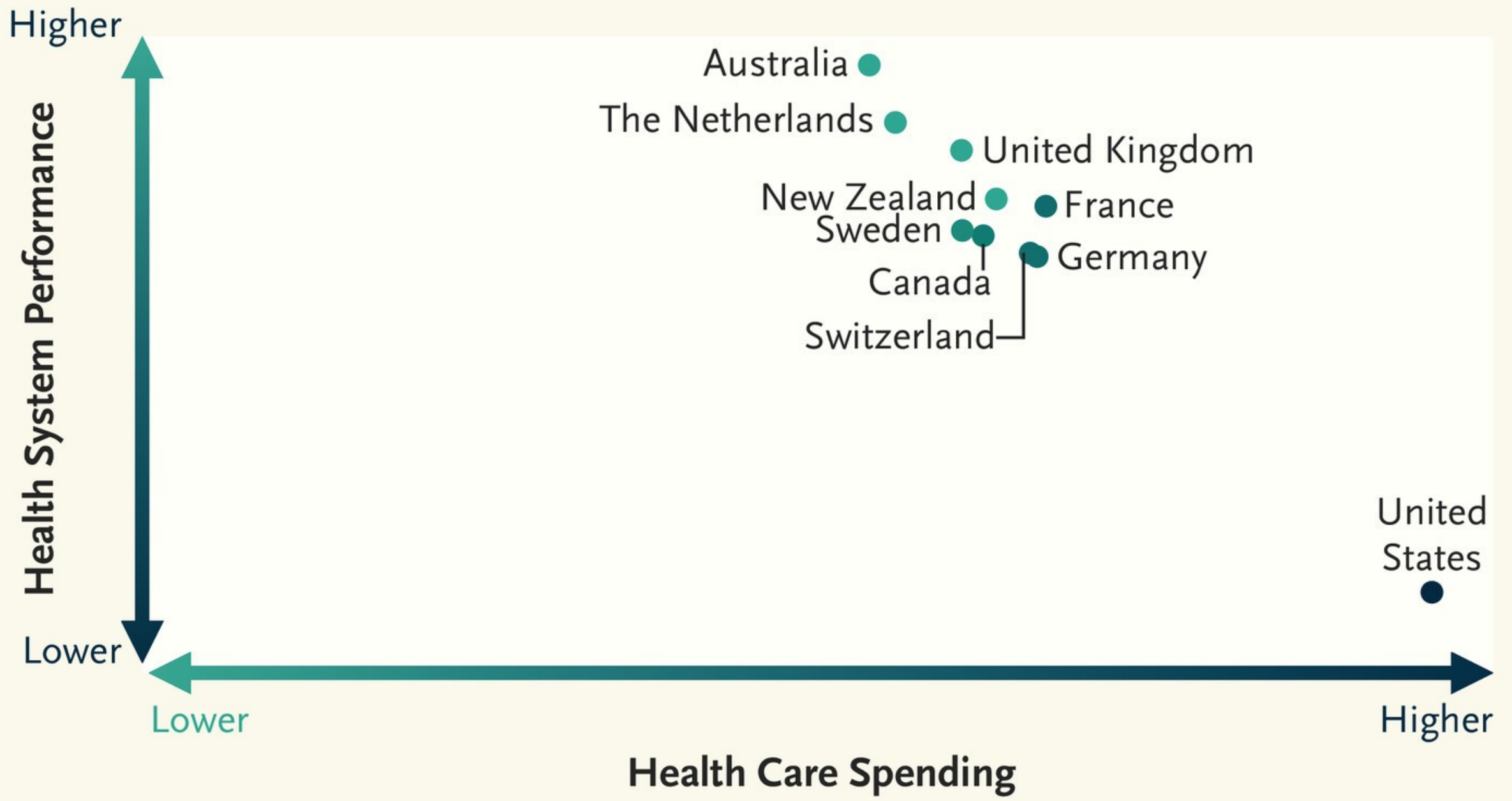


Financial Performance

Richard Aldous

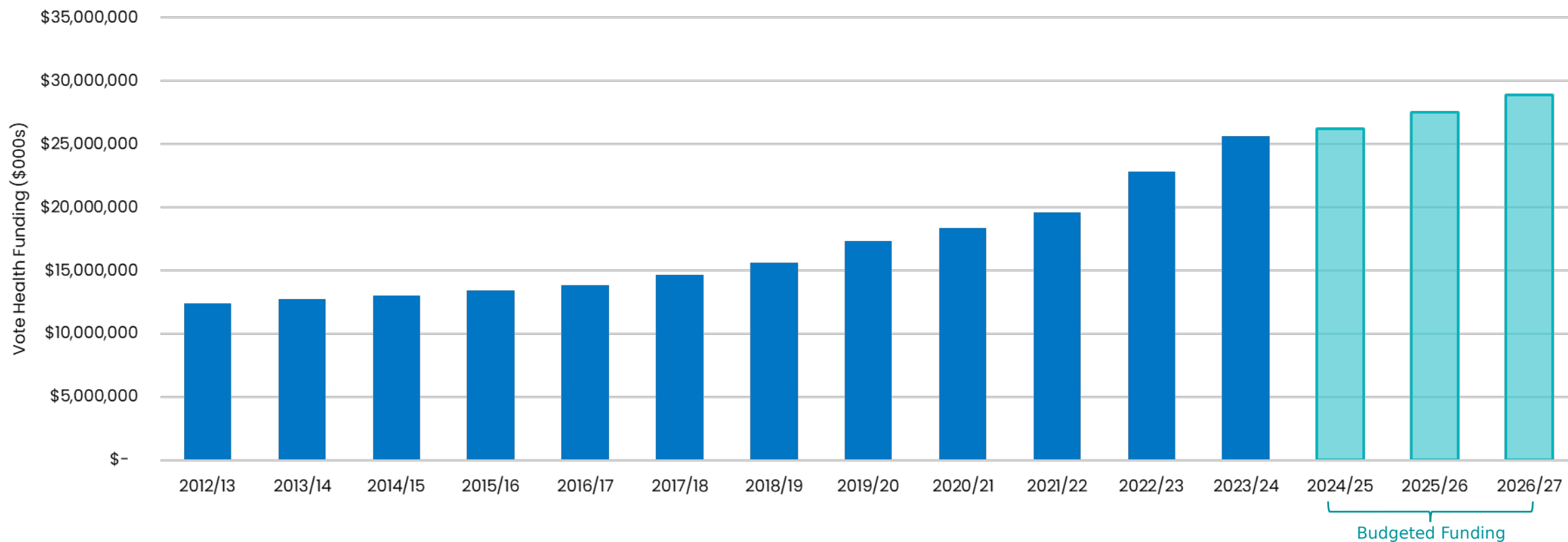
Acting Chief Financial Officer



Vote Health core operating funding from 2012/13 to 2023/24, and forecast to 2026/27

- Vote Health core operating funding increased by \$13.2B (+106%) between 2012/13 and 2023/24. An additional \$1.2B was provided as equity support (cash) for district health board deficits between 2012/13 and 2021/22.
- Budget 2024 three-year funding indicates that by 2026/27 core operational funding will grow by a further \$3.2B (+13%) between 2023/24 and 2026/27.

Vote Health core operating funding, National, 2012/13 to 2023/24 and forecast to 2026/27



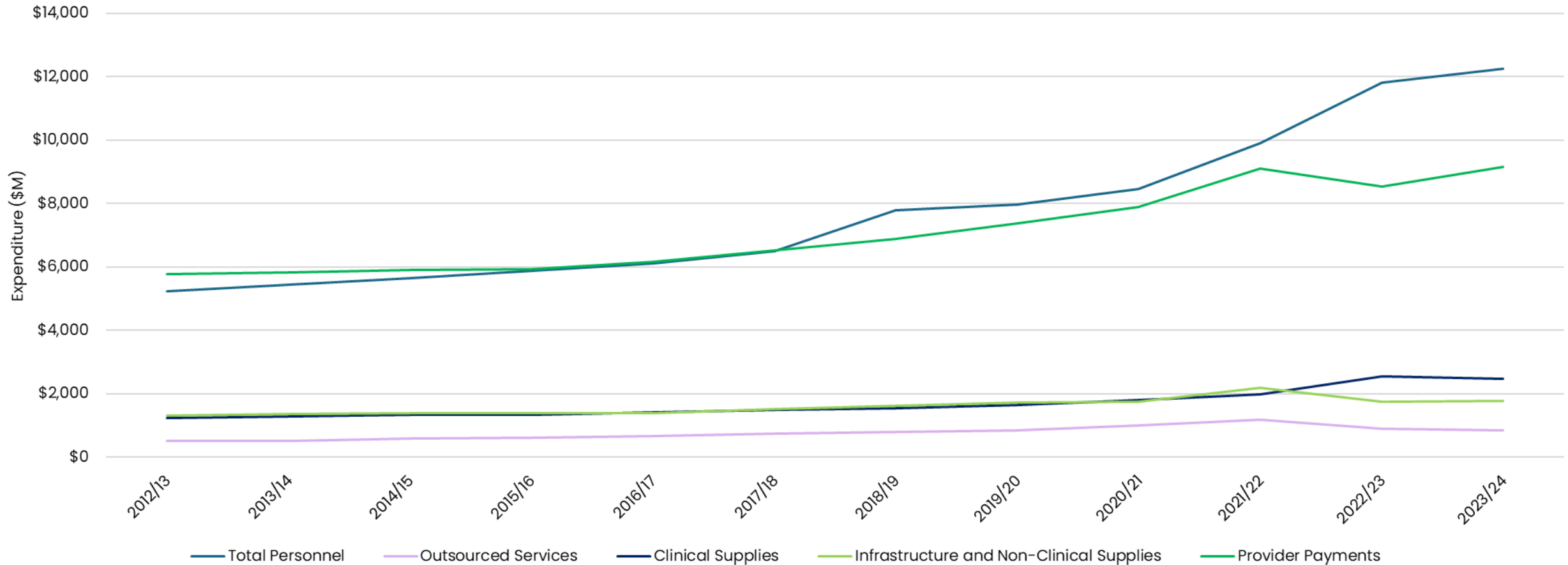
The baseline for 2024/25 cannot be compared directly to total funding in 2023/24. A large number of time-limited and one-off funds were provided in the 2023/24 year that are no longer required. These funded initiatives such as the backdated impact of pay equity commitments (over \$500 million), and historical COVID-19 vaccine purchases that were one-off in nature (almost \$300 million), or they represented funding transferred forward from the 2022/23 year to finish projects that had flowed into the 2023/24 year (eg, \$110 million for Planned Care catch up, and over \$300 million of funding for the COVID-19 response). The total amount of time-limited and one-off funding in 2023/24 was \$1.358 billion.

Source: [https://www.health.govt.nz/about-us/new-zealands-health-system/vote-health/health-expenditure-trends#:~:text=Health%20New%20Zealand%E2%80%99s%20\(Health%20NZ\)%20Budget%202024%20cost](https://www.health.govt.nz/about-us/new-zealands-health-system/vote-health/health-expenditure-trends#:~:text=Health%20New%20Zealand%E2%80%99s%20(Health%20NZ)%20Budget%202024%20cost)

Change in Health New Zealand spend from 2012/13 to 2023/24

- The total expenditure over 2012/13 to 2023/24 has increased from \$14B to \$28B (+101%).
- The proportional spend on internal personnel has increased from 2012/13, from 36% in 2012/13 compared with 42% of total expenditure in 2023/24.

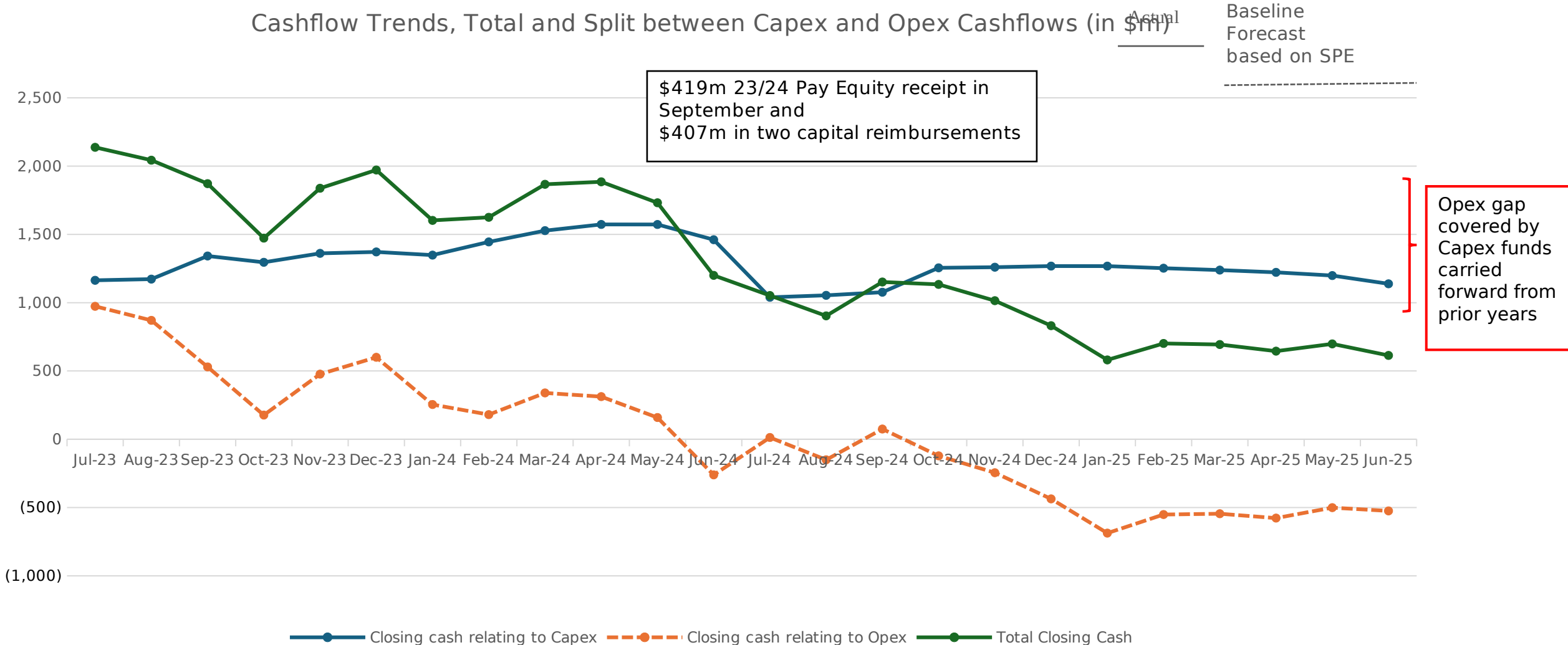
Health New Zealand spending over time, Actual spend, 2012/13 to 2023/24



Note that for years where there was BAU and Covid spend, both sources of spend are included in the figure above. Total personnel expenditure includes internal and outsourced personnel expenditure. For 2023/24, Management Change Provision settlements have been removed from Internal FTE expenditure. Sources: Consolidated Statement of Financial Performance

Cashflow forecast update (based on achieving budget parameter of \$499M deficit)

Cashflow Trends, Total and Split between Capex and Opex Cashflows (in \$m)



* Note this cashflow forecast focuses on the call account balance, and excludes Term Deposits held for Capital Charge payments, and cash held in trusts/restricted funds.