

Mental Health and Wellbeing Commission

Statement of Performance Expectations 2021 / 22

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

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Table of Contents

The Commission at a glance	4
Statement of Responsibility	6
Chair’s message	7
Board members	9
The Commission’s output and funding	10
Scope of appropriation	10
What we will achieve with this appropriation	11
Establishment and leadership.....	11
Monitoring and reporting	13
Advocacy and engagement	14
Prospective Financial Information.....	16
Introduction	16
Prospective statement of comprehensive revenue and expense for the year ended 30 June 2022.....	16
Prospective statement of financial position as at 30 June 2022	17
Prospective statement of changes in equity for the period ended 30 June 2022.....	18
Prospective statement of cashflows for the year ended 30 June 2022.....	18
Statement of underlying assumptions	19
Statement of accounting policies.....	19

The Commission at a glance

The Mental Health and Wellbeing Commission (the Commission) provides system-level oversight of mental health and wellbeing in Aotearoa New Zealand and holds the Government of the day and other decision makers to account for the mental health and wellbeing of all people in Aotearoa. The Commission was founded in the government response to [He Ara Oranga: The Report of the Government Inquiry into Mental Health and Addiction \(November 2018\)](#).

The Commission's broad role is to:

- assess and report publicly on the state of New Zealand's mental health and wellbeing
- advocate for improvements to the mental health and wellbeing system.

The Commission's key functions under the [Mental Health and Wellbeing Commission Act 2020](#) are:

- to assess and report publicly on:
 - the mental health and wellbeing of people in New Zealand
 - factors that affect people's mental health and wellbeing
 - the effectiveness, efficiency, and adequacy of approaches to mental health and wellbeing
- to make recommendations to improve the effectiveness, efficiency, and adequacy of approaches to mental health and wellbeing
- to monitor mental health services and addiction services and to advocate improvements to those services
- to promote alignment, collaboration, and communication between entities involved in mental health and wellbeing
- to advocate for the collective interests of people who experience mental distress or addiction (or both), and the persons (including family and whānau) who support them.

The Commission must have systems and processes to ensure that, in carrying out all its functions, it has the capability and capacity to uphold Te Tiriti o Waitangi and to engage with Māori and understand perspectives of Māori. The Commission is committed to developing knowledge, understanding and experience of te ao Māori (Māori worldview), tikanga Māori (Māori protocol and culture), and whānau-centred approaches to wellbeing.

The Commission is committed to equity and must understand the perspectives and views of, and advocate for:

- Māori as tangata whenua

- people with lived experience, being people who experience mental distress or addiction (or both) and the persons (including family and whānau) who support them
- all groups affected by relatively poorer health and wellbeing outcomes. These include, but are not limited to: Pacific peoples, rainbow communities, refugees and migrants, rural communities, disabled people, veterans, prisoners, young people, older people, children experiencing adverse childhood events, children in state care.

The Commission's organisational capability is based on people who are skilled in data and policy analysis, engagement and communications, and leadership and public administration. Senior specialist roles support Māori capability and lived experience capability - in addition to this capability being considered in all of staff recruitment and development, as well as broader diversity and inclusion.

The Mental Health and Wellbeing Commission now has the monitoring and advocacy function for mental health and addiction services, that was with the Mental Health Commissioner at the Office of the Health and Disability Commissioner.

The [Health and Disability Commissioner](#) acts as an independent watchdog for people's rights when using health and disability services and will continue to consider and assess people's complaints relating to mental health and addiction services.

People who have concerns about the care they or others have experienced at a mental health or addiction service should still contact the Health and Disability Commissioner (refer [Making a Complaint](#), or [Nationwide Health & Disability Advocacy Service](#)).

The [Statement of Intent 2020 - 2024](#) describes the wider context in which the Commission operates. The Commission will be mindful of, and work in support of, government priorities for the broader health system such as improving child wellbeing, initiatives for better population health outcomes supported by primary healthcare and improving wellbeing through prevention. The Commission's work will also be shaped by Whakamaua: the Māori Health Action Plan 2020 - 2025 and Ola Manuia: The Pacific Health and Wellbeing Action Plan 2020 - 2025.

The Commission's approach to mental health and wellbeing will consider the social determinants of mental health and wellbeing, including family and whānau, housing, employment, poverty, the environment, and social attitudes. The Commission holds a holistic view of wellbeing and will look across the mental health and wellbeing system and challenge it to perform better by building on the roles of existing organisations in the system, including the health, social, education, and justice sectors.

Statement of Responsibility

This document is the Statement of the Performance Expectations 2021 / 22 for the Mental Health and Wellbeing Commission (the Commission) as required under the Crown Entities Act 2004.

Our role and functions, described in the document, are consistent with the Mental Health and Wellbeing Commission Act 2020.

This document covers the financial year 1 July 2021 to 30 June 2022.

The Commission's Board is responsible for this document which comprises the reportable outputs and the prospective financial statements for the year, including the assumptions on which they are based.

The prospective financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP).



Hayden Wano

Chair

5 August 2021



Kevin Hague

Board member

5 August 2021

Chair's message

The Commission was established on 9 February 2021. Our substantive establishment is happening at pace and, by the start of July 2021, we will be substantively operating as an independent Crown entity.

Some establishment work will continue into 2021 / 22 so that we take the time to get things right. These are about; developing our approach to being an organisation grounded in Te Tiriti o Waitangi and developing a strategy for the organisation with opportunities for input from Māori as tangata whenua, people with lived experience, priority groups and populations, and agencies operating in mental health, addiction, and wellbeing.

By the start of July 2021, assessment and monitoring frameworks developed by the Initial Commission will have been considered by the Commission. In 2021 / 22, the Commission will undertake further development work on the frameworks and use them to produce baseline reports. This system-level assessment, monitoring, and public reporting will be our substantive work for the year.

The Commission will also respond to topical issues through reports, position statements, media releases, seminars and workshops. These responses, alongside the baseline reports based on frameworks, will be an important part of our system and thought leadership role.

The Initial Commission developed [Mā Te Rongo Ake: Through listening and hearing](#) to report on the Government's progress on He Ara Oranga. We will seek to embed the concepts of listening and hearing in all our work.

Mā te rongo ka mōhio
Mā te mōhio ka mārama
Mā te mārama ka mātau
Mā te mātau ka ora

From listening comes knowledge
From knowledge comes understanding
From understanding comes wisdom
From wisdom comes wellbeing

We remain in challenging times, with uncertainty brought by the COVID-19 environment, the long period of closed borders, and the challenges of immunisation programmes and responses. People have been affected and it may take time to know and understand the full extent. There may be new needs, but there were also new high-trust ways of working, and we hope to identify the positives, and what can be done to support better ways of working and delivering for the mental health and wellbeing of all people in Aotearoa New Zealand.

We look forward to developing constructive working relationships across the mental health and wellbeing system throughout our first full year of operations.



Hayden Wano

Chair

5 August 2021

Board members

On 18 December 2020, the Minister of Health announced the appointment of the Board of the Commission.



The Inaugural Board of the Mental Health and Wellbeing Commission.

Left to right: Dr Jemaima Tiatia-Seath, Professor Sunny Collings, Kevin Hague, Hayden Wano (Chair), Taimi Allan, and Alexander El Amanni.

The Commission's output and funding

The Commission is an independent Crown entity operating under the Mental Health and Wellbeing Act 2020. The Commission reports to the Minister of Health, with the Ministry of Health as the monitoring agency, and with the Social Wellbeing Agency as advisors to the Ministry of Health. The Commission has strong connections to the health sector but maintains a wider perspective on wellbeing that encompasses the social and economic determinants of wellbeing.

Scope of appropriation

The Commission receives funding through an appropriation within Vote Health. The Commission has an appropriation of approximately \$5 million for the period allocated towards three output classes:

- establishment and leadership
- monitoring and reporting, and
- engagement and advocacy.

The final section of this document has detailed financial information (refer Prospective Financial Information).

Output Class	Revenue (\$000s)	Costs (\$000s)	Proportion of Revenue
Establishment and leadership	\$465.0	\$2,165.3	9.5%
1) Establish the Commission's core systems	-	\$1,609.7	-
2) Develop an approach to Te Tiriti o Waitangi as a Te Tiriti o Waitangi grounded organisation	\$465.0	\$555.6	9.5%
Monitoring and reporting	\$3,315.0	\$2,214.3	68.0%
Advocacy and engagement	\$1,096.0	\$1,128.2	22.5%
Total	\$4,876.0	\$5,507.8*	100%

*An expected surplus of \$932,000 from 2020 / 21 will cover the expected deficit in 2021 / 22. The surplus arises from several establishment costs accruing later than expected.

What we will achieve with this appropriation

Measurement

The Commission's proposed work for the year is set out in the tables below, alongside notes on how its work performance will be measured. The measurement is described at a relatively high level. More detail about how we will measure our work is in development along with establishment work in 2020 / 21. Our measures will be discussed with our monitoring agencies before the start of the financial year on 1 July 2021.

More detailed measures will include, for example, detail on what "active engagement" means and what we would expect to see in partnerships with Māori as tangata whenua, and in relationships with the mental health and wellbeing sector, lived experience groups, and priority groups and populations (refer Advocacy and Engagement). The Commission expects to devise short-term measures for who we engage with, how, and how often. In the longer term, the Commission will need to develop ways of measuring the quality of partnerships and relationships, as well as perceptions of our advocacy.

An important output in 2021 / 22 is an organisational strategy and, as noted below, an ongoing measurement framework will be developed alongside this, including ongoing output, timeliness, and quality measures.

Establishment and leadership

Establishment

Establishment work is about ensuring the Commission has the capability it needs. By the end of June 2021 most systems, infrastructure, operational policies, and processes will be in place to enable a fully functioning independent Crown entity.

There will be ongoing work in recruitment and bedding in systems during 2021 / 22. Other establishment work continuing into the 2021 / 22 year includes those aspects requiring a level of consultation:

- the development of the organisational strategy to guide all the work of the Commission and set priorities as well as a measurement framework. For 2021 / 22, measures are about deliverables and based on peer review and independent review. Measurement in future will look to measure overall performance and influence of the Commission and set some ongoing output, timeliness, and quality measures.
- The development of a clear pathway to being an organisation grounded in Te Tiriti o Waitangi.

An important part of establishment is a communications approach to ensure the visibility of all our work to diverse audiences. This will be interdependent with our engagement work.

Leadership

Our relationships with communities and across the mental health and wellbeing system will be vital to our long-term role of improved and equitable mental health and wellbeing. Our advice and advocacy should shape the choices of decision-makers. A big part of this will be to develop mutual respect and shared understanding of different perspectives, roles, capacity, and capabilities within the system.

Relationships at the Ministry of Health have made a good start, particularly with the Mental Health and Addiction Directorate and with the Māori Health Directorate and these are important ongoing relationships. We will be looking to continue to develop relationships with funding entities and the wide range of organisations and groups that form the mental health and addiction sector.

We will also continue to develop relationships and work to improve collaboration with communities and across government and ensure overlap is managed amongst agencies working to understand and deliver on wellbeing objectives.

Some of our relationships will be viewed in both leadership and in engagement and advocacy (e.g. the Ministry for Pacific People as a decision-making body and as an advocacy organisation for Pacific people). There are leadership roles in lived experience, consumer, and survivor movements. We will look to support their leadership without duplicating and must be well connected to them for our engagement and advocacy work.

The proposed Māori Health Authority would be viewed as a key partner and any new structures and systems that may arise out of the implementation of the Health and Disability System Review.

	Outputs	Measure / s
1	<p>The Commission has the capability and capacity to fulfil the Commission’s objective and functions.</p> <p>The Commission has a clear organisational strategy (including strategic priorities, values, principles, and approach to deliver on commitments to Te Tiriti o Waitangi).</p>	<p>An operating model with permanent roles established and recruited, and capability gaps identified, and mitigations identified and addressed.</p> <p>The Commission has a strategy and performance measurement framework to guide its work, including to deliver on its commitment to Te Tiriti o Waitangi.</p> <p>The Commission is implementing its commitment to be an organisation that is grounded in Te Tiriti o Waitangi.</p>
2	<p>The Commission has all systems and policies for operating independently.</p>	<p>Systems and policies for managing finance, human resources, information technology, and meeting statutory machinery of government are in place.</p>
3	<p>The Commission is developing effective relationships with key stakeholders across Government in the wellbeing system, and mental health and addiction sectors.</p>	<p>Relationships with Māori as tangata whenua show developing partnership according to the Commission’s Te Tiriti o Waitangi position statement.</p> <p>A pro-active approach and developing relationships across Government, in the wellbeing, mental health and addiction sectors, building on relationships started in 2020 / 21.</p>

Monitoring and reporting

During 2021 / 22 we will develop our approach to:

- Assessment and reporting on wellbeing - based on the **He Ara Oranga wellbeing outcomes framework** drafted by the Initial Commission and adopted by the Mental Health and Wellbeing Commission’s Board in 2021.
- Monitoring and reporting on mental health and addiction services - this work will build on preparatory work by the Initial Commission on He Ara Āwhina, a draft service level monitoring framework with a focus on the quality of mental health and addiction services.
- Proactive and reactive topic responses arising from:
 - Reactive: participation in submission process and planned work led by the Ministry of Health and wellbeing agencies

- o Pro-active: the experience and voice of; Māori as tangata whenua, people with lived experience and those who support them, and priority groups and populations.

The Ministry of Health have published their approach to developing a long-term pathway for transformation for mental health and wellbeing, following on from **Kia Kaha Kia Māia, Kia Ora Aotearoa: COVID-19 Psychosocial and Mental Wellbeing Plan**. The Commission welcomes the development of a long-term pathway for transformation and the opportunity to participate.

Monitoring and reporting outputs will be evaluated by external peer review until the Commission’s strategy and performance measurement framework is developed.

The Commission may establish external advisory groups for peer review, identify indicators for reporting, and to bring in a wider range of experience and perspectives.

	Outputs	Measure / s
4	A baseline report on mental health and wellbeing in Aotearoa (using the He Ara Oranga wellbeing outcomes framework and / or other relevant frameworks).	A published report on wellbeing.
5	Completion of a framework or approach to monitoring and reporting on mental health and addiction services and a baseline report.	A published baseline report on mental health and addiction services and supports.
6	Develop a strategy to give effect to the Commission’s assessment, monitoring, and reporting functions.	A strategy is developed and implemented across all monitoring and reporting deliverables. Responses on Government consultations on topics related to mental health and wellbeing.

Advocacy and engagement

The Commission must engage effectively with, and understand the views of:

- Māori as tangata whenua, including iwi, hapū, whānau, and kaupapa Māori organisations and services.
- lived experience; people who have experienced mental distress or addiction (or both) and the persons (including family and whānau) who support them
- priority groups and populations; being people with a common set of characteristics or life stages, a starting point from the Mental Health and Wellbeing Commission Act 2020, Schedule 2; Māori as tangata whenua, Pacific

peoples, rainbow communities, refugees and migrants, rural communities, disabled people, veterans, prisoners, young people, older people, children experiencing adverse childhood events, children in state care.

During the part-year 2020 / 21, we will be asking people and communities what matters to them for working together. In 2021 / 22, we will be building on these responses and relationships to develop ongoing shared ways of working together. We want to be approachable and provide different kinds of opportunities for engagement that suit different needs. We need to reach the right people and communities at the right times - and use the time of people and communities well. The Commission will also be looking to develop its own diversity, to support capability for engagement with diverse people and communities.

	Outputs	Measure / s
7	An approach and ongoing work to engage with people who experience mental distress or addiction (or both) and the persons (including family and whānau) who support them.	The Commission is actively engaging with a wide range of people who experience mental distress or addiction (or both), the persons (including family and whānau) who support them, and related organisations - and their voices are reflected in the Commission's work.
8	An approach and ongoing work to engage with Māori as tangata whenua, and priority groups and populations.	The Commission is actively engaging with Māori as tangata whenua and priority groups and populations, and the organisations that support them - and their voices are reflected in the Commission's work.
9	Develop an approach to give effect to the Commission's role to advocate for the collective interests of people.	An advocacy approach ensures the Commission reflects and balances, in all its work, the views of; Māori as tangata whenua, people with lived experience and the whānau, family and people who support them, and priority groups and populations.

Prospective Financial Information

Introduction

These prospective financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) for public benefit entities. Their purpose is to facilitate consideration by Parliament of the planned performance of the Commission. The use of the information for other purpose may not be appropriate. Readers are cautioned that actual results are likely to vary from the information presented and that the variation may be material.

Prospective statement of comprehensive revenue and expense for the year ended 30 June 2022

	\$000s	\$000s
Funding from the Crown		4,876.0
Interest received		1.7
Total revenue		4,877.7
Permanent and Fixed Term Staff	2,503.6	
Other Personnel costs	157.1	
Total Personnel Costs		2,660.7
Board Costs		647.3
Building costs		175.1
Consultants		318.0
Other costs		726.6
Total expenditure		4,527.7
Surplus before establishment costs		350.0
Establishment Costs		(980.2) ¹
Surplus / (deficit)		(630.2)
Total comprehensive revenue and expense		(630.2)

¹ The establishment costs have been budgeted to occur through until December 2021. This is due to the delayed nature of the appointment of the Board and the flow on impact on the recruitment of the Chief Executive. The \$980,000 establishment costs that will be expended in the 2021 / 22 year are for; staff (\$560,000 for seven fixed term staff, with end dates of December 2021), recruitment for delayed permanent roles (\$60,000), contractor costs to complete establishment tasks (\$135,000), consultants costs for establishment tasks (\$100,000), and delayed brand development costs (\$125,000).

Prospective statement of financial position as of 30 June 2022

	\$000s	\$000s
Cash or cash equivalents	989.4	
Debtors	-	
Other current assets	-	
Total current assets		989.4
Property, plant & equipment		783.3
Total assets		1,772.7
Creditors & payables	202.9	
Other creditors	(53.6)	
Employee liabilities	71.2	
Total current liabilities		220.5
Total liabilities		220.5
Net assets		1,552.2
Contributed capital	1,250.0	
Accumulated surplus / (deficit)	302.2	
Total equity		1,552.2

Prospective statement of changes in equity for the period ended 30 June 2022

	2022	2021
	\$000s	\$000s
Balance at 1 July	2,182.4	-
Contributed capital	-	1,250.0
Total comprehensive revenue and expense	(630.2)	932.4
Balance at 30 June	1,552.2	2,182.4

Prospective statement of cashflows for the year ended 30 June 2022

	\$000s
Receipts from the Crown	4,876.0
Interest received	1.7
Payments to employees and suppliers	(6,336.6)
Net GST	347.8
Net operating cashflows	(1,111.1)
Property, plant, and equipment purchased	(200.0)
Net investing cashflows	(200.0)
Net change in cash position	(1,311.1)
Opening cash balance	2,300.5
Closing cash balance	989.4

Statement of underlying assumptions

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

- the Commission will operate under the interim operating model recommended by the Initial Mental Health and Wellbeing Commission
- the Commission's statutory functions will not change
- revenue from the Crown of \$ \$4,876.0 will be available for the 2021 /22 year
- the Commission may need to move premises
- there will be no unexpected external events (such as natural disaster) that will require significant operating or capital expenditure to be incurred.

Statement of accounting policies

Reporting entity

The Mental Health and Wellbeing Commission is an independent Crown entity under the Crown Entities Act 2004. The Commission was established by the Mental Health and Wellbeing Act 2020 and is domiciled in New Zealand. As such, the Commission's ultimate parent is the New Zealand Crown.

The Commission's functions and responsibilities are set out in the Mental Health and Wellbeing Commission Act 2020. The objective of the Commission is to contribute to better and equitable mental health and wellbeing outcomes for people in New Zealand. The Commission has designated itself as a public benefit entity for the purposes of NZ GAAP.

Basis of preparation

The forecast financial statements have been adapted to comply with NZ GAAP. The preparation of forecast financial statements in conformity with NZ international financial reporting standards requires judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenditure.

The prospective financial statements have been prepared on a historical cost basis. The Commission has complied with the public benefit entity financial reporting standard (known as the PBE FRS42) in the preparation of these prospective financial statements.

Accounting policies

The accounting policies outlined will be applied for the next year when reporting in terms of section 154 of the Crown Entities Act 2004 and will be in a format consistent with NZ GAAP.

The following accounting policies, which significantly affect the measurement of financial performance and of financial position, have been consistently applied.

Revenue

The Commission is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Commission meeting its objectives as specified in this statement of performance expectations. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Goods and services tax (GST)

All items in the financial statements are stated as exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

Taxation

The Commission is a public authority in terms of the Income Tax Act 2004 and, consequently, is exempt from income tax.

Property, plant, and equipment

Property, plant, and equipment asset classes consist of computers, furniture and fittings, and office equipment.

- Property, plant, and equipment are shown at cost, less any accumulated depreciation and impairment losses.
- The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.
- Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the prospective statement of financial performance.
- Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.
- The costs of day-to-day servicing of property, plant, and equipment are recognised in the prospective statement of financial performance as they are incurred.

Depreciation

Depreciation is provided using the straight-line (SL) basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their

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

- computers – three years 33% SL
- office equipment – five years 20% SL
- furniture and fittings – five years 20% SL.

Intangible assets

Software acquisition:

- Acquired computer software licences are capitalised based on the costs incurred to acquire and bring to use the specific software.
- Costs associated with maintaining computer software are recognised as an expense when incurred.
- Costs associated with developing and maintaining the Commission’s website are recognised as an expense when incurred.

Amortisation:

- Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised.
- The amortisation charge for each period is recognised in the prospective statement of financial performance.
- The useful lives and associated amortisation rates of major classes of intangible assets have been estimated, as follows:
 - Acquired computer software – three years 33% SL.

Operating leases

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

Financial instruments

The Commission is a party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, accounts receivable, and accounts payable. All financial instruments are recognised in the prospective statement of financial position and all revenue and expenses in relation to financial instruments are recognised in the prospective statement of comprehensive income. All financial instruments are shown at their estimated fair value.

Accounts receivable

Accounts receivable are stated at their estimated realisable value after providing for doubtful and uncollectable debts.

Employee entitlements

Provision is made in respect of employees' annual leave. The provision is calculated on current rates of pay and expected to settle within 12 months of reporting date (or approval gained to carry forward leave) and is measured at nominal values on an actual entitlement basis at current rate of pay.

