

Peke Waihanga

Artificial Limb Service

Orthotic Service

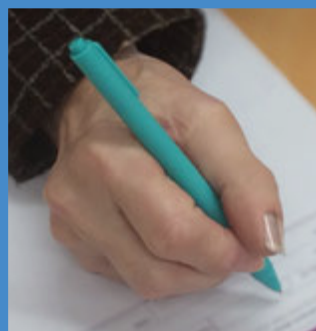
Peer Support Service

E.12A

# Annual Report

For the Year Ended  
30 June 2025

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





The background of the entire page is a dark, muted green color with a subtle pattern of fern fronds. The fronds are lighter green and appear to be layered, creating a sense of depth. They are most visible on the left and bottom edges, where they overlap the dark background.

## Our Vision

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**Kia riro ia te mana motuhake o  
tōna ao, kātahi ā mātou tūroro ka  
whai hua.**

Independent and productive lives for  
the people we care for.



# Who We Are

Peke Waihangā (New Zealand Artificial Limb Service) is an autonomous Crown Entity under the Crown Entities Act 2004 and Artificial Limb Service Act 2018 and is required to comply with the Public Finance Act 1989.

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Peke Waihangā delivers prosthetic, orthotic, rehabilitation, peer support and coordination of care service. We do this based on the following legislated functions:

- to manufacture, import, export, market, distribute, supply, fit, repair, and maintain artificial limbs *(and other similar devices)*
  - to provide rehabilitative and other services to people in connection with artificial limbs *(and other similar devices)*
  - to carry out research and development in relation to artificial limbs *(and other similar devices)*
  - to advise the Minister on matters relating to artificial limbs *(and other similar devices)*
- 

## Government Direction

Under the Crown Entities Act 2004, we are required to follow directions issued by our Minister. We received no new directions from our Minister during the financial year.

Peke Waihangā is subject to and complies with the Whole-of-Government Procurement Direction.

# Rarangi Take

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# To the Minister for Social Development

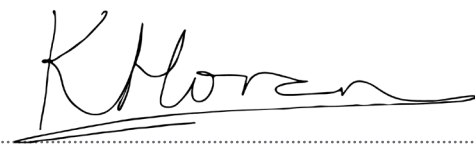
In accordance with section 151 of the Crown Entities Act 2004, we submit the Annual Report of Peke Waihanga – New Zealand Artificial Limb Service.

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Kevin Ross  
**Chair**

31 October 2025



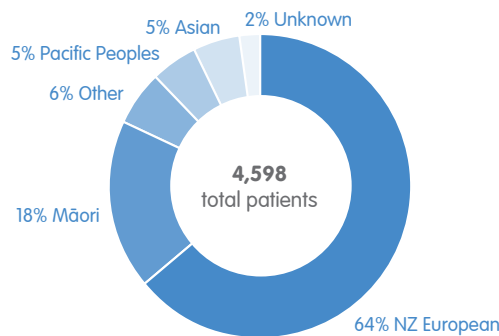
Kate Horan  
**Board Member**

31 October 2025

# Whakaahua o te Tau 2025 Snapshot

## Artificial Limb Service

### Overview

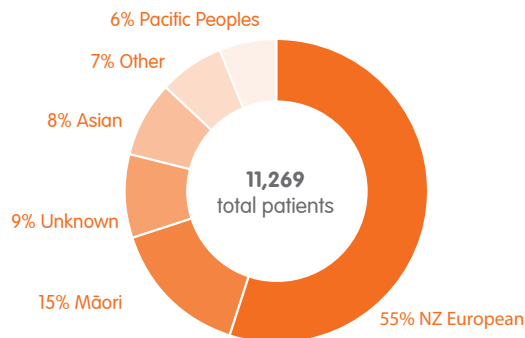


### Gender



## Orthotic Service

### Overview

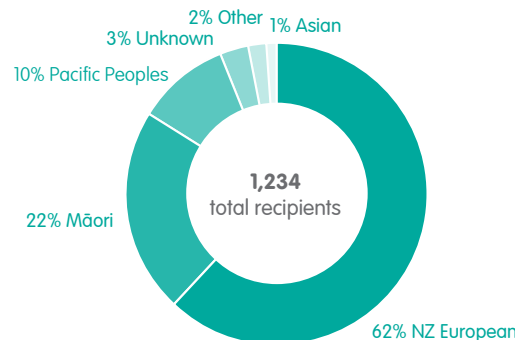


### Gender



## Peer Support Service

### Overview



### Volunteers



## Our locations

We have eight main centres that support 17 regional clinic locations, as shown below:



## This year at a glance:

### Our patients:

657 new amputees	27% trauma amputations
46% diabetes & vascular amputations	27% congenital, cancer and infection amputations

### Our contractors and employees:

4 rehabilitation physicians	23 device technicians
7 orthopaedic surgeons	2 digital technicians
2 general practitioners	116 peer support volunteers
46 prosthetists/orthotists	31 support & coordination staff
21 physiotherapists & occupational therapists	31 management & national office staff
5 nurses	

# Chairman's Report

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**Ka tū te rākau, ka hōhonu ngā pakiaha.**

**The tree stands strong, and the roots run deep.**

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Peke Waihanga's commitment to delivering high-quality prosthetic and orthotic care has never been more important. In the face of global challenges, including rising costs, funding constraints, increased demand, and a shortage of healthcare professionals, we have continued to uphold a strong patient focus, striving for timely and equitable access to essential services.

Throughout the year, we have been preparing for the introduction of a new contract with Health New Zealand. This agreement will be centred around the newly designed Nationally Consistent Rehabilitation and Mobilisation Service for Amputees, a model developed in partnership with Health New Zealand, the Accident Compensation Corporation, and the Amputees Federation of NZ. The new framework is designed to provide greater equity of care for patients, ensuring consistent access to artificial limb services regardless of whether limb loss or difference is due to health conditions or trauma.

Our commitment to improving equity of access has also been reflected in the launch of new metro clinics in Manurewa and Ōtara, specifically designed to improve access to prosthetic and orthotic services for South Auckland communities. These clinics, supported by a mobile workshop, provide minor repairs, reviews, and deliveries, offering a convenient and responsive service. Early feedback has been invaluable in shaping the ongoing development and refinement of these services.

A new six-month pilot pain programme, led by Dr Sheela Perumal, was launched to support

post-amputation pain management through a combination of in-person and telehealth clinics. The programme integrates both pharmacological and non-pharmacological treatments to deliver personalised care to patients. Clinics were held virtually every fortnight and received strong support from pain services, with a national presentation planned to share initial findings. The pilot will be reviewed in August 2025 to determine its future direction.

Over the past year, Peke Waihanga has remained steadfast in its mission to enhance the lives of people we care for through innovation, collaboration, and a patient-centred approach. Notable achievements include the successful rollout of Socket 2.0 – a next-generation 3D-printed prosthetic socket offering improved comfort and durability – and our ongoing investment in digital workflows, safety protocols, and clinician training.

A groundbreaking transhumeral prosthesis featuring pattern recognition control, an electronic elbow, and a multi-articulating hand was fitted for a patient in Auckland – one of the first such devices prescribed globally. Despite initial challenges, the project resulted in excellent functional outcomes and highlighted New Zealand's leadership in embracing advanced prosthetic technologies.

In 2024–25, Peke Waihanga made significant improvements to the Manaaki Patient Management System to improve staff workflows and free up time for patient care. Supported by a dedicated team, Manaaki continues to evolve



as part of Peke Waihanga’s vision for digital excellence.

Our operational capabilities were also strengthened by the introduction of TASKLET, a new barcode scanning system that replaced manual stock management across all 11 stores. This upgrade has improved inventory accuracy and reliability which is crucial with over 15,000 active stock codes. The system has streamlined stock management processes, enhancing patient care and responsiveness.

In 2024-25, we have demonstrated our commitment to patient safety and public confidence in the quality of our prosthetic and orthotic devices. Initiatives such as internal campaign, which underscored the importance of our people’s role in ensuring we prescribe safe devices, the mandatory Quality Checklist for Prosthetic Devices, and the introduction of updated Check Socket Guidelines, underscore our dedication to continuous improvement. We have also strengthened our incident investigation processes and collaborated with Health New Zealand on a comprehensive audit of our service quality and expertise. These efforts reinforce our commitment to delivering safe, reliable, and high-quality care.

We remain committed to continually improving our facilities and holding ourselves to a high standard on these works to ensure they meet the needs of the people we care for. This year, we have embarked on a significant investment to upgrade our Auckland Centre, including the addition of a second story and a redesigned,

fit-for-purpose layout to enhance service delivery. This \$6 million project represents our ongoing dedication to providing modern, accessible, and high-quality environments, with completion expected by mid-2026.

Recent years have seen significant growth and progress for Peke Waihanga. In response we have strengthened our leadership structure by building the capability of Regional Managers to manage their own local planning and centre budgets, implementing a Leadership Development Programme to build future capability, and launching a leadership buddy system to nurture emerging leaders.

As we look ahead, Peke Waihanga remains focused on empowering patients and advancing prosthetic and orthotic care. With a continued emphasis on collaboration, innovation, and delivering person-centred solutions, we are well-positioned to build on our achievements and help our patients lead more active and fulfilling lives.

Ngā mihi,

A handwritten signature in black ink, appearing to read 'Kevin Ross', with a stylized flourish at the end.

**Kevin Ross**  
**Chair**

# Changes to the Peke Waihanga Board

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After 10 years of dedicated service, Chair George Reedy retired from the Peke Waihanga Board in 2024. His leadership was recognised at a special event, where tributes acknowledged his role in transforming Peke Waihanga and strengthening its culture of innovation and support. **Kevin Ross**, a current board member with a strong background in local government, succeeded him as Chair.

**Cynthia Bennett** also stepped down and two new board members were welcomed: rehabilitation physician and Māori health leader, **Dr Dawn-Louise Adair** and **Patrick O'Doherty**, a digital transformations expert and recognised thought leader.



**Above:** After 10 years, George Reedy is farewelled as Board Chair of Peke Waihanga..

# Parliament Select Committee Appearance

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Peke Waihangā CEO Sean Gray and Board Chair George Reedy appeared before Parliament's Social Services and Community Select Committee in July. They were there to provide a formal briefing review. Select Committees are charged with looking at Parliamentary business in detail and briefing reviews help ensure accountability by Government organisations such as Peke Waihangā, which is a crown entity. All political parties are represented on the committee which provide member MPs with the opportunity to ask questions and share expectations.

During the hearing Sean and George told committee members that the people Peke Waihangā cares for deserve good coordination of care and a high-quality of service, a core belief all staff keep central in their efforts on behalf of patients.



**Above:** Peke Waihangā CEO Sean Gray and Former Board Chair George Reedy at the Select Committee.



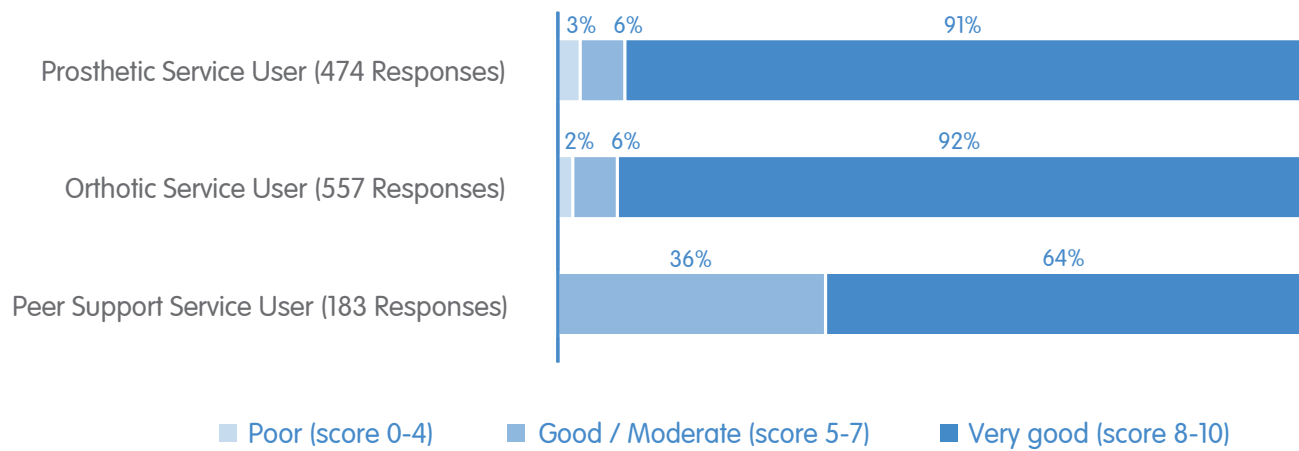
# Ratonga Service

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.

# Service Satisfaction

## Results for "Rate the overall service you received for the job we have undertaken for you?"

Scale: 0 being the worst and 10 being the best possible



Peke Waihanga independently and anonymously surveys users to understand their satisfaction with the service we provide them. The above graph shows:

- 1. 91% of 474 prosthetic service users scored overall service satisfaction "very good".
- 2. 92% of 557 orthotic service users scored overall service satisfaction "very good".
- 3. 64% of 183 peer support service users scored overall service satisfaction "very good".



# Artificial Limb Service (Prosthetics)

Reason for Amputation	2021	2022	2023	2024	2025
Injury / Trauma	2,413	2,472	2,489	2,696	2,583
Cancer / Infection / Congenital / Other	1,257	1,281	1,359	1,357	1,262
Diabetes / Vascular	1,246	1,350	1,296	1,406	1,172
Total	4,916	5,103	5,144	5,459	5,017

The above table shows amputees needing prosthetic services by reason for amputation over the last five years.

## Auckland Centre Upgrade

Ministerial approval of a \$3 million loan from Westpac secured the full \$6 million investment required for the significant redevelopment of the Auckland Artificial Limb Service Centre.

The project, which commenced in early 2025, involves expanding the facility by 285m². This is being achieved by enclosing the existing courtyard and constructing a new second story to accommodate administration functions. The redesign will free up the ground floor, allowing for expanded clinical and technical services, ultimately streamlining patient care and increasing capacity across the Northern region.

This redevelopment supports the long-term sustainability of the service, ensuring enhanced care delivery for the years ahead. Construction is anticipated to take approximately 12 months, with completion scheduled for early 2026.



**Above:** Auckland Artificial Limb Service Centre redevelopment underway.

# Driving a Culture of Safety

At Peke Waihangā, we are committed to continuously enhancing the safety, comfort, and quality of the prosthetic and orthotic devices we manufacture. In 2024-25, we implemented a range of initiatives focused on device safety, staff engagement, and transparent auditing processes to reinforce our commitment to patient care.

These initiatives are central to Peke Waihangā's ongoing mission to protect patient safety and to maintain public trust and confidence in our services. Through proactive internal campaigns and external reviews, we continue to advance our systems to deliver safe, high-quality prosthetic and orthotic devices for the people we serve.

## Staff awareness and education

A key initiative was the 'Assembled. Assessed. Approved.' campaign, held in August, which underscored the vital role staff play in ensuring device safety. The campaign included:

- Introduction of the Quality Checklist for Prosthetic Devices as a mandatory step in our Manaaki system, ensuring each device undergoes a rigorous quality check before delivery to a patient.
- Publication of the Check Socket Guidelines, providing clear procedures for safe and consistent socket fabrication.
- Publication of patient information sheets for Check Sockets and Pin Lock Liners, empowering patients with enhanced knowledge of their devices, particularly how to use them safely.

## Independent review and audit

An independent Health New Zealand audit confirmed Peke Waihangā meets and, in several areas, exceeds required standards. Strengths included proactive workforce planning and training, integrated multidisciplinary care, and regional access through mobile and telehealth services. The audit also commended strong partnerships with hospitals, surgeons, and allied health teams, as well as a robust safety culture and effective peer support networks helping patients reintegrate into their communities.

## Learning from incidents

Comprehensive investigations followed any prosthetic failure incidents, ensuring swift corrective action. National reporting of faults in 3D-printed sockets identified issues with SLS printing, leading to a shift to MJF printing for weight-bearing devices—an evidence-based improvement strengthening safety and performance.

## Pain Project Provides Support for Post-Amputation Patients

In response to the complex challenges faced by patients experiencing post-amputation pain, a new six-month pilot pain programme was launched this year to provide face-to-face and telehealth clinics across Aotearoa. The programme combines pharmacological and non-pharmacological treatments to deliver personalised, patient-centred care.

Clinics have been held virtually every fortnight, with clinical teams collaborating closely with project leader and pain specialist Dr Sheela Perumal. This initiative increased patient access to pain rehabilitation and also strengthened connections with existing pain management services nationwide. The pilot was presented to other pain clinics in Auckland, including Middlemore Hospital and the Auckland Regional Pain Service, and has been exceptionally well received. Plans are underway to present the programme to all rehabilitation physicians in New Zealand at a symposium in Christchurch in July 2025.

There is significant potential for the future development of this service, as it currently fills a unique gap in pain management for amputees in New Zealand. The programme's continuation will be reviewed after its six-month pilot phase concludes in August 2025, with its future contingent on available expertise and funding.

## Osseointegration expanded for NZ Upper Limb Patients

Surgical procedures for osseointegration are now being done for the first time in New Zealand for transhumeral (above-elbow) amputees and Peke Waihangā clinicians are providing the prosthetic devices. Osseointegration involves surgically implanting a titanium fixture directly into the bone of the residual limb, creating a stable and permanent connection for a prosthetic device. This method eliminates the need for traditional socket prostheses, offering improved comfort, mobility, and proprioception for the user.

This initiative reflects a collaborative effort among surgeons and Peke Waihangā prosthetists and rehabilitation specialists, to integrate advanced technologies into patient care, ensuring that individuals across Aotearoa have access to innovative and effective prosthetic options.

## Innovative Prosthesis with Pattern Recognition Control

In a significant advancement for upper-limb prosthetics, a transhumeral (above-elbow) amputee in Auckland was fitted with a pioneering prosthetic system integrating pattern recognition control via a myoelectric liner, coupled with an electronic elbow and a multi-articulating hand. This configuration represents one of the first instances globally of such a comprehensive prescription.

Pattern recognition technology uses advanced algorithms to interpret complex muscle activation patterns, allowing for more intuitive and seamless control of multiple prosthetic joints. This approach offers a more natural user experience compared to traditional myoelectric systems.

While initial implementation presented some challenges, the system demonstrated excellent functional outcomes once optimised. The patient reported improved control and comfort, highlighting the potential of this technology to enhance quality of life for individuals with upper-limb amputations.



**Above:** This customised prescription is one of the first of its kind globally.

# Case Studies

## Empowering sporting aspirations

### **From concept to gold: Anna Grimaldi's winning edge**

Peke Waihanga's Dunedin team partnered with Paralympian Anna Grimaldi to craft a develop a 3D printed custom running arm for this year's Paralympics that would propel her to the top of her sport. This collaboration resulted in a gold medal victory in the Women's 200m T47 and a bronze in the Women's 100m T47 at the Paris Paralympics – New Zealand's only gold medal won at the Games.

### **From challenges to champions: Elliott's CrossFit journey**

At just 15 years old, Elliott set his sights on competing in CrossFit, a sport known for its intensity and varied movements. His lower limb difference presented unique challenges, but Peke Waihanga's dedicated team stepped up, collaborating to create a customised prosthetic tailored to his training demands. Engineered for strength, agility, and durability, the prosthesis enabled Elliott to pursue his CrossFit ambitions with confidence and determination. Thanks to this innovative solution, Elliott can now train and competes alongside his peers.

### **From cancer to confidence: Annabel's new blade**

Annabel Knight, a Kerikeri teenager, faced bone cancer that resulted in a lower limb amputation. Determined to return to the activities she loved, Annabel worked with Peke Waihanga to receive a custom running blade. This blade not only supported her physical recovery but also reignited her passion for sports and movement.

### **A kayaking adventure for an active child**

A young boy, determined to participate fully in his activities, was given a custom kayaking device for his arm. Designed specifically for use at Stump Camp, this device enabled him to join in kayaking activities with his peers. His mother shared a heartwarming video of him confidently paddling across the water, a moment that captured his newfound independence and enthusiasm. This device has not only opened the door to kayaking but also means he can take part in his school camps without feeling left out. Thanks to the dedication of our prosthetists, he can now focus on adventure, not limitations.





**Above:** An innovative customised prosthesis, engineered for strength, agility and durability enabled Elliot to pursue his CrossFit ambitions with confidence and determination.

# From Play to Possibilities

## Devices for toddlers and a young innovator

Peke Waihanga has empowered several young children with tailored prosthetic solutions. For a group of energetic toddlers, Koala devices were provided, enabling them to ride bikes and scooters – an experience typical for three, four and five-year-olds. These devices support them in enjoying play and exploration, just like their peers.

In a remarkable story, a nine-year-old was fitted with a Myoelectric arm from Ottobock's innovative bioelectric kit. This was made possible through a special agreement with Ottobock, where they generously provided the kit at a reduced price, recognising the potential for impact. This young user quickly adapted to the new arm, demonstrating both skill and resilience, and highlighting how early access to advanced technology can transform a child's life.

## A guitarist finds her rhythm again

A professional guitarist faced the challenge of losing a finger, a vital part of her craft. Peke Waihanga crafted a finger device that restored her ability to play the guitar and continue her one-person performances. This device allowed her not just to continue working, but to pursue her passion, making music an integral part of her life once more.

## Finger prosthesis helps church presenter confidence

A woman who lost her finger struggled with self-consciousness, particularly when presenting in front of her church congregation. Our team created a silicone finger prosthesis that was so lifelike she burst into tears of joy. Now, she feels comfortable and confident in front of others, using expressive hand gestures without hesitation. She shared photos of the device, showcasing how much it has changed her life, both personally and socially.

## Custom prosthesis enhances Social Worker's professional presence

A dedicated social worker, born with a shortened arm, often found that his visible difference became a distraction during client interactions. To address this, he partnered with Peke Waihanga to develop a **custom silicone prosthesis** designed to closely match his natural hand. Using a lightweight **3D inner structure**, the prosthesis fits comfortably beneath a suit, creating the appearance of two fully formed hands. This discreet, lifelike solution has significantly improved his professional engagement and boosted his personal confidence—allowing him to focus fully on supporting others.





**Above:** A Silicone Technician refines a silicone cover sculpted over a 3D-printed arm, customised to match the patient's natural arm shape and colour.

# Orthotics Service

## Growth and new building at Tauranga Orthotic Service

The continued success of our orthotic services in the Bay of Plenty has driven significant growth at our Tauranga Centre. This expansion reflects the positive impact Peke Waihangā has had in the local community and the increasing demand for high-quality orthotic care.

As a result of this growth, we outgrew our existing premises. On 1 October 2024, Bay of Plenty Orthotics officially moved into a new, larger facility designed to support our growing team and patient needs. Alongside the move, we rebranded the service to reflect our Tauranga location – Bay of Plenty Orthotics is now known as Tauranga Orthotic Service.

## Expansion of Orthotic Services in Wanaka

A new orthotist has established an orthotics clinic in Wanaka, operating fortnightly. This initiative has also focused on providing education for local health providers, resulting in increased referrals and strengthened local healthcare collaboration.

## Orthotic Support for a Former Elite Athlete

A former elite athlete was facing the possibility of knee replacement surgery, fearing it might end his active lifestyle. However, our orthotist provided a tailored orthotic solution that significantly reduced his pain and restored his mobility. Thanks to the orthotist's expertise and the support of our team, this patient regained the ability to move comfortably and postponed the need for surgery. His gratitude was clear, as he expressed heartfelt thanks for the care and innovation that gave him back his quality of life.



**Above:** Increased demand prompted an expansion and a new location for Tauranga Orthotic Service.



## Te Pou Aropā Takitoru (Peer Support Service)

Our national peer support service continues to grow by matching our trained volunteers to those in need and offering pre and post amputation support, including partner support. We work hard to continually improve our service to provide the best support possible. This year for the first time we trained parents of children with limb loss or difference to support other families in similar circumstances.

The total number of people supported during the 2024-2025 year was **220 from 269 referrals** (82% of referrals).



**Above:** Wellington peer support attendees training in May 2025.



# Hunga Mahi Mātanga

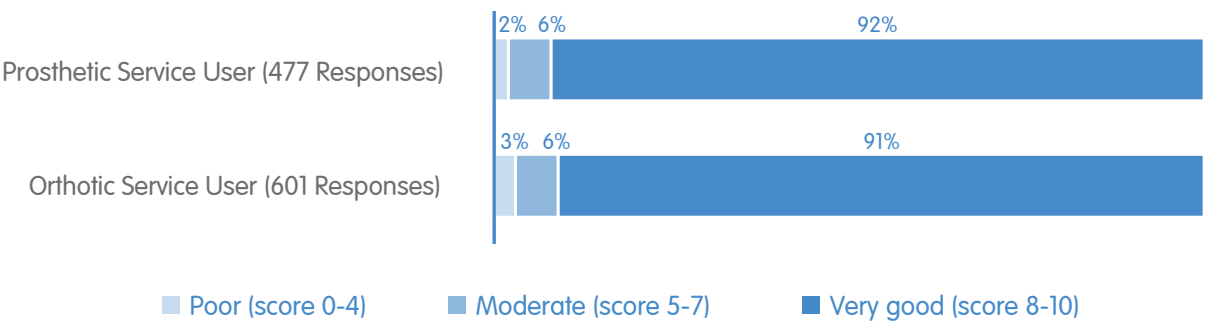
## Expert Workforce

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

# Trust and Confidence

## Results for "Rate how trusting and confident did you feel with staff providing your care?"

Scale: 0 being the worst and 10 being the best possible

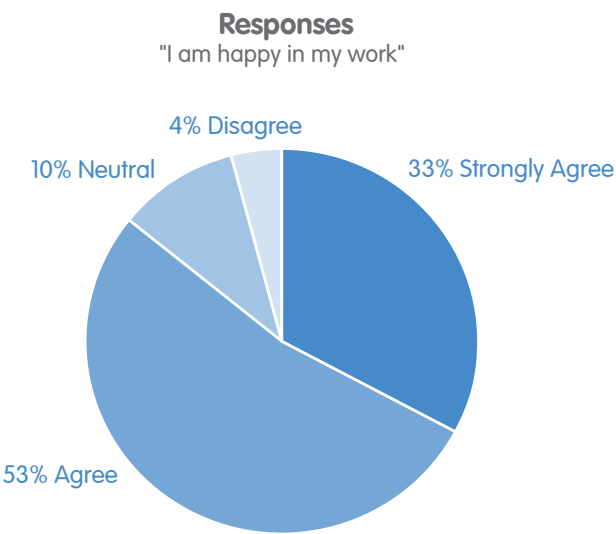


Peke Waihanga independently and anonymously surveys service users to understand their trust and confidence. The above graph shows:

- 1. 92% of 477 prosthetic service users scored overall trust and confidence "very good".
- 2. 91% of 601 orthotic service users scored overall trust and confidence "very good".

# Staff Pulse Survey

We conduct triannual staff Pulse Surveys (Team Culture and Wellbeing). The aim of these anonymous surveys is to gauge how staff are feeling at work and to gather feedback and suggestions on how we can continue to improve our work environment.



The above graph shows results from the May 2025 Pulse Survey. Of 113 respondents, 92% of our respondents "agreed" or "strongly agreed" that they feel happy at work, and 86% "agreed" or "strongly agreed" that we have a positive team culture at Peke Waihanga.

## Investing in Future Talent for Prosthetics and Orthotics

Peke Waihanga continues to address the challenge of recruiting Clinical Prosthetists/Orthotists – an essential role within our organisation – through the Peke Waihanga Graduate Programme, established in 2019. The programme was launched in response to both the lack of prosthetics and orthotics, lack of training available in New Zealand and the increasing global demand for these services due to rising rates of musculoskeletal conditions, diabetes, and stroke.

Historically, recruitment for these roles has relied heavily on overseas candidates, often taking six months or more for positions to be filled. The Graduate Programme helps mitigate this skills shortage by financially supporting one to two candidates annually to undertake the three-year Bachelor of Prosthetics and Orthotics at the University of the Sunshine Coast in Queensland, Australia.

The programme has already yielded promising results. Two graduates have completed the programme, one of whom is now employed as a Clinical Prosthetist/Technician in Tauranga. Three others are part way through, and another is due to begin studies in 2026.

This investment in future talent not only supports succession planning in the face of global shortages and an aging workforce but also ensures Peke Waihanga can continue to deliver quality, lifelong care to patients.

## Strengthening Expertise

Peke Waihanga continues to prioritise the development of workforce expertise across its national network, with a range of initiatives designed to enhance staff capability, foster collaboration, and improve service delivery. Key developments include:

- A nurse in the Dunedin Centre is now working more closely within a multidisciplinary team (MDT), breaking down silos to provide a "one-stop shop" for patients. This approach ensures holistic care, particularly for diabetic, vulnerable, and complex patients, and involves active collaboration with physiotherapists for new referrals.
- Peke Waihanga has enhanced integration with primary and secondary care providers, as well as community district nurses. This includes delivering targeted education sessions for these health professionals to ensure seamless and informed patient care across services.
- Comprehensive reviews of job descriptions across roles have been conducted to ensure alignment with current service needs and staff capabilities. This helps clarify expectations, support professional development, and attract skilled candidates.
- Part-time stock administrators have been employed in each centre to efficiently manage the flow of stock. This measure supports clinical staff by ensuring timely access to necessary supplies, contributing to smoother operations and improved service delivery.

## Össur Training for Upper Limb Clinicians

In June, advanced Össur Academy training sessions started for all upper limb clinical teams. These sessions focus on two key prosthetic solutions: Naked Prosthetics, which provide functional, body-driven finger prostheses for individuals with partial hand or finger amputations, and Livingskin, a high-definition silicone prosthesis designed for realistic cosmetic restoration.

The hands-on nature of these courses allowed clinicians to gain practical experience in assessment, impression-taking, fitting, and functional training. This approach has enhanced clinician confidence and is expected to lead to improved patient outcomes.

This initiative underscores our commitment to continuous professional development and the adoption of innovative prosthetic technologies to better serve our patients.

## World Orthoses Expert Shares Learning

Peke Waihanga hosted two one-day orthotics workshops in 2024 at our Auckland Centre, led by renowned expert David Buchanan in collaboration with OPC Health. David Buchanan is globally recognised for his expertise in knee-ankle-foot orthoses (KAFO), ankle-foot orthoses (AFO), and complex neuro-orthopaedic pathologies.

A total of 32 clinicians and technicians, including both Peke Waihanga employees and external health providers, attended these workshops. The sessions combined theory and hands-on learning, covering topics such as casting techniques, alignment, shape capture, biomechanics, tuning of AFOs, and the optimal use of different joint types to enhance patient outcomes.

Peke Waihanga clinicians continue to hold a high standing within the prosthetics and orthotics community in both Australia and New Zealand, as evidenced by their active participation and contributions to key industry events this past year.



**Above:** Orthotic workshops offered to healthcare providers combine both theory and hands-on learning opportunities.



## Advancing Industry Expertise and Innovation

At the Australian Orthotic Prosthetic Association (AOPA) Congress held in Canberra in October, seven Peke Waihanga staff attended, with two delivering well-received presentations on *“Adapting to Changes in the World of Amputee Rehabilitation”* and *“Innovations in 3D Printed Sockets.”* These contributions were met with strong interest from the wider Australian and New Zealand prosthetic and orthotic community, reinforcing the high calibre of clinical expertise at Peke Waihanga.

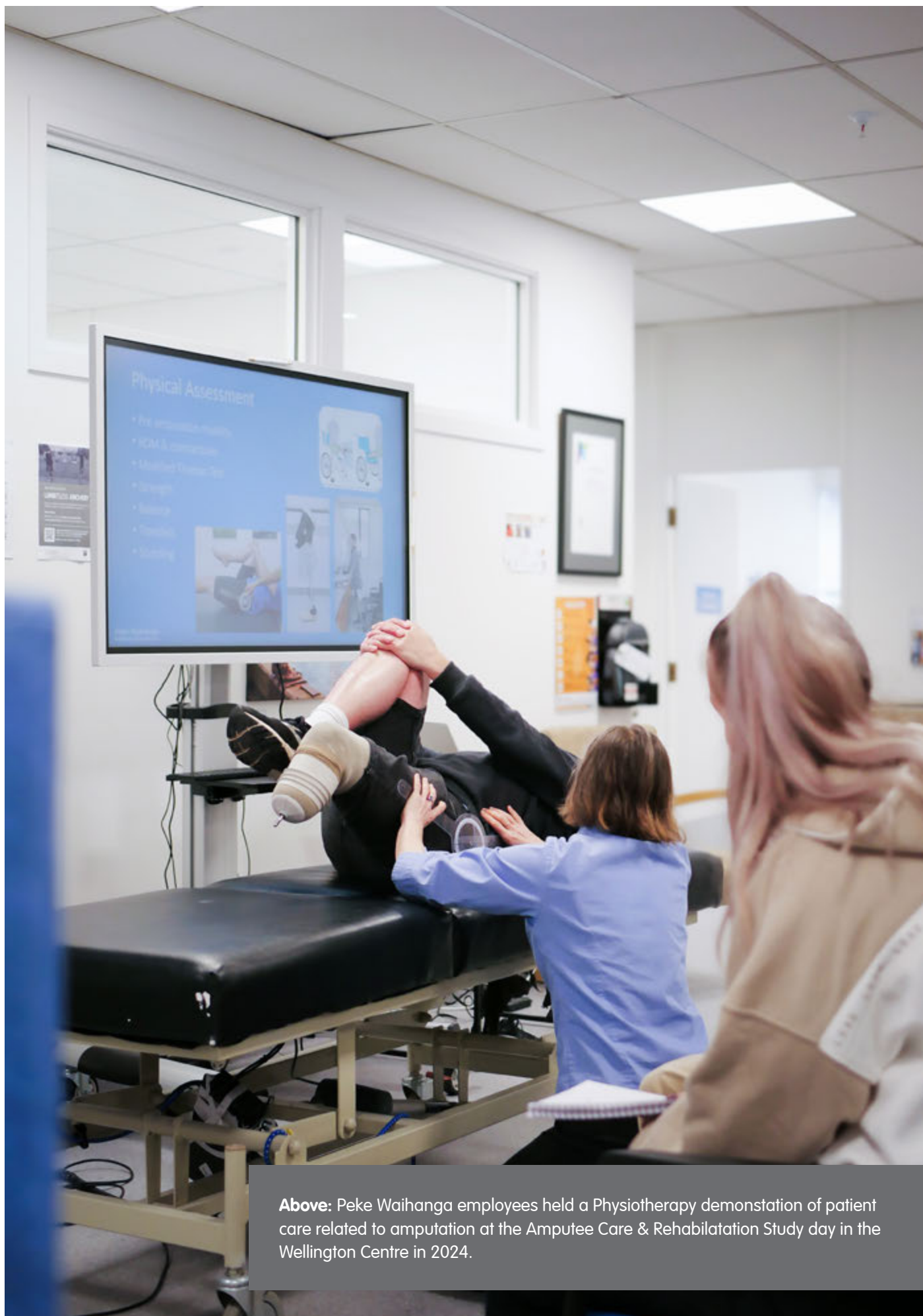
Closer to home, at the New Zealand Orthotist and Prosthetist Association (NZOPA) Conference held in Wellington in September, our National Orthotic addressed delegates on how digital workflows have revolutionised the delivery of orthotic services in New Zealand. Sixteen other Peke Waihanga staff also attended the conference.

## Peke Waihanga as a Good Employer

We remain committed to good employer and equal employment opportunity practices through the following actions:

- **Encouraging staff participation** in decision-making on health and safety and recruitment processes.
- **Consulting with staff and the New Zealand Public Service Association** (representing approximately 30% of our workforce) on significant organisational changes that may impact them. We successfully negotiated a new PSA collective agreement for the 2024/25 year and signed an additional agreement to extend this three years through to 30 June 2028.
- **Prioritising staff wellbeing** by:
  - Supporting return-to-work programmes for employees who are ill or injured.
  - Enforcing a robust policy to manage bullying, harassment, and discrimination in the workplace.
  - Offering an Employee Assistance Programme, discounted health insurance, health monitoring checks, and vaccinations.
  - Supporting flexible work arrangements, including part-time hours, flexible schedules, remote working, and working from home – 41% of our workforce currently use flexible work options.
- **Setting fair and transparent remuneration**, using robust job sizing evaluation to ensure pay reflects the complexity and skill level required for each role.
- **Investing in staff development**, with individual development plans, supportive management practices, and coaching to foster growth and capability.
- **Providing a comprehensive induction and orientation programme** for new employees, incorporating e-learning modules, workshops, and on-the-job tools and resources.





**Above:** Peke Waihangā employees held a Physiotherapy demonstration of patient care related to amputation at the Amputee Care & Rehabilitation Study day in the Wellington Centre in 2024.

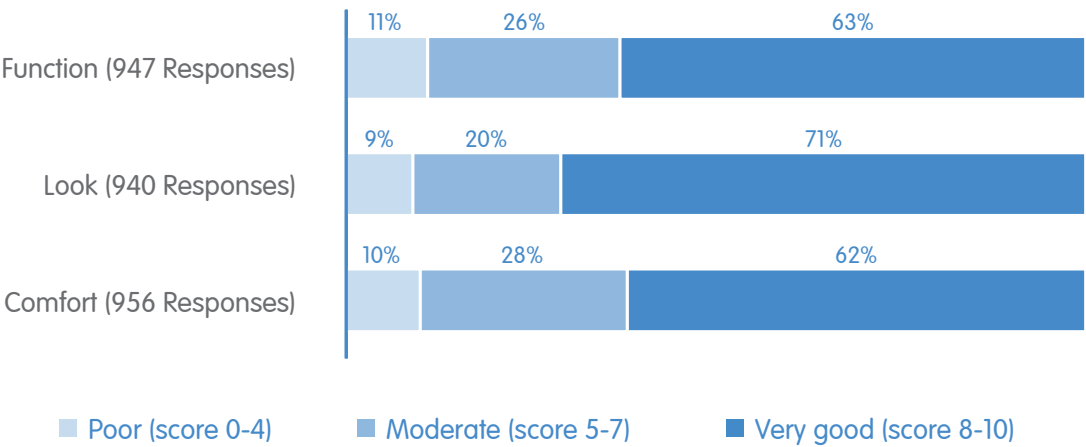
# Hangarau, Rangahau me te Whakawhanaketanga Technology, Research and Development

We adapt and customise technology to change the lives of our amputees. Peke Waihanga has a responsibility to our amputees to understand, access and bring them the best technological solutions and initiatives that the budget allows.

# Function, Look and Comfort

## Results for "Score the comfort/look/function of your artificial limb/orthosis at the moment?"

Scale: 0 being the worst and 10 being the best possible



Peke Waihanga independently and anonymously surveys service users to understand their function, look and comfort. The above graph shows:

- 1. 63% of 947 artificial limb or orthosis users scored overall function "very good".
- 2. 71% of 940 artificial limb or orthosis users scored overall look "very good".
- 3. 62% of 956 artificial limb or orthosis users scored overall comfort "very good".

## Enhancing Patient and Staff Experiences with Manaaki

In 2024–25, Peke Waihanga continued to enhance its Manaaki Patient Management System (using the ServiceNow platform), delivering significant benefits for both patients and staff. These ongoing improvements reflect our commitment to innovation, efficiency, and patient-centred care.

Key enhancements this year have improved the user experience for front-line staff, with streamlined appointment scheduling, the introduction of digital ACC approval forms, and closer integration between Manaaki and our finance system (Business Central). These changes have not only simplified workflows but also freed up more time for staff to focus on providing care.

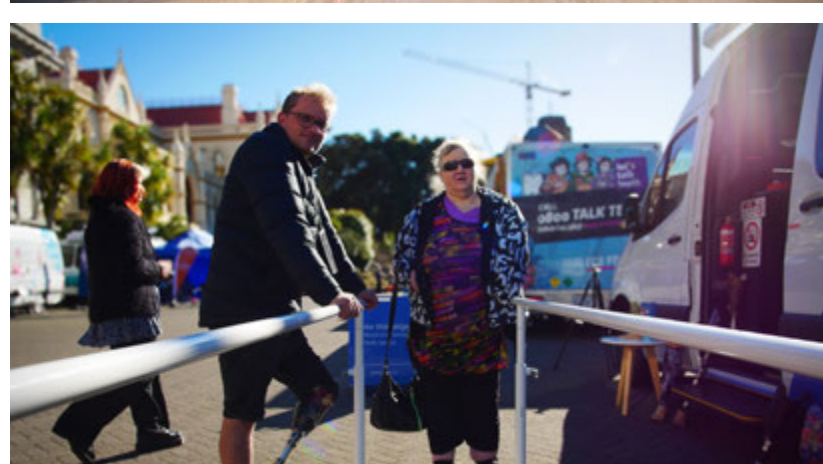
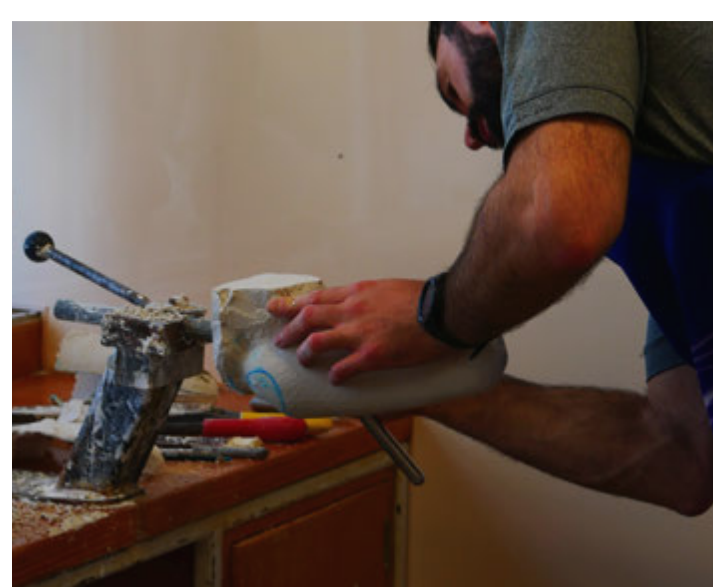
Our investment in digital solutions is also transforming the patient journey. By enhancing data structures, workflows, and system integration, we are aligning clinical and operational processes to deliver improved outcomes. The inclusion of advanced reporting dashboards has equipped staff with the tools they need to provide more responsive, informed, and high-quality service.

We have also bolstered system support, introducing self-service options for staff and upgrading our IT Service Management (ITSM) system with a more sophisticated support request process. This empowers staff to resolve issues more efficiently, further reducing disruptions to patient care.

Our dedication to platform stability and security remains a priority, with regular quarterly environment refreshes and a comprehensive security health check, ensuring the integrity of the system. The enhancements to Manaaki are not one-off achievements but part of a continuous improvement approach. To support this vision, a dedicated team has been established to guide future developments, underpinned by design principles that prioritise patient outcomes, IT capability alignment, sustainability, collaboration, innovation, and safety.

As a result, Manaaki is not only streamlining operations but also enhancing the care experience for the people we serve.







## Socket 2.0 Launched

Peke Waihanga launched Socket 2.0, an updated 3D-printed prosthetic socket developed by the Product Development and Commercialisation (PDC) Team over the last year.

Socket 2.0 was designed with input from clinicians and patients, and testing confirmed its improved durability and ability to withstand higher loading and peak forces. The design has been well-received in clinical presentations and offers improved patient comfort and satisfaction.

Training and resources are being provided to support clinicians' integration of this new technology into their practice.

Future developments will focus on expanding the socket range to include transfemoral and upper limb solutions.



**Above:** The PDC team provided hands-on training to all centres on the new Socket 2.0.

## Introduction of Scanning and Changes to Warehousing

A major nationwide upgrade to the stock management system was completed with the rollout of a new barcode scanning solution, TASKLET (Wave 2). This technology replaced largely manual processes to enhance accuracy, efficiency, and reliability in national stocktakes. Implemented across all 11 stores, the system was supported by staff training and weekly rollout meetings to ensure a smooth transition.

This upgrade responds to significant growth in stock lines, now totalling over 15,000 active codes due to the expansion of orthotics services since 2017. By improving inventory accuracy and reducing stock variance, TASKLET has streamlined processes and supported more responsive patient care.



**Above:** TASKLET provides faster and more dependable stock management to improve patient care.



# Mana Taurite Equity

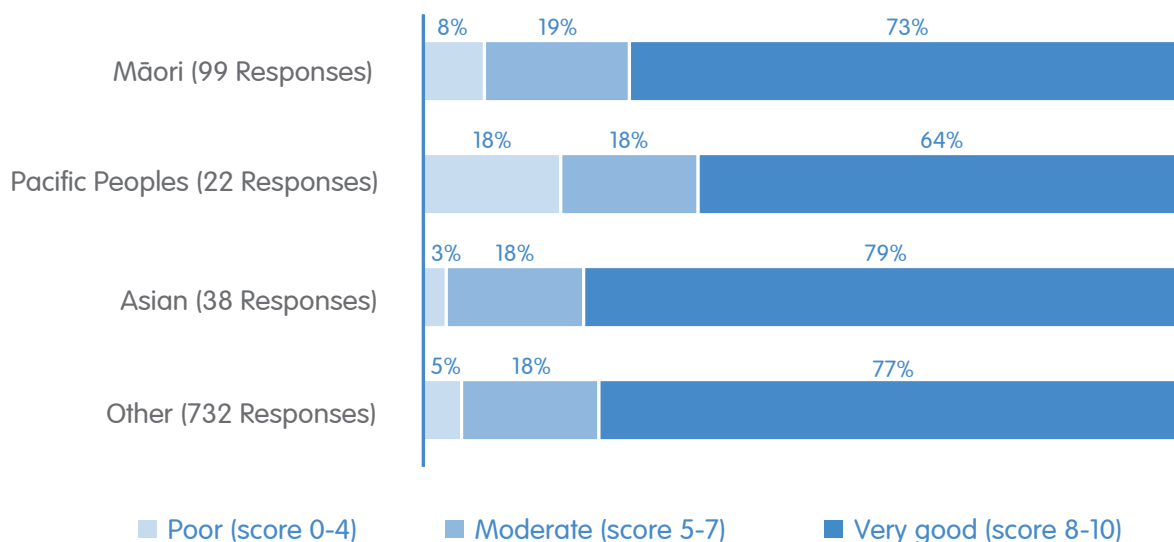
Peke Waihanga supports equitable amputee access to technology and services based on need.



## Independent and Productive Lives

### Results for "How well did we set you up to be independent and productive in your local community and at home?"

Scale: 0 being the worst and 10 being the best possible



Peke Waihangā independently and anonymously surveys service users to understand how they lead independent and productive lives at home and in the local community. The above graph shows:

1. 73% of 99 Māori users scored overall independence and productivity "very good".
2. 64% of 22 Pacific Peoples users scored overall independence and productivity "very good".
3. 79% of 38 Asian users scored overall independence and productivity "very good".
4. 77% of 732 other users scored overall independence and productivity "very good".

## Foundation Supports Mobility

The newly formed Peke Waihangā Foundation approved its first four applications for financial support, providing essential mobility devices to Kiwis in need. A dedicated Foundation bank account was established during the year to streamline the donation process. The initial donation of \$50,000, made to the Foundation in 2023 been fully allocated to support these grants.

## Expanding Access in South Auckland

To improve access to prosthetic and orthotic services in South Auckland, new metro clinics were introduced in Manurewa and Ōtara. These clinics were designed to support patients who face barriers travelling to main centres, offering convenient options for minor repairs, reviews, and simple deliveries.

The Northern Regional Clinics continued to provide services across the wider Auckland region, supported by a mobile workshop van (currently used for prosthetic services only). In the past year, two metro clinics have been held in Manurewa at the Manurewa Netball Facilities, staffed by one prosthetist and one physiotherapist. Six South Auckland patients were seen at these clinics, with another scheduled for June.

Plans are in place to trial three or more orthotic clinics in Ōtara. Both services are in the early stages of development and will continue to evolve based on feedback and community needs.



**Above:** The mobile workshop (pictured) supports prosthetic service in hard to reach places around the country.

## Designing an Equitable Service for All Amputees

To address inequities in service delivery, we established a Governance Group with representatives from the Amputee Federation, the Accident Compensation Corporation (ACC), and Health New Zealand. Together, we oversaw the development of a Nationally Consistent Rehabilitation and Mobilisation Service for amputees.

The service design was shaped around key milestones in the patient journey and has been formalised into operational guidelines. These guidelines were approved by the Governance Group and informed through extensive internal and external consultation, including meaningful engagement with the amputee community to ensure a strong patient voice.

The resulting guidelines define a standard care package for all amputees, regardless of whether their care is funded by Health New Zealand or ACC. A supporting funding model has been developed, and we are currently discussing with Health New Zealand the implementation of a replacement contract to deliver this service to health patients. This will improve equity for all amputees in New Zealand.

In preparation for implementing the new standard care package, we dedicated significant effort toward the end of the year in implementing a change plan which included writing supporting policies and procedures, publishing new patient resources and staff training.

## Department of Corrections Liaison

Peke Waihangā has observed a steady increase in the number of secure patients referred for care in recent years. This growth has highlighted inconsistencies in communication, appointment scheduling, patient transportation, and in-centre support from the Department of Corrections. These inconsistencies have, at times, contributed to incidents involving secure patients at our facilities.

In response, we have established a Corrections Liaison role within Peke Waihangā. This dedicated staff member focuses on developing strong working relationships with key stakeholders in the Department of Corrections. Their remit includes the design and implementation of standardised processes for managing the care of secure patients in our centres. This initiative is a vital step in enhancing safety and ensuring consistent, high-quality care for all individuals – including prisoners – accessing assessment and treatment services at Peke Waihangā facilities.

## Community Connection and Support for Amputees

Providing opportunities for amputees to meet for joint activities and social events offers numerous benefits, including reducing social isolation, increasing social support, and enhancing mental and emotional well-being. These gatherings foster a sense of belonging, promote coping strategies, and improve overall quality of life by creating spaces where individuals can connect with others who share similar experiences. During the year, Peke Waihanga organised or collaborated with other organisations to offer the following events and activities for amputees:

- Wheelchair Basketball for All, Tauranga (collaboration with Parafed Bay of Plenty)
- Wheelchair Basketball, Invercargill (collaboration with Active Southland, iAm and Amputee Society of Otago and Southland)
- Wheelchair Basketball, Dunedin (collaboration with Parafed Otago and Basketball New Zealand)
- Wheelchair Basketball, Christchurch (collaboration with Basketball New Zealand, Parafed Canterbury and Amputee Society of Canterbury and Westland)
- Limbitless Archery, Porirua (collaboration with Mana Archery Club)
- Explore Wanaka, Wanaka (collaboration with Paddle Wanaka and Wanaka Water Taxis)
- Have a Go Golf Day, Lower Hutt (collaboration with Disability Golf NZ, Manor Park and Amputee Society of Greater Wellington Region)
- Disability Golf Open, Lower Hutt (collaboration with Disability Golf NZ and Manor Park)
- Hit the Redwoods' Trails, Rotorua (collaboration Born to Adapt)
- Össur Mobility Clinics, Auckland and Christchurch (collaboration with Össur)
- Music Workshop, Auckland (collaboration with Auckland Philharmonia)

These initiatives reflect Peke Waihanga's commitment to holistic care by supporting not just the physical, but also the social and emotional well-being of our patients.







# Health and Safety

The health and safety of our patients and workforce is a very important aspect of our business.

The following are key statistics on our health and safety function.

## Overview



**0 Notifiable Events\***

(0 last year)



**5,127 Individual Inspections**

(5,657 last year)



**8 Committee Meetings**

(8 last year)

\* These are events (e.g. a death, notifiable illness or injury, or a notifiable incident) that must be reported to WorkSafe.

## Exposure Monitoring

Independent exposure monitoring has been completed in the workshop and machine room areas at all centres. An ongoing Exposure Monitoring Plan is now in place. To support this, a procedure has been developed and equipment acquired to enable interim in-house monitoring between independent assessments. These efforts ensure that existing control measures remain effective.

## Health Monitoring

A new health monitoring provider has been appointed following a comprehensive consultation process. Services include respiratory function tests, hearing assessments, skin checks for dermatitis, vision assessments, and blood pressure checks. Health monitoring is mandatory for staff using machinery or hazardous substances and available to all other staff as well. This ensures the continued effectiveness of workplace controls.

## Respiratory Protection

Powered Air Purifying Respirators (PAPRs) have been introduced to accommodate workers who cannot wear tight-fitting respirators due to facial hair for personal, medical, or religious reasons.

# Contractor Management

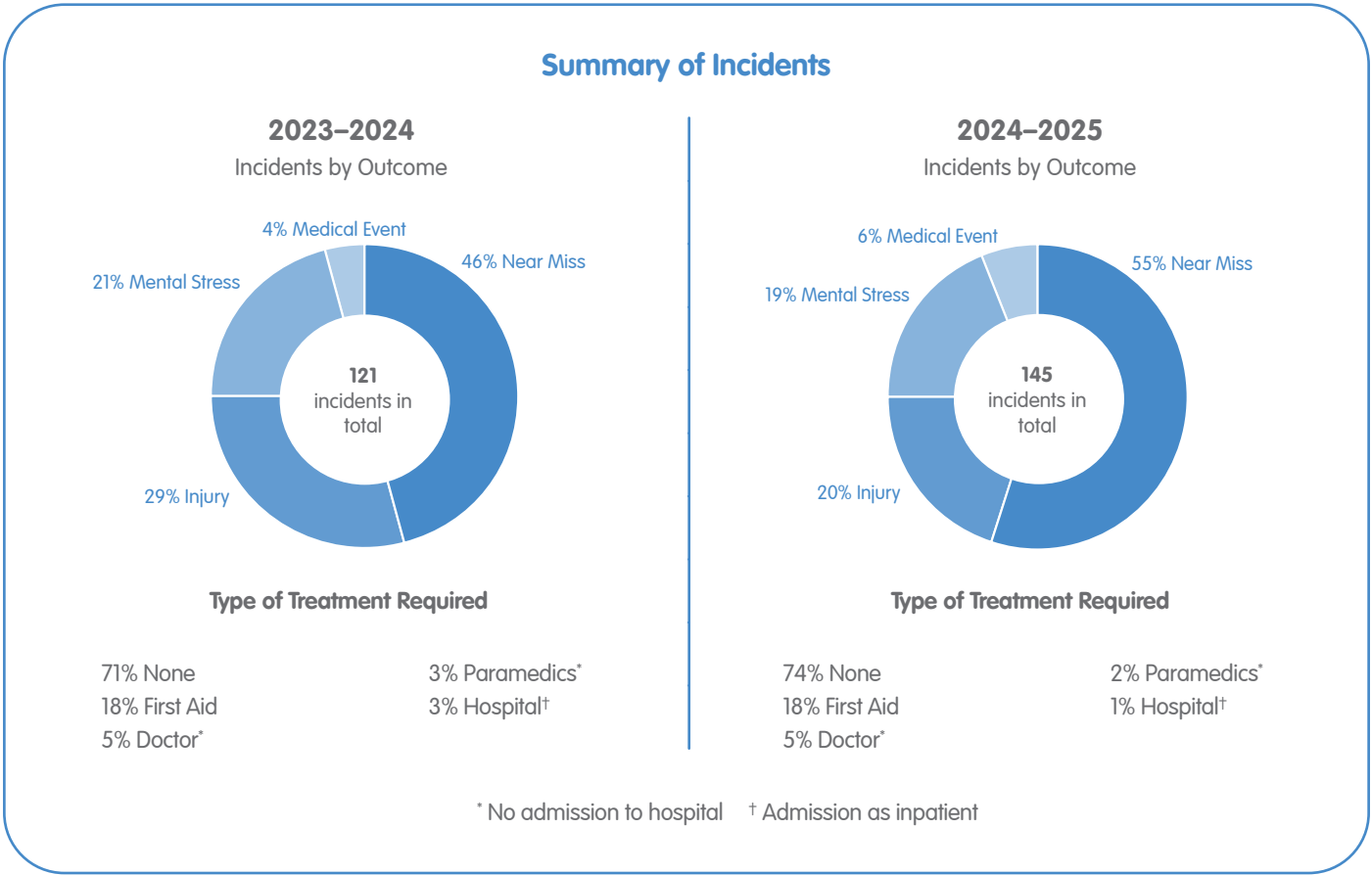
New contractor management software has been introduced, featuring an online induction process and digital sign-in/out using iPads for contractors and visitors.

## Hazard Summary

In 2024-2025, 39 hazards were reported compared to 44 hazards in 2023-2024.

## Incident Reporting

The graphs below illustrate the incidents by outcome and treatment for 2024-2025 and 2023-2024.



- The increase in the number of incidents compared to the previous year can likely be attributed to:
- Increased reporting: 55% of reported incidents were a near miss, compared with 46% in 2023-2024, and 74% of all incidents required no treatment.
  - Growth in staff numbers and services provided which may correlate with a higher incidence rate.

Comprehensive reporting allows the identification of potential patterns, which are then used to continuously improve systems, environments and devices. This proactive approach helps to reduce the likelihood of similar incidents happening again or of more serious incidents occurring.

# 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 at the reporting date are:

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**Kevin Ross**  
Chair

Kevin has an extensive background in Local Government spanning over 30 years with the Whanganui District Council. This included serving as the Chief Executive for 7 years. During this time he had considerable experience dealing with the community and developed genuine and committed partnerships with local Iwi. He currently chairs the Tararua District Council Audit and Risk Committee.

Kevin is a member of the Whanganui Bushy Park Sanctuary Board and was a member of the 2017 World Masters Games Company.

While he represented New Zealand in Badminton a number of years ago, Kevin's son Christopher represented New Zealand in Cycling at the London Paralympics.



**John McKie**  
Board Member

John completed undergraduate medical training at the University of Auckland. He undertook the New Zealand Orthopaedic Training Programme in orthopaedic surgery, completing the formal Fellowship in 1992. Following overseas Fellowships in the United States and Great Britain, he returned to join the consultant staff at Christchurch Hospital in 1994. He remains active in private and public practice both in Christchurch and on the West Coast.

John has interests in lower limb orthopaedics including joint replacements and revision surgery of the hip, knee and ankle, deformity correction, post-traumatic reconstruction and leg lengthening, and paediatric orthopaedics.



**Kate Horan**  
Board Member

Kate has a real-world perspective on the services needed by New Zealanders living with limb loss. At the age of 5, she had her leg amputated due to fibulae hemimelia. She has not let the loss of her leg define or limit her. She was a dual Paralympian in athletics and cycling, winning Silver at the 2008 Beijing Paralympic Games. Kate is also a proud mum and a grandma.

Kate appreciates the importance of activity for people with a disability. With ParaFed Wellington, she implemented initiatives improving people's wellbeing, including a youth activity programme.

Kate brings valuable experiences on what is required to deliver a patient-centred service.





## **Stuart Burns**

### **Board Member**

Stuart is an experienced Chartered Accountant with extensive governance experience. Throughout his professional accountancy career, he has held Partner and Chief Executive roles throughout the Lakes district.

He has also held numerous Board and Trustee positions with many trusts and private companies while also Chief Executive of the Rotorua Trust. These companies and trusts range from Medical and Health Board positions, philanthropy, fisheries, and foodstuffs.

Stuart brings a strong and diverse expertise in audit and risk management and a new financial lens to the Peke Waihangā Board, guiding our financial practices along with our CEO and CFO.



## **Dr Dawn-Louise Adair**

### **Board Member**

Dawn-Louise is a Rehabilitation Medicine Physician with a special interest in spinal cord injury and amputee care. She is an associate fellow of Royal Australian College of Medical Administrators and Lead Fellow Māori Health for the Royal Australasian College of Physicians. She has national and local trauma rehabilitation and Māori Health roles within Te Whatu Ora. She is involved in rehabilitation research.

She is a passionate Māori doctor (Ngāti Whatua - Ngā Ruahine) keen to improve the health of her own whānau and the communities she serves. She brings a wealth of disability lived experience knowledge from within her own whānau as well as frontline day to day clinical experience of the challenges faced by many who require rehabilitation services.



## **Patrick O'Doherty**

### **Board Member**

Patrick O'Doherty is a leader of major digital transformations across Australia and NZ. He has experience in senior global operational roles.

He led the design of the highly successful business transformation of the NZ Inland Revenue Department (IRD). He has a proven track record of delivery in highly complex and very public facing environments.

Patrick is recognised as a thought leader across Australia and NZ in utilising technology to drive digital transformation at an enterprise scale. He has frequently advised other Government agencies globally on driving sustainable change through innovative technology. This included in the UK, Netherlands, and Finland.

# Board Member & Employee Remuneration

## Board member remuneration

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

	Actual 2025 \$000	Actual 2024 \$000
G. Reedy	11	25
K. Ross	19	9
D. Adair	5	-
C. Bennett	5	9
S. Burns	9	9
K. Horan	9	9
J. Mckie	9	9
J. O'Doherty	5	-
Total Board member remuneration	72	73

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 (2024: nil).

## Employee remuneration

The total value of remuneration paid or payable to each employee that is or exceeds \$100,000:

	Actual 2025 \$000	Actual 2024 \$000
\$100,000 - \$109,999	19	13
\$110,000 - \$119,999	13	4
\$120,000 - \$129,999	5	2
\$130,000 - \$139,999	3	2
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	1	1
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	1	-
\$290,000 - \$299,999	-	1
\$300,000 - \$310,999	1	-
Total employee remuneration	44	25

During the year ended 30 June 2025 two (2024: three) employees received compensation and other benefits in relation to cessation totalling \$27,300 (2024: \$57,337).

# Statement of Performance Expectations 2024/25

The following set of measures which are aligned to the Strategic Objectives from our 2020-2024 Statement of Intent were agreed by the responsible Minister and Peke Waihanga.

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## Summary of Statement of Performance Expectations 2024/25

We said we would:

### 1. Foster equitable access to services:

We have worked in partnership with Health New Zealand, ACC, and the Amputee Federation of New Zealand to develop an agreed service guideline and funding model for amputee care across the country. We are now in the final stages of negotiating a new contract with Health New Zealand to reflect these outcomes.

### 2. Advanced for pay negotiations:

Through close collaboration with our staff, ongoing operational efficiency gains, and the growth of our business, we have strengthened our financial position to ensure our people are fairly remunerated for the valuable work they do. As a result, our staff are now able to earn remuneration comparable to their colleagues within Health New Zealand.

### 3. Form prevention partnerships:

We are proud of our new partnership with Corrections, mentioned earlier in the annual report, for more information see page 39. We have also placed considerable focus on working alongside our orthotic service contract partners to deliver earlier interventions and preventative care, helping people maintain mobility and independence, and ultimately preventing avoidable amputations.

### 4. Leveraging digital improvements:

See pages 32 and 34.

### 5. Property investment:

Building work was started on our Auckland artificial limb service in this financial year, with completion expected mid 2026. For more information, see page 14.

### 6. Innovate product development and market expansion:


- Our product development and commercialisation team revenue has grown from \$692,000 to \$925,000 and has achieved break even. Critical foundational activities for expansion have been achieved around our socket design, for more information, see page 34.
- Australia market seeding efforts started, with provision of 3 devices to Australia.



Output, impact and outcome performance measures and standards	2024/2025 Targets	2024/2025 Results
Patient Feedback		
Service user feedback: How well did we set you up to be independent and productive in your local community and at home?	85%*	95%*
Service user feedback: How would you rate the overall service you received for the job we have undertaken for you?	85%*	94%*
Service contracts retained due to funder satisfaction.	100%	100%
Expert Workforce		
Service user feedback: Please rate how trusting and confident did you feel with the staff providing your care?	85%*	97%*
Staff feedback: I am happy in my work?	75%**	92%**
In comparison to similar roles at Te Whatu Ora, our staff have pay parity i.e. allied health, nursing and admin/clerical.	100%	100%
Technology, Research and Development		
Service user feedback: How would you score the comfort of your artificial limb or orthoses at the moment?	70%*	89%*
Number of medical devices created by our Product Development and Commercialisation team.	500+	617
Number of collaborative research projects undertaken on issues designed to improve our services	2+	4
Equity		
The clinical service model (excludes high tech/cost components) for amputees in Aotearoa New Zealand is equivalent, irrespective of service contract. Aim for therapy hours between ACC and Te Whatu Ora new amputees with mobility levels K2, K3 and K4 to be the same.	Equivalent hours	Not achieved. New contract in final stages of negotiation.
There are pathways for high tech/cost components for amputees in Aotearoa New Zealand irrespective of service contract.	Pathways present & accessible	
Percent of high risk or active diabetic foot orthotic services referrals on a waitlist.	0%	0%

\* Percentage of service users who scored 5 or above where 0 equals worst possible to 10 equals best possible.

\*\* Percentage of staff who agreed or strongly agreed with the statement.

The background of the entire page is a close-up, slightly blurred image of numerous fern fronds. The fronds are a muted green color and are arranged in a dense, overlapping pattern that fills the entire frame. The lighting is soft, creating a natural and organic feel.

# **Tauāki Pūtea**

## Financial Statements

# Statement of Responsibility

For the year ended 30 June 2025

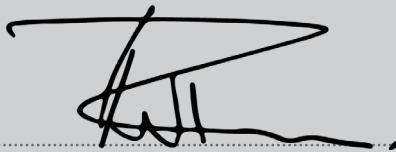
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We are responsible for the preparation of the financial statements for Peke Waihanga and the performance information and judgements made in them.

We are responsible for any end-of-year performance information provided by Peke Waihanga under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and performance information fairly reflect the financial position and operations of Peke Waihanga for the year ended 30 June 2025.



Kevin Ross  
**Chair**

31 October 2025



Kate Horan  
**Board Member**

31 October 2025

## Independent Auditor's Report

### To the readers of the New Zealand Artificial Limb Service – Peke Waihanga's group annual financial statements for the year ended 30 June 2025

The Auditor-General is the auditor of the New Zealand Artificial Limb Service – Peke Waihanga group (the Group). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the annual financial statements of the Group that comprise the statement of financial position as at 30 June 2025, 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 that include accounting policies and other explanatory information on pages 57 to 81.

### Opinion

In our opinion the annual financial statements of the Group:

- fairly present, in all material respects:
  - its financial position as at 30 June 2025; 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 Standards.

Our audit was completed on 31 October 2025. This is the date at which our opinion is expressed.

### 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, 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 Group's annual financial statements**

The preparation of the annual financial statements is the responsibility of the Board. The Board is responsible on behalf of the Group for preparing annual 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 it determines is necessary to enable it to prepare Group annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group annual financial statements, the Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern.

The Board's responsibilities arise from the Crown Entities Act 2004.

## **Responsibilities of the auditor for the audit of the Group's annual financial statements**

Our objectives are to obtain reasonable assurance about whether the Group's annual 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 the Group's annual financial statements.

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

We did not evaluate the security and controls over the electronic publication of the Group's annual 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 Group's annual 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 the Group'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 the Board.
- We evaluate the overall presentation, structure and content of the Group's annual financial statements, including the disclosures, and whether the Group's annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group annual financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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 all of the information included in the annual report but does not include the Group's annual financial statements and our auditor's report thereon.

Our opinion on the Group's annual 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 Group's annual financial statements our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the Group's annual 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 Group 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

(including International Independence Standards) (New Zealand) 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, the Group.



Chris Webby  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand

# Financial Results

The Statement of Comprehensive Revenue and Expense shows gross operating revenue (excluding interest, rent and donation) of \$40,202,000 which is an increase of 8% on the previous year of \$37,105,000. Revenue is derived principally from contracts with ACC for trauma-based amputees, Health NZ, which manages the national contract for amputees with illness-based amputations, congenital limb deficiencies or long-standing trauma-based amputations and for provision of Orthotic Services in the Auckland, Waikato, Bay of Plenty, Christchurch and West Coast regions. Revenue is also received from payments on behalf of war amputees, private insurers, health benefits and private supply.

Operational costs for the year totalled \$41,146,000 (2024: \$37,736,000) including an impairment loss of \$1,517,000 on buildings.

The financial position of Peke Waihangā remains strong with \$22,989,000 (2024: \$23,689,000) in reserves.



# Group Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2025

	Note	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
<b>Revenue</b>				
Government contract funding	2	39,741	37,000	36,773
Other operating revenue	2	461	-	332
Interest revenue		170	200	212
Rent received		64	-	67
Donation		10	-	-
Total revenue		40,446	37,200	37,384
<b>Expenses</b>				
Personnel costs	3	15,431	14,800	14,210
Depreciation and amortisation expense	9	841	600	818
Impairment losses on building		1,517	-	-
Material costs		19,318	18,126	18,217
Other expenses	4	4,039	3,874	4,491
Total expenses		41,146	37,400	37,736
Surplus/(deficit)		(700)	(200)	(352)
<b>Other comprehensive revenue and expense</b>				
Total comprehensive revenue & expense		(700)	(200)	(352)

Explanations of significant variances against budget are detailed in note 17.

The accompanying notes form part of these financial statements.

# Group Statement of Financial Position

As at 30 June 2025

	Note	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	3,431	1,685	3,102
Receivables	6	3,807	4,500	4,677
Investments	7	1,406	1,400	1,326
Prepayments		221	240	194
Inventories	8	3,786	3,950	3,329
Total current assets		12,651	11,775	12,628
<b>Non-current assets</b>				
Property, plant and equipment	9	14,514	16,600	15,310
Total non-current assets		14,514	16,600	15,310
Total assets		27,165	28,375	27,938

# Group Statement of Financial Position (continued)

As at 30 June 2025

	Note	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
<b>Current liabilities</b>				
Payables	10	2,344	3,765	2,545
Revenue in advance		35	35	35
Employee entitlements	11	1,594	1,050	1,503
Total current liabilities		3,973	4,850	4,083
<b>Non-current liabilities</b>				
Employee entitlements	11	203	189	166
Total non-current liabilities		203	189	166
Total liabilities		4,176	5,039	4,249
<b>Net assets</b>		22,989	23,336	23,689
<b>Equity</b>				
General funds		22,989	23,336	23,689
Total equity	12	22,989	23,336	23,689

Explanations of significant variances against budget are detailed in note 17.

The accompanying notes form part of these financial statements.

# Group Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
Balance at 1 July		23,689	23,536	24,041
Total comprehensive revenue & expense		(700)	(200)	(352)
Balance at 30 June	12	22,989	23,336	23,689

Explanations of significant variances against budget are detailed in note 17.

The accompanying notes form part of these financial statements.



# Group Statement of Cash Flows

For the year ended 30 June 2025

	Note	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
<b>Cash flows from operating activities</b>				
Receipts from government contract funding		40,559	37,177	35,447
Receipts from other revenue		587	48	652
Interest received		170	180	212
Payments to suppliers		(24,042)	(21,436)	(23,717)
Payments to employees		(15,647)	(15,419)	(13,952)
Goods and services tax (net)		344		
Net cash from operating activities		1,971	550	(1,358)
<b>Cash flows from investing activities</b>				
Purchase of investments		(1,587)	(74)	(1,497)
Receipts from maturity of investments		1,507	-	1,429
Purchase of property, plant & equipment		(1,562)	(1,890)	(1,594)
Net cash from investing activities		(1,642)	(1,964)	(1,662)
<b>Net increase/(decrease) in cash and cash equivalents</b>		329	(1,414)	(3,020)
Cash and cash equivalents at the beginning of the year		3,102	3,099	6,122
<b>Cash and cash equivalents at the end of the year</b>	5	3,431	1,685	3,102

Explanations of significant variances against budget are detailed in note 17.

The accompanying notes form part of these financial statements.

# Group Statement of Cash Flows (continued)

For the year ended 30 June 2025

## Reconciliation of surplus/(deficit) to net cash flows from operating activities

	Actual 2025 \$000	Actual 2024 \$000
Surplus/(deficit)	(700)	(352)
<b>Add/(less) non-cash items</b>		
Depreciation and amortisation expense	841	818
Impairment loss	1,517	-
Loss on disposal of plant and equipment	-	-
Write-down of intangible assets	-	-
Total non-cash items	2,358	818
<b>Add/(less) movements in working capital items</b>		
(Increase)/decrease in receivables	870	(1,073)
(Increase)/decrease in prepayments	(27)	(11)
(Increase)/decrease in inventories	(457)	(349)
Increase/(decrease) in payables	(201)	(649)
Increase/(decrease) in revenue in advance	-	-
Increase/(decrease) in employee entitlements	128	258
Net movement in working capital items	313	(1,824)
<b>Net cash flow from operating activities</b>	<b>1,971</b>	<b>(1,358)</b>

# Notes to the Financial Statements

## 1. Statement of accounting policies for the year ended 30 June 2025

### Reporting entity

Peke Waihanga – 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 Waihanga operations include the Crown Entities Act 2004 and the Artificial Limb Service Act 2018. The ultimate parent of Peke Waihanga is the New Zealand Crown.

The group consists of Peke Waihanga and its subsidiary, the Peke Waihanga Foundation (the Foundation).

The primary objective of Peke Waihanga is to provide artificial limb related services to the New Zealand public. Peke Waihanga does not operate to make a financial return.

Peke Waihanga has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP)

The financial statements for Peke Waihanga are for the year ended 30 June 2025, and were approved by the Board on 31 October 2025.

### 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.

### Consolidation

Peke Waihanga settled the Peke Waihanga (the Foundation) on 22 June 2023. Peke Waihanga is in the process of assessing whether it control the Foundation under financial reporting standards. Peke Waihanga's preliminary view is that it controls the Foundation.

The transaction and balances of the Foundation have not been consolidated into the group financial statements because they are immaterial. Therefore, the group financial statements only comprise of financial information of Peke Waihanga.

### Statement of compliance

The financial statements of Peke Waihanga have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with GAAP in New Zealand.

Peke Waihanga is a Tier 1 PBE. The financial statements have been prepared in accordance with and comply with the PBE Standards.

### 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 related party disclosures in Note 15. Related party disclosures are rounded to the nearest dollar.

### Standards issued and not early adopted

There are no standards relevant to Peke Waihanga that have not been adopted early.

### Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### 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.

### **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 a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

Peke Waihangā 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 Waihangā 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

- Estimating the useful lives and residual values of property, plant and equipment – refer to Note 9.
- Estimating the fair value of buildings – refer to Note 9.

### **Changes in accounting policies**

There have been no changes in our accounting policies since the date of the last audited annual report.



## 2. Revenue

### Accounting policy

Revenue is measured at the fair value of the consideration received or receivable. The specific accounting policies are explained below.

#### Provision of prosthetic services

Peke Waihanga receives funding from a contract with Te Whatu Ora for 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 the ACC for trauma-based amputees for the supply of specific goods and services supplied to amputees of ACC.

Revenue is recognised when the services or products are delivered.

#### Provision of orthotic services

Revenue derived through the provision of services to third parties 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.

#### Exchange vs. non-exchange

The various revenue sources have been reviewed to determine whether they are exchange or non-exchange transactions. Exchange transactions are transactions in which one entity receives assets or services and directly gives approximately equal value to another entity in exchange.

### 3. Personnel costs

#### Accounting policy

##### Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

##### Defined contribution schemes

Obligations for contributions to KiwiSaver and the Peke Waihangā - 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 Waihangā 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. Therefore, it is accounted for as a defined contribution scheme.

#### Breakdown of personnel cost

	Actual 2025 \$000	Actual 2024 \$000
Salaries and wages	14,419	13,547
Employer contributions to superannuation schemes	454	405
Increase in employee entitlements (note 11)	558	258
Total personnel costs	15,431	14,210

## 4. Other expenses

### Breakdown of other expenses

	Actual 2025 \$000	Actual 2024 \$000
Fees to auditor – audit fees for financial statement audit	70	68
Board members' fees	72	73
Board members' expenses	20	20
Cleaning & laundry	242	247
Computer expense	833	1,120
Legal expense	123	91
Operating lease expense	589	541
Other operating expenses	2,090	2,331
<b>Total other expenses</b>	<b>4,039</b>	<b>4,491</b>

## 5. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents includes cash on hand, deposits held on call with banks and term deposits with original maturities of three months or less.

### Breakdown of cash and cash equivalents and further information

	Actual 2025 \$000	Actual 2024 \$000
Cash on hand and at bank	2,346	2,060
Term deposits with original maturities less than three months	1,085	1,042
<b>Total cash and cash equivalents</b>	<b>3,431</b>	<b>3,102</b>

While cash and cash equivalents are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance is trivial.

## 6. Receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECLs). Peke Waihanga applies the simplified ECL model of recognising lifetime ECLs for short-term receivables.

### Breakdown of receivables and further information

	Actual 2025 \$000	Actual 2024 \$000
Trade debtors	3,758	4,296
Other receivables	23	350
Interest accrual	26	31
Total receivables (exchange transactions)	3,807	4,677

### Receivable days past due

	Current	One month	Two months	Three months
<b>Days past due</b>				
30 June 2025	2,994	250	19	495
30 June 2024	3,353	142	56	745

The ECL rates for receivables at 30 June 2025 (nil) and 30 June 2024 (nil) are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period.

The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables.

Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.



# 7. Investments

## Accounting policy

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for ECLs is recognised if the estimated loss allowance is not trivial.

## Breakdown of investments and further information

	Actual 2025 \$000	Actual 2024 \$000
Term deposits with original maturities greater than three months	1,406	1,326

Peke Waihanga considers there has not been a significant increase in credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at the balance date. Term deposits are held with banks that have a Moody’s A1 investment grade credit rating, which is an upper-medium grade and indicates low credit risk.

No loss allowance for ECLs has been recognised because the estimated amount is trivial.

# 8. Inventories

## Accounting policy

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 materials on hand and work in progress.

Inventories classified as work in progress are valued at the weighted average cost of the materials plus the cost of labour.

## Breakdown of inventories and further information

	Actual 2025 \$000	Actual 2024 \$000
Materials	2,370	2,041
Work in progress	1,416	1,288
Total inventories	3,786	3,329

Peke Waihanga does not currently hold any inventory for distribution (2024: nil).

Peke Waihanga has a provision for obsolete stock of \$191,607 (2024: \$175,990).

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

During the period, the board approved the write-off of stock of nil (2024: nil).

# 9. Property, plant and equipment

## Accounting policy

Property, plant and equipment asset classes consist of buildings, leasehold upgrades, plant and equipment, furniture and fittings, computer equipment and vehicles.

Buildings are measured at fair value, less depreciation and impairment. All other asset classes are measured at cost, less any accumulated depreciation and impairment losses.

## Revaluations

Buildings at Auckland, Wellington and Christchurch are valued with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value and at least every three years. The carrying values of these property assets are assessed annually to ensure that they do not differ materially from their fair value.

The net revaluation results are credited or debited to other comprehensive revenue and expense and accumulated to the building asset revaluation reserve in equity. Where this would result in a negative balance in the building asset revaluation reserve, this balance is recognised in the surplus or deficit as an expense. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit as an expense will be recognised first in the surplus or deficit as revenue 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 Waihangā 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 reported net in the surplus or deficit.

When revalued assets are sold, the amounts included in the revaluation reserve in respect of those assets are transferred to general funds within equity.

## 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 Waihangā 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 surplus or deficit 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 to 50 years	(2%-2.5%)
Leasehold upgrades	4.75 to 50 years	(2%-21%)
Plant and equipment	10 years	(10%)
Furniture and fittings	5 years	(20%)
Computer equipment	3 years	(33%)
Vehicles	5 years	(20%)

## Impairment of property, plant and equipment

Property, plant and equipment 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 the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The approach used will depend on the nature of the impairment and availability of information.

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.

For revalued building assets, the recognition of impairment losses and reversals follows the accounting policy above for building revaluations. For assets carried at cost, impairment losses and reversals are recognised in the surplus or deficit.

## Critical accounting estimates and assumptions

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

At each balance date, the useful lives and residual values of property, plant and equipment 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 Waihangā, 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 the carrying amount of the asset in the statement of financial position. Peke Waihangā minimises the risk of this estimation by physical inspection of assets and review of second-hand market prices for similar assets.

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

### Estimating the fair value of buildings

The most recent valuation for buildings is effective 30 June 2025:

- Auckland – 7 Horopito Street - performed by an independent registered valuer J. McKenzie of Bayleys Valuations Limited. Refer to further information below on the valuation of this property.
- Wellington – Level 1, 42 Mein Street - performed by an independent registered valuer P. Butchers of Bayleys Valuations Limited. Valuation of \$3.225 million.
- Christchurch – 330 Burwood Road - performed by an independent registered valuer A. Campbell of Bayleys Valuations Limited. Valuation of \$6.30 million.

### Valuation approach

The Auckland, Wellington, and Christchurch Centres are on land leased from the Crown at nominal rents. Peke Waihangā owns the buildings on the leased land.

The valuation for these properties estimates the fair value of Peke Waihangā's lessee's interest in the properties.

The valuations for the Auckland and Wellington Centres were based on a commercial market valuation approach. The following two approaches were used in estimating fair value with the valuer determining a value between them:

- Capitalisation of income method, with a leasehold adjustment applied to reflect the remaining term of the lease.
- Present valuation of rental benefit approach. This approach determines the net present value of the benefit that Peke Waihangā receives from not having to pay market rent

over the remaining term of the lease.

The Christchurch centre has been valued on a depreciated replaced cost basis due to the highly specialised nature of the building.

### **Key valuation assumptions - Auckland and Wellington**

- The valuations use comparable market-based rental and sales evidence, based on the highest and best use of the land.
- There are no significant asbestos issues with the buildings.
- For the income capitalisation method, capitalisation rates are market-based rates of return and ranges from 6.0% to 7.0%.
- For the present value of the rental benefit approach, a discount rate ranges from 7.5% to 9.0%.

### **Key valuation assumptions - Christchurch**

A building replacement cost rate of \$5,950 per square metre has been used.

### **Valuation of the Auckland Centre**

The Auckland Centre is undergoing a substantial redevelopment. The fair value of the property is based on the "as if complete" value of the property, less the estimated remaining costs to complete the redevelopment.

The "as if complete" value reflects that the full scope of the redevelopment works have been completed and that the property is ready for occupation. Bayleys Valuations Limited has estimated an "as if complete" value of \$6.3m using the methods and assumptions explained above.

Peke Waihanaga has then deducted the estimated costs to complete the redevelopment of \$4m. The estimated costs are the contracted build cost less the costs incurred to date.

The resulting fair value of the property at 30 June 2025 is \$2.3m.

### **Valuation movements**

The net loss of \$1.71m from revaluations has arisen as follows:

- Auckland Centre: \$2.12m loss
- Wellington Centre: \$100k gain
- Christchurch Centre: \$491k gain



## Breakdown of property, plant and equipment and further information

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

	Leasehold upgrades \$000	Buildings \$000	Building under construction \$000	Plant & equip. \$000	Furniture & fittings \$000	Computer equip. \$000	Vehicle \$000	Total \$000
<b>Cost or valuation</b>								
Balance at 1 July 2023	252	14,388	-	1,913	758	911	197	18,419
Additions	994	4	186	176	59	171	4	1,594
Disposals	-	-	-	(4)	-	-	-	(4)
Balance at 30 June and 1 July 2024	1,246	14,392	186	2,085	817	1,082	201	20,009
Additions	-	130	1,105	77	93	158	-	1,563
Disposals	-	-	-	(67)	(64)	(242)	-	(373)
Balance at 30 June 2025	1,246	14,522	1,291	2,095	846	998	201	21,199
<b>Accumulated depreciation and impairment losses</b>								
Balance at 1 July 2023	13	1,657	-	1,101	420	690	4	3,885
Depreciation expense	18	344	-	159	114	143	40	818
Eliminate on disposals	-	-	-	(4)	-	-	-	-
Balance at 30 June and 1 July 2024	31	2,001	-	1,256	534	833	44	4,699
Depreciation expense	32	347	-	146	112	164	40	841
Impairment loss	-	1,507	-	-	-	-	-	1,507
Disposals	-	-	-	(66)	(64)	(242)	-	(372)
Balance at 30 June 2025	63	3,855	-	1,336	582	755	84	6,685
<b>Carrying amounts</b>								
At 1 July 2023	239	12,731	-	812	338	221	193	14,534
At 30 June and 1 July 2024	1,215	12,391	186	829	283	249	157	15,310
At 30 June 2025	1,183	10,667	1,291	759	264	243	117	14,514

There are no restrictions over the title of Peke Waihangā plant and equipment, nor are there any plant and equipment pledged as security for liabilities.

## 10. Payables

### Accounting policy

Short-term payables are recorded at the amount payable.

### Breakdown of payables and further information

	Actual 2025 \$000	Actual 2024 \$000
<b>Payables under exchange transactions</b>		
Creditors	1,402	1,679
Accrued expenses	598	271
Total creditors and other payables under exchange transactions	2,000	1,950
<b>Payables and deferred revenue under non-exchange transactions</b>		
GST	344	595
Total payables	2,344	2,545

Creditors and other payables are non-interest-bearing and are normally settled on 30-day terms.

## 11. Employee entitlements

### Accounting policy

#### Short-term employee entitlements

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period in which the employee renders the related service 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, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation, 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.

#### 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.

### Breakdown of employee entitlements

	Actual 2025 \$000	Actual 2024 \$000
<b>Current employee entitlements are represented by</b>		
Accrued salaries and wages	654	709
Annual leave	891	720
Sick leave	22	22
Long service leave	27	52
Total current portion	1,594	1,503
<b>Non-current employee entitlements are represented by</b>		
Long service leave	203	166
Total non-current portion	203	166
Total employee entitlements	1,797	1,669

## 12. Equity

### Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- general funds; and
- building revaluation reserve.

### Building revaluation reserve

This reserve relates to the revaluation of buildings to fair value. The balance of the reserve is presently nil due to previously recognised downward revaluation movements.

### Breakdown of general funds and further information

	Actual 2025 \$000	Actual 2024 \$000
Balance at 1 July	23,689	24,041
Surplus/(deficit)	(700)	(352)
Balance at 30 June	22,989	23,689

Peke Waihanga’s capital is its equity. This comprises general funds and the building revaluation reserve. Equity is represented by net assets.

Peke Waihanga is subject to the financial management and accountability provisions of the Crown Entities Act 2004. This imposes restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities, and the use of derivatives.

Peke Waihanga has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

Peke Waihanga manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that Peke Waihanga effectively achieves its objectives and purpose, while remaining a going concern.

## 13. Capital commitments and leases

### Capital commitments

The remaining contractual commitments for the Auckland Centre redevelopment is \$4.01m.

### Operating leases as lessee

#### Accounting policy

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 surplus or deficit.

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

	Actual 2025 \$000	Actual 2024 \$000
Not later than one year	546	450
Later than one year and not later than five years	1,580	1,447
Later than five years	120	353
Total non-cancellable operating leases	2,246	2,250

Peke Waihangā has commercial leases on the following properties:

- National Office renewed the lease on 1 September 2024 for a six-year term. The annual rent is \$108,009.
- Auckland Centre renewed a lease on 18 April 2023 for an eight-year term. The annual rent is \$111,800. This lease may be terminated by either party with four months notice.
- Auckland Centre also entered into another lease on 17 April 2023 for commencement on 1 September 2023 for an annual rent of \$137,979.
- Tauranga Centre (Fraser Street) renewed the lease on 1 June 2023 for a further three-year term. The annual rent is \$73,287.

- Tauranga Centre (Eleventh Avenue) entered into a new lease on 1 September 2024 for a three-year term. The annual rent is \$50,142.
- 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 Waihangā continues to occupy these premises. No new lease has yet been negotiated.

### Finance leases as lessee

#### Accounting policy

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset to the Peke Waihangā are classified as a finance lease.

#### Significant accounting policy judgement

The Auckland, Wellington and Christchurch Centres are on land leased from the Crown at nominal rents.

The leases expire as follows:

- Auckland – June 2075
- Wellington – June 2079
- Christchurch – June 2045

These leases have been assessed as a finance lease. The accounting for leases at nominal rents is not presently addressed by the accounting standards.

Due to this lack of clarity, there are different acceptable interpretations on the accounting approach for such leases.

Peke Waihangā has elected to record no finance lease liability due to the highly immaterial lease payments. However, the valuation for these properties estimates the fair value of Peke Waihangā's lessee's interest in the land. This approach results in capturing the value of both the owned buildings and the value of the below market rental benefit of the leased land.



## 14. Contingencies

### Contingent assets

Peke Waihanga has no contingent assets (2024: nil).

### Contingent liabilities

Peke Waihanga has no contingent liabilities (2024: nil).

## 15. Related party transactions

### Breakdown of related party transactions

Key management personnel compensation	Actual 2025 \$	Actual 2024 \$
<b>Board Members</b>		
Remuneration	71,908	72,700
Full-time equivalent members	1.0	1.0
<b>Leadership Team</b>		
Remuneration	1,233,869	1,170,722
Full-time equivalent personnel	6.74	6.47
Total key management personnel remuneration	1,305,777	1,243,422
Total full time equivalent personnel	7.74	7.47

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

As noted at note 13, Peke Waihanga has a property lease agreement at nominal rental with the Crown.

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.

The full time equivalent for the Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

## 16. Further information on financial instruments

### Categories of financial instruments

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

	Actual 2025 \$000	Actual 2024 \$000
<b>Financial assets measured at amortised cost</b>		
Cash on hand at bank	3,431	3,102
Term deposits	1,406	1,326
Receivables	3,807	4,677
Total financial assets measured at amortised cost	8,644	9,105
<b>Financial liabilities measured at amortised cost</b>		
Payables	2,000	2,545
Total financial liabilities measured at amortised cost	2,000	2,545

### Financial instrument risks

Peke Waihangā is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable, term deposits and accounts payable. The fair value of our financial instruments is approximated by their carrying value.

Peke Waihangā does not have any gains or losses on its financial instruments and no impairments have been recognised to date.

### Borrowing facility

Pursuant to the Crown Entities Act 2004, the Minister of Finance and Minister for Social Development and Employment have given approval for Peke Waihangā to borrow from Westpac under a loan agreement. The loan proceeds will be used towards the Auckland Centre redevelopment.

No funds had been drawn under the \$3m facility at 30 June 2025. Subsequent to balance date, \$346,754 was drawn down on 20 October 2025.

### Credit risk

Credit risk is the risk that a third party will default on its obligations to Peke Waihangā, causing Peke Waihangā to incur a loss.

Peke Waihangā is exposed in the normal course of its business, to credit risk from cash and term deposits with banks, and receivables. For each of these, the maximum exposure to credit risk is best represented by the carrying amount in the statement of financial position arising from debtors. Default is considered by management to be unlikely, and the probable exposure has been determined as negligible.

Cash at bank is held with BNZ, who have a Moody's credit rating of A1.

All term deposits are invested with Kiwibank, who have a Moody's credit rating of A1.

The majority of receivables are due from central government-related entities. About 42% (2024: 43%) of this is due from ACC.

## Liquidity risk

Liquidity risk is the risk that Peke Waihanga will encounter difficulty meeting commitments as they fall due.

Peke Waihanga maintains a target level of available cash to meet liquidity requirements.

Peke Waihanga considers that it does not have a significant liquidity risk as it ensures it has adequate working capital coverage at all times.

## 17. 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:

### Operating expenses

The increase in operating expenditure is a direct result of the increased revenue earned.

## Statement of revenue and expense

### Revenue

The additional Government contracted revenue over that budgeted has principally been generated from the continued growth of our orthotic income in Auckland, Waikato, Bay of Plenty and Canterbury.









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