

Te Hiringa Hauora | Health Promotion Agency

Statement of Performance Expectations

2021/22



Health Promotion Agency/Te Hiringa Hauora

PO Box 2142

Wellington 6140

Aotearoa New Zealand

hpa.org.nz

September 2021

NZBN 9429041905333



This work is licensed
under a Creative
Commons Attribution
4.0 International licence.

Contents

Foreword.....	2
Board statement.....	3
Te Hiringa Hauora Board.....	3
About this document.....	4
About Te Hiringa Hauora.....	5
Contributing to government priorities.....	6
Strategic intentions.....	10
Output classes.....	10
The work of Te Hiringa Hauora.....	11
Kaitiaki in health promotion.....	11
Kaitiaki in alcohol-related harm.....	12
A life course approach to wellbeing.....	12
Human rights and health.....	13
Non-baseline funding.....	14
Measuring success.....	15
Prospective financial statements.....	19
Notes to the prospective financial statements.....	25

Foreword

**Ko te waka hauora
E whakaterere ki tawhiti
Ki a ngā whetū e arorangi**

*May we on this waka
Navigate to the morning dawn
Guided by our celestial ancestors¹*

I am pleased to bring you the Statement of Performance Expectations (SPE) for 2021/22 for the Health Promotion Agency/Te Hiringa Hauora (Te Hiringa Hauora). This SPE comes at a time of significant change for the health sector and it has a direct impact on Te Hiringa Hauora. Next year we will no longer operate as a stand-alone Crown entity but will become part of the new system of Health New Zealand, the Māori Health Authority and a different Ministry of Health.

Te Hiringa Hauora is well placed to support the new system – in the way we work and in what we do. This SPE therefore focuses on what we believe is important to carry forward into the new system, for the health and wellbeing of Aotearoa New Zealand (Aotearoa). It is still driven by our Strategy 2020-2030 and our unrelenting pursuit of wellbeing. Reflected in these pages is the continued shift to Pae Ora and to the life course approach – identifying the key life stages where intervention and prevention will have the most impact. This approach recognises the importance of early experiences and informs our focus on wāhine hapū and the first 1,000 days of a child's life, and on young people. It is equity driven, prioritising Māori and Pacific peoples, their whānau and communities. Strong, connected and sustainable communities provide the support and environment that children and young people need to thrive.

At Te Hiringa Hauora we are Te Tiriti-dynamic – placing Te Tiriti o Waitangi at the forefront of our thinking, planning and operating. I am proud of the way we have grasped this challenge and of the initiatives we are pursuing, outlined in this SPE. I believe we can be a model for the new system in Te Tiriti-dynamic practice.

As in the previous year, we will need to be responsive to change. COVID-19 continues to affect all of us in Aotearoa and informs what we do and how we do it, as well as the health and disability system changes. It makes it all the more important that we continue to deliver equity-based health promotion programmes, address the harm caused by alcohol and move ahead with the implementation of our strategy.

Finally I am proud of what we have achieved over the years at Te Hiringa Hauora. I know I speak for the Board as a whole when I acknowledge the work of our people – they are committed, passionate, driven by values of inclusion and respect and do an amazing job. We will all ensure Te Hiringa Hauora continues to make a significant contribution to improving the wellbeing of all of us, our whānau and communities in Aotearoa.



Jenny Black

Chair

Te Hiringa Hauora

¹ This whakataukāki was given to us by our kaumātua Tau Huirama.

Board statement

In signing this statement we acknowledge that we are responsible for the information contained in the SPE for Te Hiringa Hauora. This information has been prepared in accordance with the Crown Entities Act 2004 and to give effect to the Minister of Finance and the Minister of State Services' expectations of Te Hiringa Hauora.



Jenny Black
Chair



Dr Mataroria Lyndon
Deputy Chair

Te Hiringa Hauora Board

Te Hiringa Hauora is governed by a Board appointed by the Associate Minister of Health.

- Jenny Black, Chair
- Dr Mataroria Lyndon (Ngāti Hine, Ngāti Whātua, Waikato, Ngāti Toa), Deputy Chair
- Dr Teuila Percival
- Karaitiana Tickell (Ngāi Tahu, Ngāti Toa, Ngāti Raukawa)
- Mafi Funaki-Tahifote
- Professor Boyd Swinburn

About this document

Our Statement of Intent 2020-2024 (SOI) reflected a new organisational strategy to 2030.

This SPE is the second year of the SOI and the strategy. It continues to reflect how Te Hiringa Hauora is adapting as a Tiriti-dynamic organisation, moving from an issues-based approach to health promotion to a life course approach.

About Te Hiringa Hauora

Te Hiringa Hauora is a Crown agent established by the New Zealand Public Health and Disability Act 2000.

Our overall function is to lead and support activities to:

- promote health and wellbeing and encourage healthy lifestyles
- prevent disease, illness and injury
- enable environments that support health, wellbeing and healthy lifestyles
- reduce personal, social and economic harm.

We have alcohol-specific functions to:

- give advice and make recommendations to government, government agencies, industry, non-government bodies, communities, health professionals and others on the sale, supply, consumption, misuse and harm of alcohol as those matters relate to the general functions of Te Hiringa Hauora
- undertake, or work with others, to research alcohol use and public attitudes to alcohol in Aotearoa, and problems associated with, or consequent on, alcohol misuse.

As a Crown agent, Te Hiringa Hauora is required to give effect to government policy when directed by the responsible Minister. In delivering our alcohol-specific functions, Te Hiringa Hauora must have regard to government policy if so directed by the Minister.

Te Hiringa Hauora publishes an SOI covering a four-year period. Our current SOI is for 2020-2024. The SOI provides a view of our medium-term strategy, our plans for the future, and the ways we contribute to health and wellbeing in Aotearoa.

Te Hiringa Hauora publishes an SPE for each financial year, setting out what will be delivered and how performance will be assessed, with specific measures, and forecasting financial information including expenditure in each class of outputs.

We report quarterly to the Minister of Health, and publish an annual report for each financial year. Te Hiringa Hauora is funded from Vote Health and from the levy on alcohol produced or imported for sale in Aotearoa.

Contributing to government priorities

The activities and measures in the SPE reflect our organisational strategy to 2030 and our response to government and health sector priorities.

The Government's overarching policy goals for the next three years are:

- continuing to keep Aotearoa safe from COVID-19
- accelerating the recovery and rebuild from the impacts of COVID-19
- laying the foundations for the future, including addressing key issues such as our climate change response, housing affordability and child poverty.

Health system outcomes

The government's guiding vision is for a health system delivering Pae Ora – healthy futures for all New Zealanders, where people live longer in good health and have an improved quality of life. Health and disability sector reforms are focused on five outcomes:

1. **Equity for all New Zealanders** – so everyone can achieve the same outcomes, and have the same access to services and support, regardless of who they are or where they live
2. **Partnership** – through embedding the voice of Māori and other consumers of care into how the system plans and makes decisions, ensuring that Te Tiriti o Waitangi principles are meaningfully upheld
3. **Excellence** – ensuring consistent, high-quality care is available when people need it, and harnessing leadership, innovation and new technologies for the benefit of the whole population
4. **Sustainability** – focusing the health system on prevention and not just treating people when they are unwell – 'wellness not illness' – and ensuring that we use resources to achieve the best value for money
5. **Person and whānau-centred care** – by aiming to empower people to manage their own health and wellbeing and put them in control of the support they receive.

Enduring Letter of Expectations

The Enduring Letter of Expectations was received in October 2019. It sets out Government's expectations of the boards of Crown entities as employers and as stewards of the Crown's ownership interest and the agency's performance.

The Government wants to embed a wellbeing approach across the public sector. There are three elements:

1. **Taking a whole of government approach** – stepping out of the silos of agencies and working seamlessly together to assess, develop and implement plans to improve wellbeing
2. **Looking at intergenerational outcomes** – focusing on meeting the needs of present generations at the same time as thinking about the long-term impacts on future generations
3. **Moving beyond narrow measures of success** and considering impacts, both positive and negative, across a broader set of areas.

Letter of Expectations

We receive an annual Letter of Expectations from the Minister responsible for Te Hiringa Hauora. The Letter of Expectations for 2021/22 acknowledges that the agency will be disestablished as part of the Government response to the Health and Disability System Review. However the Minister expects that we will continue to function effectively and deliver on our core mandate. These expectations also include meeting obligations under Te Tiriti o Waitangi, prioritising wellbeing and equity, as well as giving practical effect to Whakamaua: Māori Health Action Plan 2020-2025 and Ola Manuia: Pacific Health and Wellbeing Action Plan 2020-2025. Te Hiringa Hauora is taking deliberate action to be Te Tiriti-dynamic and work for equity gains. Our priorities align with those of the broader health system:

- Improving child wellbeing
- Improving mental wellbeing
- Improving wellbeing through prevention
- Better population outcomes supported by a strong and equitable public health and disability system
- Better population health and outcomes supported by primary health care.

This SPE actively demonstrates our commitment to supporting and achieving an equitable health and disability system. Our strategic pou of Te Tiriti, equity and sustainability in this SPE are clearly and carefully translated into tangible actions and measurable impacts and outcomes.

We focus our work on priority populations whose needs are greatest, taking a life course approach and using quality research and evidence.

Our approach is people and whānau focused, integrating our work across areas such as mental health and wellbeing promotion, tobacco control, alcohol and gambling, long-term conditions and other key population health initiatives. We will also progress:

- identifying and developing innovative and effective health and wellbeing initiatives with a sound evidence base
- working collaboratively across the health and social sectors to maximise our contribution to the Government's priority areas, including a strong focus on equitable health outcomes
- continuing to implement recommendations
- working collaboratively with the Ministry of Health, particularly on the content of our research and policy work to ensure alignment with the Ministry's work programme.

Te Hiringa Hauora has already implemented the recommendations provided in the *Analysis and Advice on the Future Direction of the HPA* report prepared by Allen and Clarke.

The Minister's expectations also place emphasis on being responsive to emerging issues. In the wake of reported computer system breaches at public institutions, we are expected to have up-to-date IT security systems.

An environment of change

As for last year, as we prepare this SPE, Aotearoa continues to grapple with the impact of the COVID-19 pandemic. We are involved in delivery of programmes for the psycho-social recovery of New Zealanders and in promoting vaccination and this will continue into 2021/22.

Hearings related to the Waitangi Tribunal's Health Services and Outcomes Kaupapa Inquiry (Wai 2575) will continue into 2021/22 and may have an impact on how we deliver our health promotion and alcohol harm minimisation roles.

Te Hiringa Hauora will be disestablished as part of the Government response to the Health and Disability System Review. While we will continue to deliver on our core mandate, we recognise the risks that change brings in terms of business continuity and staff recruitment and retention. This SPE therefore focuses on what we believe is important to carry forward into the new system for the health and wellbeing of New Zealanders.

Te Tiriti, equity and sustainability

The three pou that drive our strategy and delivery are Te Tiriti, achieving equitable health outcomes and sustainability. This is in line with Government expectations and priorities as expressed in our Letter of Expectations for 2021/22.

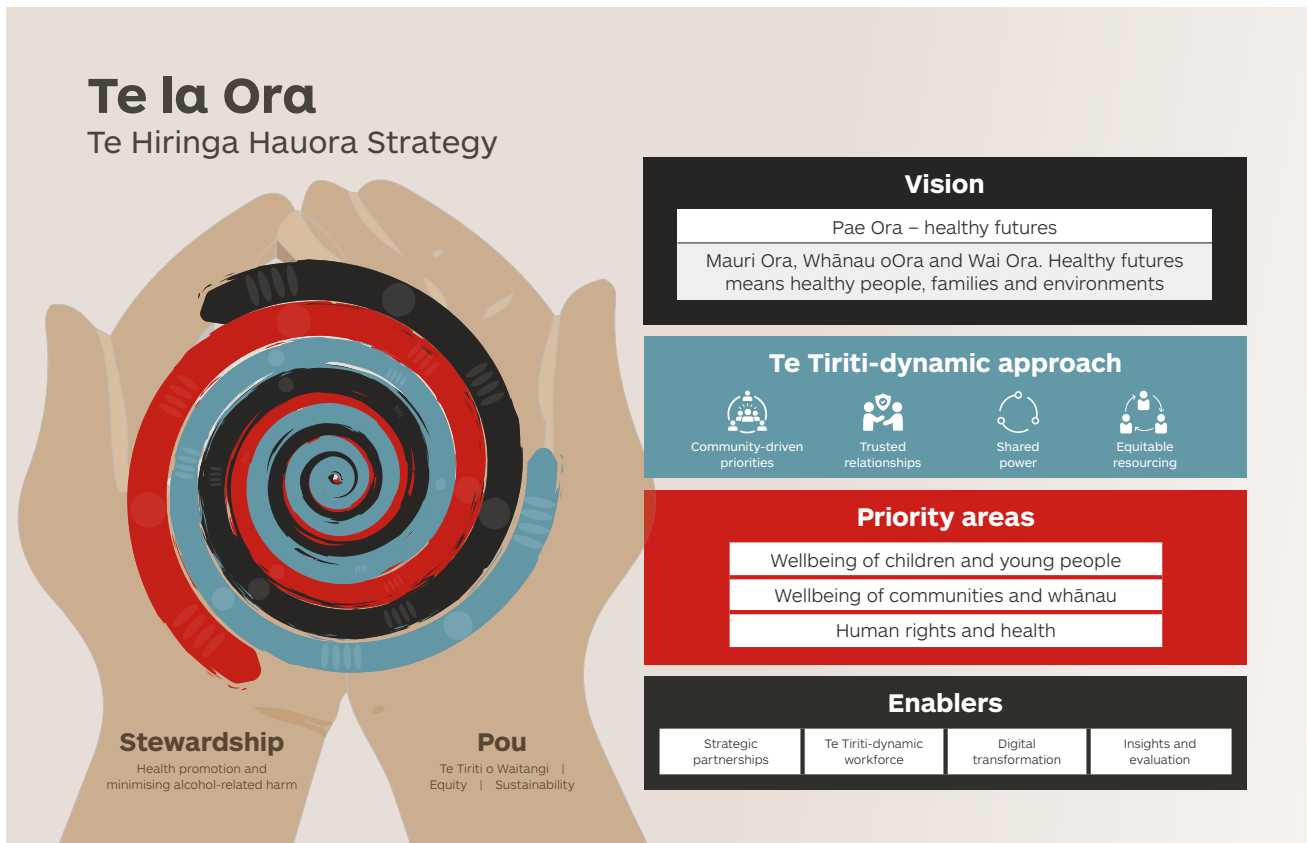
Working in partnership

Our system-wide working is informed by our Te Tiriti-dynamic approach. We continue to work with traditional sector partners including the Ministry of Health and district health boards. Increasingly we are forging new partnerships with iwi, Māori and Pacific peoples, non-government organisations and others who will partner with us to support community-led approaches to health and wellbeing.

At Te Hiringa Hauora, we want to reflect our Tiriti-dynamic approach in everything we do including the representation of our strategy. The following diagram represents the essence of the strategy – how we work as much as what we do. Our strategic intentions to implement this are:

- Promoting, enabling and informing
- People can take action, be effective and influence their own life
- Communities meet their needs and goals
- Environments and systems are enablers not barriers

Te Ia Ora is a conceptual title for our strategy inspired by the Government’s vision for the health sector of Pae Ora – healthy futures. Te Ia Ora means the vibrating pulse of wellbeing and builds further on the Pae Ora outcomes of Whānau Ora (Healthy Families), Wai Ora (Healthy Environments) and Mauri Ora (Healthy People). We have used a takarangi design (traditional spiral pattern) to symbolically represent both the energy and life force that emanate from wellbeing, as well as our role as kaitiaki of health and wellbeing promotion in Aotearoa.



Strategic intentions

Our strategic intentions as outlined in our SOI 2020-2024 are:

- people can take action, be effective, and influence their own life
- communities meet their needs and goals
- environments and systems are enablers not barriers.

Output classes

As kaitiaki² of health promotion and alcohol harm minimisation, supported by our legislative mandate, we bring a unique set of skills and experience. Our output classes reflect these stewardship roles and are described in the following section:

- Output class one – Health promotion
- Output class two – Alcohol harm minimisation.

² Kaitiaki (te reo Māori) means trustee, minder, guard, custodian, guardian, caregiver, keeper, steward. Our founding legislation provides the platform for our role as kaitiaki for promoting the health and wellbeing of New Zealanders. Our Te Tiriti-dynamic practice supports this.

The work of Te Hiringa Hauora

In line with our ten-year strategy and SOI we will continue to work to achieve improvements in health and wellbeing for those whose needs are greatest, building our work on our three pou of Te Tiriti, equity and sustainability.

The way we enact these pou is deliberate and pragmatic. We describe ourselves as Te Tiriti-dynamic. This means we place Te Tiriti at the forefront of our thinking and give permission for staff to enact Te Tiriti articles in practice. Te Hiringa Hauora staff have the freedom to apply creative thought leadership and view Te Tiriti as an opportunity rather than as a tick box or a risk management exercise. It is reflected in our kawa and values, our structure, relationships and operational initiatives.

Kaitiaki in health promotion

Te Hiringa Hauora has legislative responsibility to promote the health and wellbeing of New Zealanders. Our developing outcomes framework reiterates that Te Tiriti-dynamic health promotion is a process, so this SPE reflects how we work just as much as what we deliver. This is in total alignment with the direction of the new system and our work this year will provide tangible, practical examples of Te Tiriti-dynamic practice that can be a model for all organisations across the new system.

In 2021/22 we will focus on:

- providing leadership in wellbeing promotion and prevention across the wider health sector on what Te Tiriti-dynamic health promotion looks like, drawing on the thinking and expertise of health promotion/public health experts and leaders
- exploring different leadership, decision making and partnership models with iwi, Māori and communities for the organisation as a whole and for specific programmes of work
- supporting the growth of Māori and Pacific health leaders through iwi partnerships and workforce development initiatives. This includes internship programmes within Te Hiringa Hauora
- implementing our Te Tiriti-dynamic framework and monitoring and evaluation plan. It will cover decision making, organisational capability, knowledge and data, partnerships and relationships, and influence and advocacy.

Kaitiaki³ in alcohol-related harm

Alcohol causes significant harm in Aotearoa and is disproportionately felt in Māori communities. To address this we are working alongside Māori stakeholders to co-develop a national framework to address alcohol-related harm. In line with the World Health Organization's SAFER framework⁴, this national agenda aims to progress more effective policy and regulation, and contribute to environments where alcohol is not normalised.

In 2021/22 we will focus on:

- implementing a new national marketing approach that aims to change the culture of drinking in Aotearoa and de-normalise alcohol use
- advocating for changes to the alcohol policy and regulatory environment that show our strong commitment to *ōritetanga* for Māori through stricter controls on alcohol availability
- working in regions and communities to remove alcohol sponsorship and promotion associated with community sport
- continuing to implement, in partnership with Māori, a comprehensive multi-year Māori alcohol health needs assessment and change process
- contributing to research into the use and misuse of alcohol in Aotearoa through undertaking the Alcohol Use in Aotearoa survey and publishing a range of reports from the data
- equipping the alcohol harm minimisation and wider public health sectors with more consistent alcohol harm minimisation messages.

A life course approach to wellbeing

As outlined in our strategy and SOI, to contribute to intergenerational change in health and wellbeing for those who needs are greatest, we focus on supporting children and young people to thrive. This means investing in key evidence-based intervention points (transitions) where we will have most impact across the generations. It also means investing in the health and wellbeing of *whānau* and communities to provide a supportive environment for children and young people. Our approach is pro-Te Tiriti and pro-equity, focusing on Māori and Pacific peoples and other groups experiencing significant inequities.

Our life course priorities for 2021/22 are:

- first 1,000 days of a child's life (generally from conception to two years), acknowledging the critical importance of mothers by focusing on maternal wellbeing and mental health, transition to parenthood and engagement and connection in pregnancy, particularly for Māori
- wellbeing of young people as they navigate key transition points (eg, entering and leaving high school), with a specific focus on rangatahi Māori, Pacific young people, and other groups of young people experiencing significant inequities, for example Rainbow and disabled youth
- wellbeing of *whānau* and communities, particularly in relation to mental wellbeing and the prevention of non-communicable diseases.

3 Our kaitiaki role in alcohol harm minimisation comes from our founding legislation (New Zealand Public Health and Disability Act 2000).

4 Available at: https://www.who.int/substance_abuse/safer/msb_safer_framework.pdf

In 2021/22 we will focus on how we work:

- Providing evidence-based **tools and resources to support wellbeing** – enabling the health sector to support our Māori and Pacific peoples communities through direct messages, websites, campaigns, information and tools.
- **Supporting communities and innovators** – working sustainably with communities, supporting community-led wellbeing innovations through sharing expertise, resources and networks.
- **Supporting system change** through:
 - entrenching Te Tiriti- and tikanga-led approaches to programme development and delivery including governance and decision making
 - changing environments – using insights and evidence, identifying opportunities to nudge the national narrative on key issues, amplifying community voice in system and policy change.

In 2021/22 we will deliver:

- foundation work for a youth wellbeing campaign to be delivered in 2022 (as part of the cross-government Youth Plan)
- community- and whānau-led wellbeing approaches, for example:
 - an approach to the prevention of non-communicable diseases in Tairāwhiti, in partnership with relevant government and non-government organisations including Māori and Pacific peoples health organisations
 - support for maternal wellbeing and young people in transition

- motivating and supporting smoking quit attempts, contributing to the Smokefree 2025 Action Plan, through marketing and communications with supporting tools and resources
- developing and promoting digital mental wellbeing and alcohol and other drug harm minimisation hubs that include:
 - Small Steps microtools
 - digital mental wellbeing tools developed with kaupapa Māori principles
 - working on updating depression.org.nz and thelowdown.co.nz
 - an online story tool that prompts people to contemplate and change the role alcohol plays in their life
 - a range of new resources as part of a new national alcohol health and wellness campaign co-developed with Māori communities.

Human rights and health

The right to health is a basic human right; however discrimination and prejudice can prevent people realising that right. Currently Te Hiringa Hauora prioritises the mana and human rights of people with experience of mental distress.

In 2021/22 we will deliver:

- Nōku te Ao: Like Minds programme aimed at ending prejudice and discrimination against people with experience of mental distress. This programme will embed kaupapa Māori principles, strengthen leadership, coordination, research and evaluation and build networks and capacity.

Non-baseline funding

As well as the activities outlined in the work programme above, Te Hiringa Hauora leads and supports other additional projects with external agencies, usually the Ministry of Health, throughout the year. These are non-baseline-funded projects that may be completed within a financial year, or may carry over from one year to the next. Te Hiringa Hauora will continue to be responsive to these requests and will report on any non-baseline initiatives in our 2021 Annual Report.

In 2021/22 this includes a mix of work already confirmed and in planning covering:

- health promotion work in cervical screening, measles, Hepatitis C, sexual health, stroke, oral health and COVID-19 vaccination
- additional tobacco control work to support smoking cessation and the Smokefree 2025 goal
- digital tool development in mental wellbeing and smoking cessation
- work to support emerging health issues and the Government's priorities.

Measuring success

We are currently developing an outcomes framework. These measures are not directly related to the framework but the work undertaken to date has informed this SPE and its measures.

The framework and its accompanying monitoring and evaluation plan will be the main way of reporting our performance in the future, including through the SPE. Our foundations – Te Tiriti, equity and sustainability – are the basis for all our work and will be important factors in considering the success of what we do. Our measures will reflect not just the work that we deliver but also how we are changing the way we work.

The alignment of the 10-year strategy, the developing outcomes framework and our foundations (Te Tiriti, equity and sustainability) has resulted in new measures to better reflect the performance and contribution of Te Hiringa Hauora. With Te Hiringa Hauora transitioning to the new system as part of Health New Zealand, measures for one year have been included. Out years will be included as part of the new entity.

Output class one: Health promotion

No.	Activities	Performance measures	Comparative data	Indicators and source 2021/22
1	Develop and procure digital mental wellbeing solutions with a focus on Māori and Pasifika populations.	Provide access to and promotion of digital mental wellbeing solutions for people in Aotearoa.	New measure.	By 30 June 2022 we will have: <ul style="list-style-type: none"> • a set of 12 microtools • updated depression.org.nz • updated thelowdown.org.nz
2	Motivate and support smoking quit attempts.	Continue to deliver campaigns to share Smokefree messages and support quit attempts. The campaigns have associated websites to provide further information for their audiences.	New measure.	We will monitor the campaign and aim to maintain an average of 1,500 user sessions on the QuitStrong website per week, in the weeks of specific national campaign activity. An independent evaluation has been commissioned which will report annual progress over a period of four years.
3	Te Hiringa Hauora will support community- and whānau-led wellbeing approaches to: <ul style="list-style-type: none"> • maternal wellbeing promotion • promotion of young people's wellbeing • prevention of non-communicable diseases. 	Implement at least two new initiatives directly with communities or with partners.	New measure.	Two case studies will be completed by 30 June 2022.

No.	Activities	Performance measures	Comparative data	Indicators and source 2021/22
4	Implement the Nōku te Ao: Like Minds 2020-2025 Strategy.	Develop a kaupapa Māori monitoring and evaluation plan that underpins the delivery of Nōku te Ao: Like Minds 2020-2025.	New measure.	A monitoring and evaluation plan will be implemented by 30 June 2022.
5	Te Hīringa Hauora will commence reporting against the outcomes framework, developed in 2020/21. This will make explicit how the work of Te Hīringa Hauora contributes to wider health sector priorities, as well as our direct impact on improved health and wellbeing outcomes for New Zealanders.	A monitoring and evaluation plan will be published. The plan will initially focus on how we work in a Te Tiriti-dynamic way, with a focus on equity, and how this will lead to improved health outcomes.	New measure.	Te Hīringa Hauora will update the online version of the outcomes framework. The monitoring and evaluation plan will be updated twice a year.
6	Provide high-quality and relevant research, Te Hīringa Hauora monitors, data analysis and outputs to support our programme and external stakeholders.	Publish the results of the Health and Lifestyles Survey 2020/21.	Updated measure.	Topline report will be published by 30 June 2022.

Revenue \$19,448,000

Expenditure \$20,048,000

Surplus/(deficit) (\$600,000)

Output class two: Alcohol harm minimisation

No.	Activities	Performance measures	Comparative data	Indicators and source Year One 2021/22
7	National harm minimisation framework implementation. The framework has two areas for action – policy and culture change.	Action plans developed by Te Hiringa Hauora and other agencies. Te Hiringa Hauora policy position statements developed.	Directly comparative data is not available. There has not been a similar framework.	Framework published by December 2021. Te Hiringa Hauora action plan will be developed by 30 June. Te Hiringa Hauora policy positions published by June 2022.
8	The alcohol.org.nz website and our public resources continue to be relevant for New Zealanders.	Continue to review and improve alcohol.org.nz website.	New measure.	We aim for a range of 50,000-70,000 annual website visits. Additional tools and resources will be added to the website including consumer/ stakeholder experiences when the data is available.

Revenue \$11,593,000 Expenditure \$12,023,000 Surplus/(deficit) (\$430,000)

Prospective financial statements

Prospective Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

SPE Budget 2020/21 \$000	Estimated Actuals 2020/21 \$000		Budget 2021/22 \$000
Revenue			
11,530	11,530	Alcohol levy	11,530
16,048	16,048	Funding from the Crown – baseline	16,048
–	9,961	Funding from the Crown – additional	3,313
180	180	Interest	150
–	450	Other	–
27,758	38,169	Total revenue	31,041
Expenditure			
60	60	Audit Fees	60
153	138	Board	133
109	114	Depreciation	114
430	461	Equipment, supplies and maintenance	1,442
74	74	Health, safety and wellness	54
751	741	Occupancy	883
524	631	Other operating	699
10,653	11,277	Personnel	12,204
16,004	26,085	Programmes	16,482
28,758	39,581	Total expenditure	32,071
(1,000)	(1,412)	Surplus/(deficit)	(1,030)

Prospective Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

Restated by Revenue Source

Budget 2020/21 \$000	Estimated Actuals 2020/21 \$000		Budget 2021/22 \$000
		<i>Alcohol</i>	
		<i>Revenue</i>	
11,530	11,530	Levy	11,530
75	41	Interest	63
–		Other revenue	–
11,605	11,571	Total revenue	11,593
11,805	11,730	Total expenditure	12,023
		<i>All other</i>	
		<i>Revenue</i>	
16,048	16,048	Funding from the Crown – baseline	16,048
	9,961	Funding from the Crown – additional	3,313
105	139	Interest	87
–	450	Other revenue	–
16,153	26,598	Total revenue	19,448
16,953	27,851	Total expenditure	20,048
27,758	38,169	Grand total revenue	31,041
28,758	39,581	Grand total expenditure	32,071
(1,000)	(1,412)	Surplus/(deficit)	(1,030)

Prospective Statement of Financial Position as at 30 June 2022

SPE Budget 2020/21 \$000	Estimated Actuals 2020/21 \$000		Notes	Budget 2021/22 \$000
Assets				
Current assets				
260	260	Cash and cash equivalents	5	265
2,500	6,820	Investments	7	5,810
3,160	776	Receivables	6	961
5,920	7,856	Total current assets		7,036
Non-current assets				
1,112	230	Property, plant and equipment	8	116
1,112	230	Total non-current assets		116
7,032	8,086	Total assets		7,152
Liabilities				
Current liabilities				
3,774	2,226	Payables	10	2,322
600	600	Employee entitlements	11	600
4,374	2,826	Total current liabilities		2,922
2,658	5,260	Net assets		4,230
Equity				
3,658	3,424	Contributed capital	12	3,424
(1,000)	1,836	Accumulated surplus/(deficit)		806
2,658	5,260	Total equity		4,230

Prospective Statement of Changes in Equity for the year ended 30 June 2022

SPE Budget 2020/21 \$000	Estimated Actual 2020/21 \$000		Budget 2021/22 \$000
3,658	6,672	Balance at 1 July	5,260
(1,000)	(1,412)	Total comprehensive revenue and expense for the year	(1,030)
2,658	5,260		4,230

Prospective Statement of Cash Flows for the year ended 30 June 2022

	Notes	Budget 2021/22 \$000
Cash flows from operating activities		
Receipts from levy		11,244
Receipts from the Crown		19,361
Receipts from interest revenue		150
Payments to suppliers		(19,753)
Payments to employees		(12,108)
GST (net)		101
Net cash flow from operating activities		(1,005)
Cash flows from investing activities		
Receipts from sale of investments		1,010
Net cash flow from investing activities		1,010
Net increase/(decrease) in cash and cash equivalents		5
Cash and cash equivalents at the beginning of the year		260
Cash and cash equivalents at the end of the year	5	265

Prospective Statement of Cash Flows for the year ended 30 June 2022

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

	Budget 2021/22 \$000
Net surplus/(deficit)	(1,030)
<i>Add/(less) non-cash items</i>	
Depreciation and amortisation expense	114
Total non-cash items	114
<i>Add/(less) movements in statement of financial position items</i>	
(Increase)/decrease in receivables	(185)
Increase/(decrease) in payables and revenue in advance	96
Net movements in working capital items	(89)
Net cash flow from operating activities	(1,005)

The accompanying notes form part of these financial statements.

Notes to the prospective financial statements

1 Statement of accounting policies

Reporting entity

Te Hiringa Hauora is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in Aotearoa, with offices in Wellington, Auckland and Christchurch. The relevant legislation governing the operation of Te Hiringa Hauora includes the Crown Entities Act 2004 and the New Zealand Public Health and Disability Act 2000. The ultimate parent of Te Hiringa Hauora is the New Zealand Crown.

Te Hiringa Hauora has an overall function to lead and support activities for the following purposes:

- promoting health and wellbeing and encouraging healthy lifestyles
- preventing disease, illness and injury
- enabling environments that support health and wellbeing and healthy lifestyles
- reducing personal, social and economic harm.

It also has functions specific to providing advice and research on alcohol issues.

Te Hiringa Hauora does not operate to make a financial return.

Te Hiringa Hauora has designated itself as a public benefit entity (PBE) for financial reporting purposes.

Basis of preparation

The prospective 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 prospective financial statements of Te Hiringa Hauora 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 Aotearoa (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The prospective financial statements comply with PBE accounting standards.

Presentation currency and rounding

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

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 spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

Goods and services tax (GST)

Items in the prospective 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, 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 prospective 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 prospective statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

Te Hiringa Hauora is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Cost allocation

Te Hiringa Hauora has determined the cost of its two output classes using the cost allocation system outlined below.

Direct costs are costs directly attributed to an output class. Indirect costs are costs that cannot be identified to a specific output class in an economically feasible manner.

Direct costs are charged directly to output classes.

Indirect costs are charged to output classes based on the proportion of direct programme costs within each output class.

Personnel and other indirect costs are assigned to output classes based on cost drivers and related activity or usage information.

Critical accounting estimates and assumptions

In preparing these prospective financial statements, Te Hiringa Hauora 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:

- useful lives and residual values of property, plant and equipment – refer to Note 8
- useful lives of software assets – refer to Note 9
- retirement and long service leave – refer to Note 11.

Note 2: Revenue

Accounting policy

The specific accounting policies for significant revenue items are explained below:

Funding from the Crown

Te Hiringa Hauora is primarily funded from the Crown. This funding is restricted in its use for the purpose of Te Hiringa Hauora meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder the Ministry of Health.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Alcohol levy

Te Hiringa Hauora is also funded from a levy imposed for the purpose of recovering the costs it incurs in:

- addressing alcohol-related harm
- its other alcohol-related activities.

This levy is collected by New Zealand Customs acting as agent for Te Hiringa Hauora. Levy revenue is recognised as revenue in the accounting period when earned and is reported in the financial period to which it relates.

Interest revenue

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

Note 3: Personnel expenses

Accounting policy

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver and the ASB Group Master Trust are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Defined benefit schemes

Te Hiringa Hauora makes contributions to the ASB Group Master Trust Scheme (the scheme). The scheme is a multi-employer defined benefit scheme.

Note 4: Other expenses

Accounting policy

Grant expenditure

Discretionary grants are those grants where Te Hiringa Hauora has no obligation to award the grant on receipt of the grant application. For discretionary grants without substantive conditions, the total committed funding over the life of the grant is expensed when the grant is approved by the Grants Approval panel and the approval has been communicated to the applicant. Discretionary grants with substantive conditions are expensed at the earlier of the grant invoice date or when the grant conditions have been satisfied. Conditions can include either:

- specification of how funding can be spent with a requirement to repay any unspent funds; or
- milestones that must be met to be eligible for funding.

Te Hiringa Hauora provides grants to community-based organisations to enable them to work in partnership with Te Hiringa Hauora or to progress messages or outcomes that Te Hiringa Hauora and the community have in common.

Te Hiringa Hauora makes a large number of small grants in each financial year, across a range of health topics, for purposes that include:

- activities to support national projects
- delivering an event, activity or services to promote messages of Te Hiringa Hauora
- specific one-off projects.

A letter to the recipient of each grant specifies the purpose of the grant and the requirements for the recipient to provide reports to Te Hiringa Hauora. Reports are required at project milestones, and/or on completion of projects.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Te Hiringa Hauora leases office equipment and premises.

Te Hiringa Hauora leases two properties – its main office situated in Wellington and the regional office in Auckland.

The office equipment that Te Hiringa Hauora leases are printers.

Te Hiringa Hauora does not have the option to purchase any of these assets at the end of any of the lease terms.

There are no restrictions placed on Te Hiringa Hauora by any of its leasing arrangements.

Critical judgements in determining accounting policies

Grant expenditure

Te Hiringa Hauora has exercised judgement in developing its grant expenses accounting policy above as there is no specific accounting standard for grant expenditure. The accounting for grant expenditure has been an area of uncertainty for some time, and, as a result, there have been differing accounting practices for similar grant arrangements. With the recent introduction of the new PBE Accounting Standards, there has been debate on the appropriate framework to apply when accounting for grant expenses, and whether some grant accounting practices are appropriate under these new standards.

A challenging area in particular is the accounting for grant arrangements that include conditions or milestones. Te Hiringa Hauora is aware that the need for a clear standard or authoritative guidance on accounting for grant expenditure has been raised with the New Zealand Accounting Standards Board. Therefore, we will keep the matter under review and consider any developments.

Note 5: Cash and cash equivalents

Accounting policy

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

Note 6: Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. Te Hiringa Hauora applies the simplified expected credit losses model of recognising lifetime expected losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics and are grouped on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Note 7: Investments

Accounting policy

Bank term deposits

Investments in bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and shown as a receivable until the term deposit matures.

Note 8: Property, plant and equipment

Accounting policy

Property, plant and equipment consists of multiple asset classes, which are all measured at cost less accumulated depreciation (if any) and impairment losses.

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 Te Hiringa Hauora and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

The costs of day-to-day servicing of property, plant and equipment are expensed in the surplus or deficit as they are incurred.

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.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Leasehold improvements*	3 years	33%
Furniture	10 years	10%
Office equipment	5 years	20%
Motor vehicles	5 years	20%
Computer hardware and software	3 years	33%
Books and films	10 years	10%
Artwork		0%

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

Impairment of property, plant and equipment and intangible assets

Te Hiringa Hauora does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant and equipment held at cost 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 service amount. The recoverable service 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 most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is 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 Te Hiringa Hauora, 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 recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. Te Hiringa Hauora minimises the risk of this estimation uncertainty by:

- physical inspection of assets
- asset replacement programmes
- review of second-hand market prices for similar assets
- analysis of prior asset sales.

Te Hiringa Hauora has not made significant changes to past assumptions concerning useful lives and residual values.

Note 9: Intangible assets

Accounting policy

Software acquisition

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

Staff training costs are recognised as an expense when incurred.

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

Costs associated with the development and maintenance of websites of Te Hiringa Hauora are expensed 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 financial year is expensed in the surplus or deficit.

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

Acquired computer software	3 years	33%
----------------------------	---------	-----

Impairment of intangible assets

Refer to the policy for impairment of property, plant and equipment in Note 8. The same approach applies to the impairment of intangible assets.

Critical accounting estimates and assumptions

Estimating useful lives and residual values of intangible assets

In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use
- the effect of technological change on systems and platforms
- the expected timeframe for the development of replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position.

Note 10: Payables

Accounting policy

Short-term payables are recorded at the amount payable.

Note 11: Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

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 employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of period in which the employee provides the related service, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements

Annual leave and the current portion of vested long service leave are classified as a current liability.

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

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

Critical accounting estimates and assumptions

Measuring long service leave obligations

The present value of long service leave obligations depends on a number of factors that are determined on an actuarial basis.

Two key assumptions used in calculating this liability include the discount rate and the salary inflation factors. Any changes in these assumptions will affect the carrying amount of the liability.

Note 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:

- contributed capital
- accumulated surplus/(deficit).

Capital management

The capital of Te Hiringa Hauora is its equity, which comprises accumulated funds. Equity is represented by net assets.

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

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

PO Box 2142
Wellington
New Zealand 6140
hpa.org.nz