



Mental Health and Wellbeing Commission Annual Report 2020 / 21

A report issued by the New Zealand Mental Health and Wellbeing Commission.

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



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The New Zealand Mental Health and Wellbeing Commission was set up in February 2021 and works under the Mental Health and Wellbeing Commission Act 2020. Our purpose is to contribute to better and equitable mental health and wellbeing outcomes for people in Aotearoa New Zealand.

For more information, please visit our website:

www.mhwc.govt.nz

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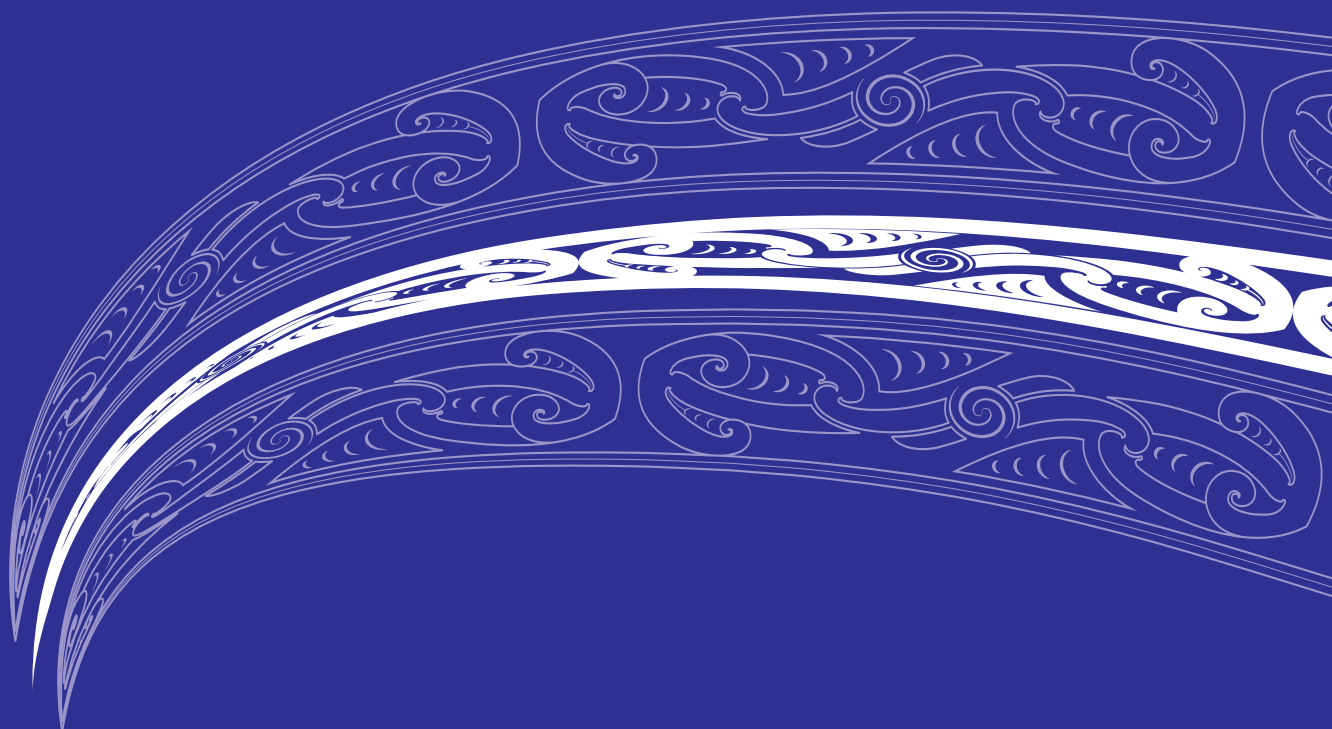
Māori Design and Digital Creative:

Ariki Creative



This design is a kowhaiwhai that represents the **growth** and **emergence** of the commission as a separate entity. Visual representation of themes such as **kaitiakitanga**, **growth** and amplifying the **voices** of the **people within Aotearoa**.

The mangōpare in this design shows the **strength (both physically and mentally)** needed to traverse through this haerenga. The takarangī spiral in the center to help represent and push the narrative of **transformation** of our mental health, addiction, and wellbeing systems. Haehae designs and notches within the design, to help with representation of the commission's approach to everything it does, is **grounded in Te Tiriti o Waitangi**.



Foreword

Laying the foundations

The Mental Health and Wellbeing Commission (the Commission) opened its doors on 9 February 2021. We are an independent Crown entity established under the Mental Health and Wellbeing Commission Act 2020. We are mandated to contribute to better and equitable mental health and wellbeing outcomes for all people in Aotearoa New Zealand.

We are excited to share our first annual report, which covers our first months of operation in the 2020 / 21 financial year from 9 February 2021 to 30 June 2021.

Through **He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction**, people across our nation called for change. They asked for new ways of doing things to address inequity and to provide greater access to and choice of services for people experiencing mental distress or addiction.

We need a fresh approach to supporting the wellbeing of all people in Aotearoa. The Commission has been established to bring system leadership and oversight to the transformation of our mental health, addiction, and wellbeing system.

To be effective as a system leader, we need strong foundations. Our first months of operation from 9 February 2021 to 30 June 2021 have focussed on laying the foundations so that we can move ahead with purpose and at pace.

As a newly-formed Board, we spent the early months understanding the diversity and skill set within our Board. We strengthened and built new relationships, broadened our networks, and prioritised our commitment to be grounded in Te Tiriti o Waitangi. This major commitment will underpin everything we do. Together we confirmed an interim strategy and operating model, while we took some time to understand our value proposition and the system leadership we could bring to the mental health and wellbeing sector.

We are proud of what we have been able to achieve in these first few months. In sharing our early performance story with you, we also acknowledge the challenge ahead. We look forward to a future where people who experience mental distress or addiction, and their whānau, families, and supporters, have the support they need, when they need it.

Tihei mauri ora!

Board Chair
Hayden Wano



Chief Executive
Karen Orsborn



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Introduction

The establishment of the Mental Health and Wellbeing Commission (the Commission) is a direct response to **He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction**¹.

“The role of independent oversight of the whole system by a powerful Commission is an important and missing piece of the puzzle.”²

This report has three sections.

- Section one talks to our commitment to be grounded in Te Tiriti o Waitangi, as well as about who we are and how we came to be.

We set out our strategic priorities and highlight how we position ourselves and our work in the mental health, addiction, and wellbeing system and to those people that support them.

- Section two describes our performance story against our Statement of Performance deliverables since 9 February 2021. It also introduces our capability and our people.
- Section three tells our financial story.



The effects of COVID-19

Mental health and distress touch the lives of many people, and COVID-19 has impacted the wellbeing of people and the businesses that breathe life into the economy of Aotearoa New Zealand. This includes employers and the workforce, particularly essential workers, those on the front line, and their whānau.

For the Commission, we experienced a delay in appointments to the Board, the appointment of the Chief Executive, and the beginning of substantive work. As a result, although the Commission has met its Statement of Performance Expectations (SPE) deliverables, other activities we planned to implement before 30 June 2021 were deferred across the 2021 / 22 financial year.

These included:

- developing the Commission’s Te Tiriti o Waitangi Position Statement and strategic direction
- reviewing the interim operating model so that it is relevant and aligns to the work we will do to influence positive outcomes for people with lived experience of mental distress or addiction
- enabling effective advocacy and engagement approaches to undertake meaningful engagement and consultation. We need to use these approaches to meet our obligations under the Mental Health and Wellbeing Commission Act 2020 and to Māori, Pacific peoples, and other population groups, their families and whānau, and those people that support them.

1. Government Inquiry into Mental Health. 2018. **He Ara Oranga: Report of the Government Inquiry into Mental Health**. Wellington: Government Inquiry into Mental Health, recommendation 9.

2. He Ara Oranga, p 199.



Section one | Who we are and what we do

Our commitment to Te Tiriti o Waitangi

Our work in advancing our strategic priorities is not without its challenges. Although we have made significant strides forward (by incorporating Te Tiriti o Waitangi (Te Tiriti) into the Mental Health and Wellbeing Commission Act 2020), there is a long way to go, and we need time to uphold the wero laid down by **He Ara Oranga**.

The decision to ground ourselves in Te Tiriti o Waitangi means that we will weave Te Tiriti o Waitangi throughout all our programmes and workforce planning, our policy advice, and the data insights available to us.

In our role, we use Te Tiriti as our lens to look at the mental health, addiction, and wellbeing system. We are explicit in our expectations that all services, supports, and programmes actively embrace Māori cultural identities as a priority.

We know iwi and Māori are continually asked for information from multiple government agencies wishing to fulfil their Māori partnership agendas. The Commission understands it too needs to be aware of the iwi Māori context, and of what is important to not only Māori mental health but those priority groups that experience higher levels of disadvantage in Aotearoa.

Our work recognises and is underpinned by our obligations to Māori as identified in Te Tiriti o Waitangi. We acknowledge the ability to work in partnership with Māori needs to be enduring and consistent across the public sector and the mental health, addiction, and wellbeing system.

Time and energy is needed to build enduring relationships that centre on whānau needs and strengths—and this is what we have focused on.

We know that applying Te Tiriti as a lens to service delivery and care will be foundational, not only for Māori but for all populations in Aotearoa. We recognise that Māori have their own health aspirations, priorities, goals, and ways of working.

We aim to work alongside iwi, hapū, and whānau Māori through relationships and partnerships based on Te Tiriti. We will offer them tools, connect them to resources, people, and organisations, and support them to improve Māori mental health and wellbeing, enabling them to live their best lives.

The Commission will need to develop a readiness in this area, so that we can be a good partner, grounded in Te Tiriti, for Māori.



Who we are

Our legislation gives the Commission an oversight role over the mental health and wellbeing system in Aotearoa. Our objective is to contribute to better and equitable mental health and wellbeing outcomes for all people in Aotearoa.

Our functions are to:

- assess and report publicly on:
 - the mental health and wellbeing of people in Aotearoa
 - factors that affect people's mental health and wellbeing
 - the effectiveness, efficiency, and adequacy of approaches to mental health and wellbeing
- make recommendations to improve the effectiveness, efficiency, and adequacy of approaches to mental health and wellbeing
- monitor mental health services and addiction services and advocate for improvements to those services

- promote alignment, collaboration, and communication between entities involved in mental health and wellbeing.

Through our work, we will be a thought leader, influencing and driving positive improvement in the mental health and addiction sector, for those that use, need, and engage with those services, and the organisations that provide mental health and addiction services in the system.

We will advocate for the collective interests of people who experience mental distress or addiction (or both), and those that support them. We will also advocate for the collective interests of the groups most likely to experience distress that are listed in the Mental Health and Wellbeing Commission Act 2020.

We will monitor and assess mental health services and the system they work to. We take a strength-based approach on reporting what we find, shine the light on what's working well and why, and make recommendations where there can be improvement.

What we seek to achieve

Tū tangata mauri ora
Flourishing together

Whakawāteatia ngā ara hei oranga mō te katoa*
Clearing the pathways to wellbeing for all

*The mission statement has been revised to reflect te reo Māori component relevant to the mission it speaks to.

Where we came from...



2018

----- The Government Inquiry into Mental Health and Addiction

- The Government Inquiry into Mental Health and Addiction begins, engaging with communities around Aotearoa to identify what's working, what's not working, and what could be better.
- He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction is released. It includes 40 recommendations to transform the mental health, addiction, and wellbeing system.



2019

----- Government responds to He Ara Oranga

- Government accepts, accepts in principle, or agrees to the further consideration of 38 out of 40 recommendations.
- One of the recommendations Government accepts is to create a Mental Health and Wellbeing Commission. Work begins to establish the Commission as an independent Crown entity.
- A ministerial advisory committee, the Initial Mental Health and Wellbeing Commission (Initial Commission), is appointed to oversee Government's response to He Ara Oranga while the Commission is being established.
- The Mental Health and Wellbeing Commission Bill is introduced in Parliament.

----- Initial Mental Health and Wellbeing Commission shines a light on progress—and lays down foundations for the Commission

- The Initial Commission publishes He Ara Oranga—Mānuka Takoto, Kawea Ake (Upholding the Wero Laid in He Ara Oranga), an early check-in on Government's response to He Ara Oranga, in June 2020.
- The Initial Commission develops a draft He Ara Oranga wellbeing outcomes framework for the permanent Commission to consider adopting.
- Work begins on developing He Ara Āwhina mental health and addiction service monitoring framework.
- A draft work programme and operating model, and draft values are developed for the Commission. An interim approach for a Commission Te Tiriti o Waitangi framework is developed.



2020

----- Establishing the Mental Health and Wellbeing Commission

- The Mental Health and Wellbeing Commission Act 2020 is passed.
- Board appointments for the Commission, including Hayden Wano as Chair, are announced.

----- The Initial Mental Health and Wellbeing Commission completes its work

- The Initial Commission delivers Mā Te Rongo Ake (Through Listening and Hearing) to the Minister of Health.
- The Initial Commission fulfils its Terms of Reference and stops operating on 7 February 2021.



2021

----- The Mental Health Commissioner passes the baton to the Commission

- The Mental Health Commissioner role, as part of the Office of the Health and Disability Commissioner, ceases and the service monitoring function transfers to the permanent Commission.

----- The Mental Health and Wellbeing Commission is established

- The Commission is established as an independent Crown entity on 9 February 2021.
- The Commission develops its Te Tiriti o Waitangi Position Statement.
- The Commission adopts He Ara Oranga wellbeing outcomes framework and continues developing He Ara Āwhina mental health and addiction service monitoring framework.
- Karen Orsborn is appointed as Chief Executive.

Strategic framework

Tū tangata mauri ora
Flourishing together

Whakawāteatia ngā ara hei ora mā te katoa**
Clearing the pathways to wellbeing for all

Outcome	Outcome	Outcome
<p>Improved mental health and wellbeing outcomes.</p> <p>The Commission is a known system leader for improving mental health and wellbeing for Aotearoa New Zealand.</p>	<p>Increased public confidence in mental health and wellbeing systems from additional monitoring and accountability.</p>	<p>Improved equality for Māori as tangata whenua.</p> <p>Improved equality for Pacific Peoples, other populations who are disproportionately impacted.</p>
<p>Our impact</p> <p>Government and non-government decision-makers develop effective policies that contribute to improved mental health and wellbeing.</p> <p>We are effective and relevant in our stewardship in all aspects of our responsibilities across the mental health, addiction and wellbeing system.</p>	<p>Our impact</p> <p>Service funders and providers design and provide culturally appropriate services and support.</p> <p>Improved evidence base relating to mental health and wellbeing.</p> <p>We will be actively monitoring racism and discrimination across all mental health, addiction, and wellbeing services and we will act to address it in all its forms when identified.</p>	<p>Our impact</p> <p>People and businesses in Aotearoa New Zealand take action to improve their own mental health and wellbeing and that of family, whānau, employees, clients, and the wider community.</p> <p>We will be steadfastly advocating active acknowledgement of wairuatanga and spirituality as key contributors to wellbeing and inclusiveness.</p>
<p>Establishment and leadership</p> <p>Establish the Mental Health and Wellbeing Commission.</p> <p>Contribute to the leadership of cross-government wellbeing system and mental health and addiction sector.</p>	<p>Monitoring and reporting</p> <p>Adopt and implement a framework to assess and report on wellbeing.</p> <p>Develop, adopt, and implement a framework to assess and report on mental health and addiction services.</p> <p>Develop a strategy to give effect to the Commission’s assessment, monitoring, and reporting roles.</p>	<p>Advocacy and engagement</p> <p>Develop partnerships with Māori as tangata whenua.</p> <p>Develop relationships and advocate for the interests of priority groups and people with lived experience.</p> <p>Develop strategy to give effect to the Commission’s engagement and advocacy role.</p>

Long-term outcomes

We'll know our difference when

Our strategic priorities

Our priorities

Priority one: Establishment and leadership

We have had a particular focus on establishing the Commission. We identified an 18-month establishment phase that takes in the part-year of our operation in 2020 / 21 and carries across to our first full financial year of operation, 2021 / 22.

Work began in the first part of 2021 to develop an organisational strategy, incorporating vision, mission, values, and our strategic priorities, and determining how we will be effective. An interim strategy was put in place (Statement of Intent 2020-2024) while the Commission developed its strategy and determined where the Commission could most effectively be positioned.

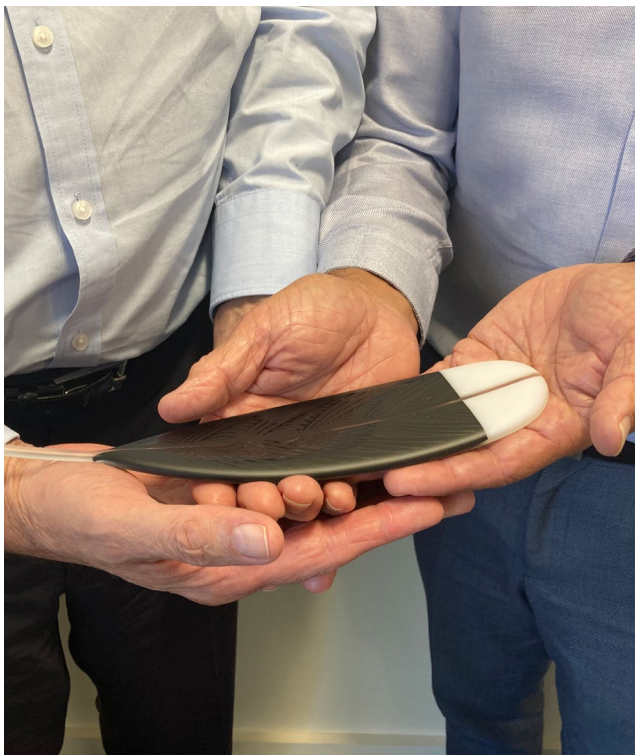


Photo: Huia feather – the wero for leading system transformation is passed from the Office of the Health and Disability Commissioner to the Mental Health and Wellbeing Commission.

The development of the strategy affects many parts of the organisation. It will align the value proposition we offer as an organisation to the expectations of Government, legislation, and the mental health, addiction, and wellbeing system we serve.

We are actively working toward our vision of ‘Tū tangata mauri ora’—we are on a journey, creating a space for new leadership to embark on innovative initiatives that lead to positive change in the mental health, addiction, and wellbeing system. We want to take a strengths-based approach to our monitoring and reporting and system leadership roles in the mental health and addiction sector and the services that work within it.

The Commission adopted an interim operating model and some appointments to key roles have been made. The remaining roles were staffed by fixed-term employees or contractors. By the end of June 2021, systems and controls, infrastructure, operational policies, and processes were in place to enable a fully-functioning independent Crown entity.

During the year, we discussed, debated, and challenged ourselves and our stakeholders on what ‘good’ looks like in honouring Te Tiriti and partnering with Māori as tangata whenua authentically. After careful consideration, the Board made the deliberate decision to be an organisation grounded in Te Tiriti and agreed on the draft Te Tiriti o Waitangi Position Statement in principle.

System leadership

We cannot deliver a step change in improving mental health and wellbeing outcomes on our own. We need to work collaboratively across the system with our partners and stakeholders including iwi, hapū, people with lived experience and their supporters, whānau Māori, Pacific peoples, priority populations, clinicians, government agencies, academics, non-governmental organisations, the health sector workforce, and professional health bodies. It also means working hard to achieve a genuinely joined-up, whole-of-government approach.

We continue to look at how other agencies are carrying out their roles with a view to encouraging the collaboration needed to function as an integrated system. In this context, we will need to provide leadership, and this will take time to develop. In the meantime, we have developed an engagement plan for establishing and strengthening relationships.

During the year, we emphasised relationships, not just with whānau, but also with other providers, practitioners, iwi, and hapū.³ The key relationships we have formed are continuing to strengthen and grow in trust and confidence.

As we grow as an organisation and as a trusted advisor to Government and to the mental health and addiction sector, we expect to develop positions on emerging issues and take a public stance through our system oversight role. The Commission will champion a long-term strategy for mental health and addiction services in a wellbeing context and will make further recommendations on the work started by the Initial Mental Health and Wellbeing Commission (Initial Commission).



What we achieved

Outputs	Measure(s)	Results
1. The Commission has the capability and capacity to fulfil the Commission's objective and functions, and to be an organisation that is grounded in Te Tiriti o Waitangi.	<p>The Commission's interim operating model is agreed, and appointments made to key roles⁴.</p> <p>The approach to be an organisation grounded in Te Tiriti o Waitangi is being developed alongside the development of the Commission's strategy^{5,6}.</p>	Achieved ⁷ .
2. The Commission has most of the systems and policies for managing finance, human resources, information technology and meeting statutory machinery of government requirements.	The Commission is operating as a substantially independent organisation by 30 June 2021.	Achieved ⁸ .
3. The Commission is developing effective relationships with key stakeholders across the Government in the wellbeing, mental health and addiction sectors.	<p>Relationships with Māori as tangata whenua show developing partnership according to the Commission's Te Tiriti o Waitangi framework.</p> <p>Relationships are in development across the government, in the wellbeing, mental health and addiction sectors⁹.</p>	Achieved ¹⁰ .

3. The Commission is committed to training, building relationships, and consulting with a variety of stakeholders: <https://www.mhwc.govt.nz/assets/Uploads/Proactive-release/Board-meeting-summaries/Summary-Board-meeting-2-24-February-2021-FINAL.pdf>

4. The Chief Executive was one of the key roles appointed: <https://www.mhwc.govt.nz/about-us/our-leadership-team/>

5. A draft position statement was developed and this was agreed in principle by the Board: Statement of Intent 2020–2024, page 19.

6. The Board has approved the draft Te Tiriti o Waitangi Position Statement in principle: <https://www.mhwc.govt.nz/assets/Uploads/Proactive-release/Board-meeting-summaries/Summary-Board-meeting-6-13-May-2021-FINAL.pdf>

7. Statement of Intent 2020–2024 was published on the Commission's website to give the Commission an interim outlook: https://www.mhwc.govt.nz/assets/Statement-of-Intent-/SOI-2020_24_Final.pdf

8. Most of the systems and policies are in place and the Commission is operating as a substantially independent organisation.

9. The Commission has engaged with over 55 organisations and advocacy peak bodies.

10. The Commission is committed to training, building relationships, and consulting with a variety of stakeholders.



Priority two: Monitoring and reporting

Measuring and reporting on wellbeing

The Initial Commission developed a draft He Ara Oranga wellbeing outcomes framework (the framework), which the Commission has adopted. The framework has two layers - one from a perspective grounded in te ao Māori and the other from a shared perspective. A set of wellbeing indicators sits behind the framework, which can be used to undertake measures and analysis. This framework was published in March 2021.

Risk factors for poor mental health include a range of social determinants, such as poverty, lack of affordable housing, unemployment and low-paid work, abuse, and neglect. They also include family violence and other trauma, loneliness, social

isolation (especially for older people and rural populations) and, for Māori, deprivation and cultural alienation¹¹.

The Commission is committed to recommending specific changes to improve our country's approach to mental health and addiction, with a particular focus on equity of access to mental health and addiction services. We are working on three ongoing actions:

1. ongoing development of the framework
2. further development of measures and closing data gaps
3. reporting against the framework.

Assessing and monitoring the mental health and addiction system

The former Mental Health Commissioner's monitoring framework for mental health and addiction services was transferred from the Office of the Health and Disability Commissioner to this Commission when we were established. We focus on equity of access, community confidence in the mental health and addiction system, and better outcomes, especially for Māori and other groups with disproportionately poorer outcomes.

The Commission continues to develop an approach to assessment, monitoring, and reporting as we build on the work of the former Mental Health Commissioner. As the approach further develops, we will monitor, assess, and report on mental health and addiction services, and approaches that support people's mental health and wellbeing.

The Board considered the Initial Commission's framework, He Ara Āwhina (pathways to support) which, when we develop it further, will assess how our mental health and addiction system is delivering for people and communities. Our findings will be used to advocate for improvements to the system.

The Commission is continuing to develop this framework to include diverse populations, including **Māori, Pacific peoples**, and people with lived experience of mental distress and addiction. We have completed the co-define phase and a summary report is available on our website.

Later in 2021, we will release a report about the performance of mental health and addiction services.

11. He Ara Oranga.



What we achieved

Outputs	Measure(s)	Results
4. A framework for assessment and reporting on the mental health and wellbeing of people in Aotearoa, with baseline indicators identified.	The Board considers / amends / adopts the “He Ara Oranga wellbeing outcomes framework” drafted by the Initial Commission and develops proposed baseline indicators.	Achieved ¹² .
5. A framework for monitoring and reporting on mental health and addiction services.	The Board considers work started by the Initial Commission on the “He Ara Āwhina mental health and addiction service monitoring framework”. Work to complete the development of a framework is planned and underway.	Achieved ¹³ .
6. Develop a strategy to give effect to the Commission’s assessment, monitoring and reporting functions.	A strategy is in development, with an interim approach, and work to develop a full strategy phased across the 2021 calendar year.	Achieved ¹⁴ .

12. The Board has adopted He Ara Oranga wellbeing outcomes framework. The baseline indicators have been identified: <https://www.mhwc.govt.nz/assets/Uploads/Proactive-release/Board-meeting-summaries/Summary-Board-meeting-4-31-March-2021-FINAL.pdf>

13. He Ara Āwhina mental health and addiction service monitoring framework is due to be released by 30 June 2022 but we have published a summary of the co-define phase online: <https://www.mhwc.govt.nz/assets/He-Ara-Awhina/Final-He-Ara-Awhina-summary-of-co-define-phase.pdf>

14. The Board has approved an interim approach to monitoring, in advance of a more substantive approach.



Priority three: Advocacy and engagement

Our job is to engage with, and advocate for, the collective interests of people living with mental distress or addiction (or both). It is these voices that will tell us what is working, what is not, and where we can improve the system and the services within it.

The Commission heard the voices of the community, people with lived experience of mental distress and addiction, and people involved in preventing and responding to mental distress and addiction challenges. We reported on Aotearoa's current approach to mental health and addiction and what needs to change.

We heard the call for wellbeing and community solutions—for help through the storms of life, to be seen as a whole person, not a diagnosis, and to be encouraged and supported to heal and restore one's sense of self.

We heard that achieving Māori health and wellbeing needs recognition of the impact of cultural alienation and generational deprivation, along with affirmation of indigeneity. We heard about the importance of cultural as well as clinical approaches, emphasising ties to whānau, hapū, and iwi.

We heard from Pacific peoples about adopting 'Pacific ways' to enable Pacific health and wellbeing. This holistic approach incorporates Pacific languages, identity, connectedness, spirituality, nutrition, physical activity, and healthy relationships.

We heard we should advocate for the collective interests of people with lived experience of mental distress and addiction, and their families, whānau, and supporters. We heard we should promote collaboration, communication, and understanding about mental wellbeing and issues that contribute to mental distress.



We met with former refugees, migrants, Asian communities, rainbow communities, trans-people, people with variations of sex characteristics, rural communities, disabled people, veterans, prisoners, young people, older people, children experiencing adverse events, and children in state care. They told us about what matters to them, and how we can walk alongside each other to transform the mental health and wellbeing system.

The Commission is developing a strategy to give effect to our engagement and advocacy role. The scope is broad, and the work is significant. We need a mechanism to prioritise our efforts and give ourselves time to work through the sector's issues.

With it, we can concentrate on the right things, in the right way, and at the right time.

During 2021, we met and engaged with over 55 organisations, which gave us an insight into the mental health and addiction issues that are important to diverse populations throughout Aotearoa. We still have a long way to go and many more organisations and people to engage with before we can deep-dive into the things that matter to people living with mental distress and addiction.

What we achieved

Outputs	Measure(s)	Results
7. The Commission identifies and engages with people who experience mental distress or addiction (or both) and the persons (including family and whānau) who support them.	Commence introductory meetings with advocacy groups and organisations that represent people with lived experience to discuss how they would like to work with the Commission and what they see as important and meaningful in engagement.	Achieved ¹⁵ .
8. The Commission identifies and engages with groups that are considered priority groups. This relates to equity - priority groups are those with disproportionately poorer mental health and wellbeing outcomes.	Commence introductory meetings with advocacy groups and organisations that represent Māori as tangata whenua and represent priority groups to discuss how they would like to work with the Commission and what they see as important and meaningful in engagement.	Achieved ¹⁶ .
9. Develop a strategy to give effect to the Commission's role to advocate for the collective interests of people.	A strategy is in development, with an interim approach, and work to develop a full strategy phased across the 2021 calendar year.	Achieved ¹⁷ .

15. The Commission has engaged with over 55 different groups.

16. An Advocacy and Engagement Strategy is in development.

17. Refer to above footnote 14, page 10.





Section two | Being a high-performance organisation

Section two describes our performance story against our SPE and introduces our capability and our people.

What we did

In the Introduction, we outlined the challenges that the COVID-19 pandemic presented to our organisation. Despite the delays we experienced due to lockdowns, we still met most of the expectations we set for ourselves.

Statement of Performance

The Commission provided the Minister of Health and Ministry of Health with information to allow monitoring of our performance. This included:

- a quarter four statement of financial performance, financial position, and contingent liabilities
- a report on progress against our performance measures
- an annual report in accordance with the Crown Entities Act 2004 and Public Finance Act 1989.

Report against the Statement of Performance Expectations (SPE)

The financial statements within the 2020 / 21 SPE were prepared in line with generally accepted accounting practice.

The SPE describes progress on our priority areas during our first months of operation from 9 February 2021 to 30 June 2021. For each priority area, it includes:

- standards of delivery performance we achieved
- forecast standards included in our statement of forecast performance for 2020 / 21
- actual revenue earned
- output expenses incurred, compared with the expected revenue
- proposed output expenses included in our SPE for 2021 / 22.



Our monitoring agency

Commission funding

The Commission receives funding through an appropriation within Vote Health. The Commission has allocated funding to the three following output classes.

Output class	Revenue		Costs	
	Actual	Budget	Actual	Budget
Establish the Commission	3,153,813	3,153,813	1,260,513	2,420,861
1. Establish the Commission's core systems.	2,792,889	2,792,889	1,071,699	2,143,817
2. Develop an approach to ground Te Tiriti o Waitangi throughout the organisation and its work.	360,924	360,924	188,814	277,045
Monitoring and reporting	616,194	616,194	387,937	472,989
Advocacy and engagement	230,933	230,933	121,993	177,310
Total	4,001,000	4,001,000	1,770,443	3,071,160

Our people

Our people are our greatest asset. This year we have focused on establishing our organisation with the right people, with the right skills, at the right time. This ensures our workforce planning is fit for purpose, now and in the future. As our operating model is cemented, we will continue to embed good workforce planning across the organisation.

Supporting our people

We provide equal employment opportunities and ensure our policies, practices, and processes are fair and equitable for all job applicants and employees. We recognise the Crown's obligations under Te Tiriti o Waitangi and the aspirations of Māori, Pacific peoples, other ethnic or minority groups, people with disabilities, and people who have lived experience of mental distress or addiction. For example, we have lived experience expertise on our Board and represented among our staff.

Wherever possible, we ensure that our workplace environment is suitable for people with disabilities. The Commission will look to develop an accessibility charter in 2021 / 22. The charter will require us to work on making information accessible, so that everyone can engage in a way that meets their individual needs and promotes their independence and dignity.



In our stance on equal employment opportunities, we aim to include an intersectional approach¹⁸ to diversity and inclusion, considering our staff identities in a multifaceted way. We take an intersectional approach to leadership, being open to recognising employees' different lived experiences. All of these approaches are important ways to enable a more diverse and inclusive working environment.

We have focussed on planning, implementing, and monitoring measures that recognise the importance of the wellbeing of all staff. During the 2021 / 22 year, the Commission will develop a diversity and inclusion action plan that will guide us and ensure we are an employer of choice.

The Commission has worked to increase staff capability to understand and work in ways appropriate to Māori. We are committed to supporting and building the confidence of the Commission staff in their knowledge of Māori concepts, cultural norms, and values and how to use these in system design, and programme development and implementation.

Our people objectives

- Reduced ethnic and gender pay gaps
- Active flex-by-default work policies
- Increasing the diversity of our staff through our recruitment plans
- Diversity of gender expression and sexuality
- Gender-neutral recruitment and talent management
- Ethnic and cultural diversity including religion
- A particular focus on Māori and Pacific peoples
- Improving accessibility to cater for different impairment needs.

Gender, ethnicity, and age profiles of our people

As of 30 June 2021, the Commission employee demographics were as follows.

Number of people

	Fixed term	Permanent	Total
FTE (full-time equivalents)—Total number of our people	9	3	12

Our gender profile across tiers 1-3 management levels is **50 per cent** female and **50 per cent** male in 2021. We will continue to drive organisational initiatives that positively impact our gender balance.

Our people breakdown by ethnicity and number of those that are not stated is NZ European (10), Māori / Pacific Islander / NZ (1), and Austrian (1).

18. Intersectionality is a way of understanding how and why every individual's view of the world is different. From disability to race to age inclusivity, no experience should be tackled in isolation.



Age profile

Age group (years)	Headcount
30-39	6
40-49	0
50-59	5
60-69	1
Total	12

Staff wellness

Our staff are passionate about their work and invest a lot of energy and time in working for the Commission. We see immense value in supporting staff, so they can carry out their work and still have time for their families, whānau, and outside-of-work interests, while also having support to deal with work-related stress.

Health, safety, and wellbeing

The Commission has a primary duty of care to ensure the health, safety, and wellbeing of its staff, contractors, and visitors. The Health, safety, and wellness committee takes collective responsibility for proactively promoting and encouraging safe and healthy work practices for managers, staff, contractors, visitors, and facilities contractors.

The Commission Board, through the Chief Executive, is updated regularly on all matters relating to the Commission's health and safety. Managers and staff can participate in identifying risks and hazards and regularly review work and systems to minimise any risks. Appropriate rehabilitative care plans are in place for staff who may be at risk from a workplace injury or illness so that they receive appropriate rehabilitative care. Staff can also participate in any external health and safety audits that may be conducted.

In all cases, staff are encouraged to participate in wellness activities while receiving ongoing education about health and safety. All representatives on the Health, safety, and wellness committee are offered and encouraged to take up training to carry out their health and safety duties.

Environmental sustainability

The Government's Climate Change Response (Zero Carbon) Amendment Act 2019 sets a clear requirement for Aotearoa to be net carbon neutral by 2025. While the Commission is a small agency, we aim to make a difference through our all-of-government procurement of services and savings on carbon by opting to use virtual technology where we can, promoting healthy kai options, and developing an environmental sustainability action plan by the end of June 2022.



Governance

The Board has a duty to ensure that we meet our obligations under Te Tiriti and our objectives and functions in a way that is effective and efficient. It will fulfil this duty in the spirit of public service and collaboration with other public entities, while ensuring prudent financial management.

Our Board consists of six members with diverse cultural and demographic backgrounds and work experience. Members have different levels of knowledge, understanding, and experience of te ao Māori, tikanga Māori, mātauranga Māori, and whānau-centred approaches to wellbeing. For some their knowledge is in-depth, based on cultural identity and / or work experience in a setting with te ao Māori foundations; others have emerging knowledge based on study and learning.

Finance, Audit, and Risk Committee

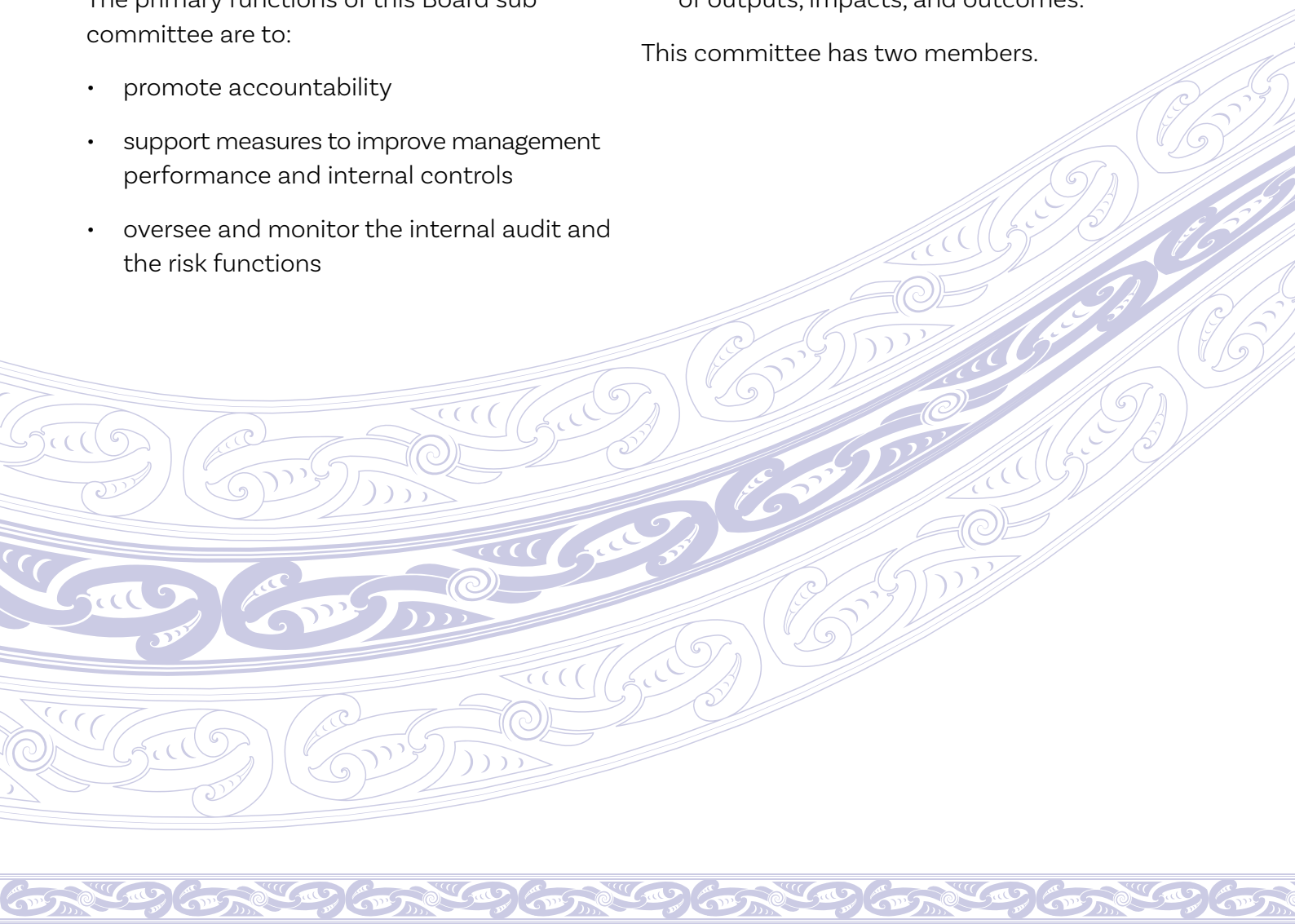
The Commission has established a Finance, Audit, and Risk Committee to help manage the risk, issues, and challenges facing the Commission.

The primary functions of this Board sub-committee are to:

- promote accountability
- support measures to improve management performance and internal controls
- oversee and monitor the internal audit and the risk functions

- oversee the integrity of the Commission's financial reporting systems
- ensure effective management of the variability in the Commission's delivery of outputs, impacts, and outcomes.

This committee has two members.



Appointments and Remuneration Committee

The Commission established an Appointments and Remuneration Committee to help the Board manage its performance reviews and remuneration setting and ensure appropriate delegated authority policies exist in relation to appointment and remuneration. This committee has three members.

Progressive procurement

The Government has agreed to a progressive procurement policy. From 2021 / 22, the Commission will be a participating agency and will develop an aligned procurement policy that will contribute to improving economic outcomes for Māori. We will also be reporting on this as part of our diversity and inclusion process.

The Commission did business with...



11 businesses that identify themselves as Māori businesses.

This represented

14%

of the total number of businesses the Commission did business with during the period from

**9 February 2021 –
30 June 2021.**

INDEPENDENT AUDITOR'S REPORT

To the Readers of the Mental Health and Wellbeing Commission's Financial Statements and Performance Information for the Year Ended 30 June 2021

The Auditor-General is the auditor of the Mental Health and Wellbeing Commission ('the Commission'). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, to carry out the audit of the financial statements and the performance information of the Commission on his behalf.

Opinion

We have audited:

- the financial statements of the Commission on pages 25 to 41, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements including the statement of accounting policies; and
- the performance information of the Commission on pages 8, 10 and 12.

In our opinion:

- the financial statements of the Commission:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the period then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards (Reduced Disclosure Regime); and
- the performance information:
 - presents fairly, in all material respects, the Commission's performance for the period ended 30 June 2021, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with outcomes included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - what has been achieved with the appropriations; and



- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 18 November 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Commission's Board for the financial statements and the performance information

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

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

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



Responsibilities of the auditor for the audit of the financial statements and the performance information

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

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

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

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

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

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

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission's Board.

We evaluate the appropriateness of the reported performance information within the Commission's framework for reporting its performance.

We conclude on the appropriateness of the use of the going concern basis of accounting by the Commission's Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.



We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Commission to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Commission audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Commission's Board is responsible for the other information. The other information comprises the information included on pages 1 to 7, 9, 11, 13 to 18 and 23 to 24 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

Other than the audit, we have no relationship with or interests in the Commission.



Chrissie Murray, Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General, Wellington, New Zealand

Statement of Responsibility

We are responsible for the preparation of the Mental Health and Wellbeing Commission's financial statements and statement of performance, and for the judgements made in them.

We are responsible for any end of year performance information provided by the Mental Health and Wellbeing Commission under section 19A of the Public Finance Act 1989.

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

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Mental Health and Wellbeing Commission for the period ended 30 June 2021.

The Commission came into being on 9 February 2021 and these financial statements and statement of performance reflect activity from this date to 30 June 2021.

Signed on behalf of the Board:

Hayden Wano



Date: 18 November 2021

Professor Sunny Collings



Date: 18 November 2021





Managing our finances

The Commission works carefully within its funding levels and has endeavoured to deliver on the Government's expectations within its period of operation from 9 February 2021 to 30 June 2021.

By using modern communications systems, such as videoconferencing, we have been able to work differently and reduce the number of face-to-face meetings we have. Our accommodation and associated costs are considerably lower than those of most similar agencies. In addition, we keep costs low by outsourcing corporate support services such as legal, human resources, and information technology services.

In 2021, the Commission committed to advancing Māori mental health and wellbeing and being grounded in Te Tiriti. In this model, a plan to have staff with Māori health expertise and a Māori health equity focus is available to work across teams. This workstream is still in development, but is set to advance with the appointment of a Chief Advisor Māori who will support the Commission to develop partnerships with iwi, hapū, and Māori communities and organisations.

Compliance

We meet our good employer requirements and obligations under the Public Finance Act 1989, the Public Records Act 2005, the Crown Entities Act 2004, the Mental Health and Wellbeing Commission Act 2020, and other applicable Crown entity legislation through our governance, operational, and business rules.

Risk management

All Commission staff are aware of the process for risk identification and management. The Board, Chief Executive, leadership team, and programme leaders identify strategic and operational risks in consultation with their teams, as appropriate. The Programme Manager is accountable for risks in the establishment programme.

The Commission wants to identify and support specific mental health and addiction initiatives that address the needs and issues of populations experiencing mental distress and addiction.

The impact of COVID-19 delayed the establishment of the Commission. This in turn delayed the appointment of the Board, the Chief Executive, and the leadership team. As a result, some of the funds allocated to the establishment phase of the Commission have not been spent. However, we will be undertaking some establishment activities in the 2021 / 22 year, which will somewhat offset the surplus achieved in 2020 / 21.

We maintain sound management of public funding by complying with relevant requirements of the Public Service Act 2020, the Public Finance Act 1989, and applicable Crown entity legislation. The annual audit review from Baker Tilly Staples Rodway provides useful recommendations on areas for improvement. We will implement these recommendations, with oversight by our Finance, Audit, and Risk Committee.



Mental Health and Wellbeing Commission 2020 / 21 financial statements

This section sets out the financial statements, notes to the financial statements and other explanatory information. These financial statements are for the period from the Commission's commencement date of 9 February 2021 to 30 June 2021.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE PERIOD 9 FEBRUARY 2021 TO 30 JUNE 2021

	Note	Actual	Budget
REVENUE			
Funding from the Crown	2	4,001,000	4,001,000
Interest income	2	5,532	2,362
Total revenue		4,006,532	4,003,362
EXPENSES			
Personnel costs	3	810,315	1,953,172
Other expenses	4	957,982	1,117,828
Depreciation	8	2,146	-
Total expenses		1,770,443	3,070,998
SURPLUS AND TOTAL COMPREHENSIVE REVENUE AND EXPENSE		2,236,089	932,362

*The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 17.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Actual	Budget
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,611,493	2,300,500
Term deposits	6	2,500,000	-
Receivables	7	52,059	-
Total current assets		4,163,552	2,300,500
NON-CURRENT ASSETS			
Property, plant, and equipment	8	75,109	737,500
Total Assets		4,238,661	3,038,000
LIABILITIES			
CURRENT LIABILITIES			
Payables	9	701,077	782,354
Employee entitlements	10	51,495	73,284
Total current liabilities		752,572	855,638
Total liabilities		752,572	855,638
NET ASSETS		3,486,089	2,182,362
EQUITY			
Contributed capital	13	1,250,000	1,250,000
Accumulated funds	13	2,236,089	932,362
TOTAL EQUITY		3,486,089	2,182,362

*The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 17.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 9 FEBRUARY 2021 TO 30 JUNE 2021

	Note	Actual	Budget
BALANCE AT 9 FEBRUARY 2021		-	-
Total comprehensive revenue and expense for the period	13	2,236,089	932,362
Capital injection	13	1,250,000	1,250,000
BALANCE AT 30 JUNE 2021		3,486,089	2,182,362

*The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 17.

STATEMENT OF CASH FLOWS FOR THE PERIOD 9 FEBRUARY 2021 TO 30 JUNE 2021

	Note	Actual	Budget
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from the Crown		4,001,000	4,001,000
Interest received		375	2,362
Payments to suppliers		(410,413)	(772,829)
Payments to employees		(782,853)	(1,800,810)
Goods and services tax (net)		130,639	370,777
Net cash flow from operating activities		2,938,748	1,800,500
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash invested in term deposits		(2,500,000)	-
Purchase of property, plant, and equipment	8	(77,255)	(750,000)
Net cash flows from investing activities		(2,577,255)	(750,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital injection	13	1,250,000	1,250,000
Net cash flows from financing activities		1,250,000	1,250,000
Net increase in cash and cash equivalents		1,611,493	2,300,500
CASH AND CASH EQUIVALENTS AT 30 JUNE 2021		1,611,493	2,300,500

*The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 17.

Notes to the financial statements

Note 1: Statement of Accounting Policies

Reporting entity

The Commission is an independent Crown entity as defined by the Crown Entities Act 2004. It was established under the Mental Health and Wellbeing Commission Act 2020 and its parent is the Crown. The Commission's primary objective is to provide services to the public. The Commission does not operate to make a financial return.

The Commission is a public benefit entity (PBE) for financial reporting purposes. The entity was created when the enabling legislation received Royal Assent and Commissioners were appointed on 9 February 2021. The 2020 / 21 financial statements for the Commission cover the period from 9 February 2021 to 30 June 2021 and were approved by the Board on 18 November 2021.

Basis of preparation

The financial statements cover a period of less than 12 months as the Commission was established on 9 February 2021. The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

The 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 Aotearoa (NZ GAAP).

The Commission has applied the suite of Tier 2 Public Benefit Entity International Public Sector Accounting Standards in preparing the 30 June 2021 financial statements. As the Commission 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.

Presentation currency

The financial statements are presented in New Zealand dollars.

Standards early adopted

The Commission has not early adopted any accounting standards.



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.

Goods and services tax

All items in the 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, then it is recognised as part of the related asset or expense. The net GST recoverable from, or payable to, Inland Revenue (IR) is included as part of receivables or payables in the Statement of Financial Position.

The net amount of GST paid to, or received from, IR, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Commission is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

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 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.

Budget figures

The budget figures are as approved by the Board. The budget figures have been prepared in accordance with NZ GAAP, using the accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Cost allocation

Direct costs are costs directly attributed to an output. Personnel costs are allocated to outputs based on time spent. The indirect costs of support groups and overhead costs are charged to outputs based on the proportion of direct costs of each output.

Critical accounting estimates and assumptions

In preparing these financial statements, the Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from 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 Note 8.

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

- classification of the rental lease as an operating lease—refer Note 4.

Note 2: Revenue

Accounting policy

Funding from the Crown

The Commission is primarily funded through revenue from the Crown. Revenue receipts from the Crown transactions are considered to be non-exchange transactions. The funding is restricted in its use for the purpose of the Commission meeting its objectives as specified in its founding legislation and the scope of the relevant Government appropriations. Apart from these general restrictions, the Commission considers there are no conditions attached to the funding. Revenue from the funding is recognised in the financial period to which the appropriation relates. The fair value of the revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Interest revenue

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

Note 3: Personnel costs

Accounting policy

Salaries and wages

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

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver are accounted for as a defined contribution

superannuation scheme and are expensed in the surplus as they occur.

Defined benefit schemes

The Commission does not make employer contributions to any defined benefit superannuation scheme.

	Actual
Salaries and wages	697,884
Increase in employee entitlements	20,974
Defined contributions scheme employer contributions	14,595
Recruitment	64,543
Training	11,238
Accident Compensation Corporation	790
Payroll fees	290
Total personnel costs	810,314

Employee remuneration

Total remuneration paid or payable that is or exceeds \$100,000:	Actual
\$100,000–\$110,000	1
Total employees	1

The above disclosure shows the total remuneration paid or payable to employees for the period that the Commission has been operating.

No employees have received compensation or other benefits in relation to cessation.

Note 4: Other expenses

Accounting policy

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. Lease incentives received are recognised as a reduction of rental expenses over the lease term.

	Actual
Audit fees	38,412
Board costs	139,835
Consultants and contractors	626,275
Technology expenses	49,039
Building costs	48,294
Travel and accommodation	2,601
Marketing and communications	19,843
Other expenses	33,683
Total other expenses	957,982

Operating leases as lessee

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

	Actual
No later than one-year	76,086
Later than one year and no later than five years	3,745
Later than five years	-
Total non-cancellable operating leases	79,831

The non-cancellable lease expense relates to the lease of Level 5, Civic Assurance House, 116 Lambton Quay, Wellington, and the lease of a Canon multi-function printer. The building lease expires in December 2021 with no current renewal terms.

There are no restrictions placed on the Commission by any of the operating lease arrangements.

On 6 September 2021, a deed of extension was signed for the building lease for the period 1 January 2022 to 30 June 2023 at \$200,400 per annum.

Board

Board Member Remuneration

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

Member	Actual
Hayden Wano (Chair)	41,884
Alex El Amanni	16,950
Jemaima Tiatia-Seath	9,676
Kevin Hague	14,831
Sunny Collings*	9,534
Taimi Allan	10,735
Total Board member remuneration	103,610

The Commission has obtained Professional Indemnity, and Directors' and Officers' Liability insurance for Board members.

No payments have been made to committee members appointed by the Board during the year.

No Board members have received compensation or other benefits in relation to cessation.

* This Board member's remuneration also includes membership of the Finance, Audit, and Risk Committee.

Note 5: Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand and deposits held at call with banks.

	Actual
Current account	61,119
Cash at call	1,550,374
Total cash and cash equivalents	1,611,493

Note 6: Investments

Accounting policy

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

Note 7: Debtors and other receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Commission applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. Short-term receivables are written off when there is no reasonable expectation of recovery. There were no receivable write-offs in the period.

	Actual
Other receivables	29,191
Prepayments	22,868
Total other receivables	52,059



Note 8: Property, plant, and equipment

Accounting policy

Property, plant, and equipment consists of the following asset classes: information technology equipment, furniture and fixtures, and leasehold improvements. All items are measured at cost less accumulated depreciation and impairment losses. The capitalisation threshold is \$1,000.

Additions

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 the Commission beyond one year or more and the cost of the item can be measured reliably. Property, plant, and equipment is initially recorded at its cost. Subsequent expenditure that extends the useful life or enhances the service potential of an existing item 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 expensed in the surplus or deficit as they are incurred. Work in progress is recognised at cost and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains or losses arising from the sale or disposal of an item of property, plant, and equipment are recognised in the surplus or deficit in the period in which the item of property, plant, and equipment is sold or disposed of.

Depreciation

Depreciation is provided on a straight-line basis on all asset components at rates that will write off the cost of the assets to their estimated residual values over their useful life. Leasehold improvements are depreciated over the unexpired period of the lease. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might 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. Any impairment losses are recognised in the surplus or deficit. At each balance date, the useful lives and residual values of the assets are reviewed.



The estimated useful life of major asset classes are:

Type of asset	Estimated life (years)
Information technology equipment	3 years
Furniture and fittings	5 years

Breakdown of property, plant, and equipment and other information	Information technology equipment	Furniture and fittings	Total
Cost or valuation			
Balance at 9 February 2021	-	-	-
Additions	77,255	-	77,255
Balance at 30 June 2021	77,255	-	77,255

Breakdown of property, plant, and equipment and other information	Information technology equipment	Furniture and fittings	Total
Accumulated depreciation			
Balance at 9 February 2021	-	-	-
Depreciation expense	2,146	-	2,146
Balance at 30 June 2021	2,146	-	2,146
Carrying amount			
At 30 June 2021	75,109	-	75,109

During the period, the Commission was gifted various items of office furniture and equipment from other government agencies—including the Ministry of Health—when setting up the office. Specific items received included office chairs, meeting room tables and chairs, desks, and whiteboards. They have been recorded at nil book value in these financial statements.

Capital commitments

As at 30 June 2021, the Commission has no capital commitments.

Note 9: Payables

Accounting policy

Short-term payables are recorded at the amount payable.

Breakdown of payables	Actual
Payables under exchange transactions	
Accrued expenses	237,638
Creditors	332,920
Payables under non-exchange transactions	
Taxes payables (GST)	130,519
Total payables	701,077

Note 10: Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits 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.

Long-term employee entitlements

The Commission does not have long-term employee entitlements.

Breakdown of employee entitlements	Actual
Accrued leave	31,826
Accrued salaries and wages	19,669
Total employee entitlements	51,495



Note 11: Provisions

Accounting policy

A provision is recognised for future expenditure of an 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.

The Commission has no provisions at 30 June 2021.

Note 12: Contingencies

The Commission has no contingent liabilities and no contingent assets at 30 June 2021.

Note 13: Equity

Accounting policy

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

- contributed capital
- accumulated surplus.

Breakdown of equity	Actual
Contributed capital	
Balance at 9 February 2021	-
Capital injection	1,250,000
Balance at 30 June 2021	1,250,000
Accumulated surplus	
Balance at 9 February 2021	-
Surplus for the year	2,236,889
Balance at 30 June 2021	2,236,889

Note 13: Equity (continued)

The Commission is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives. The Commission manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the Commission effectively achieves its objectives and purpose, while remaining a going concern. This includes achieving a surplus at year-end to be able to meet all obligations as they fall due. In the 2020 / 21 financial year, the surplus also included funds that had not yet been spent to complete the establishment of the Commission.

Note 14: Financial instruments

Accounting policy

Categories of financial instruments

All financial assets and liabilities held by the Commission are recognised at amortised cost. The carrying amount of financial assets and liabilities in each category of financial instruments is:

	Actual
Financial assets measured at amortised cost	
Cash and cash equivalents	1,611,493
Term deposits	2,500,000
Receivables	52,059
Total financial assets measured at amortised cost	4,163,552
Financial liabilities measured at amortised cost	
Payables	570,558
Total financial liabilities measured at amortised cost	570,558

Note 15: Financial assets and related party transactions

The Commission is a wholly owned entity of the Crown. Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect the Commission to have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel

Board members are appointed by the Governor-General and are the Board for the purposes of the Crown Entities Act 2004. In addition to their role with the Commission, Board members have other interests and may serve in positions with other organisations, including organisations to which the Commission is related. Interests are declared in the interests register and they are then assessed as to whether there are any actual or perceived conflicts of interest.

Key management personnel compensation

Actual

Board members	103,610
Full-time equivalents	0.85
Leadership team	378,131
Full-time equivalents	4.53
Total key management personnel remuneration	481,741
Total full-time equivalent personnel	5.38

The Board member remuneration relates to the period from their appointment in February 2021. An analysis of board member remuneration is provided in Note 4.

The leadership team remuneration relates to the period from February 2021. Full-time equivalent values reflect the period worked in the period covered by these financial statements. No other related party transactions were entered into during the year with key management personnel.

Note 16: Events after balance date

There were no significant events after the balance date of 30 June 2021 that require recognition or disclosure in the financial statements.

Note 17: Explanation of major variances against budget

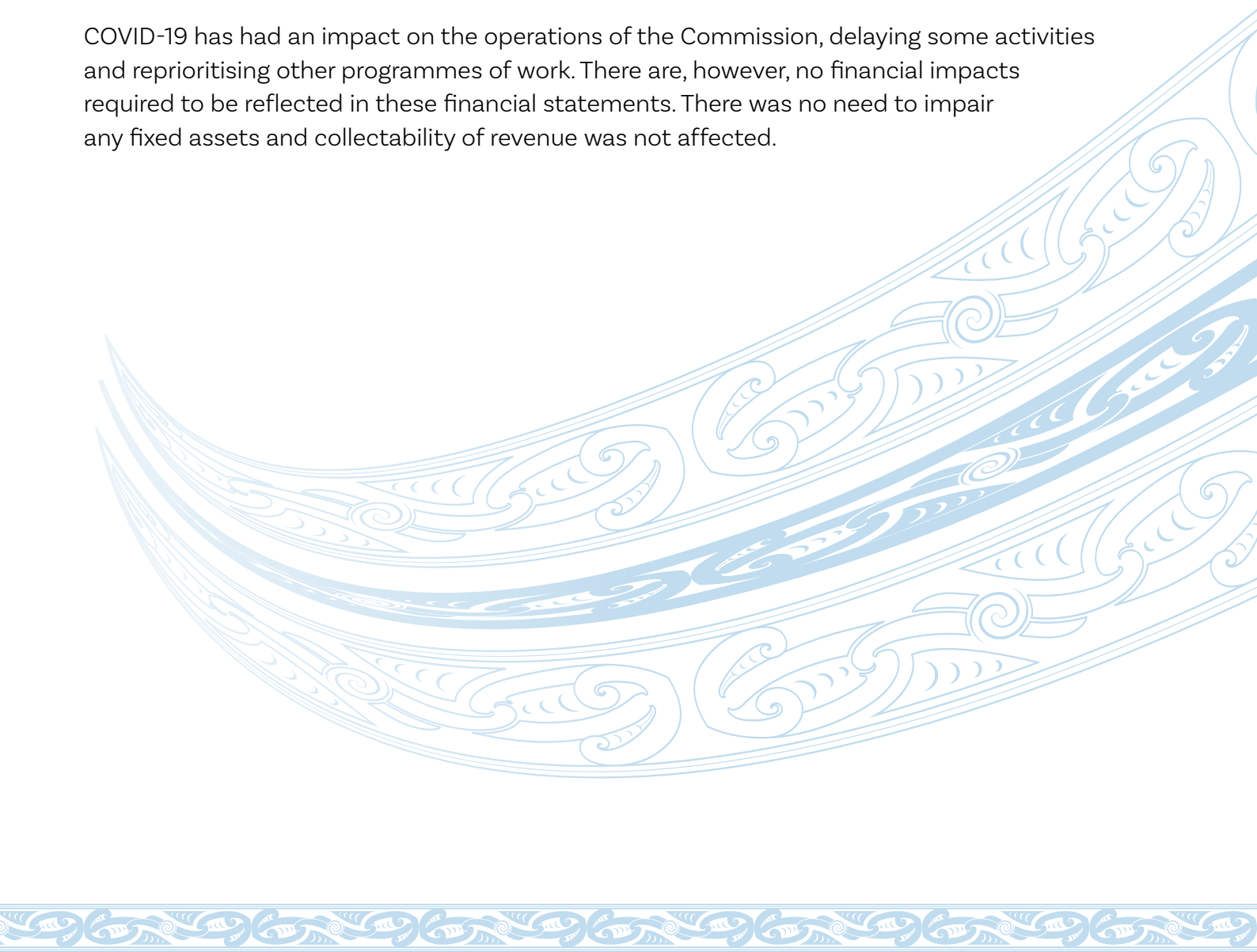
The Commission had a higher net surplus than estimated mainly because of a delay in the appointment of the Board and permanent staff and in planned work due to COVID-19.

A decision was made to buy software as a service rather than own software. This has translated into a permanent difference in property, plant, and equipment and investing cash flows.

Variances in the Statement of Financial Position and Statement of Cash Flows, other than the purchase of property, plant, and equipment, are timing differences resulting from timing of cash payments to suppliers.

Note 18: Impact of COVID-19

COVID-19 has had an impact on the operations of the Commission, delaying some activities and reprioritising other programmes of work. There are, however, no financial impacts required to be reflected in these financial statements. There was no need to impair any fixed assets and collectability of revenue was not affected.







Mental Health and Wellbeing Commission

Te Kāwanatanga o Aotearoa
New Zealand Government