

Mental Health and  
Wellbeing Commission

Statement of  
Performance  
Expectations  
2020 / 21

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

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## 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's 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 world view), 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 – and this capability, knowledge and experience is considered across staff recruitment and development, as well as broader diversity and inclusion.

The Mental Health and Wellbeing Commission has taken on the monitoring and advocacy function for mental health and addiction services from the outgoing Mental Health Commissioner at the Office of the Health and Disability Commission.

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](#)).

## Statement of Responsibility

This document constitutes the Statement of the Performance Expectations 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 a part-year from establishment of the Commission on 9 February 2021 to 30 June 2021.

The Commission's Board is responsible for the content of 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 the New Zealand generally accepted accounting practice (NZ GAAP).



**Hayden Wano**

Chair

9 June 2021



**Kevin Hague**

Board member

9 June 2021

## Chair's message

The Commission has been established to provide independent assessment and reporting, advice, and advocacy to the Government and all parts of our mental health and wellbeing system and sustain long-term pressure for a better and equitable mental health and wellbeing.

This is our first Statement of Performance Expectations and is to be read alongside our first Statement of Intent 2020 to 2024.

Our primary focus for this period is our establishment as an independent Crown entity, capable of meeting all our objectives and functions. At the end of June 2021, we expect to have most of our administrative settings in place and have made a good start on the building blocks for our long-term priorities in establishment and leadership, monitoring and reporting, and advocacy and engagement.

While our principles and values are being formally developed, our work will be underpinned by the vision of transformative change for wellbeing, mental health and addiction sought in **He Ara Oranga: The Report of the Government Inquiry into Mental Health and Addiction** (November 2018) (He Ara Oranga) and accepted in the Government's response.

What we do and how we do it, will be guided by these principles drawn from He Ara Oranga and the government response, and / or embedded in our legislation:

- Our organisation is grounded in Te Tiriti o Waitangi through our enduring commitment to honour the articles and principles in meaningful partnership with Māori as tangata whenua.<sup>1</sup>
- A commitment to consistently engage with and advocate for people with lived experience of mental distress or addiction (or both) and their support networks, families and whānau.
- A commitment to equity as an expressed priority for Māori as tangata whenua.
- A commitment to equity for Pacific peoples and for all groups and populations who experience relative disadvantage in wellbeing, mental health and addiction outcomes.
- An approach that is holistic and takes a wider view of wellbeing.

We emphasise these commitments here to ensure they remain in view and will work to develop them into principles for the Commission.

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<sup>1</sup>The Commission uses the full term, "Māori as tangata whenua" as an acknowledgement of the status of Māori as Te Tiriti o Waitangi partner.

We would like to acknowledge the work that has gone into our establishment from:

- Individuals, groups and organisations who participated in public processes to develop the Mental Health and Wellbeing Commission Act, and before then in He Ara Oranga.
- The Ministry of Health, which ensured the Act progressed on time and, throughout the COVID-19 response and internal restructures and reviews and ensured we could open our doors on 9 February 2021.
- The Initial Mental Health and Wellbeing Commission (the Initial Commission), which laid the foundations for us and handed over a body of work to support our ongoing functions and responsibilities.
- The outgoing Mental Health Commissioner at the Office of the Health and Disability Commissioner (HDC) who has worked with the Initial Commission and Ministry of Health throughout the establishment process to ensure continuity of the monitoring and reporting work programme.

We are delighted to take up our new role and determined to effectively deliver for better and equitable mental health wellbeing outcomes in Aotearoa New Zealand.



**Hayden Wano**

Chair

9 June 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 Commission Act. 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 that encompasses 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 \$4 million for the period. This has been allocated towards three output classes. A surplus is anticipated.

Output Class	Revenue (\$000s)	Costs (\$000s)	Proportion of Revenue
<b>Establish the Commission</b>	<b>\$3,154</b>	<b>\$2,421</b>	<b>78.8%</b>
1) Establish the Commission's core systems	\$2,793	\$2,144	69.8%
2) Develop an approach to Te Tiriti o Waitangi as an organisation grounded in Te Tiriti o Waitangi	\$361	\$277	9.0%
<b>Monitoring and reporting</b>	<b>\$616</b>	<b>\$473</b>	<b>15.4%</b>
<b>Advocacy and engagement</b>	<b>\$231</b>	<b>\$177</b>	<b>5.8%</b>
<b>Total</b>	<b>\$4,001</b>	<b>\$3,071</b>	<b>100%</b>

### What is intended to be achieved with this appropriation

The Commission has three output classes:

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

In 2020 / 21, measures are based on tangible deliverables. A measurement framework will be developed during 2021 / 22 that will take account of more complex measurement considering, for example, measuring influence and how the Commission is perceived.

## Inputs from the Initial Mental Health and Wellbeing Commission

As intended in the Government response to He Ara Oranga, the Initial Commission has provided deliverables to form a starting point for our work. These are:

- early reports on progress of the Government's response to He Ara Oranga: [Interim Report – Upholding the Wero Laid in He Ara Oranga](#) (June 2020), and [Mā Te Rongo Ake – Through Listening and Hearing](#) (March 2021)<sup>2</sup>
- a draft He Ara Oranga wellbeing outcomes framework for mental health and wellbeing, with a focus on measuring wellbeing
- work in development on He Ara Āwhina, a service level monitoring framework for mental health and addiction services, with a focus on the quality of, and service processes for, mental health and addiction services
- a draft work programme and operating model, alongside draft values and an interim approach for a Te Tiriti o Waitangi framework.

The frameworks, analytical advice, and recommendations of the Initial Commission will continue to be considered. Relationships started by the Initial Commission will be sustained.

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<sup>2</sup> These and additional reports can be accessed online via the Commission website: <https://www.mhwc.govt.nz/the-initial-commission/>.

## Establishment and leadership

Establishment is the priority for these first months of the Commission. We need to develop corporate structures, policies and practices to meet statutory Crown entity responsibilities, and enable the Commission to be a values-driven organisation with an organisational culture that aligns with our objectives, functions and strategic intentions.

Central to establishment is the commitment to be an organisation grounded in Te Tiriti o Waitangi.

The establishment of relationships is also to set the foundation for leadership. The Commission needs to establish relationships with decision-makers and organisations engaged in service delivery in government and non-governmental organisations, and with our responsible Minister and Associate Ministers. Relationships are also discussed with our advocacy and engagement work.

	Outputs	Measure / s
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.	The Commission's interim operating model is agreed, and appointments made to key roles.  The approach to be an organisation grounded in Te Tiriti o Waitangi is being developed alongside the development of the Commission's strategy.
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.
3	The Commission is developing effective relationships with key stakeholders across the Government in the wellbeing, mental health and addiction sectors.	Relationships with Māori as tangata whenua show developing partnership according to the Commission's Te Tiriti o Waitangi framework.  Relationships are in development across the government, in the wellbeing, mental health and addiction sectors.

## Monitoring and reporting

The Commission’s monitoring and reporting strategic intentions support our function to assess and report publicly on mental health and wellbeing outcomes.

The priorities at present are to complete further work, consultation, and engagement to ensure the draft monitoring frameworks developed by the Initial Commission enable an understanding of mental health and wellbeing in a wider holistic context, and of mental health and addiction services, and make equity issues transparent.

	Outputs	Measure / s
4	A framework for assessment and reporting on the mental health and wellbeing of people in New Zealand, 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.
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.
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.

## Advocacy and engagement

The Commission must have effective ways of engaging with:

- Māori as tangata whenua
- people who have experienced mental distress or addiction (or both) and their support networks, families and whānau
- priority groups and populations – people with a common set of characteristics or life stages. A starting point is 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.

The outputs are foundational with steps to identify people, groups and organisations and have introductory discussions towards working together over the long-term.

Engagement and advocacy have interdependencies with the Commission’s other strategic priorities (e.g. reports should reflect the views of Māori as tangata whenua, lived experience and priority groups and populations).

	Outputs	Measure
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.
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.
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.



# Prospective Financial Information

## Introduction

These prospective financial statements have been prepared in accordance with the 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 purposes 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 period 9 February to 30 June 2021

		<b>Estimated Actuals</b>
	<b>\$000s</b>	<b>\$000s</b>
Revenue from the Crown		4,001.0
Other Income		2.4
<b>Total Income</b>		<b>4,003.4</b>
Permanent & Fixed Term Staff	1,392.4	
Other Personnel costs	560.8	
<b>Total Personnel Costs</b>		<b>1,953.2</b>
Board Costs		250.2
Building costs		71.7
Consultants		375.0
Other costs		421.0
<b>Total Expenditure</b>		<b>3,071.0</b>
<b>Surplus / (Deficit)</b>		<b>932.4</b>
<b>Total comprehensive revenue and expense</b>		<b>932.4</b>

## Prospective statement of financial position as at 30 June 2021

	<b>\$000s</b>	<b>\$000s</b>
Cash or cash equivalents	2,300.5	
Debtors	-	
Other current assets	-	
<b>Total current assets</b>	<hr/>	<b>2300.5</b>
Property plant & equipment		737.5
<b>Total assets</b>		<b>3,038.0</b>
Creditors & payables	763.8	
Other creditors	18.5	
Employee liabilities	73.3	
<b>Total current liabilities</b>	<hr/>	<b>855.6</b>
<b>Total liabilities</b>		<b>855.6</b>
<b>Net assets</b>		<b>2,182.4</b>
Contributed capital		1,250.0
Accumulated surplus / (deficit)		932.4
<b>Total equity</b>		<b>2,182.4</b>



## Prospective statement of changes in equity for the period 9 February to 30 June 2021

	<b>\$000s</b>
Balance at 9 February 2021	0.0
Capital contributed	1,250.0
Total comprehensive revenue and expense	932.4
<b>Balance at 30 June 2021</b>	<b>2,182.4</b>

## Prospective statement of cashflows for the period 9 February to 30 June 2021

	<b>\$000s</b>
Receipts from the Crown	4,001.0
Interest received	2.4
Payments to Employees and Suppliers	(2,573.6)
Net GST	373.2
<b>Net operating cashflows</b>	<b>1,803.0</b>
Purchase of property, plant & equipment	(750.0)
<b>Net investing cashflows</b>	<b>(750.0)</b>
Receipts from capital contribution	1,250.0
<b>Net financing cashflows</b>	<b>1,250.0</b>
<b>Net change in cash position</b>	<b>2,300.5</b>
<b>Opening cash balance</b>	<b>-</b>
<b>Closing cash balance</b>	<b>2,300.5</b>

## Statement of underlying assumptions

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

- the Commission will operate under an interim operating model as developed by the Initial Mental Health and Wellbeing Commission
- the Commission's statutory functions will not change
- revenue from the Crown of \$4,001,000 will be available for the 2020 / 21 year
- there will be no change in premises occupancy
- 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. The Commission was established by the Mental Health and Wellbeing Commission Act 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. 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 the NZ GAAP.

### Basis of preparation

The forecast financial statements have been adapted to comply with the NZ GAAP. The preparation of forecast financial statements in conformity with New Zealand 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 public benefit entity financial reporting standard 42 (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 and will be in a format consistent with the 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

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 on the basis of the costs incurred to acquire and bring to use the specific software.
- Costs associated with maintaining computer software are recognised as an expense when incurred.
- Costs associated with 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 employee's 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.