



# Statement of Performance Expectations

2022/23

27th June 2022

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

[tewaihanga.govt.nz](https://www.tewaihanga.govt.nz)



New Zealand Infrastructure Commission, Te Waihanga

Statement of Performance Expectations 2022/23

June 2022


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


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## Statement of Responsibility

### Tauākī Haepapa

This document constitutes Te Waihanga's Statement of Performance Expectations (SPE) as required under the Crown Entities Act 2004.

The descriptions of the Commission's purpose, role and functions are consistent with the New Zealand Infrastructure/Te Waihanga Act 2019. The SPE covers a one-year period between 1 July 2022 and 30 June 2023. It should be read in conjunction with the Commission's Statement of Intent 2019-24.

The Board is responsible for the content of this SPE, which comprises the reportable outputs and the prospective financial statements for the year, including the assumptions on which they are based, and the judgements used in preparing them.

The prospective financial statements have been prepared in accordance with generally accepted accounting practices in New Zealand.

In accordance with the Crown Entities Act the, the Commission has consulted with the Minister for Infrastructure in the preparation of this SPE.

Dr Alan Bollard CNZM

Board Chair

9th May 2022

Suzanne Tindal FCPA, CMInstD

Deputy Chair

9th May 2022







## Who we are

### Ko wai mātou

The New Zealand Infrastructure Commission, Te Waihangā was established in September 2019 as an Autonomous Crown Entity, and we are the Government’s lead advisor for infrastructure.

The New Zealand Infrastructure /Te Waihangā Act 2019 outlines the functions of Te Waihangā that guide the Commission’s work:

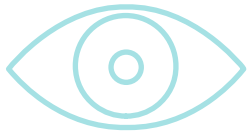
1. To coordinate, develop and promote an approach to infrastructure that improves the wellbeing of New Zealanders.
2. To improve the certainty of future New Zealand infrastructure projects.
3. To lift New Zealand’s infrastructure procurement capability.
4. To provide high-quality advice in relation to infrastructure.

### Meaning of Te Waihangā

In te reo Māori, waihangā means a cornerstone, or to make, create, develop, build, construct, or generate. The name Te Waihangā describes our commitment to shaping New Zealand’s future through infrastructure planning and investment.

#### Our vision

Infrastructure  
for a thriving  
New Zealand



#### Our purpose

To improve the lives of all  
New Zealanders through  
better infrastructure.



#### Our values

Free thinking/  
Whakaaro nui.

Courageous/  
Māia.

Trustworthy/  
Pono.

Empathetic/  
Ngākau aroha.



# Our outcomes framework

## Tā mātou anga putanga

The way Te Waihanga will make a difference is outlined in our outcomes framework.

Te Waihanga seeks to deliver a positive change in New Zealand’s planning and delivery of infrastructure, it’s systems and settings. To achieve this, we are focused on developing and leading a transparent and evidenced-based approach that supports central and local government and the private sector to collectively, plan and deliver infrastructure that improves the wellbeing of all New Zealanders. To do this effectively, the Commission needs influence. As a young organisation we are therefore focusing on ensuring we are: rigorous in our analysis, trusted and respected by central and local government, and the private sector and a skilled communicator.

The complexity of infrastructure in New Zealand means that there is considerable work that needs to be done by many parties to achieve the desired outcome. We will continue to grow our relationships across central and local government, and with the infrastructure industry, to enable this to occur.



Figure 1 below illustrates how we expect to make a difference to the infrastructure system in New Zealand.

Figure 1: Te Waihanga’s Outcomes Framework

### Vision:

Infrastructure  
for a thriving  
New Zealand



### Purpose:

Transforming  
infrastructure for all  
New Zealanders



### Outcome for New Zealand:

Infrastructure lays a foundation for the people, places and businesses of Aotearoa, New Zealand to thrive for generations.



### How we make a difference via a range of government and private sector activities

#### What we do:

- Infrastructure Strategy development and implementation
- Investment analysis, and forward works tracking
- Infrastructure research and evidence base
- Work with the Public Sector to improve their infrastructure planning and delivery capability
- Provide high-quality, independent advice on infrastructure matters

#### Core organisational capabilities:

- Strategic infrastructure thinking
- Research and analysis
- Infrastructure procurement and delivery best practice
- Infrastructure Policy advice
- Engagement, communication and influencing

#### What we want are known for:

- Leaders and experts in infrastructure
- High-quality, evidence based advice
- Skillful engagement
- General independence/ political neutrality

#### Our impacts:

- The infrastructure system and policies improves as a result of our advice
- Advice that influences the actions of the public sector
- Public discussion and debate is generated from our work
- Advice that is perceived as independent, evidenced based, expert and implementable



## How we will measure progress against the framework

### Ka pēhea tā mātou ine kauneke mā te anga

In 2019/20 Te Waihanga began the work of establishing the systems and processes to capture the baseline data against which its performance would be assessed. These measures are included in the 2020/19 and 2020/21 Annual Reports.

As the Commission has transitioned from establishment in September 2019, it has been apparent that there is no linear ‘cause and effect’ relationship to the work of Te Waihanga. This is most evident in the strategy and policy areas as our approach is to take a systems-view which makes attribution in the short-term difficult. Given this insight, from 2022/23 the Commission will be taking a strong evaluative-based approach to measuring performance rather than fixed quantitative targets.

Te Waihanga is an autonomous crown entity, has no direct powers, and does not directly deliver infrastructure projects. The government is under no obligation to implement the Commission’s recommendations, but they are required to formally table and respond to the Infrastructure Strategy. Given this, we rely solely on the power of our evidence and data, and the communication of our ideas and reports to influence and shape policy.

It is within this context that the impact of our work will be measured as summarised in figure 2 below.

Figure 2: Te Waihanga’s approach to performance measurement

Work programme	Output indicators	Impact indicators	Outcome indicators
<p><b>1. Core work programme</b></p> <ul style="list-style-type: none"><li>Implementing the 30 year Infrastructure Strategy recommendations tagged to Te Waihanga (14 in total)</li><li>Inquiries and Reviews</li><li>Infrastructure component of the National Planning Framework</li><li>Policy advice on important infrastructure policy reforms.</li><li>Provision of strategy and planning, and support functions on major projects</li></ul> <p><b>2. Ministerial requests and other independent advice</b></p> <p><b>3. Engagement, consultations and influence programme</b></p> <ul style="list-style-type: none"><li>Iwi/Māori</li><li>Stakeholders</li><li>Regular schedule of meetings eg: Treasury and Ministry of Transport</li></ul> <p><b>4. Building the Commission</b></p> <p>Continue to ensure high quality structure, capability and support systems, policies and processes</p>	<ul style="list-style-type: none"><li>Timely delivery of reports and advice</li><li>High quality of work</li><li>Clear delivery of message</li><li>Partnership with Iwi/ Māori</li><li>Effective engagement and consultation with stakeholders</li><li>Good process management</li></ul>	<ul style="list-style-type: none"><li>Government and the sector’s response to Te Waihanga’s advice, inquiries and reviews</li><li>Policies and behaviours improve as a result of Te Waihanga’s work</li><li>External views of Te Waihanga’s work - it is independent, expert, and evidence based</li><li>Iwi/Māori and stakeholders are confident their perspectives have</li></ul>	<p>Infrastructure lays a foundation for the people, places and businesses of Aotearoa, New Zealand to thrive for generations.</p>

## Our approach to performance measurement

### Tā mātou ara ki te ine tutukitanga

It is not enough for Te Waihanga to simply produce reports. The analysis and commentary in our work needs to be disseminated, understood and influence policy and other behaviours so that, in the long-term New Zealand gets the infrastructure it needs to be productive, and the wellbeing of all New Zealanders is improved.

It is a challenge to attribute changes to the infrastructure system directly to our performance - we are one of many players who contribute to the changes. There is a huge amount of work that needs to be done by many parties to achieved the desired changes. However, Te Waihanga is clear that as the government’s lead infrastructure advisor we need to show leadership and be the change agents to lift the delivery and performance of infrastructure in New Zealand. e3

The table below sets out the key elements of this approach:

Independent expert/peer review	by someone with significant policy and/or infrastructure research experience, who is familiar with our roles and functions.
Survey of external participants	using a broad range of questions covering multiple aspects of our work, such as the quality of analysis and the clarity of our communication.
Stakeholder focus group(s)	of about 6-10 attendees from different backgrounds, independently facilitated.
Monitoring external feedback and internal workflow process	to capture, share and evaluate feedback received and external responses to our work in the media, Parliament and other relevant fields of activity.

To ensure comparability the expert review, participant survey and stakeholder focus groups will using the same performance dimensions (while allowing flexibility for other feedback is provided including:

 <p><b>Intended impacts</b> - what happens because of our work</p>	 <p><b>Right focus</b> - the relevance and materiality of our advice and reports</p>	 <p><b>Good process management</b> - the timeliness and quality of our work</p>	 <p><b>High-quality work</b> - the quality of our analysis and recommendations</p>
 <p><b>Effective management</b> - quality of engagement with interested parties</p>		 <p><b>Clear delivery of message</b> - how well our work is communicated and presented</p>	 <p><b>Overall quality</b> - the overall quality of our work considering all factors</p>

Reporting on our outcome

Te pūrongo i tā mātou putanga

Through the Commission’s work we are seeking to deliver a positive change in New Zealand’s planning and delivery of infrastructure, its systems and settings. While we are the lead infrastructure advisor to the Government, we are one of many contributors to this outcome. Therefore, we can only contribute to the outcome, we are not able to directly attribute our actions to its realisation.

Our approach to measurement at the outcome level is provided in the table below.

Outcome	Measure	Assessment method
Infrastructure lays a foundation for the people, places and businesses of Aotearoa, New Zealand to thrive for generations.	Improvement/increases in where NZ sits in international rankings of infrastructure performance.	<b>Review</b> World Bank, OECD, World Economic Forum Infrastructure Reports and Rankings.
	Investment decisions for infrastructure projects are made on good and robust information.	<b>Assess</b> the number of projects reviewed by the Treasury’s Capital Panel for all Budgets that have a completed business case (currently under 50% as at Jan 2022).  <b>Assess</b> the number of large infrastructure projects (over \$50m) that have a cost benefit analysis ahead of an investment decision.
NZ has the systems and processes it needs to efficiently deliver the infrastructure it requires to be productive.		<b>Monitor and report</b> on the consenting costs, time and processes for major projects (over \$50m).  <b>Monitor and report</b> on the productivity of the infrastructure sector.  <b>Monitor and report</b> on the performance of major infrastructure projects.
Te Waihanga is credibly and competently setting the agenda in the Infrastructure Sector.		<b>Monitoring</b> of reference to the Commission’s work (including its original purpose) - by other government agencies, local government, overseas authorities, academics and media.  <b>Annual survey</b> of attendees at the Te Waihanga Symposium.

Reporting on our impact indicators

Te pūrongo ā mātou tohu pāpātanga

Te Waihanga is an advisory body and does not run or implement policies or infrastructure projects. We rely on our expertise and clear communication of our advice and analysis to achieve results. Through our work we will look for evidence of impact in a range of indicators such as the level of discussion and debate around our work; how key influencers are responding to our work and engaging with us in discussion; and whether our work is widely used by people who are providing commentary or input to policy and is cited in their discussions.

Impact	Measure	Assessment method
Government response to Te Waihanga’s advice.	Te Waihanga’s recommendations are acknowledged, agreed and implemented.	<b>Monitoring</b> of the number of recommendations adopted in the Infrastructure Strategy and ongoing monitoring of their implementation across the relevant central and local government agencies and private sector.
Policies and behaviours change as a result of Te Waihanga’s work.	Understanding of infrastructure issues and the potential solutions to address them increases.	<b>Monitoring</b> of the number of recommendations adopted in the Infrastructure Strategy and ongoing monitoring of their implementation across the relevant central and local government agencies and private sector.
External views of Te Waihanga’s work - it is independent, expert, and evidence based.	Expert reviewer and focus group commentary on the quality of analysis and advice provided by Te Waihanga across Strategy, Infrastructure Delivery and Policy and how they have used this advice to make change in the infrastructure system.  Citing of Commissions work in Parliament, Select Committees, academic or other literature and media.	<b>Monitoring</b> of reference to the Commission’s work beyond its original purpose - by other government agencies, local government, overseas authorities, academics and media.
Iwi/Māori and stakeholders are confident their perspectives have been considered.	% of stakeholders who are confident their perspectives have been considered.	<b>Survey</b> two-yearly starting 2022/23.



## Reporting on our output measures

### Te pūrongo i ā mātou inenga hua

Below are the specific measures that we will look to assess our performance at the work programme level. This table shows how results will be reported and sets out the measures that will be applied to the relevant work areas.

Outcome	Measure	Assessment method
Timely delivery of reports and advice.	% of requested reports and advice that are delivered by the agreed date.	<b>Monitor</b> and record agreed dates and actual delivery dates. <b>Tracking</b> of Official Information Act requests, Parliamentary Questions, Written Parliamentary Questions and ministerial requests. Quarterly <b>reports</b> to the Minister for Infrastructure, TSY and Board.
High quality of work.	Advice is developed in accordance with rigorous internal standards and procedures and is based on evidence.	<b>Independent review</b> by a person/entity with significant policy and/or infrastructure research experience, who is familiar with our roles and functions. <b>Internal pulse survey</b> of staff to measure engagement and culture.
Clear delivery of message.	Understanding of infrastructure issues and the potential solutions to address them increases.	<b>Monitoring</b> of the number of recommendations adopted in the Infrastructure Strategy and ongoing monitoring of their implementation across the relevant central and local government agencies and private sector.
Partnership with Iwi/Māori.	Relationships with specific groups of Iwi/Māori show developing partnership and understanding.	<b>Survey</b> two-yearly starting 2022/23.
Effective engagement and consultation with stakeholders.	Effectiveness of overall engagement and consultation, based on ratings from those involved in the process.	<b>Monitoring</b> of the number of recommendations adopted in the Infrastructure Strategy and ongoing monitoring of their implementation across the relevant central and local government agencies and private sector.





# Prospective financial statements for 2022/23

## Ngā tauākī ahumoni āmua

### Introduction

These prospective financial statements have been prepared for inclusion in Te Waihanga’s Statement of Performance Expectations for the period ending 30 June 2023.

The purpose of these prospective financial statements is to facilitate consideration by Parliament of the planned performance of Te Waihanga. The use of this information for other purposes may not be appropriate. Readers are cautioned that actual results are likely to vary from the information presented and that the variations may be material. The information has not been audited.

These prospective financial statements have been prepared on the basis of assumptions about future events that Te Waihanga reasonably expects to occur as at the date the information was prepared. It is not intended that this information will be updated.

These prospective financial statements were authorised for issue by the Te Waihanga Board on 27th June 2022.

### Assumptions

The following assumptions have been used in preparing these prospective financial statements:

- The Crown Revenue appropriation reduces in 2022/23 to \$13,875K from \$14,875K in 2021/22.
- The maximum headcount budgeted in the 2022/23 year is 51. With the continuation of a tight labour market, an allowance has been included for vacancies across the year.
- Salary costs have been adjusted to reflect performance related adjustments as appropriate for the retention of critical skills within the organisation.
- The only consulting expenditure not reflected in the project activity relates to \$240K consulting support for the ongoing RMA reform activity, \$100K support for developing the digital strategy and \$70K for internal organisational related support.
- Excluding personnel expenditure and project activity, total other operating costs are budgeted to increase by 6.4%.
- A rental review is due in December 22 but no increase has been budgeted for at this stage.
- Domestic travel is budgeted to increase 95% on the 2021/22 forecast. This reflects the anticipation of less travel restrictions and the increase in project activity with both employees and contractors being based remotely.

- The significant increase in international travel reflects the intention for representatives of Te Waihanga to travel internationally, particularly to Australia and UK, to build relationships with international counterparts and gain insights to apply to the NZ infrastructure setting.
- Both the Delivery and Strategy cost centres have budgeted to run a number of workshop sessions (total \$121K). These are intended to be a dedicated forum focusing on building influence and system change for Delivery and Infrastructure Strategy sessions for Strategy.

### Statement of accounting policies

#### A. Reporting entity

Te Waihanga is an autonomous Crown entity in terms of the Crown Entities Act 2004. It was established under the New Zealand Infrastructure Commission/Te Waihanga Act 2019.

Te Waihanga is a Public Benefit Entity (PBE) for financial reporting purposes.

#### B. Statement of compliance

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

Te Waihanga has applied the suite of Tier 2 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS 1 RDR 28-

3) in preparing these prospective financial statements. As Te Waihanga has expenses of less than \$30 million, it is eligible to report in accordance with the PBE Standards Reduced Disclosure Regime. These financial statements comply with the PBE Standards Reduced Disclosure Regime.

#### C. Measurement base

The prospective financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

#### D. Functional and presentation currency

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

#### E. Going concern

The prospective financial statements have been prepared on a going-concern basis.

#### F. Significant accounting policies

The significant accounting policies that materially affect the measurement of financial performance, financial position and cash flows have been applied consistently for all reporting periods covered by these financial statements.

### Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is derived through the provision of outputs for the Crown, services to third parties and investment income.

#### Revenue from the Crown

Revenue from Crown transactions is considered a non-exchange transaction. Te Waihanga is primarily funded through revenue received from the Crown and the use of this revenue is restricted to the purpose specified in the Appropriation.

### Other revenue

Other revenue transactions, including interest revenue, are considered exchange transactions. Interest revenue is recognised using the effective interest method.

### Expenditure

All expenditure incurred in the provision of outputs for the Crown is recognised in the surplus or deficit when an obligation arises, using an accrual basis.

### Leases

Te Waihanga is party to an operating lease as a lessee. As the lessor retains substantially all the risks and rewards of ownership of the leased property, plant and equipment, the operating lease payments are recognised in the surplus or deficit only in the periods in which they occur. Any lease incentives received or obligations to make good on the condition of the leased premises are recognised in the surplus or deficit over the term of the lease. At balance date, any unamortised incentive or outstanding obligation for reinstatement is recognised as a liability in the statement of financial position.

### Cash and cash equivalents

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

### Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### Property, plant and equipment

Property, plant and equipment consists of the following asset classes: information technology assets; furniture; office equipment; and leasehold improvements.



Additions

All items of property, plant and equipment owned are recorded at historical cost less accumulated depreciation and any impairment losses. Depreciation on items of property, plant and equipment acquired in stages does not commence until the item of property, plant and equipment are in their final state and ready for their intended use. Subsequent expenditure that extends the useful life or enhances the service potential of an existing items of property, plant and equipment is capitalised. All other costs incurred in maintaining the useful life or service potential of an existing item of property, plant and equipment are recognised in the surplus or deficit as expenditure when incurred.

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to Te Waihanga and the cost of the item can be measured reliably. An asset is capitalised if the purchase price is \$1,000 or greater. Items (such as chairs) with lower individual costs are considered to be capitalised by being aggregated into the asset class. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, 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 its fair value as at the date of acquisition.

Disposals

Gains or losses arising from the sale or disposal of items of property, plant and equipment are recognised in the surplus or deficit in the periods in which the items of property, plant and equipment are sold or disposed of.

Depreciation

Depreciation is provided on a straight-line basis on all asset components to allocate the cost of the asset (less any estimated residual value) over its useful life. The residual values and remaining useful lives of property, plant and equipment are reviewed annually. This review includes a test of impairment to ensure the carrying amount remains recoverable. Any impairment losses are recognised in the surplus or deficit.

The estimated useful lives of the major asset classes are:

Information technology equipment	3 to 5 years
Leasehold improvements	6 years
Furniture and fittings	5 years

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 are reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use specific software. Staff training costs are recognised as expenses when incurred. Costs associated with maintaining computer software are recognised as expenses when incurred. An asset is capitalised if the purchase price is \$1,000 or more.

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 recognised in the surplus or deficit.

The useful life of intangible assets has been estimated as follows:

Purchased software	5 years
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Impairment of property, plant and equipment and intangible assets

Te Waihanga does not hold any cash-generating assets. Assets are considered cash-generating where their primary objectives are to generate commercial returns. Property, plant and equipment and intangible assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which an asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset’s fair value

less costs to sell and value in use. Value in use is determined based on 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 the 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 receivable 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.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Goods and services tax

All items in the prospective financial statements are presented exclusive of goods and services tax (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, Inland Revenue is included as part of receivables or payables in the statement of financial position. The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income tax

Te Waihanga is a public authority and consequently is exempt from income tax under subpart CW 38 of the Income Tax Act 2004. Accordingly, no provision has been made for income tax.

Equity

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).

Cash flows

The prospective cash flow statement is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive revenue and expense.

Performance outputs

Direct costs are charged directly to outputs. Overhead costs are charged to outputs based on the proportion of direct costs of each output.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Lease classification

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to Te Waihanga. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised. Te Waihanga has exercised its judgement on the appropriate classification of equipment leases, and has determined that none of the lease arrangements is a finance lease.



## Prospective Statement of Comprehensive Revenue and Expenses

for the years ending 30 June:

	2022 Estimated Actual \$000	2023 Budget \$000
<b>Revenue</b>		
Crown Revenue	14,875	13,875
MFE Funding	580	620
Interest income	17	12
<b>Total revenue</b>	<b>15,472</b>	<b>14,507</b>
<b>Operating Expenses</b>		
Personnel	6,788	9,735
Consultancy	1,749	4,539
Other expenses	2,291	3,073
Depreciation and amortisation	283	384
<b>Total Operating Expenses</b>	<b>11,111</b>	<b>17,731</b>
<b>Project Contingency</b>	<b>-</b>	<b>2,685</b>
<b>Net surplus/(deficit)</b>	<b>4,361</b>	<b>(5,909)</b>

The 2022/23 budget reflects a significant increase on current year activity, and therefore reflect an increase in spend. The 2023 budgeted deficit of \$5.909 million will be funded from Te Waihanga’s reserves (as at 30 June 2022 the prospective Equity balance is \$7.323 million). Over the past two years, the organisation has been impacted by the deferral of a number of key infrastructure projects which has resulted in a significant increase in Reserves.

Te Waihanga has been built around an agile resourcing business model, where permanent staff are supported by consultants who provide the specialist technical skills required to deliver particular outcomes that Te Waihanga aims to achieve. Te Waihanga will continue to in-source its resources and only engage consultants where specialist advice or technical pieces of work needs to be delivered, such as research for the Infrastructure Strategy, Special Topic Reports and other evidence-based components including independent surveys and expert reviews.

## Prospective Statement of Changes in Equity

for the years ending 30 June:

	2022 Estimated Actual \$000	2023 Budget \$000
<b>Balance as at 1 July</b>	<b>2,962</b>	<b>7,323</b>
Comprehensive revenue and expenses		
Surplus/(Deficit)	4,361	(5,909)
<b>Total comprehensive revenue and expenses</b>	<b>4,361</b>	<b>(5,909)</b>
<b>Balance as at 30 June</b>	<b>7,323</b>	<b>1,414</b>

## Prospective Statement of Financial Position

as at 30 June:

	2022 Estimated Actual \$000	2023 Budget \$000
<b>Current assets</b>		
Cash and cash equivalents*	7,616	1,591
Debtors and prepayments**	379	51
<b>Total current assets</b>	<b>7,995</b>	<b>1,642</b>
Property, plant and equipment and intangibles***	825	1,061
<b>Non-current assets</b>	<b>825</b>	<b>1,061</b>
<b>Total assets</b>	<b>8,820</b>	<b>2,703</b>
<b>Current liabilities</b>		
Creditors and other payables	678	391
Annual leave liability	177	235
Goods and services tax	429	450
Lease incentive – current	20	20
Employee entitlements	124	144
<b>Total current liabilities</b>	<b>1,428</b>	<b>1,240</b>
<b>Non-current liabilities</b>		
Make Good Provision	21	21
Lease incentive – non current	48	28
<b>Total non-current liabilities</b>	<b>69</b>	<b>49</b>
<b>Total liabilities</b>	<b>1,497</b>	<b>1,289</b>
<b>Net Assets</b>	<b>7,323</b>	<b>1,414</b>
<b>Equity</b>	<b>7,323</b>	<b>1,414</b>

\* Cash and cash equivalents is expected to reduce significantly, in line with the planned project activity

\*\* Debtors and prepayments as at 30 June 2022 largely reflects a one-off accrual for MFE funding to align with the costs incurred, but not expected to be invoiced until July in line with the funding agreement.

\*\*\* Capital assets at 30 June 2023 are anticipated to total \$1,061K. This comprises the balance at 30 June 2022 of \$825K, less 2022/23 depreciation of \$384K, plus 2022/23 additions of \$620K.



Prospective Statement of Cash Flows

as at 30 June:

	2022 Estimated Actual \$'000	2023 Budget \$'000
Operating activities		
Crown Revenue received	14,875	13,875
Interest received	9	12
MFE funding received	400	947
Payments to suppliers and employees	(11,382)	(20,260)
Net Goods and Services Tax	246	21
Net Cash Flows from Operating Activities	4,148	(5,405)
Investing activities		
Payment for property, plant, equipment and intangibles	(290)	(620)
Net Cash Flows from Investing Activities	(290)	(620)
Net Cash Flows	3,858	(6,025)
Cash and cash equivalents at the beginning of the period	3,758	7,616
Net change in cash for the period	3,858	(6,025)
Cash and cash equivalents at the end of the period	7,616	1,591

