

Financial Statements

Pūrongo Pūtea

Statement of Comprehensive Revenue and Expense to 30 June 2021

	Note	2020/21 Actual \$000	2020/21 Budget \$000	2019/20 Actual \$000
Revenue				
Funding from the Crown	2	13,488	13,488	8,100
Interest revenue	2	2	20	5
Total revenue		13,490	13,508	8,105
Expenses				
Personnel costs	3	7,147	5,674	3,417
Depreciation and amortisation expense	7,8	263	195	86
Other expenses	4	5,888	7,619	1,832
Total expenses		13,298	13,488	5,335
Surplus/(Deficit) and total comprehensive revenue and expense		192	20	2,770

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of Changes in Equity to 30 June 2021

	Note	2020/21 Actual \$000	2020/21 Budget \$000	2019/20 Actual \$000
Opening balance		2,770	2,664*	-
Total comprehensive revenue and expense for the period		192	20	2,770
Closing balance at 30 June 2021	14	2,962	2,684	2,770

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

*The budget for the 2020/21 year was approved in June 2020 as noted in the Statement of Performance Expectations and was based on a forecast year-end position for 30 June 2020.

Statement of Financial Position as at 30 June 2021

	Note	2020/21 Actual \$000	2020/21 Budget \$000	2019/20 Actual \$000
Assets				
Current assets				
Cash and cash equivalents	5	3,758	2,336	2,913
Receivables	6	244	97	123
Total current assets		4,002	2,433	3,036
Non-current assets				
Property, plant and equipment	7	715	622	833
Intangible assets	8	93	40	146
Total non-current assets		808	662	979
Total assets		4,810	3,095	4,015
Liabilities				
Current liabilities				
Payables	9	1,424	250	938
Lease incentive	10	20	20	27
Employee entitlements	11	316	50	172
Total current liabilities		1,760	320	1,137
Non-current liabilities				
Lease incentive	10	67	71	87
Provisions	12	21	20	21
Total non-current liabilities		88	91	108
Total liabilities		1,848	411	1,245
Net assets		2,962	2,684	2,770
Equity				
Accumulated surplus/(deficit)	14	2,962	2,684	2,770
Total equity		2,962	2,684	2,770

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of Cash Flows to 30 June 2021

	Note	2020/21 Actual \$000	2020/21 Budget \$000	2019/20 Actual \$000
Cash flows from operating activities				
Receipts from the Crown		13,488	13,488	8,100
Interest received		2	20	5
Payments to suppliers		(5,897)	(7,688)	(874)
Payments to employees and personnel-related payments		(7,061)	(5,674)	(3,145)
Goods and services tax (net)		383	(68)	(108)
Net cash flow from operating activities		915	78	3,978
Cash flows from investing activities				
Purchase of property, plant and equipment		(70)	(12)	(905)
Purchase of intangible assets		-	(15)	(160)
Net cash flow from investing activities		(70)	(27)	(1,065)
Net increase/(decrease) in cash and cash equivalents		845	51	2,913
Cash and cash equivalents at the beginning of the year		2,913	2,285	-
Cash and cash equivalents at the end of the year	5	3,758	2,336	2,913

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Notes to the financial statements

He kupu whakamārama mō ngā tauākī ahumoni

Notes index

1	Statement of accounting policies	44
2	Revenue	44
3	Personnel costs	45
4	Other expenses	46
5	Cash and cash equivalents	47
6	Receivables	42
7	Property, plant and equipment	48
8	Intangible assets	49
9	Payables	50
10	Lease incentive	50
11	Employee entitlements	51
12	Provisions	51
13	Contingencies	51
14	Equity	52
15	Financial instruments	52
16	Related party transactions	52
17	Events after balance date	53
18	Explanation of significant variances against budget	48

Notes to the financial statements

He kupu whakamārama mō ngā tauākī ahumoni

Note 1. Statement of accounting policies

Reporting entity

The New Zealand Infrastructure Commission, Te Waihanga is an autonomous Crown entity as defined by the Crown Entities Act 2004. Te Waihanga was established under the New Zealand Infrastructure Commission/Te Waihanga Act 2019 and its parent is the Crown. Te Waihanga's primary objective is to provide services to the public, rather than make a financial return.

Te Waihanga is a Public Benefit Entity (PBE) for financial reporting purposes. The entity was created when the enabling legislation received Royal assent and was passed on 26 September 2019.

The financial statements for Te Waihanga are for the 12 months to 30 June 2021 and were approved by the Board on 14 December 2021.

Basis of preparation

The financial statements cover the period from 1 July 2020 to 30 June 2021. The 2019/20 comparative information covers a period of less than 12 months as Te Waihanga was established on 26 September 2019. 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 New Zealand (NZ GAAP).

Te Waihanga has applied the suite of Tier 2 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS 1 RDR 28-3) in preparing the 30 June 2021 financial statements. As Te Waihanga has expenses of less than \$30 million, it is eligible to report in accordance with the PBE Standards Reduced Disclosure Regime. These financial statements comply with the PBE Standards Reduced Disclosure Regime.

Presentation currency and rounding

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

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to specific notes 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, it is recognised as part of the related asset or expense. The net GST recoverable from or payable to Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.

The net amount of GST paid to or received from Inland Revenue, 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.

Note 1. Statement of accounting policies (Continued)

Income tax

Te Waihanga is a public authority and consequently is exempt from the payment of 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 derived from the Statement of Performance Expectations as approved by the Board. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Cost allocations

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 in each output.

Critical accounting estimates and assumptions

In preparing these financial statements Te Waihanga has made estimates and assumptions concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a risk of causing adjustments 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 7
- Useful lives of software assets – 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

Changes in accounting policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period. Certain comparative numbers in the expense categories have been reclassified in the current year to align with the current year presentation.

Note 2. Revenue

Accounting Policy

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

Funding from the Crown

Te Waihanga 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 Te Waihanga meeting its objectives as specified in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, Te Waihanga 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.

Note 2. Revenue (Continued)

Interest revenue

Interest revenue is recognised by accruing on a time-proportion basis the interest due for the investment. All interest revenue is received from Te Waihangā's transactional bank account.

Note 3. Personnel costs

Accounting Policy

Salaries and wages

Personnel costs are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver and other superannuation schemes are accounted for as a defined contribution superannuation scheme and are expensed in the surplus or deficit as incurred.

Defined benefit schemes

Te Waihangā does not make employer contributions to any defined benefit superannuation scheme.

	Actual 2020/21 Number	Actual 2019/20 Number
Breakdown of personnel costs and further information		
Salaries and wages	5,232	3,266
Defined-contribution-plan employer contributions	137	40
Contractors	1,173	-
Board fees	217	-
Other personnel-related costs	244	-
Increase/(Decrease) in employee entitlements	144	111
Total personnel costs	7,147	3,417

	Actual 2020/21 Number	Actual 2019/20 Number
Employee remuneration		
Total remuneration paid or payable that is or exceeds \$100,000:		
\$100,000 – 109,999	1	-
\$110,000 – 119,999	1	2
\$120,000 - 129,999	1	1
\$130,000 - 139,999	-	1
\$150,000 – 159,999	1	-
\$160,000 – 169,999	1	-
\$180,000 – 189,999	2	-
\$190,000 – 199,999	2	-
\$200,000 – 209,999	1	-
\$220,000 – 229,999	2	-
\$230,000 – 239,999	2	-
\$250,000 – 259,999	1	-
\$280,000 – 289,999	2	-
\$310,000 – 319,999	-	1
\$340,000 – 349,999	1	-
\$460,000 – 469,999	1	-
Total employees	19	5

Note 3. Personnel costs (Continued)

The above disclosure shows the total remuneration paid or payable from 1 July 2020 to 30 June 2021 (2019/20: disclosure shows the total remuneration paid or payable from 16 December 2019 when Te Waihangā assumed payroll responsibilities for its employees, to 30 June 2020). The increase in employees between the prior year and current year reflects the move towards building capacity in-house, filling vacancies as we established and reducing dependence on external contractors and consultants. Te Waihangā is anticipating an increase in headcount in FY 2021/22 due to the Ministry for the Environment requesting and providing funding to undertake work in relation to the Resource Management Act.

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

Board member remuneration

	2020/21 Actual \$000	2019/20 Actual \$000
The total value of fees paid or payable to each Board member during the year was:		
Alan Bollard (Chair)	73	97
Sue Tindal (Deputy Chair)	43	51
David Cochrane	32	27
Raveen Jaduram	29	15
Stephen Selwood	18	34
Sarah Sinclair	11	10
Maurice Davis	11	-
Total Board member remuneration	217	234
Less amounts paid by the Treasury	-	(24)
Total Board member remuneration paid by Te Waihangā	217	210

During the financial year, payments made, or payable to Murray Harrington, an independent member of the Audit and Risk Committee appointed by the Board but not a Board member, were \$7,750 (2019/20: \$1,250).

Te Waihangā has provided a Deed of Indemnity to all Board members for certain acts and omissions (being acts and omissions in good faith and in the performance or intended performance of Te Waihangā's functions) to the maximum extent permitted by the Crown Entities Act 2004. Te Waihangā has also obtained Professional Indemnity and Directors' and Officers' Liability insurance for Board members.

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

Note 4. Other expenses

	2020/21 Actual \$000	2019/20 Actual \$000
Fees to Audit New Zealand for audit of financial statements*	53	16
Operating lease expense	264	154
Personnel related expenses	-	420
Consultancy including professional services	3,747	594
Travel and accommodation	185	91
Technology expenses	603	288
Financial services**	128	104
Communications and marketing	328	-
Training and conferences***	223	-
Other expenses	357	165
Total other operating expenses	5,888	1,832

* The disclosure is for audit work performed for the period 1 July 2020 to 30 June 2021, including the audit performed in relation to the 2019/20 year and the interim 2020/21 audit. The indicative total fee for the audit of the 2020/21 accounts is estimated to be \$41,100 (GST exclusive) (2019/20: The disclosure was for work performed for the period to 30 June 2020, reflecting the interim 2019/20 audit)

** The financial services relate to services provided by the Treasury and KPMG to Te Waihangā, including a supported transactional finance system, payroll, and accounting and payment-processing services.

*** Training and conferences includes Infrastructure 2021: Looking Ahead Symposium costs incurred during the 2020/21 year.

Some of the classification of operating and personnel expenditure has been updated in the current year to better reflect the nature of the expenditure, but the comparatives have been left as per the audited financial report.

Note 4. Other expenses (Continued)

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 in the surplus or deficit as a reduction in rental expenses over the lease term.

Operating leases as lessee

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

	2020/21 Actual \$000	2019/20 Actual \$000
No later than one year	280	284
Later than one year and not later than five years	966	1,137
Later than five years	-	129
Total non-cancellable operating leases	1,246	1,550

The non-cancellable lease expense relates to the lease of Level 7, 95 Customhouse Quay, Wellington. The lease expires in December 2025. Te Waihanga as lessee can exercise its right to renew in December 2025, with a final expiry date in December 2031. The rental expense is agreed to be \$23,210 (GST exclusive) per month.

A photocopier lease is also included in the operating leases above. This lease has a final expiry date of 19 December 2024.

As the lessor retains substantially all the risks and rewards of ownership of the leased property, the operating lease payments are recognised in the surplus or deficit only in the periods they are incurred.

Any lease incentive received is recognised in the surplus or deficit over the term of the lease.

Future amounts disclosed above are based on the current rental rates.

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

Note 5. Cash and cash equivalents

Accounting Policy

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

	2020/21 Actual \$000	2019/20 Actual \$000
Breakdown of cash and cash equivalents		
Cash at bank	3,758	2,913
Total cash and cash equivalents	3,758	2,913

Note 6. Receivables

Accounting Policy

Short-term receivables are recorded at the amounts due, less an allowance for credit losses. Te Waihangā 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.

	2020/21 Actual \$000	2019/20 Actual \$000
Breakdown of receivables		
Receivables from non-exchange transactions		
Goods and services tax	-	108
Prepayments	244	15
Total receivables	244	123

Note 7. Property, plant and equipment

Accounting Policy

Property, plant and equipment consists of the following asset classes: information technology equipment, leasehold improvements, and furniture and fittings. All items are measured at cost less accumulated depreciation and impairment losses.

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 Te Waihangā beyond one year or more and the cost of the item can be measured reliably. Property, plant and equipment are initially recorded at their costs. 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 amounts of the assets. 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 costs of the assets to their estimated residual values over their useful lives. 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 amounts might not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of the 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 lives of major asset classes are:

Type of asset	Estimated life (years)
Information technology equipment	3 to 5 years
Leasehold improvements	6 years
Furniture and fittings	5 years

Note 7. Property, plant and equipment (Continued)

Breakdown of property, plant and equipment and further information

	Information technology equipment \$000	Furniture and fittings \$000	Leasehold improvements \$000	Work in progress \$000	Total 2020/21 \$000	Total 2019/20 \$000
Cost or valuation						
Opening balance	278	166	424	37	905	-
Additions	47	15	16	14	92	905
Capitalisation of work in progress	-	7	30	(37)	-	-
Closing balance	325	188	470	14	997	905
Accumulated depreciation						
Opening balance	33	10	29	-	72	-
Depreciation expense	96	36	78	-	210	72
Closing balance	129	46	107	-	282	72
Carrying amounts						
At 30 June 2021	196	142	363	14	715	833

Capital commitments

As at 30 June 2021, Te Waihanga has no capital commitments.

Note 8. Intangible assets

Accounting Policy

Software acquisition

Computer software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Initial costs associated with the development of Te Waihanga's website were capitalised. Subsequent expenditure on the website is capitalised only if it is probable that it will increase the future economic benefits or service potential associated with the website. Other expenditure is recognised in profit or loss as incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit.

Type of asset	Estimated life (years)
Computer software	3 years

Note 8. Intangible assets (Continued)

Breakdown of intangibles and further information

	Intangible assets 2020/21 \$000	Intangible assets 2019/20 \$000
Cost		
Opening balance	160	-
Additions	-	160
Closing balance	160	160
Accumulated amortisation		
Opening balance	14	-
Amortisation expense	53	14
Closing balance	67	14
Carrying amount		
At 30 June 2021	93	146

Note 9. Payables

Accounting Policy

Short-term payables are recorded at the amount payable.

	2020/21 Actual \$000	2019/20 Actual \$000
Breakdown of payables		
Payables under exchange transactions		
Accrued expenses	293	646
Creditors	948	235
Total payables under exchange transactions	1,241	881
Payables under non-exchange transactions		
Taxes payable (withholding tax/PAYE)	-	57
Goods and services tax	183	-
Total payables under non-exchange transactions	183	57
Total payables	1,424	938

Note 10. Lease incentive

Accounting Policy

Any unamortised lease incentive received is recognised as a liability in the Statement of Financial Position.

A lease incentive liability is created to spread the incentive received at the inception of the lease, throughout the term of the lease. Te Waihangā received an initial rent-free period when it commenced the lease of its office premises.

	2020/21 Actual \$000	2019/20 Actual \$000
Breakdown of lease incentive		
Current portion	20	27
Non-current portion	67	87
Total lease incentive	87	114

Note 11. 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 employees provide the related services 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

Te Waihangā does not have long-term employee entitlements.

	2020/21 Actual \$000	2019/20 Actual \$000
Breakdown of employee entitlements		
Accrued annual leave	207	113
Accrued salaries and wages	109	59
Total employee entitlements	316	172

Note 12. 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.

	2020/21 Actual \$000	2019/20 Actual \$000
Breakdown of provisions and further information		
Non-current portion		
Lease make-good	21	21
Total provisions	21	21

	2020/21 Actual \$000	2019/20 Actual \$000
Movements within the provision:		
Opening balance	21	-
Additional provisions made	-	21
Closing balance	21	21

Te Waihangā is required at the expiry of the lease term to make good its leased office premises. Te Waihangā has the option to renew this lease, which affects the timing of expected cash outflows to make-good the premises. The cash flows associated with the provision are expected to occur in December 2025. Information about leasing arrangements is disclosed in Note 4.

Note 13. Contingencies

Te Waihangā has no contingent liabilities and no contingent assets.

Note 14. Equity

Accounting Policy

Equity is measured as the difference between total assets and total liabilities. Equity is made up of accumulated surplus/(deficit).

Breakdown of equity and further information Accumulated surplus/(deficit)	2020/21 Actual \$000	2019/20 Actual \$000
Opening balance	2,770	-
Surplus/(Deficit) for the year	192	2,770
Closing balance	2,962	2,770

Te Waihanga is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, the acquisition of securities, issuing guarantees and indemnities, and the use of derivatives. Te Waihanga manages its equity as a by-product of prudently managing revenue, expenses, assets, liabilities, investments and general financial dealings to ensure Te Waihanga achieves its objectives and purpose effectively, while remaining a going concern.

Note 15. Financial instruments

Accounting Policy

All financial assets and liabilities held by Te Waihanga are recognised at amortised cost. The carrying amounts of financial assets and liabilities in each of the financial instrument categories are:

	2020/21 Actual \$000	2019/20 Actual \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	3,758	2,913
Receivables	0	123
Total financial assets measured at amortised cost	3,758	3,036
Financial liabilities measured at amortised cost		
Payables	1,241	938
Lease incentive	87	114
Total financial liabilities measured at amortised cost	1,328	1,052

Note 16. Related party transactions

Te Waihanga is a wholly owned entity of the Crown. Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships on terms and conditions no more or less favourable than those that are reasonable to expect Te Waihanga to have adopted in dealing with the parties at arm's length in the same circumstances. Further, transactions with other government agencies, including, 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 personnel

No related-party transactions with key personnel were entered into during the year.

Board members are appointed by the Minister for Infrastructure and are the Board for the purposes of the Crown Entities Act 2004. In addition to their roles with Te Waihanga, Board members have other interests and may serve in positions with other organisations, including organisations to which Te Waihanga is related. Actual or potential conflicts of interest are declared in the interests and gifts registers.

Note 16. Related party transactions (Continued)

Permission to act despite being interested in a matter

Section 68(6) of the Crown Entities Act 2004 requires the Board to disclose any interest to which a permission to act has been granted, despite a member being interested in a matter. During the 2020/21 financial year the following permissions were granted by the Chair in the public interest:

- David Cochrane – to participate in discussions and decisions in relation to the infrastructure sector. This permission was granted in September 2020 due to David Cochrane being a trustee and beneficiary of a family trust that holds equity securities in listed entities that have interests in the infrastructure sector. Permission was granted by the Board Chair as David Cochrane’s knowledge of the infrastructure sector would assist the Te Waihangā Board, and the custodian of the shares accepted an instruction to not sell any of those shares while David Cochrane remains a Board member.
- Sarah Sinclair – to participate in discussions in relation to the Upper North Island Ports Study. This was granted on 30 September 2020 due to Sarah Sinclair’s disclosed interest in having historically provided professional legal services and advice to Ports of Auckland Limited. Permission was granted by the Board Chair due to the advice being historical, not of relevance to the matters being considered by Te Waihangā and Sarah Sinclair not having any involvement in the Upper North Island Ports Study project.

Two permissions granted in the previous year had expired by the end of that year.

	2020/21 Actual \$000	2019/20 Actual \$000
Key management personnel compensation		
Board members		
Remuneration	217	210
Full-time equivalent	0.95	0.89
Leadership team	1,610	924
Full-time equivalent	5	2.38
Total key management personnel remuneration	1,827	1,134
Total full-time equivalent	5.95	2.97

Key personnel are Board members, the Chief Executive and General Managers.

The full-time-equivalent values for employees have been calculated based on actual work performed during the reporting period. At 30 June 2021, there were five employees in the leadership team (2019/20: five employees).

The full time equivalent values for Board members have been determined based on the frequency and length of Board meetings and the time for Board members to prepare for meetings, calculated based on the hours invoiced to Te Waihangā. The prior year number has been updated to that which was previously disclosed, due to an error in the calculation.

Note 17. Events after balance date

Restructure

Te Waihangā commenced consultation to restructure the organisation on 12 July 2021, and a new organisation structure was approved by the Board with effect from 31 August 2021.

There were no other significant events after the balance date 30 June 2021 (2020: nil).

Note 18. Explanation of significant variances against budget

Te Waihanga had a higher net surplus than estimated (above budget by \$172,000) mainly due to reduced travel due to the ongoing impacts of COVID-19 and changes in the way Te Waihanga delivered work. This was also reflected in redirected spend against the budget, with savings in salaries being offset by higher consultancy and contractor spend in relation to projects, which were completed in line with Te Waihanga's objectives.

The increase in salaries on the prior year supports the direction of Te Waihanga to build capability in-house, with reduced dependence on external consultants and contractors.

In the Statement of Financial Position, the payables total of \$1,424,000 is \$1,174,000 above the budget. This reflects the increased project activity, particularly during the last quarter of the year, that had been performed by suppliers but had not been paid for or invoiced by 30 June 2021. This is also reflected in the Statement of Cash Flows, where payments to suppliers are lower than budget. The items included in the payables total at 30 June 2021 were paid promptly, in line with Te Waihanga's target of paying suppliers within 10 days of receiving invoices. The movement in GST between the prior year receivable and current year payable and budget is due to the timing of the final drawdown of quarterly Crown Revenue being invoiced in June, with the GST payable in July 2021. This has also resulted in a net receipt of GST over the year, with the final GST payment to be made in July 2021.