

Peke Waihanga

Artificial Limb Service

Orthotic Service

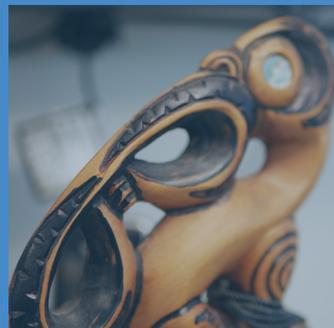
Peer Support Service

E.12A

# Statement of Performance Expectations

2023–2024

Presented to the House of Representatives  
pursuant to Section 149 of the  
Crown Entities Act 2004





## 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 are we

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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.

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
- to provide rehabilitative and other services to persons in connection with artificial limbs
- to carry out research and development in relation to artificial limbs
- to advise the Minister on matters relating to artificial limbs

# Rarangi Take

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# Our Intent Tō mātou koronga

**Peke Waihangā** supporting our Equity; encapsulating the essence of our central being for **making, creating** and **innovating** to support a person's limb.

**Manaaki i te tangata rahi, i te tangata iti** supporting our Service; reflecting our inner purpose to care for all people which is all **inclusive**. This reinforces that everybody is welcomed and **accepted** no matter who they are or where they are from.

**Pūmanawa** supporting our Expert Workforce; extends outward like the tētē kura, the fern frond, to **acknowledge** the kaimahi (staff) we employ and the gifts and creative talents that they bring to Peke Waihangā.

**Ringa** supporting our Technology and R&D; the concept of the hands that **create, provide and give ongoing care** to the people we care for.

- Ringa Whero; red hands representing chiefly hands and leadership.
- Ringa Tōhaunui; industrious hands - working tirelessly to create and innovate for our tūroro (patients).
- Ringa Raupā; blistered/calloused hands, experience and knowledge of our trade.
- Ringa Rehe; adept hands, skilled and practiced in our craft.
- Ringa Wera; hot hands representing commitment to service and our people.

## Strategic objectives

**Everything we do is to improve the lives of our patients;** they receive whole-of-life, world-class services that deliver what they need at each stage of their journey.

We support **equitable patient access** to technology and services based on need.

Our **expert workforce** is responsive and able to develop and innovate to **continually improve** the service and outcomes for patients.

We adapt and customise **technology and service models** to change the lives of patients. We are responsible for understanding and accessing the **best solutions** and initiatives that budgets allow for our patients.

## Nature and scope

Following are the elements of our integrated and inclusive mahi (work):

**Artificial limb service** - prescribing, manufacturing and fitting prosthetic devices.

**Orthotic service** - prescribing, manufacturing and fitting orthotics; focusing on the prevention of amputation deterioration of the contralateral limb.

**Rehabilitation service** - providing nursing, physio and OT support to patients with rehab plans tailored to individual goals and needs.

**Coordination service** - provided by key workers and service coordinators.

**Peer support service** - provided to patients by patients who lived through a similar experience.

## Operating environment

The burden of diabetes and vascular disease is **increasing patient complexity** and amputation rates.

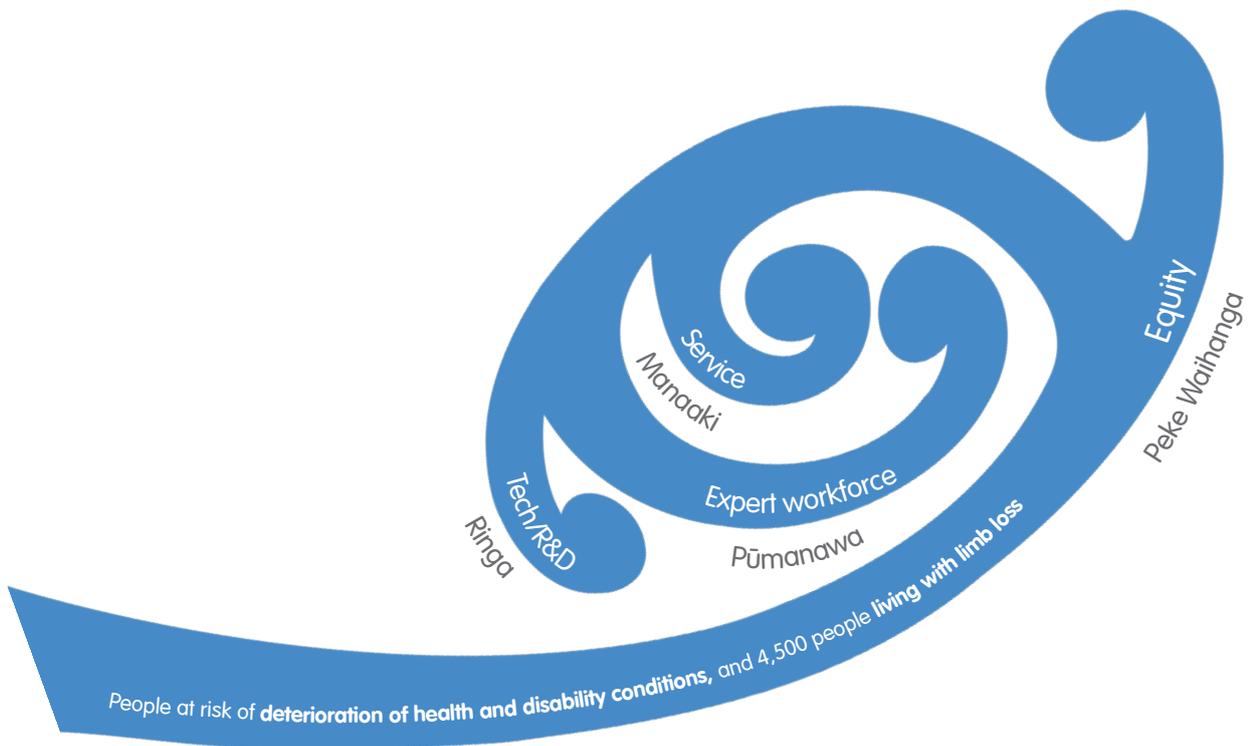
Māori and Pacific people have **poor health outcomes**.

There are **no** orthotic and prosthetic tertiary courses in Aotearoa New Zealand.

Rapidly changing technology and service model options to achieve **improved outcomes**.

**Inequity** exists between ACC and DHB patients.

There are pending changes due to the recent **health and disability systems review**.



## How we will deliver

Our approach is embedded in **Te Ao Māori (Māori world view)**.

We are active participants in the principles of Te Tiriti O Waitangi and **elevate manaakitanga**.

The tētē kura (fern frond) acknowledges our kaimahi (team) and their **gifts and creative talents**.

The people we care for give our mahi meaning and reflected as the **main branch of the tētē kura**.

Strategic objectives are **tangible pursuits of our mahi** with a physical representation in each of the fronds.

Our values are the intangible that reflect how we go about our mahi represented by the air and wind around the fern.

## Capability

**Skills** - manufacturing an individualised medical device into an integrated rehabilitation and coordination of care service.

**Processes** - mobile clinic workforce, bringing services closer to home.

**Technologies** - custom patient management system and mobile equipped clinical workforce

**Human abilities** - 100+ dedicated professionals who provide a multidisciplinary service.

**Facilities** - 6 centres with full medical device manufacturing and rehabilitation space, 14 regional clinic locations and 1 mobile bus that provide integrated services.

## Assessing performance

Our performance will be assessed relative to our strategic objectives.

Our performance will have elements of **inputs, outputs, and outcomes**.

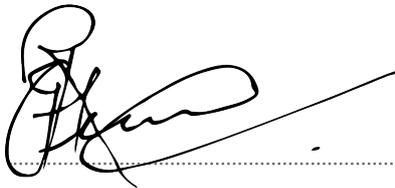
With a significant service user contribution to assessing our performance via **independent and autonomous feedback mechanisms**. Specifically, patient satisfaction and patient trust and confidence in our staff, and feedback on how we can improve our service.

**Third party audit** of our service, financial and health/safety function will also be used.

# To the Minister for Social Development

In accordance with the Crown Entities Act 2004, we present, on behalf of Peke Waihanga, the Statement of Performance Expectations for 2023 - 2024.

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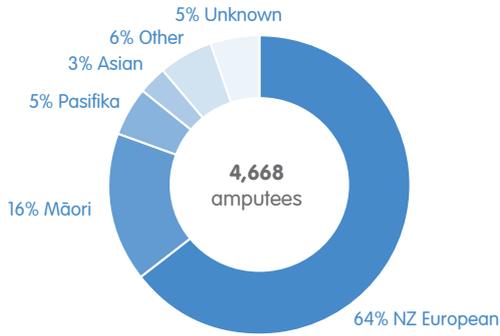
George Reedy  
**Chair**

30 June 2023

# Whakaahua o te tau 2023 Snapshot

## Artificial Limb Service

### Overview



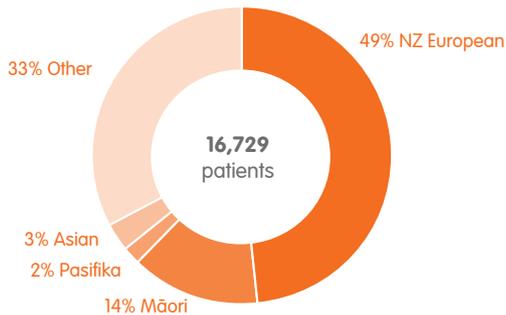
### Gender



## Orthotic Service

### Overview

The following percentages were calculated from a sample of 10,686 patients where ethnicity data was available.

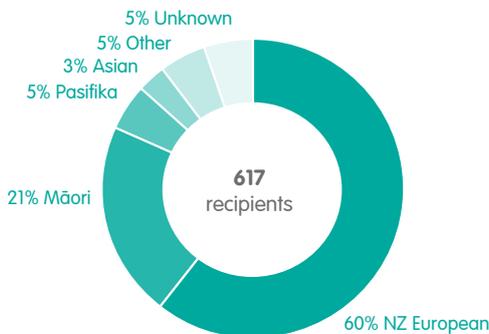


### Gender



## Peer Support Service

### Overview



### Volunteers



## Our locations

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



## This year at a glance:

### Our patients:

- 518 new amputees
- 22% trauma amputations
- 58% diabetes & vascular amputations
- 19% congenital, cancer and infection amputations

### Our expert workforce:

- 1,503 days of structured professional development
- 5% decrease in completed jobs compared to last year
- 9% increase in rehabilitation therapy & support

### We currently have:

- 4 rehab physicians
- 20 device technicians
- 6 orthopaedic surgeons
- 2 digital technicians
- 2 general practitioners
- 71 peer support volunteers
- 34 prosthetists/orthotists
- 26 service coordinators & support staff
- 18 physiotherapists & occupational therapists
- 3 nurses

# Foreword from the Chair

Nau mai haere mai

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**Mate atu he tētē kura, ara mai he tētē kura.**

When one fern frond expires, another takes their place. We are constantly renewing and strengthening our organisation.

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Mobility and care for amputees and orthotic users remains the core purpose of Peke Waihanga.

The issue of inequitable funding for health amputees remains a significant concern for these patients and our whole team. We will continue to push for fair and adequate funding, ensuring that all amputees have access to the services and technology they deserve.

The demand for our orthotic services continues

to expand as funders are recognising the value we bring with reduced wait lists and wait times whilst maintaining high-quality offering. We will continue to improve our offerings to meet the growing needs of our patients.

It is our pleasure to provide this Statement of Performance Expectations. We believe that every one of our patients deserves empowering services that meet their unique needs.

We are dedicated to making ongoing





investment in our Centres. This coming year we plan for our Auckland Prosthetic Centre to get an additional floor and new roof, and to establish a new and long term Auckland Orthotic Centre. Also, this year will see our first mobile workshop with prosthetic, orthotic and podiatry equipment provide services in the community. These will create environments where our patients can thrive and receive the highest quality of care.

To further enhance patient services and streamline our clinical effectiveness, we will be implementing a new patient management and financial software solution. This software will improve the way we support our patients, optimise workflows, facilitating seamless communication, and ultimately improving the outcomes and experiences of those in our care.

We will continue to build on our research and development successes. For example, 3D printing has now become a core competency in the way we provide patient care. This year, we will harness this technology to address other pressing patient needs including ankle foot orthosis. This mahi is also important to help ensure we remain an employer of choices for those looking for careers in the orthotic and prosthetic industry in Aotearoa New Zealand.

Finally, we will be a responsible and responsive partner and support the changes for all whānau we care for as we navigate the health and disability system reforms. By working together, we can help the system achieve government objectives for Aotearoa New Zealand.

Nga mihi,

A handwritten signature in black ink, appearing to read 'George Reedy', with a long horizontal line extending to the right.

**George Reedy**  
**Chair**

# Forecast Statement of Service Performance

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

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## Summary of Statement of Performance Expectations 2023/24

We said we would:

- 1. Proactively seek Te Whatu Ora orthotic service contracts:**
  - 4 new orthotic service contracts and 2 renewed contracts (For more information see page 13).
- 2. Progress the replacement of the Auckland Centre roof as per the \$5m budget contribution.**
- 3. Establish new patient management system and financial solution.**

Output, impact and outcome performance measures and standards		2023/2024 Targets
<b>Patient Feedback</b>		
Independence and productivity outcome		85%
Satisfaction with our service		85%
Trust and confidence in our team		85%
<b>Expert Workforce</b>		
Average number of training and professional development days per full time equivalent staff member		10
Percentage of PW clinical and technical employees who hold recognised certification and/or qualifications		100%
Orthotic Service interventions		400
Patients offered peer support services		100%
Percentage of active amputees in our service with a Key Worker		100%
Percentage of new amputees prescribed a prostheses with improved independence and mobility assessed using 'Amputee Mobility Predictor' within 18 months of fitting a new artificial limb		80%
<b>Technology, Research and Development</b>		
Minimum number of 3D printed devices		300
Number of collaborative research projects undertaken on issues designed to improve the provision of services to our patients		2
<b>Impact &amp; Equity</b>		
Yearly reach in users/followers via: <ul style="list-style-type: none"> <li>• PW/OS/PS websites combined</li> <li>• Facebook</li> <li>• Instagram</li> <li>• LinkedIn</li> </ul>		30,000 450 350 650
Minimum number of business days that services are available to patients through all six PW centres		230
Minimum number of regional clinics held		40



# **Matapae Tauāki Pūtea**

## Forecast Financial Statements

# Statement of Responsibility

## Statement of responsibility

For the year ended 30 June 2024

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Peke Waihanga is responsible for the preparation of the Statement of Performance Expectations as well as prospective financial statements, including the assumptions on which the financial statements are based.

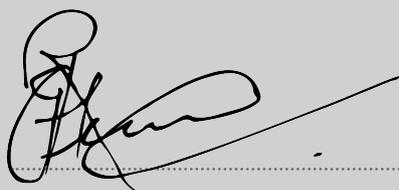
The prospective financial statements of in full have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The prospective financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The prospective financial statements have been developed for the purpose of presenting Peke Waihanga's intentions in Parliament, and should not be relied upon by any other party for any alternative purpose without the express written permission of Peke Waihanga.

Actual results are likely to be different from the prospective financial statements and the variation may be material.

We have authorised the issue of the prospective financial statements on this day.



George Reedy  
**Chair**

30 June 2023



Kevin Ross  
**Board Member**

30 June 2023

# Prospective Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

	Budget 2023 \$000	Estimate Actual 2023 \$000	Budget 2024 \$000
<b>Revenue</b>			
Government contract funding	26,370	32,679	31,497
Interest revenue	36	105	180
<b>Total revenue</b>	<b>26,406</b>	<b>33,226</b>	<b>31,677</b>
<b>Expenditure</b>			
Personnel costs	9,862	11,658	11,863
Depreciation and amortisation expense	540	667	683
Other expenses	16,376	20,297	19,528
<b>Total expenditure</b>	<b>26,778</b>	<b>32,622</b>	<b>32,073</b>
<b>Total comprehensive revenue &amp; expense</b>	<b>(372)</b>	<b>(604)</b>	<b>(397)</b>

# Prospective Statement of Changes in Equity

For the year ended 30 June 2023

	Budget 2023 \$000	Estimate Actual 2023 \$000	Budget 2024 \$000
Balance at 1 July	17,456	16,738	23,977
Total comprehensive revenue & expense	(373)	(604)	(367)
Crown capital contribution	-	6,635	-
Balance at 30 June	17,083	23,977	23,580

# Prospective Statement of Financial Position

As at 30 June 2023

	Budget 2023 \$000	Estimate Actual 2023 \$000	Budget 2024 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	362	5,414	812
Receivables	3,004	3,500	3,300
Prepayments	60	50	50
Inventories	2,891	3,417	3,217
Investments	1,271	2,235	2,415
<b>Total current assets</b>	<b>7,588</b>	<b>14,616</b>	<b>9,794</b>
<b>Non-current assets</b>			
Property, plant and equipment	14,448	13,870	18,407
Intangible assets	-	250	250
<b>Total non-current assets</b>	<b>14,448</b>	<b>14,120</b>	<b>17,657</b>
<b>Total assets</b>	<b>22,063</b>	<b>28,736</b>	<b>28,451</b>

	Budget 2023 \$000	Estimate Actual 2023 \$000	Budget 2024 \$000
<b>Current liabilities</b>			
Payables and revenue in advance	3,852	3,717	3,879
Employee entitlements	972	872	822
Total current liabilities	4,824	4,589	4,701
<b>Non-current liabilities</b>			
Employee entitlements	129	170	170
Total non-current liabilities	129	170	170
Total liabilities	4,953	4,759	4,871
<b>Net assets</b>	17,083	23,977	23,580
<b>Equity</b>			
General funds	17,083	23,977	23,580
Total equity	17,083	23,977	23,580

# Statement of Cash Flows

For the year ended 30 June 2023

	Budget 2023 \$000	Estimate Actual 2023 \$000	Budget 2024 \$000
<b>Cash flows from operating activities</b>			
Receipts from government contract funding	26,570	32,562	31,697
Interest received	36	105	180
Receipts from other revenue	-	442	-
Payments to suppliers	(16,048)	(20,628)	(19,166)
Payments to employees	(9,813)	(11,817)	(11,913)
Net cash from operating activities	745	664	798
<b>Cash flows from investing activities</b>			
Purchase of investments	36	1,008	180
Purchase of property, plant & equipment	3,457	3,576	5,220
Net cash from investing activities	(3,493)	(4,584)	(5,400)
<b>Cash flows from financing activities</b>			
Capital Contribution	-	6,635	-
Net cash from financing activities	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,748</b>	<b>2,715</b>	<b>(4,602)</b>
Cash and cash equivalents at the beginning of the year	3,110	2,699	5,414
<b>Cash and cash equivalents at the end of the year</b>	<b>362</b>	<b>5,414</b>	<b>812</b>

# Notes to the Financial Statements

## Statement of accounting policies for the year ended 30 June 2023

### 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. Peke Waihanga is governed by relevant legislation and 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 primary objective of Peke Waihanga is to provide services to the New Zealand public. Peke Waihanga does not operate to make a financial return.

### Basis of preparation

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

### Statement of Compliance

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

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

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

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

### Significant accounting policies

#### Revenue

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

#### Revenue from Government Contract Funding

Peke Waihanga principally derives its revenue from the Crown through contracts with Te Whatu Ora and Accident Compensation Corporation for services to third parties.

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

#### Interest

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

#### Other revenue

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

#### Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Peke Waihanga are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of comprehensive revenue and expense.

#### Cash and cash equivalents

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

## Receivables

Receivables are recorded at the amount due less any provision for uncollectibility. A receivable is considered uncollectible when there is evidence the amount due will not be fully collected.

The amount that is uncollectible is the difference between the amount due and the present value of the amount expected to be collected.

## Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

At balance date Peke Waihangā assesses whether there is any objective evidence that an investment is impaired. The carrying amounts of investments with maturities less than 12 months approximates their fair value.

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

## Inventories

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

Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition. Inventories include stock on hand and work in progress.

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

## Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of

monetary assets and liabilities denominated in foreign currencies, are recognised in the surplus or deficit.

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

## Property, plant and equipment

Property, Plant and equipment asset classes consist of buildings, leasehold improvements, plant and equipment, furniture and fittings and computer equipment. Plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

Property assets at Auckland, Wellington and Christchurch are valued with sufficient regularity to ensure that the carrying amount does not differ materially from their 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 value.

## 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 included in the statement of comprehensive revenue and expense.

## Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential

associated with the item will flow to Peke Waihanga and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive revenue and expense as they are incurred.

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

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

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

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

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

## Intangible assets development

### Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of Peke Waihanga website is recognised as an expense when incurred.

## Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

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

<b>Acquired computer software</b>	5 years	(20%)
<b>Developed computer software</b>	5 years	(20%)

## Impairment of property, plant, and equipment and intangible assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

## Payables

Payables are recorded at the amount payable.

## Employee entitlements

### Short-term employee entitlements

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

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

### Long-term entitlements

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

The calculations are based on:

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

The discount rates are as specified by Treasury for accounting valuation purposes as at 30 June 2022 of 1 year 3.34%, 2 year 3.70%, 3 year plus 4.29% (2021: 1 year 0.38%, 2 year 0.81%, 3 year plus 3.08%). The calculation assumes a salary growth rate of 3.01%. (2020: 3.08%) as a non-current liability.

### Presentation of employee entitlements

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

All other employee entitlements are classified as a non-current liability.

## Superannuation schemes

### Defined contribution schemes

Obligations for contributions to KiwiSaver and the Peke 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.

### Equity

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

### Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## **Income tax**

Peke 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.

## **Prospective financial statement disclosures**

Peke Waihangā has complied with PBE FRS 42 Prospective Financial Statements in the preparation of these prospective financial statements, and they have been prepared pursuant to the requirements of the Crown Entities Act 2004.

## **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 discussed below.

## **Cautionary note**

The prospective financial statements may not be appropriate for any other purpose than that described above. Actual financial results achieved for the period covered are likely to vary from the information presented in the prospective financial

statements, and the variations may be material.

## **Significant assumptions used**

Peke Waihangā has used the best information that was available at the time these prospective financial statements were prepared to determine the assumptions and information used in their preparation.

## **Currency risk**

Peke Waihangā limits the risk of loss through fluctuating overseas currency exchange rates by operating where possible on a cost plus charge out policy for the supply of services.

## **Operational costs**

Peke Waihangā continues to improve efficiency and effectiveness in its business practices. However, provision has been made for increases in operational expenditure where movements are expected due to inflationary pressure offset by efficiency gains.

## **Property Occupancy**

Peke Waihangā has contracted with Te Whatu Ora and Accident Compensation Corporation to receive funding for property costs which is disclosed as revenue in these prospective financial statements. Currently this revenue is offset by matching property operating costs.

Peke Waihangā has operating leases for its Tauranga and Dunedin centres and National Office, finance leases for Hamilton and Christchurch centres and land only leases for Auckland and Wellington centres.





## Copyright Statement

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- there is no copyright or other intellectual property rights in this Statement of Performance Expectations in New Zealand; and
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