

Report of

Peke Waihanga
Artificial Limb Service
Orthotic Service
Peer Support Service

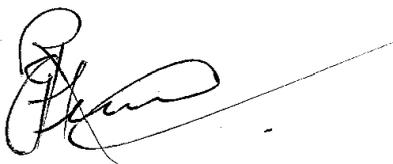
For the Year Ended
30 June 2021

Presented to the House of
Representatives pursuant to
Section 150(3) of the Crown
Entities Act 2004



To the Minister for Social Development

In accordance with section 151 of the Crown Entities Act 2004, we submit the Annual Report of Peke Waihanga - New Zealand Artificial Limb Service for the year ended 30 June 2021



George Reedy
Chair

29 April 2022



Kevin Ross
Board Member

29 April 2022

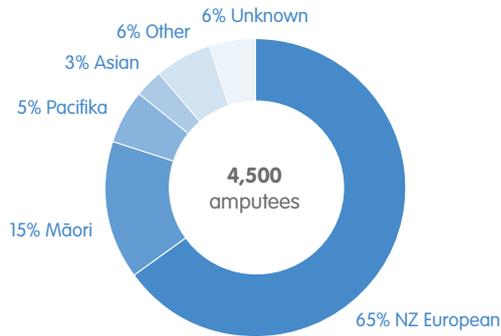
Rarangi Take Contents

03	2021 Snapshot
04	Chairman's report
05	Impact Review
08	You spoke, we listened
10	Ratonga Service
12	Hunga mahi matanga Expert Workforce
15	Hungarau, Rangahau me te Whakawhanake Tech and R&D
18	Mana taurite Equity
17	Good employer
21	Health & Safety
22	Board Members
23	Statement of performance expectations
24	Financial statements
25	Independent audit report
29	Financial results

2021 Snapshot

Artificial Limb Service

Overview



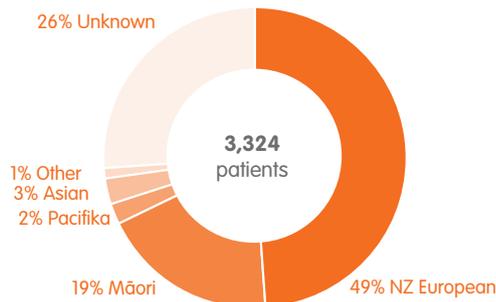
Gender



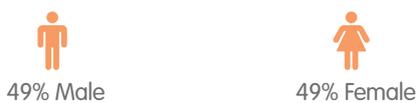
Orthotic Service

Overview

The following percentages were calculated from a sample of 832 patients where ethnicity data was available.

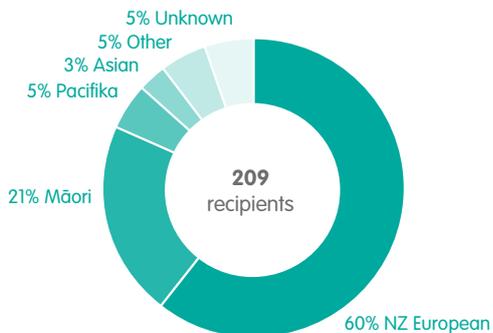


Gender



Peer Support Service

Overview



Volunteers



Our locations

We have six Centres that support 13 regional clinic locations, as shown below:



This year at a glance

Our Patients:

- 565 new amputees
- 26% trauma amputations
- 47% diabetes & vascular amputations
- 19% congenital, cancer and infection amputations

Our Expert Workforce:

- 1,088 days of structured professional development
- 12% increase in completed jobs compared to last year
- 185% increase in rehabilitation therapy & support *

* This year looked at productive hours for all rehab staff, not just intervention hours per previous years. Changes in how we record hours in Manaaki have made a 2020/2021 comparison challenging.

We currently have:

- 5 rehab physicians
- 4 nurses
- 6 orthopaedic surgeons
- 21 device technicians
- 2 general practitioner
- 2 digital technicians
- 34 prosthetists/orthotists
- 71 peer support volunteers
- 18 physiotherapists & occupational therapists
- 24 service coordination & support

Chairman's report

Nau mai haere mai

Tuia ki runga
Tuia ki raro
Tuia ki roto
Tuia ki waho
Tuia ki te here tangata
Ka rongō te pō
Ka rongō te ao
Haumi ē, hui ē, taiki ē

Unite from above
Unite from below
Unite without
Unite within
Bind the kinship strands of humanity
Listen to the night
Listen to the world
Now we come together as one

This karakia is appropriate when reflecting on this year. It has been one requiring resilience and optimism in the face of adversity. The people we care for have needed to confront many challenges to remain independent and productive in this Covid world. Additionally, our workforce and the people we work with, have had to manage the complexity of home and professional commitments while maintaining a high quality of care. To all of you, we say thank you.

This year we developed and implemented our new 2021/22 statement of performance expectations. We are excited about the future and the opportunities this provides us. To get to this point, we have reflected on our impact over the past three years, and our historical foundations.

Over this year we have continued to deliver on all four aspects of our strategy, even in a Covid world.

With Service, we have made conscious efforts in amputation prevention through orthotic prescription and contralateral limb assessments, and reviews for vulnerable and upper extremity patients.

Through Expert Workforce we have emphasised the need for focused training

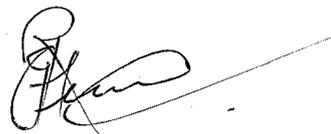
groups and collaboration, sustainability, and supported our staff as educators on amputee specialised care.

Technology and R&D has made enormous progress in product development, our Silicone Studio is producing custom innovations, and our Process Excellence project has seen a significant improvement to our systems that enhance our service.

Equity has focused on reducing access barriers to centres and regional clinics, vulnerable patient support, and bridging the equity gap regarding patient funding, whilst continuing to upgrade our facilities.

We are proud of our quality service and expert workforce; they are truly delivering improved outcomes for the people we care for. Thank you to our kaimahi, my fellow board members, our Minister, ACC and the DHB's for their continued support in our vision.

Kia kaha, kia māia



George Reedy
Chair

"This is an excellent piece of work congratulations to you and your team at Peke Waihangā for such a comprehensive and costumer focussed body of work, the acknowledgment of the importance of prevention, pre-amputation support, and peer support rather than the reactive responses seen in the past is a credit to the vision of Peke Waihangā".

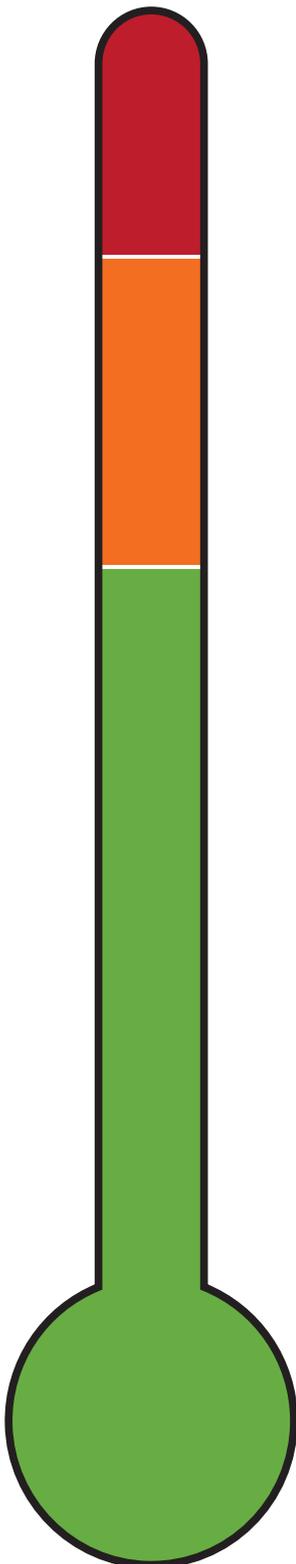
Justine Mangan-Woods, President of the Amputees Federation NZ on our 2021-24 Statement of Intent.

Impact Review

A look into the last three years at Peke Waihanga

Our 2021 Statement of Intent comes to a close this year. This section celebrates our successes and profiles our challenges. The below illustration splits our aligned 3 year business measures of success into 3 categories; **Red**-not achieved, **Orange**-partially achieved, and **Green**-achieved.

Note: these measurements relate to our commercial value proposition and help us to position and compete for our service contracts in the competitive rehabilitation market.



We were unable to diversify our revenue to have no one contract greater than 30% of revenue. Additionally, the funding gap between ACC and DHB amputees increased over this period.

There was an increase in vascular amputee referrals for prosthetic service in the Waikato where we hold the orthotic service contract.

We need to invest in our software before we can realise online purchasing of consumables for our patients.

We have national skills coverage for the work we do, however there are some speciality skills in our matrix that we would like to have more developed.

We achieved 30% ACC & 17% non-Diabetes & Vascular health amputees benefiting from Microprocessor Knees technology on a target of 30%.

Majority of therapy and counselling occurred in Centre, with the majority of our peer support was delivered in community. We had targeted 50% of this work to occur in the community.

We prioritised efforts for our tamariki (children) that saw over 80% of under-18 year olds with a second activity limb, and 15 Kids Get Active Days held. We have assumed that access to a second activity limb has also increased this patient group by more than 50%.

We verified our service through achieving 90% patient satisfaction, 94% independent and productive lives score, becoming 100% compliant with World Health Organisation Orthotics & Prosthetics audit, achieved over 80% mobility, 50% function improvements in primary amputees and achieved Health & Safety Safe+ 'Performer'.

We achieved a 10% reduction in diabetes amputee referrals for prosthetic service in the Waikato where we hold the orthotic service contract. And nationally, more than 80% of amputees contralateral limb is assessed in conjunction with their prosthetic prescription.

We championed service and technology innovation options for our patients that lead to; 24 osseointegration procedures assessed; 75% increased function and reduced falls for Microprocessor Knee users; and delivery of 15,000 therapy, counselling and peer support interventions on a target of 5,000.

We had a well engaged workforce; 92% patient trust & confidence in our team, 100% qualification and accreditation, an under 5% staff turnover, and scored over 80% 'tools to do job' confidence score.

We invested in our expert workforce by providing 10 days training per staff member, with all on individual development plans, and 2 staff participating in post-graduate studies and 2 graduate student interns, less than 20% of patients cared for by prosthetists/orthotists retiring in 5 years, and 2 international conference presentations.

We completed 20 Research & Development collaboration projects leading to outcomes such as 300 custom silicone and printed items, a 20% reduction in fabrication time, and had more than \$1/2m Research & Development collaboration funding.

We empowered people with information through over 20,000 unique visitors to website per annum, over 1,000 fact sheets distributed or downloaded, 81 peer support volunteers providing services, and over 500 telehealth consultations provided.

We retained our ACC and DHB prosthetic contracts, we have 5 new revenue streams for patient care.

Impact Review Continued

Spotlight on our measures of success

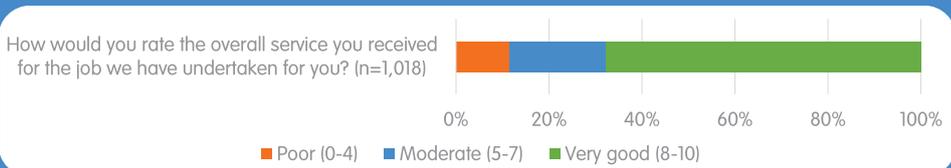
Over the last 3 years we have received over 3,000 comments via our patient feedback survey, Cemplicity. We have summarised these into the following key sentiments:

- Our team are highly valued and appreciated by the people we care for.
- Our patients seek more communication and information, better facilities and coordination of services.
- An ongoing focus on patient information and peer support is critical to increasing independence and wellbeing.

Here are some of the things we've been focusing on with these sentiments in mind.

✔ Patient Satisfaction

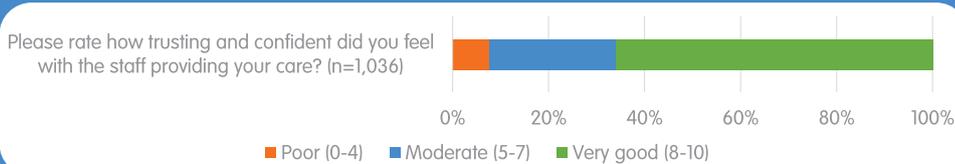
High patient satisfaction



This graph shows 3 year patient response to our independent continuous improvement programme. The question scale was: 0 worst possible score and 10 best possible score.

✔ Trust and Confidence

Patients have a high trust and confidence in our team



This graph shows 3 year patient response to our independent continuous improvement programme. The question scale was: 0 worst possible score and 10 best possible score.

✘ Orthotic Referrals

Waikato DHB New Referrals for Prosthetic Services

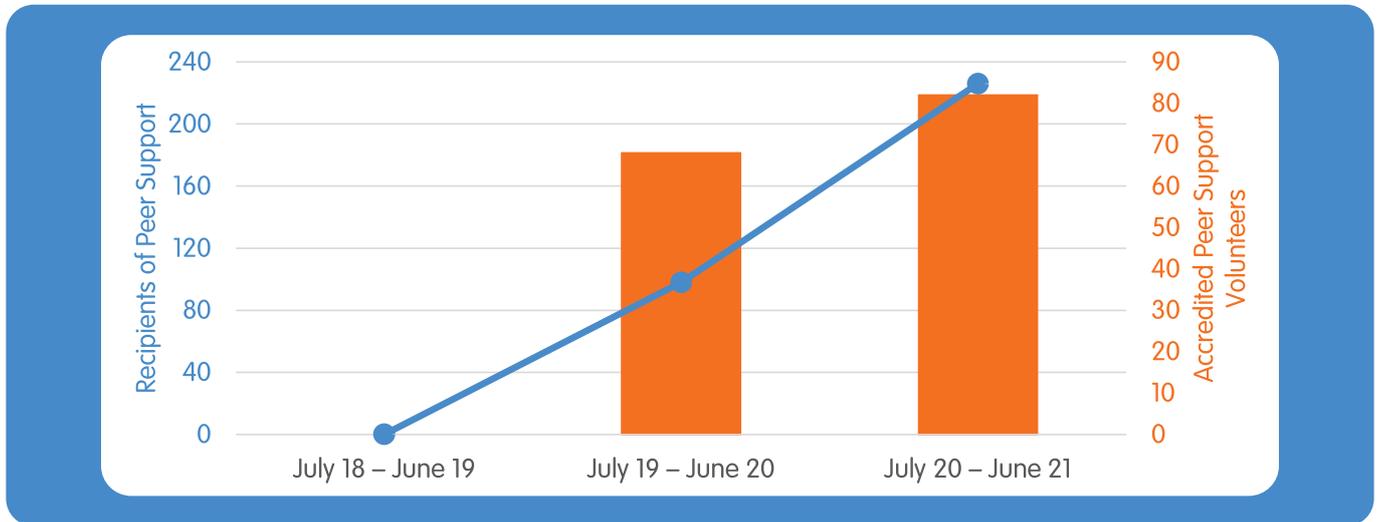


We have been providing diabetes and vascular orthotic services in collaboration with the WDHB since 2018. These services are focused on prevention of amputation due to diabetes and vascular disease and reducing the impact of chronic disease on prosthetic services and associated funding. This graph shows new Waikato patient referrals for prosthetic services due to diabetes have reduced by more than 10%, however vascular referrals have increased by more than 10%.

✓ MPK Outcomes

We have demonstrated to both ACC and DHB's the patient benefit of Microprocessor Knees to people living with above knee amputation. This technology significantly improves patient function, reduces falls and reduces pain. We are currently analysing outcome measures so we can report and hopefully publish our data in academic publications.

✓ Peer Support



✗ Equity

Average Job Cost for Prosthetic Service and Technology only (excludes rehab and consumables)				
Replacement Prosthetic	ACC Funded Amputee	DHB Funded Amputee	Inequity Gap	
Lower limb	Activity level 0	\$9,761	\$4,682	108%
	Activity level 1	\$8,458	\$4,017	111%
	Activity level 2	\$25,715	\$6,078	323%
	Activity level 3	\$18,328	\$7,143	157%
	Activity level 4	\$16,909	\$7,075	139%
Upper limb	\$29,392	\$6,078	413%	

Our ACC Prosthetic Service Agreement allows for prosthetic devices to be prescribed based on clinical need and justification i.e., what the amputee needs. The above table unfortunately shows our ACC amputees get 108% to 413% more prosthetic services and devices than our DHB amputees.

✓ Rehab



Our values

We went through a journey to create meaningful values that guide the mahi we do. Our organisation has four values at its core:

Peke Waihanga - 'Peke' refers to the limb, 'Waihanga' refers to the act of making. Together, these words come to mean 'to make, innovate and create for the limb'.

Manaaki - 'Manaaki' refers to the act of being respectful toward others. For us, it means to care for all people and that everyone is welcomed and accepted.

Pūmanawa - 'Pūmanawa' refers to talent and the concept of a beating heart. In our organisation, we associate Pūmanawa with our staff and strive to weave together their potential. Our people are at the heart of our organisation.

Ringa - 'Ringa' refers to the hand. We associate hands with valuable qualities like hard work, leadership, experience, and skill. In our organisation, a hand represents a person as an individual contributor to the processes of innovation and creation.

Our name

Our name represents our entire organisation and all of the work we do across prosthetics, orthotics and peer support. Today, we proudly operate through three aligned areas of service that include 'Peke Waihanga' in their names.

Peke Waihanga **Peke Waihanga** **Peke Waihanga**
Artificial Limb Service **Orthotic Service** **Peer Support Service**

Our new name is not so new. It has been a part of our organisation's name for many years after it was given to us by Te Taura Whiri in 2013. We relate to it closely as the concept of 'to make, innovate and create to support the limb/forequarter'. Peke Waihanga is central to our purpose of caring for the amputee community. It also has a transferrable meaning that supports our evolution into other related ventures.

Our values symbol

This illustration symbolises our organisation. We made it through many consultations with our kaimahi (staff), patients and cultural advisors.

In this illustration:

- our staff (represented by the hand) are weavers who can skillfully transform, create or action
- their creations or offers (represented by the kete or basket) are gifts that have been crafted from strong and renewing foundations (represented by the flax bush)
- these gifts promote new growth and beginnings (represented by the growing fern)



By bringing these elements together, we can inspire and remind our staff of the positive, far-reaching, impact our actions have.

Ratonga Service

Our patients are at the centre of everything we do, receiving from Peke Waihangā whole-of-life, world-class services that deliver what they need at each stage of their journey.

Responding to need

Over the last year we have taken proactive approaches to responding to patient need. Examples include these milestones from our Business Planning:

- 100% of lower limb patients who have attended a centre have had a contralateral limb assessment.
- 100% of patients who have not been reviewed in the last year have had a review and a plan is in place where appropriate.
- Each centre has established contacts with hand therapy groups to increase finger/partial hand amputee referrals.
- 100% of patients are considered for/offered Peer Support services and Psychological support services.

Upper Extremity

The upper extremity team have continued their mahi to **increase the services** provided to upper extremity patients. Highlights from the past year include:

- All under 18 upper extremity patients were reviewed – this resulted in 44% being prescribed a new prosthesis. Great feedback about the review was received such as “The confidence in her is a parents wish come true... thanks for the efficiency in making this girl extremely happy to ride her bike on wheels day at school”.
- A partial finger fact sheet was produced and distributed to hand therapists and surgeons. This has resulted in a 15% increase in the number of partial hand/finger referrals received.
- The team had pattern recognition training and we purchased 4 pattern recognition evaluation kits. This has allowed for the provision of this intuitive method of control for myoelectric prostheses, and has increased the number of amputees for whom a myoelectric prosthesis is a possibility.
- Team members have received regular training from the likes of David Wilson-Brown, a leader in upper extremity prosthetics to increase their skill levels.



Orthotic Service - Amputation Prevention Case study

An elderly patient was referred to us to manufacture a PTB Orthosis (Patella Tendon Bearing orthosis). PTB brace can reduce load transmission to the Charcot foot by taking 80% of the weight on the patella tendon and thereby reducing weight on the foot.

The purpose of this device (see image on the right) was to prevent an amputation from non-healing ulcers on the patient's foot. The patient, treating surgeons, and nurses were all impressed with the device that delivered the required patient outcome.

Cemplicity Good Service Example:

"Information relating to my issues were explained very well. Friendly service."

Cemplicity Example of Improvement:

"Maybe have more staff to ease the load & lessen waiting times for follow up appointments."

As per our Statement of Performance expectations, we responded to the HealthSource Personal Health Orthotics Service tender for the Auckland Metro DHBs.

Peer Support Service Te Pou Aropā Takitoru

The Peer Support Service has had another fantastic year, with **83** volunteers providing support to **226** recipients.

Our volunteers joined in the fun at our Have a Go Golf days in Wellington and Hawke's Bay, as well as Tauranga's Have a Go Bike Day. These events are a fantastic opportunity to meet other amputees, and make new connections. This is something the Peer Support Service is really proud of supporting.

PW's Peer Support Coordinator, Matt Bryson, frequently visits our volunteers around the country as well as providing in-service presentations to hospital staff and healthcare providers. These visits are always beneficial in educating people on the value of peer support as well as strengthening the community focus of the service.



Hunga mahi mātanga

Expert workforce

Peke Waihanga's expert workforce is responsive and able to develop, adapt and adopt innovation and technology to continually improve the service and outcomes for our patients.

Sustainability

Our sustainability group engaged the Sustainability Trust to undertake an audit of Peke Waihanga, and provide recommendations on how we could improve our sustainability practices. The outcomes of this audit resulted in our centres now having full recycling systems, and dedicated stations for prosthetic component donations to Take My Hands who provide prosthetics to countries in need.



Amputee Rehabilitation Study Days

Our Northern rehab team have held two "Amputee Rehab Study Days" in Auckland and Whangarei for healthcare professionals who are involved in amputee care, or have an interest in gaining more knowledge, in the northern region. These study days share our team's expert knowledge on amputee care; pre-prosthetic rehabilitation, prosthetic suitability, prosthetic rehab, prosthetic fitting and manufacturing, and upper limb prosthetics, using both theory and practical sessions.

We had over 100 attendees across both events and have received fantastic feedback. We intend to host these study days across the country into the future.

"Well done! Super informative. Particularly enjoyed the patients being present" - Attendee feedback.

AMPUTEE REHABILITATION STUDY DAYS

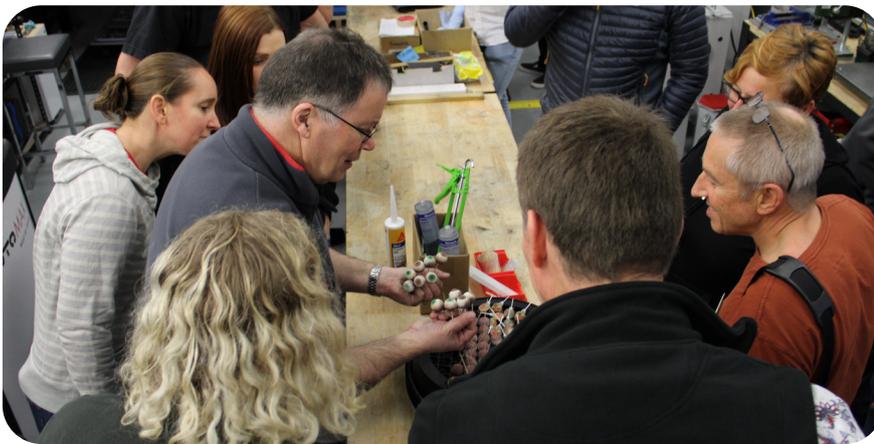
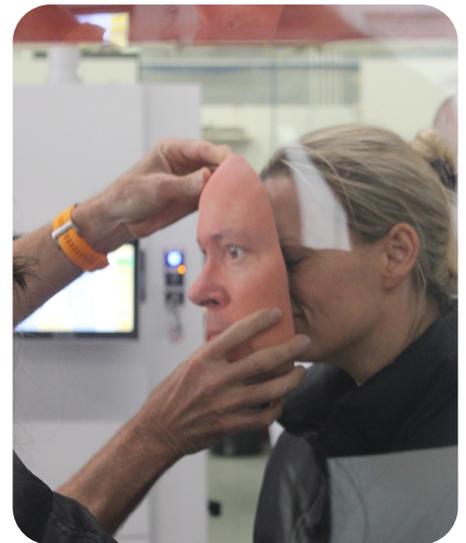
Theory & Practical



- Aetiology of amputations
- Pre-prosthetic rehabilitation
- Considerations for prosthetic suitability
- Prosthetic prescription, manufacturing process & rehabilitation
- Upper limb amputation overview
- Practical demonstrations
- Patient experiences

Prosthetist/Orthotist Hui

In June our Clinical Prosthetist/Orthotists from around the country met at the University of Auckland for a two day hui. The theme was innovation of prosthetic sockets and we focused on collaborative workshops on 3D printing, capture methods, fabrication, direct socket techniques, accessible design and the future of orthotics. The team were hosted at the University of Auckland thanks to Professor Olaf Diegel, who specialises in additive manufacturing. Touring his incredible workshop was a highlight for everyone!



National Team Collaboration

Orthotics and Prosthetics

Meetings across the year: 12
Focus: Sharing innovation, and best practice through case studies and discussions
Outcomes: Improved service to patients through increased uptake of new technologies including 3D printing, silicone sockets and devices and direct sockets; increased national consistency in prescription; knowledge transfer between colleagues from different centres.

Rehabilitation

Meetings across the year: 12+
Focus: Service delivery during COVID, study days, 3D integration on RRDs, Upper limb knowledge, Allied Health accreditation, vulnerable patient reviews, upskilling paediatrics.
Outcomes: Successful delivery during COVID, RRD project complete, outcome measure data collected, paediatrics project underway, increased delivery of upper limb rehab.

Health and Safety

H&S committee meetings: 4
Focus: COVID-19; machinery risk assessments; SafePlus on-site assessment; Manual Handling training, emergency scenario training
Outcomes: Workforce able to adapt to the COVID-19 environment to ensure continuous patient care; completion of Auckland centre machinery risk assessments; achievement of SafePlus 'Performing status'; staff trained in Manual Handling, all centres engaged in emergency scenario training.

Process Excellence

Meetings across the year: Over 30
Focus: patient journey mapping, consolidating policies and procedures, workflow automation, Microsoft teams implementation
Outcomes: Policy/Procedure Document Management system - digital library accessible for staff, consolidation of policies / procedures / paper forms - moved from 520 to 333, detailed patient journey map, multi-factorial authentication, online digital forms, digital automated 3D printed socket order form.

Peke Waihanga as a good employer

Peke Waihanga promotes staff participation in the development of 'good employer' programmes and practices through regular employee collaboration meetings, recruitment panels and health and safety policies.

We engage with our employees and the New Zealand Public Service Association which represents approximately 30% of our workforce to comply with the 'good employer' and equal employment opportunities provisions.

- All prosthetists and orthotists currently employed by Peke Waihanga hold a tertiary qualification in orthotics or prosthetics. This includes qualifications gained through universities, polytechnics and institutes of technology.
- Peke Waihanga actively supports many non-standard work arrangements where business demands enable these to occur, including part-time, flexible working hours, working from home and other forms of remote working.
- We tailor our support in these situations to individual need, and actively support return-to-work programmes for ill and injured employees.
- We have a Managing Bullying, Harassment and Discrimination in the Workplace policy which details no tolerance for any form of discrimination or harassment within our organisation.
- Peke Waihanga is an 'accredited employer' with Immigration NZ. As an organisation we meet strict criteria in respect of our robust Human Resources practices and our commitment to training and employing New Zealanders (where appropriate).
- We implemented a workforce mental health and wellbeing programme in 2020 to demonstrate the value Peke Waihanga places on the health and wellbeing of its workforce.
- Our remuneration processes have been developed by robust job sizing evaluations, ensuring that remuneration reflects the complexity of each role and the level of skill required.
- We have embarked on a review of our performance development, remuneration, and recognition systems to ensure that they meet the needs of both the organisation and our employees.
- Attracting and retaining the best employees is critically important to our expert workforce strategy and we have implemented a comprehensive organisation-wide induction programme for new employees, with e-learning, workshops and on-the-job tools and resources.
- Strategies for effectively managing our biggest risks are well embedded. We provide an Employee Assistance Programme, discounted health insurance, health monitoring checks, and vaccinations.
- Succession planning, internal growth strategies, training and development and continued professional development are all key themes in our expert workforce strategy.
- We provide coaching for our managers on key leadership capabilities including authentic leadership, influencing others, change agility & resilience, inspiring & motivating others and having brave conversations.
- We harness the talent of our people and ensure they understand how they contribute to our wider success.
- Through our world class training & development programmes, we encourage the development of professional skills and provide specialist training in prosthetics, orthotics, rehabilitation and technology.
- Educating our business leaders on unconscious bias and the importance of inclusion and diversity in selection and promotion.
- Peke Waihanga's values of peke waihanga, manaaki, pūmanawa, and ringa guide our leadership team in making decisions that positively impact our patients and staff and create a strong and positive internal culture.
- Providing our people with ongoing context, direction and leadership on the performance of Peke Waihanga within a rapidly changing industry landscape.

40% of our workforce have flexible working arrangements

Hangarau, Rangahau me te Whakawhanake Technology and R&D

We adapt and customise technology to change the lives of our amputees. We are responsible to our amputees for understanding, accessing and bringing them the best technology solutions and initiatives that Peke Waihangā's budgets allow.

3D Printing & Product Development

Over the last year, our Product Development Team have produced 112 3D printed devices. They were also selected as finalists for the 2021 Best Design Awards in the "Public Good" category, for their work in developing a digitally enabled workflow to produce customised 3D Printed sockets. These sockets are designed to work with an array of suspension systems that we have on offer including vacuum, pin lock, sleeve and hybrid suspension systems. We are utilising technology to provide functional customisable solutions for a wide array of people.

This year we developed a 3D printed Boa system for transtibial and transfemoral sockets, and implemented a 3D printing online ordering system.



**Best Design Awards
Finalist 2021**

Ministry of Health Grant

We have received a \$150k grant from Ministry of Health to enhance our digital prosthetics. The project plan focuses on scaling up and integrating digitally enabled prosthetics into a traditional prosthetic manufacturing service which will improve prosthetic service access for regional and remote patients; improve prosthetic delivery times by speeding up and simplifying processes, and providing an alternative option for fabrication of sockets in peak demand times.

Silicone

The new Silicone Studio delivered over 100 custom silicone devices with \$118,130 in revenue.

These devices were provided to both prosthetic and orthotic patients, with really positive feedback.

This year new staff have been on boarded, with improved processes to meet the increasing demand for custom silicone devices.

We now have great foundations and have started planning for a cosmetic range of silicone devices.

Patient and clinician feedback

"Since having the Silicone socket my pain has decreased, it no longer feels like it is burning. I just like it, it feels better."

"A patient who has had his first silicone socket fitted recently couldn't believe the improvement in comfort and suction and said it felt much more 'part of him' It is great to have silicone as a possibility when designing a socket – this opens the options available, and to-date has led to very pleasing outcomes."



Process Excellence

We began our process excellence programme of work this year to improve the internal processes and systems which support our care delivery. This work was prompted by the growth in our organisation, which made it imperative that we ensure the quality of our care delivery services to tūroro.

During this past year we have streamlined our policies, procedures, and forms, reducing them in number from 520 to 333 and making them more accessible by storing them in an online Resource Library. At the same time we automated more of our paper forms and processes, and capitalised on new digital collaboration and communication tools such as Microsoft Teams.

“Kaimahi have welcomed the process excellence initiatives and feedback suggests these innovations are making a significant difference in their day-to-day work. We are delighted that the gains from the process excellence work have improved both kamahi work experiences as well as having a positive flow-on effect on the quality of care for our tūroro.” - **Kate Livesey (Process Excellence Lead)**

Content from all-staff presentation on our digital journey

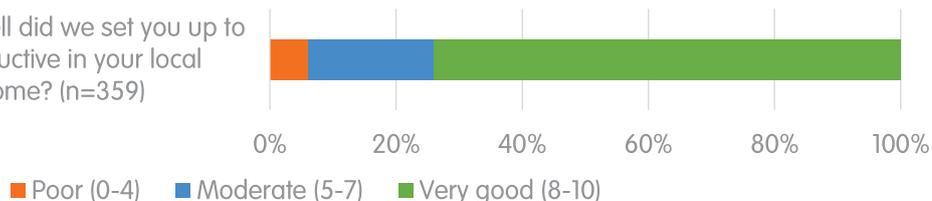
Mana Taurite Equity

Peke Waihanga supports equitable amputee access to technology and services based on need.

Independence and Productivity

Delivering on our vision¹

All things considered, how well did we set you up to be independent and productive in your local community and at home? (n=359)



The above graph shows this year's patient responses to our independent continuous improvement programme. The question scale was: 0 worst possible score and 10 best possible score.

Geospatial map

We are utilising geospatial mapping to look at ways of achieving better accessibility for our patients to our centres and regional clinics across the country. We have done this in two stages:

Stage 1: We have mapped our patients according to their travelling distance to each of our centres in kilometres (as seen in the map to the right). The white radius indicate our Peke Waihanga centres, and the purple radius indicates our regional clinic locations. These both cover a 50km radius. It shows us that we cover a relatively large radius of patients through either centre or regional clinic access, whilst allowing for areas where we could bolster this access.



Stage 2: We will use this map to assess where additional regional clinics or centre locations could improve access for our more remote patients and where the travel is the most significant, and make decisions with this mapping in mind. This software has proven to be a very effective tool in allowing us to visualise our patient's current access, and reduce barriers to access that could have a negative impact on the health of the people we care for.

Amputee Funding

The DHB Prosthetic Service Agreement funding we receive does not provide sufficient funding to meet the above minimum and safe service to amputees, specifically, this year we spent \$845,000 (17%) more than the \$5.03m we received from our DHB bulk funding for all 2,800 DHB amputees.

The following table shows amputation rates data in New Zealand from the Ministry of Health have increased by 34% over the last 5 years with amputation rates for Māori and Pacific people, and people living with diabetes increasing at a significantly greater rate than the national average.

	All			Māori			Pacific		
	Without diabetes	With diabetes	Total	Without diabetes	With diabetes	Total	Without diabetes	With diabetes	Total
2016	403	806	1209	50	197	247	11	95	106
2017	475	931	1406	74	214	288	14	112	126
2018	421	1010	1431	49	291	340	11	129	140
2019	465	1049	1514	63	250	313	10	154	164
2020	514	1111	1625	74	307	381	17	151	168
Increase	111	305	416	24	110	134	6	56	62
% Increase	28%	38%	34%	48%	56%	54%	55%	59%	58%

Vulnerable patient support

Last year in our Statement of Performance Expectations, we put particular emphasis on supporting vulnerable patients through the COVID-19 pandemic, and therefore set the initiative to implement an amputee Social Worker by contracting local providers.

Through this work, we have identified that having a 'key worker' for each patient is an effective method of supporting patients, and have done this internally utilising our Rehabilitation team's effectiveness at coordinating care with the multi-disciplinary team.

As stated in our 2020/21 Statement of performance expectations, we have set the expectation to have 100% of active amputees in our service assigned with a Key Worker.



New Tauranga Centre & Christchurch Centre Rebuild



We have established a Tauranga Centre as per our 2020/21 Statement of Performance Expectations.



We have engaged property consultants for our new Christchurch centre, and have engaged engineers to replace our Auckland Centre roof as per our Statement of Performance Expectations

Privacy and Informed Consent

We have gone through a detailed collaboration process to update our privacy policy and procedures. The goal was to ensure that our privacy and informed consent procedures were cognisant of Te Ao Māori, as well as inclusive of all and the different understandings of privacy and informed consent. The new policies and procedures have a focus on ensuring our kaimahi (staff) are having meaningful korero (conversation) with their patients and whānau about their health information and their journey with us. We have provided training with our kaimahi on these new documents.

Our Privacy Policy has been updated to reflect the new Privacy Act changes that came into effect December 2020. The Privacy Statements (English and Te Reo) have been changed to reflect a shift away from requiring our patients to sign the Privacy Statement. Privacy Posters (English and Te Reo) have been printed and displayed in our centres.

The 'privacy and informed consent procedure conversations' is a new document that provides operational procedures to apply when having privacy and informed consent conversations. It also contains specific actions for our team to apply related to the ongoing management of patients' privacy and informed consent.

Peke Waihangā Artificial Limb Service Orthotic Service

Ō Mōhiohio Hauora

E ahatia ana e mātou | Mā wai e kite | Mā wai e whai urunga

- Ka tā mātou he kohikohi me te pupuri i ngā mōhiohio anake e hiahiaia ki te whakarato ki a koe i te **atawhai tino pai rawa ka taea**.
- Ina taea, ka whiwhi i ngā mōhiohio i a koe. Ka tono mōhiohio pea i ētahi atu e whakarato ratonga hauora ana ki a koe.
- Ka whakamāhia ngā mōhiohio mā ngā **pūtake** anake e kohia ai.
- Ka rorokori **haumarutia** ō mōhiohio i tā mātou pātengi raraunga.

- Ka urua ō mōhiohio e ērā anake e whakarato ratonga ana ki a koe. Kei roto i ēnā tāngata ko ngā kaimahi haumanu, kaimahi hangarau me ngā kairuruku ratonga.
- Tērā pea ka tiritiri mātou i ō mōhiohio ki ētahi atu umanga me tō whakaae, kia tutuki ai ō mātou haepapa ā-ture, ā-kirimana hoki, mēnā rānei ka whakaritea e te ture.
- He tikanga ō mātou hei whakarite kia tōtika ō mōhiohio i mua i te whakamahi. Mēnā ki tō whakaaro he hē ō mōhiohio hauora, ka āhei te tono kia whakatikahia.
- Ka āhei te tono kia kitea e koe, te whiwhi tārua rānei o ō mōhiohio mai i tō mātou Āpiha Tūmataiti.

Mō ngā kōrero anō mō ngā āhua e kohikohi ai, e whakamahi ai, e tiritiri ai mātou i ō mōhiohio, ka kitea tā mātou Tauākī Tūmataiti i te www.nzals.co.nz

Mēnā he āwangawanga, pātai ōu mō ō mōhiohio hauora, me kōrero atu ki tō mātou Āpiha Tūmataiti i te (04) 385 9410, te privacy@nzals.co.nz rānei

Ki te kore e taea te āta whakatau i ō āwangawanga, ka āhei koe te tuku amuamu ki te Mana Matāpono Matatapu i te **0800 803 909**, i te www.privacy.org.nz rānei

11.0 Nov 2020

Peke Waihangā Artificial Limb Service Orthotic Service

Tauākī Tūmataitinga

Ko tā Peke Waihangā he whakarato ratonga ka whakaea i ngā matea ratonga peke waihangā, taputapu tauteka peke, whakamaurātanga me te tautoko ā-hoa arōpā hoki kia motuhake ai, kia whaihua ai ō rātou oranga. E oti ai ērā mea, **me kohikohi i ngā mōhiohio whaiaro, hauora hoki mōu.**

Tērā pea ka whakahōtia tēnei tauākī tūmataiti i roto i te wā hei whakaata i ngā panoni ki te ture matatapu, i roto rānei i māhi mahi whakahaere i whakahou tōmua tēnei tauākī tūmataiti i te mararama o **Whiringa-ā-nuku 2021.**

He aha ngā momo mōhiohio ka kohikohia e mātou, me ngā pūtake mō taua kohikohi?

Kei roto i ngā mōhiohio e kohikohi ana mātou ko ēnei:

- ō tāpitoipito whaiaro, whakapā anō hoki
- ngā mōhiohio i riro i ō pāhekoheko tangata ki a mātou
- ngā mōhiohio mō tō hauora me te whakamaurao e pā ana ki ō matea peke waihangā, matea taputapu tauteka peke hoki/rānei, me ngā ratonga e whakaratohia ana ki a koe

Ka horipū tā mātou kohikohi mōhiohio whaiaro i a koe, heoi ka tono pea i ō mōhiohio mai i ētahi atu kaiwhakarato hauora mēnā ka āwhina tērā i a mātou ki te whakarato i te atawhai tōtika i roto hoki i te wā tika, me te atawhai whaihua. Ka whai wāhi pea ki ēnei ngā srotake nā tā rata kokiri, māngā whakamaurao, kaiōmēri rānei.

Me whakamōhio mai mēnā he āwangawanga tōu mō te āhua e kohikohi mōhiohio ai mātou, me ngā tāngata i kohikohi mōhiohio ai mātou.

Ehara i te mea me whakarato rawa mai koe i ngā mōhiohio e tono ana mātou, engari ka whai pānga pō te kaupono mōhiohio ki ngā ratonga e āhei ana e mātou te whakarato ki a koe.

E pēhea ana te whakamahi i aku mōhiohio?

Mā mātou e whakamahi ngā mōhiohio e kohikohi ana mōu mō ngā pūtake i kohia ai, me ētahi pūtake whakarite whai pānga noa anake, tae atu ki:

- te whakaahei i tā mātou whakarato i te tiki me ngā ratonga tika
- te whakanao me te whakarato i te taputapu peke waihangā, tauteka peke rānei
- ngā pūtake whakarite i a mātou
- te whakaturuki i ō mātou herenga kirimana, ā-ture rānei e hēria ai mātou ki te whakarato i ngā mōhiohio. Hei tauria, ki ngā umanga pērā i ACC, ngā DHB me te Manatū Hauora
- Te tiritiri mōhiohio hauora ki ētahi atu māngā hauora e tiki ana i a au
- Te tiritiri mōhiohio hāngai ki tō tūao tautoko ā-hoa
- Te whakahaere i tētahi amuamu, whakatewhatewha, uiui rānei e whai wāhi ai koe.

Peke Waihangā Privacy Statement – Te Reo V 1.1 October 2021

Health and Safety

Health and safety statistics

The health and safety of our patients and workforce is a very important aspect of our business. Following are key statistics on our health and safety function.



We have an evolving and comprehensive internal health and safety strategy. This year it has seen us implement new approaches to hazard and risk identification and management, and accident and incident reporting and investigation.

Accident and Incident Reporting

Compared to last year there was an increase of accidents and incidents; 22 of the 50 reports resulted in no injury (i.e. near miss), 9 resulted in an injury with no treatment required, 12 required minor first aid treatment and 7 required consultation with a doctor but did not require hospitalisation.

Our centres have improved their accident and incident reporting to encompass all near misses and minor accidents that may not have been previously reported. This allows us to review any trends and rectify potential hazards and injuries.

COVID-19 Response

Peke Waihanga continued to provide a comprehensive and pro-active response to the COVID-19 pandemic. Our specific COVID-19 documents to support staff and patients were frequently updated as more information became available from the Ministry of Health, and when alert levels were changed.

Business Continuance

The Business Continuance Plan was updated and a new procedure, ICT Disaster Recovery plan, was created. These documents provide a guide to getting the business back up and running following a disaster or major disruption to critical infrastructure.

SafePlus

A SafePlus review was undertaken by Dr Susan Edwards. SafePlus includes a framework of 10 performance requirements, which are organised under three key elements: Leadership, Worker Engagement, and Risk Management. Each performance requirement also has a three-level maturity scale applied to it: Developing, Performing, and Leading. The assessment found Peke Waihanga to be **'Performing'** in all ten performance requirements.



Board Members

Board members are appointed by the Minister for Social Development under the Crown Entities Act 2004. Membership is determined by the Social Welfare (Reciprocity Agreements, and New Zealand Artificial Limb Service) Act 1990, which provides the nominating bodies and has a significant influence on the composition of the Board. Board members during the year were:

George Reedy NZOM – Chair

George (Ngāti Porou) is leading the delivery of health and wellbeing for iwi, and has a background in business and Māori economic development, non-government organisations and the public sector. A chartered accountant (with an MBA) by profession, his main roles are concentrated on strategy, service delivery and business development especially in online digital environments.

Kevin Ross – Board Member

Kevin served as the Chief Executive of the Whanganui District Council for seven years before retiring in 2015. In his various roles within the Council he has had considerable experience dealing with most sectors of the community and focussed on developing genuine and committed partnerships with local iwi. Kevin currently chairs the Tararua District Council Audit and Risk Committee.

Cynthia Bennett – Board Member

Cynthia is a specialist, Mayo Clinic trained Medical Doctor in Physical Medicine and Rehabilitation. She practices Rehabilitation Medicine as a Fellow of the Australasian Faculty of Rehabilitation Medicine in NZ. Cynthia is the past Chair of the NZ Branch of the Australasian Faculty of Rehabilitation Medicine. She is currently a Specialist Rehabilitation Medicine Consultant with ABI Rehabilitation Ltd working in New Zealand.

Kate Horan – Board Member

Kate is a dual Paralympian in athletics and cycling, winning Silver in the 200m at the 2008 Beijing Paralympic Games. Notably, at dsport, Kate and the team developed an amazing youth activity programme that supports 100 families which will have life-long social and health benefits for those involved, as well as activity initiatives that have empowered many people leading to improved self-esteem and general wellbeing. She is currently a committee member of the Wellington Amputee Society. Retired from competitive sport and currently managing a small lifestyle block, Kate is still active and a very keen supporter of inclusivity of athletes with disabilities in sport.

Stuart Burns - Board Member

Stuart has a Finance and Governance background. He is a Fellow Chartered Accountant, Chartered member of the NZ Institute of Directors and has held governance roles with a diverse range of organisations. As the former Chief Executive of the Rotorua Trust he also has extensive experience in the Not for Profit sector. Stuart is actively involved within the Rotorua Community in the areas of Health, Mental Health, accessibility issues for people with disabilities and Neighbourhood Support. He has also been an active member in Rotary for a number of years. Stuart's interest in the activities of Peke Waihanga were fostered following his wife's below knee amputation, which resulted from a treatment infection following an injury.

Statement of performance expectations 2021/2022

The responsible Minister and Peke Waihanga have agreed to include the following set of voluntary measures which are aligned to the Strategic Objectives from Peke Waihanga's Statement of Intent.

Output, impact and outcome performance measures and standards	2020/2021 Targets	2020/2021 Results
Amputees independence and productivity outcome	85%	94%
Amputees satisfaction with our service	85%	97%
Amputees trust and confidence in our team	85%	99%
Percentage of new amputees prescribed a prostheses with improved independence and mobility assessed using 'Amputee Mobility Predictor' within 18 months of fitting of a new artificial limb	80%	98%
Amputee appointments/interventions delivered by telehealth	400	3,313
Amputees offered peer support services	100%	100%
Percentage of active amputees in our service with a Key Worker	100%	100%
Percentage of PW's clinical and technical employees hold recognised certification and/or qualifications	100%	100%
Average number of training and professional development days per full time equivalent staff member	10	11
Minimum number of 3D printed sockets	30	90
Number of collaborative research projects undertaken on issues designed to improve the provision of services to amputees	2	2
Minimum number of days that information is available to amputees through the PW website	365	365
Minimum number of business days that services are available to amputees through all six PW centres	230	230
Minimum number of regional clinics held	40	95

Financial statements

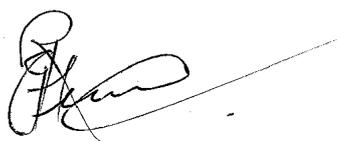
Statement of responsibility For the year ended 30 June 2021

The Board is responsible for the preparation of Peke Waihanga's financial statements and the performance information and for the judgements made in them.

We are responsible for any end-of-year performance information provided by Peke Waihanga.

The Board of the Peke Waihanga has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board, these financial statements and performance information for the year ended 30 June 2021 fairly reflect the financial position and operations of Peke Waihanga.



George Reedy
Chair

29 April 2022



Kevin Ross
Board member

29 April 2022

Independent Auditor's Report

To the readers of Peke Waihanga - New Zealand Artificial Limb Service's financial statements for the year ended 30 June 2021

The Auditor-General is the auditor of Peke Waihanga – New Zealand Artificial Limb Service (Peke Waihanga). The Auditor-General has appointed me, Jacques Du Toit, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of Peke Waihanga on his behalf.

Opinion

We have audited:

- the financial statements of the Peke Waihanga on pages 30 to 47, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion:

- the financial statements of the Peke Waihanga on pages 30 to 47:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 29 April 2022. This is the date at which our opinion is expressed.

We acknowledge that our audit was completed later than required by the Crown Entities Act 2004, section 156(3)(a). This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of Peke Waihanga for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of Peke Waihanga for assessing Peke Waihanga's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of Peke Waihanga, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to Peke Waihanga's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Peke Waihanga’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by Peke Waihanga and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Peke Waihanga’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Peke Waihanga to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 24, and 29, but does not include the financial statements and our auditor’s report thereon.

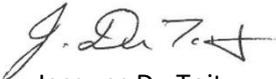
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Peke Waihanga in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, Peke Waihanga.



Jacques Du Toit
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Financial results

The Statement of Comprehensive Revenue and Expense shows gross operating revenue (excluding interest and donations) of \$23,235,000 which is an increase of 19% on the previous year of \$19,607,000. Revenue is derived principally from contracts with ACC for trauma-based amputees, Capital & Coast District Health Board, which manages the national contract for amputees with illness-based amputations, congenital limb deficiencies or long-standing trauma-based amputations and Waikato District Health Board for provision of Orthotic Services. Revenue is also received from payments on behalf of war amputees, private insurers, health benefits and private supply.

Operational costs for the year totalled \$23,191,000 (2020: \$19,384,000) resulting in a surplus of \$44,000. This follows a surplus last year of \$7,020,000 which included a donation of buildings from Ministry of Social Development valued at \$6,797,000.

Peke Waihanga's financial position remains strong with \$12,669,000 (2020: \$12,625,000) in reserves.

Statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Revenue				
Government contract funding	2	23,050	18,905	18,725
Interest revenue		18	36	40
Other operating revenue	2	167	182	842
Donations	2	-	-	6,797
Total revenue		23,235	19,123	26,404
Expenditure				
Personnel costs	3	8,208	6,655	6,991
Depreciation and amortisation expense	9	415	269	268
Other expenses	4	14,568	12,596	12,125
Total expenditure		23,191	19,520	19,384
Total comprehensive revenue & expense		44	(397)	7,020

Explanations of significant variances against budget are detailed in note 20 (on page 47).

The accompanying notes form part of these financial statements (on pages 35-47).

Statement of financial position

As at 30 June 2021

	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Assets				
Current assets				
Cash and cash equivalents	5	519	440	953
Receivables	6	1,907	1,600	2,096
Prepayments		180	50	49
Inventories	7	2,629	2,380	2,632
Investments	8	1,215	1,211	1,186
Total current assets		6,450	5,681	6,916
Non-current assets				
Property, plant and equipment	9	8,846	1,671	8,529
Total non-current assets		8,846	1,671	8,529
Total assets		15,296	7,352	15,445

The accompanying notes form part of these financial statements (on pages 35-47).

	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Current liabilities				
Payables and revenue in advance	10	1,610	1,669	2,082
Employee entitlements	11	885	622	609
Total current liabilities		2,495	2,291	2,691
Non-current liabilities				
Employee entitlements	11	132	110	129
Total non-current liabilities		132	110	129
Total liabilities		2,627	2,401	2,820
Net assets		12,669	4,951	12,625
Equity				
General funds		12,669	4,951	12,625
Total equity		12,669	4,951	12,625

Explanations of significant variances against budget are detailed in note 20 (on page 47).

The accompanying notes form part of these financial statements (on pages 35-47).

Statement of changes in equity For the year ended 30 June 2021

	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Balance at 1 July		12,625	5,348	5,605
Total comprehensive revenue & expense		44	(397)	7,020
Balance at 30 June	12	12,669	4,951	12,625

Explanations of significant variances against budget are detailed in note 20 (on page 47).

The accompanying notes form part of these financial statements (on pages 35-47).

Statement of cash flows

For the year ended 30 June 2021

	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Cash flows from operating activities				
Receipts from government contract funding		23,369	18,905	18,364
Interest received		18	36	40
Receipts from other revenue		337	182	907
Payments to suppliers		(15,490)	(11,912)	(12,507)
Payments to employees		(7,929)	(6,870)	(6,890)
Goods and services tax (net)		22	-	136
Net cash from operating activities		327	341	50
Cash flows from investing activities				
Purchase of investments		(29)	(36)	(40)
Purchase of property, plant & equipment		(732)	(240)	(794)
Net cash from investing activities		(761)	(276)	(834)
Net increase/(decrease) in cash and cash equivalents		(434)	65	(784)
Cash and cash equivalents at the beginning of the year		953	375	1,737
Cash and cash equivalents at the end of the year	5	519	440	953

Explanations of significant variances against budget are detailed in note 20 (on page 47).
The accompanying notes form part of these financial statements (on pages 35-47).

Notes to the financial statements

1. Statement of accounting policies for the year ended 30 June 2021

Reporting entity

Peke Waihangā - Artificial Limb Service is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. The relevant legislation governing Peke Waihangā's operations includes the Crown Entities Act 2004 and the Artificial Limb Service Act 2018. Peke Waihangā's ultimate parent is the New Zealand Crown.

Peke Waihangā's primary objective is to provide services to the New Zealand public. Peke Waihangā does not operate to make a financial return.

The financial statements for Peke Waihangā are for the year ended 30 June 2021, and were approved by the Board on 29 April 2022.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of Compliance

The financial statements of Peke Waihangā have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Peke Waihangā is a Tier 2 Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements have been prepared in accordance with PBE standards RDR. Peke Waihangā is eligible and has elected to apply PBE Standards RDR because its total expenses are less than \$30 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework.

Peke Waihangā was required under section 156(3) (a) of the Crown Entities Act 2004 to complete the audited financial statements and statements of performance by 31 December 2021. The timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of COVID-19 including lockdowns.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values rounded to the nearest thousand dollars (\$000), except for Board member remuneration and related party

transactions in Note 15, which are rounded to the nearest dollar.

Significant accounting policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from Government Contract Funding

Peke Waihangā principally derives its revenue from the Crown through contracts with Capital Coast District Health Board and Accident Compensation Corporation for services to third parties.

Revenue from Government Contract Funding is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Other revenue

Other revenue, derived through the provision of services to third parties, is recognised as revenue when earned and is reported in the financial period to which it relates.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Peke Waihangā 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 statement of comprehensive revenue and expense.

Cash and cash equivalents

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

Receivables

Receivables are recorded at the amount due less any provision for uncollectibility.

A receivable is considered uncollectible when there is evidence the amount due will not be fully collected. The amount that is uncollectible is the difference between the amount due and the present value of the amount expected to be collected.

Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. At balance date Peke Waihanga assesses whether there is any objective evidence that an investment is impaired. The carrying amounts of investments with maturities less than 12 months approximates their fair value.

If an investments carrying amount exceeds its recoverable amount, the investment is impaired and the carrying amount is written down to the recoverable amount.

Inventories

Inventories are held for the provision of goods and services and measured at the lower of cost (calculated using the weighted average cost method) and net realisable value.

Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition. Inventories include stock on hand and work in progress. Inventories classified as work in progress are valued at the weighted average cost of the materials plus cost of labour.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the surplus or deficit.

Peke Waihanga does not currently use forward exchange contracts to hedge exposure to foreign exchange risk.

Property, plant and equipment

Property, Plant and equipment asset classes consist of buildings, leasehold improvements, plant and equipment, furniture and fittings and computer equipment.

Plant and equipment are shown at cost, less any accumulated depreciation and impairment losses. Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not materially from fair value and at least every three years.

Land and building revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would

result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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 Peke Waihanga and the cost of the item can be measured reliably.

An item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

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 statement of comprehensive revenue and expense.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Peke Waihanga 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 statement of comprehensive revenue and expense as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost 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:

Buildings	40 - 50 years	(2%-2.5%)
Leasehold improvements	4.75 to 50 years	(2%-21%)
Plant and equipment	10 years	(10%)
Furniture and fittings	5 years	(20%)
Computer equipment	3 years	(33%)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses 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 the development and maintenance of Peke Waihanga website is recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software	5 years	(20%)
Developed computer software	5 years	(20%)

Impairment of property, plant, and equipment and intangible 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 that 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.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Peke Waihanga would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount.

Payables

Payables are recorded at the amount payable.

Employee entitlements

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months of balance date are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Peke Waihanga recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term entitlements

Long service leave entitlements that are payable beyond 12 months have been calculated on an actuarial basis.

The calculations are based on:

- likely future entitlements accruing to personnel, based on years of service, years to entitlement, the likelihood that personnel will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

The discount rates are as specified by Treasury for accounting valuation purposes as at 30 June 2021 of 1 year 0.38%, 2 year 0.81%, 3 year plus 3.08% (2020: 1 year 0.22%, 2 year 0.25%, 3 year plus 1.63%). The calculation assumes a salary growth rate of 3.08%. (2020:2.72%) as a non-current liability.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave expected to be settled within 12 months of balance date is classified as a current liability. All other employee entitlements are classified as a non current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver and the Peke Waihanga - Artificial Limb Service Superannuation Scheme with New Zealand Retirement Trust, are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

Peke Waihanga makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

Equity

Equity is measured as the difference between total assets and total liabilities.

Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income tax

Peke Waihanga is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Budget figures

The budget figures are derived from the Statement of Performance Expectation as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements and have not been audited.

Critical accounting estimates and assumptions

In preparing these financial statements, Peke Waihanga has made estimates and assumptions concerning the future. These estimates and

assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant and equipment and intangibles

At each balance date, the useful lives and residual values of property, plant and equipment, and intangibles are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Peke Waihanga, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense and amortisation recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. Peke Waihanga minimises the risk of this estimation by physical inspection of assets and review of second-hand market prices for similar assets.

Peke Waihanga has not made significant changes to past assumptions concerning useful lives and residual values.

Property leases

Note 13 provides detail in relation to treatment of Peke Waihanga property leases. Peke Waihanga has an operating lease for its Dunedin centre, finance leases for Hamilton and Christchurch centres and land only leases for Auckland and Wellington centres. No rent is payable for the Dunedin centre and the others are paid at nominal rents.

Long service leave

Note 11 provides an analysis of the exposure in relation to estimates and uncertainties surrounding long service leave liabilities.

2. Revenue

Provision of Prosthetic Services

Peke Waihanga receives funding from a contract with Capital & Coast District Health Board, which manages the national contract for amputees with illness-based amputations, congenital limb deficiencies or long-standing trauma-based amputations. This is a bulk funding contract, the funding of which is restricted in its use to the purpose of meeting contract service specifications.

Peke Waihanga also receives revenue from a contract with ACC for trauma-based amputees for supply of specific goods and services supplied to amputees of ACC.

Provision of Orthotic Services

Peke Waihanga also has a contract with Waikato District Health Board to supply Orthotic services to Waikato District Health Board patients. This revenue is recognised when the services or products are delivered.

Provision of other services

Revenue derived through the provision of services to third parties is recognised when the services or products are delivered.

Interest Revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

3. Personnel costs

	Actual 2021 \$000	Actual 2020 \$000
Salaries and wages	7,694	6,704
Employer contributions to superannuation schemes	235	188
Increase in employee entitlements (note 11)	279	99
Total personnel costs	8,208	6,991

Employer contributions to defined contribution plans include contributions to KiwiSaver, NZ Retirement Trust Superannuation Fund and the DBP Contributions Scheme.

4. Other expenses

	Actual 2021 \$000	Actual 2020 \$000
Fees to auditor – Audit fees for financial statement audit	45	42
Board members' fees	70	68
Board members' expenses	9	37
Cleaning & laundry	153	147
Computer expense	343	242
Legal expense	26	126
Material costs	11,895	9,389
Operating lease expense	329	250
Other operating expenses	1,698	1,824
Total other expenses	14,568	12,125

5. Cash and cash equivalents

	Actual 2021 \$000	Actual 2020 \$000
Cash on hand and at bank	519	953

6. Receivables

	Actual 2021 \$000	Actual 2020 \$000
Trade debtors	1,833	2,025
Other receivables	69	55
Interest accrual	5	16
Total debtors and other receivables	1,907	2,096

The carrying value of receivables approximates their fair value.

7. Inventories

	Actual 2021 \$000	Actual 2020 \$000
Materials	1,300	1,388
Work in progress	1,329	1,244
Total inventories	2,629	2,632

Peke Waihanga does not currently hold any inventory for distribution (2020: nil).

Peke Waihanga has a provision for obsolete stock of \$213,332 (2020: \$119,812).

There are no inventories pledged as security for liabilities; however, some inventories are subject to retention of title clauses until paid for in full.

8. Investments

	Actual 2021 \$000	Actual 2020 \$000
Current investments are represented by term deposits	1,215	1,186

The weighted average effective interest rate for term deposits is 0.89% (2020: 3.09%).

There were no impairment provisions for investments.

The carrying amount of term deposits with maturities of less than 12 months approximates their fair value.

9. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

	Leasehold improvements \$000	Buildings \$000	Plant and equipment \$000	Furniture and fittings \$000	Computer equipment \$000	Total \$000
Cost or valuation						
Balance at 1 July 2019	997	-	1,141	366	448	2,952
Additions	337	6,797	158	127	173	7,592
Disposals/Transfer of ownership	(1,164)	1,164	-	-	-	-
Balance at 30 June 2020	170	7,961	1,299	493	621	10,544
Balance at 1 July 2020	170	7,961	1,299	493	621	10,544
Additions	68	274	263	27	100	732
Disposals/Transfer of ownership	-	-	-	(102)	(102)	(204)
Balance at 30 June 2021	238	8,235	1,562	418	619	11,072
Accumulated depreciation and impairment losses						
Balance at 1 July 2018	548	-	653	258	289	1,748
Depreciation expense	22	-	89	45	111	267
Eliminate on disposal/transfer of ownership	(561)	561	-	-	-	-
Balance at 30 June 2020	9	561	742	303	400	2,015
Balance at 1 July 2020	9	561	742	303	400	2,015
Depreciation expense	-	108	110	60	137	415
Eliminate on disposal/transfer of ownership	-	-	-	(102)	(102)	(204)
Balance at 30 June 2021	9	669	852	261	431	2,226
Carrying amounts						
At 1 July 2019	449	-	488	108	159	1,204
At 30 June and 1 July 2020	161	7,400	557	190	221	8,529
At 30 June 2021	229	7,568	710	157	184	8,846

There are no restrictions over the title of Peke Waihanga plant and equipment, nor are there any plant and equipment pledged as security for liabilities. The most recent valuations for the buildings are:

Auckland - 7 Horopito Street - performed by an independent registered valuer J McKenzie of Bayleys Valuations Limited. The valuation of \$4,100,000 is effective 1 July 2020.

Wellington - Level 1, 42 Mein Street - performed by an independent registered valuer P Butchers of Bayleys Valuations Limited. The valuation of \$3,300,000 is effective 4 July 2020.

Peke Waihanga adopted the valuations as at 30 June 2020. Peke Waihanga has assessed the carrying values of these buildings and considered they do not differ materially from fair value.

10. Payables and revenue in advance

	Actual 2021 \$000	Actual 2020 \$000
Creditors	752	1,413
Revenue in advance	55	201
Accrued expenses	522	209
GST	281	259
Total creditors and other payables	1,610	2,082

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximated their fair value.

11. Employee entitlements

	Actual 2021 \$000	Actual 2020 \$000
Current employee entitlements are represented by:		
Accrued salaries and wages	377	167
Annual leave	448	380
Sick leave	22	22
Long service leave	38	40
Total current portion	885	609
Non-current employee entitlements are represented by:		
Long service leave	132	129
Total non-current portion	132	129
Total employee entitlements	1,017	738

The present value of long service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

In determining the appropriate discount rate, Peke Waihangā used the discount rates published by the Treasury for the purpose of valuing employee benefits as at 30 June 2021 of 1 year 0.38%, 2 year 0.81%, 3 year plus 3.08% (2020: 1 year 0.22%, 2 year 0.25%, 3 year plus 1.63%). The salary growth factor of 3.08% (2020: 2.72%) has been determined after considering historical salary inflation patterns by an independent actuary.

Using the discount rate used in 2020 the carrying amount of the liability would be an estimated \$14,000 higher. If the salary growth factor were to differ by 1% from Peke Waihangā's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$12,000 lower if salary growth is 1% lower and \$13,000 higher if salary growth is 1% higher.

12. Equity

General funds

	Actual 2021 \$000	Actual 2020 \$000
Balance at 1 July	12,625	5,605
Surplus/(deficit)	44	7,020
Balance at 30 June	12,669	12,625

13. Capital commitments and operating leases

Capital commitments

	Actual 2021 \$000	Actual 2020 \$000
Buildings	4,121	-

Peke Waihanga have contracted RM Designs to design and build a new centre in Christchurch. The total build cost as at 30 June was \$4.121m. Subsequent to year-end this was revised to \$4.314m.

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Actual 2021 \$000	Actual 2020 \$000
Not later than one year	255	260
Later than one year and not later than five years	270	456
Later than five years	0	0
Total non-cancellable operating leases	525	716

Peke Waihanga has commercial leases on the following properties:

National Office entered into a new lease on 1 September 2018 for a six year term. The annual rent is \$84,328 with a rent review in September 2021.

Auckland Centre entered into a new lease for additional space on 01 July 2021 for a 2 year term. The annual rent is \$34,577.

Tauranga Centre entered into a new lease on 1 June 2020 for a 3 year term. The annual rent is \$57,360.

Christchurch centre entered into a new lease on 4 December 2018 for a 3 year term. Annual rent is \$118,225.

Canterbury District Health Board agreed for Peke Waihanga to build a new centre on the land leased at Burwood Hospital site. Peke Waihanga expects to move into these new premises in the 2022 financial year.

Dunedin Centre lease - a three-year variation was verbally agreed, extending the lease to April 2020. No rent is payable with fixed outgoings of \$20,754 per annum. Peke Waihanga continues to occupy these premises. No new lease has yet been negotiated.

The Auckland, Wellington and Christchurch Centres are on land leased as crown assets at nominal rents.

Finance leases

The Hamilton and Christchurch centres are in premises provided as crown assets at nominal rents. These leases are deemed as Finance leases due to the length of the lease term.

The leases expire as follows:

Auckland – June 2075

Hamilton – June 2029

Wellington – June 2079

Christchurch – June 2045

Peke Waihanga has elected not to quantify the benefits arising from these leases.

During 2020 the Ministry of Social Development (MSD) transferred their ownership in the building of the Auckland Centre and the lease became a land only lease. Also, MSD transferred their interests in the properties in Hamilton and Wellington to Peke Waihangā. Peke Waihangā has had Bayleys value their interests in these properties.

14. Contingencies

Contingent liabilities

Superannuation schemes

Peke Waihangā is a participating employer in the DBP Contributors Scheme ('the Scheme'), which is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2021, the Scheme had a past service surplus of \$1.3 million, being 2.2% of the liabilities (2020: deficit \$2.8 million – 4.1% of total liabilities). This amount is exclusive of Employer Superannuation Contribution Tax. This deficit was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 39.

The current employer contribution rate is four times contributor contributions, inclusive of Employer Contribution Withholding Tax. The Board is considering changing the investment strategy. The Actuary has recommended:

- If the Board remains with the current investment strategy, an employer contribution rate of two times contributor contributions.
- If the Board moves to a conservative investment strategy, that the employer contribution rate is retained at four times contributor contributions.

There are no other contingent liabilities (2020: \$nil).

Contingent in relation to cessation assets

The Peke Waihangā has no contingent assets (2020: \$nil).

15. Related party transactions

Other than as noted on the table on page 44, there are no transactions outside normal supplier or amputee/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Peke Waihangā would have adopted in dealing with the party at arm's length in the same circumstances.

As noted at note 13, Peke Waihangā has property lease agreements at nominal rental with the Ministry of Social Development. All other transactions with government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation	Actual 2021	Actual 2020
Board Members		
Remuneration	70,343	67,158
Full-time equivalent members	1.0	1.0
Leadership Team		
Remuneration	1,194,081	1,093,384
Full-time equivalent personnel	8.48	7.44
Total key management personnel remuneration	1,264,424	1,160,542
Total full time equivalent personnel	9.48	8.44

16. Board member remuneration

The total value of remuneration paid or payable to each Board member during the year was:

	Actual 2021 \$000	Actual 2020 \$000
G. Reedy	25	25
A. Thurston	9	9
C. Bennett	9	9
F. Sumner	-	4
K. Horan	9	9
K. Ross	9	9
S. Burns	7	-
Total Board member remuneration	70	68

There have been no payments made to committee members appointed by the Board who were not members of the Board during the financial year.

No Board members received compensation or other benefits in relation to cessation (2020: nil).

17. Employee remuneration

Total remuneration paid or payable	Actual 2021 \$000	Actual 2020 \$000
\$100,000 – \$109,999	2	1
\$110,000 – \$119,999	3	3
\$120,000 – \$129,999	1	1
\$170,000 – \$179,999	1	1
\$250,000 – \$259,999	1	-
\$260,000 – \$269,999	-	1
Total employees	8	7

During the year ended 30 June 2021, No employee received compensation and other benefits in relation to cessation (2020: NIL).

18. Events after the balance date

There were no significant events after the balance date.

19. Categories of financial assets and liabilities

The carrying amount of financial assets and liabilities in each of financial instrument categories are as follows:

	Actual 2021 \$000	Actual 2020 \$000
Loans and receivables		
Cash and cash equivalents	519	953
Term deposits	1,215	1,186
Receivables	1,607	2,096
Total loans and receivables	3,341	4,235
Financial liabilities measured at amortised cost		
Payables	1,311	2,082
Total financial liabilities measured at amortised cost	1,311	2,082

20. Explanation of significant variances against budget

Explanations for significant variations from the Peke Waihanga budgeted figures in the Statement of Performance Expectations are as follows:

Statement of Revenue and Expense

Revenue

The additional Government contracted revenue of \$4,145,000 over that budgeted has been generated from services to:

- ACC amputees through the delivery of advanced technology componentry.
- Orthotic patients due to greater number of referrals being received than anticipated.

Operating expenses

Total operating expenditure exceeded budget by \$3,671,000. This was principally due to:

- Increased cost of materials resulting from costs associated with the delivery of the advanced technology components to ACC and the increase in Orthotic referrals
- Increase in staffing costs to service the increased demand to health funded amputees and Orthotic patients
- Purchase of orthotic products to service our orthotic patients.

The other significant expense exceeding budget was Information Technology with a focus on developing a mobile workforce and enhancing our disaster recovery to ensure there would be limited impact on operations should a disaster occur.

21. COVID-19 Impact

During August and September 2020 and February and March 2021, the Auckland region moved into Alert Levels 3 and 2 and other parts of the country moved into Alert Level 2. Towards the end of June 2021, the Wellington region moved into Alert Level 2 for one week.

One of the largest Peke Waihanga centres is based in Auckland. While Peke Waihanga is an essential service, the need to social distance from patients and other staff meant full services were not able to be carried out in our Auckland centre during the higher alert levels of the pandemic.

The organisation has not suffered any asset valuation impacts nor any increased costs as a result of COVID-19.

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Peke Waihangā

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