



Asia New Zealand
Foundation

Te Whītau Tūhono |

Statement of Performance Expectations

for the 2023/24 Financial Year

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Statement of Responsibility

This Statement of Performance Expectation sets out the performance standards for the 2023/24 financial year as required under the Section 149E of the Crown Entities Act.

The Board is responsible for the content of this Statement, which comprises reportable outputs and the prospective Financial Statements for the year, including the assumptions on which they are based.

The Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

In accordance with the Crown Entities Act the Asia New Zealand Foundation has consulted with the Minister of Foreign Affairs in the preparation of the Statement.

The Board of the Asia New Zealand Foundation is pleased to present its Statement of Performance Expectations for the year ending 30 June 2024.



Dame Fran Wilde
Chair

Date 14.6.23



Tupe Solomon-Tanoa'i
Trustee

Date 14.6.23

Nature and Scope

The Asia New Zealand Foundation Te Whītau Tūhono is New Zealand's leading authority on Asia. Established in 1994, we provide experiences and resources to help New Zealanders build their knowledge, skills and confidence to thrive in Asia.

OUR VISION

New Zealand confident in and with Asia.

OUR MISSION

Equipping New Zealanders to thrive in Asia

OUR VALUE PROPOSITION

We equip New Zealanders to be confident and engaged with Asia by enabling deeper connections, awareness and knowledge.

The current strategic plan sets out:

GOALS to achieve our mission:

- Growing Asia awareness/knowledge
New Zealanders are more Asia knowledgeable and have an appetite to know more.
New Zealanders are more aware of the diversity of Asia and its importance to New Zealand.
- Deepening Asia connections
New Zealand's relationships with Asian countries model the breadth and depth shared with Australia, Europe and the Americas
- Growing Asia confidence
All New Zealanders are more equipped, empowered and enabled to engage and understand Asia.
The Foundation is a key enabler of New Zealanders gaining confidence in interactions with Asia.
- Organisational performance
Foundation is recognised as a key part of the ecosystem on Asia and New Zealand's relationships, both within New Zealand and the Asia-Pacific region.
The Foundation supports and enables its people to deliver for stakeholders.

Given the Foundation's view that relationships rather than transactions are fundamental to building awareness and confidence to engage with Asia, its priority is to work closely with targeted and identified stakeholders rather than touching many people with a light experience. The Foundation considers it important to reconnect with its stakeholders following their experiences across its programmes. The Foundation will include groups from across New Zealand, rural and provincial as well as urban, in stakeholder engagement. Interventions will be designed for maximum impact, thus including experiences to connect with peoples of Asia, providing expert information and generating important discussions on New Zealand-Asia relationships including between Māori and Asia.

With the appointment of the Chief Adviser Māori role, the Foundation has cemented its commitment to work on incorporating Te Tiriti principles and te ao Māori views and participation in its work across programmes. It will increase capability of tikanga knowledge and strengthen connections to te ao Māori and ensure broad reach across Aotearoa New Zealand of opportunities provided by the Foundation.

The Foundation has been working to re-introduce experiential opportunities for New Zealanders to travel to Asia during 2022/23 across its programmes following border closures during Covid-19. We will continue with some of the online and domestic activities that were developed as well as changes to future offshore activity to address sustainability and inclusion.

GOAL 1

Growing Asia awareness/knowledge

OUTCOME STATEMENT

New Zealanders are more Asia knowledgeable and have an appetite to know more.

New Zealanders are more aware of the diversity of Asia and its importance to New Zealand.

OUTCOME INDICATORS

Conversations about the New Zealand-Asia relationship are more informed and frequent, in part driven by the Foundation's work, and based on a commitment to the principles of Te Tiriti.

New Zealanders increasingly recognise the importance of Asia; not just in trade terms but culturally, socially and politically

Increased demand from stakeholders for engagement with Foundation programmes.

Foundation is increasingly sought for commentary or to connect to commentators on New Zealand/Asia relationship issues as a thought leader.

Foundation is seen as a platform for diverse voices and a growing inclusion of Māori contributions.

ACTIONS

Generate initiatives (including through Foundation research) that increase stakeholders' Asia knowledge.

Continue to coordinate across programmes and increase communications to lift the visibility of the Foundation's work on Asia.

Leverage strengths (knowledge, advisers, experience, reputation, tikanga) to maximise the Foundation's reach and authority as a national organization.

Seek and develop a range of new voices, and cultivate new ideas, to grow awareness and knowledge of Asia.

GOAL 2

Deepening Asia connections

OUTCOME STATEMENT

New Zealand's relationships with Asian countries model the breadth and depth shared with Australia, Europe and the Americas

OUTCOME INDICATORS

New Zealanders feel increasingly connected to Asia and Asia connections through the work of the Foundation

Increasing numbers of New Zealanders are inspired to connect and build their own wide breadth of Asia connections and take others with them.

Emerging leaders identified by the Foundation grow in influence and connections.

Track II engagement seen as a valuable activity in connecting with wider New Zealand Inc

More New Zealanders and more New Zealand communities feel connected to Asia including through the impact of Asia diaspora communities in New Zealand

ACTIONS

Continuously review and improve Foundation work programmes to maximise connectivity across programmes, NZ Inc and in Asia.

Continue evolving stakeholder engagement plan to maximise leverage of networks, content and connections.

Embed Māori engagement throughout Foundation programmes, ensuring manaakitanga and whanaungatanga at the forefront.

Build on COVID-19 operational changes to maximise value of digital platforms to reach broader audience and maintain connections.

GOAL 3

Growing Asia confidence

OUTCOME STATEMENT

All New Zealanders are more equipped, empowered and enabled to engage and understand Asia.

The Foundation is a key enabler of New Zealanders gaining confidence in interactions with Asia.

OUTCOME INDICATORS

More New Zealanders see Asia as important and feel confident in engaging with Asia.

Previous Foundation programme participants go on to continue their journey with Asia.

A growing pool of New Zealanders interested and engaged in New Zealand/Asia relationships and pursuing opportunities in Asia.

New Zealanders interactions with Asia are rich and through diverse themes including diversity, equity, privacy, being environmentally responsible, technology and social cohesion.

ACTIONS

Proactively seek and provide opportunities for New Zealanders to build confidence and understanding through Asia knowledge/experiences.

Continue to expose targeted individuals and groups to Asia through offshore opportunities or onshore events.

Partner with organisations, and Māori and Pacific leaders, to leverage the Foundation's resources and maximise impact.

Working with people already Asia confident to build confidence in others.

GOAL 4

Organisational performance

OUTCOME STATEMENT

Foundation is recognised as a key part of the ecosystem on Asia and New Zealand's relationships, both within New Zealand and the Asia-Pacific region.

The Foundation supports and enables its people to deliver for stakeholders.

OUTCOME INDICATORS

Foundation programmes reflect modern New Zealand and ongoing changes occurring in the Asia Pacific region, and are guided by a commitment to the principles of Te Tiriti.

The Foundation operates with a clear Kaupapa focused on organisational values, wellbeing of its people, excellence and value for investment.

Clear, agreed budgets and performance measures are set and reported against.

Foundation organisational structure picks up opportunities and withdraws from areas in response to stakeholder needs and Board direction.

ACTIONS

Foundation nurtures team development which includes diverse cultural competency, understanding of the principles of Te Tiriti and storytelling

Ensure stakeholders are relevant, engaged and feedback is used to innovate change and adapt.

Continue to develop and improve relevant measures for programme and Foundation performance.

Ensure organisational structure remains fit for purpose and encourages cross-programme collaboration.

The values of the Foundation are lived by the team and observed by stakeholders.

The operations of the Foundation reflect expectations of sustainability, increased use of digital connectivity and value for money.

Forecast Service Performance for the Year Ending 30 June 2024

VOTE FOREIGN AFFAIRS AND TRADE – NON-DEPARTMENTAL OUTPUT EXPENSES (M34)

Promotion of Asian Skills and Relationships

Scope of Appropriation

This appropriation is limited to the provision of services that build and sustain New Zealanders' knowledge and understanding of and relationships with Asia.

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,500	5,500	5,500

The Foundation is funded for a single output class. The expected revenue and proposed expense for the output is equal to that stated in the statement of forecast comprehensive revenue and expenditure on page 9.

What is intended to be achieved with this Appropriation?

This appropriation is intended to achieve improving knowledge among New Zealanders about Asian countries and develop the necessary skills required by New Zealanders in their dealings with Asia.

How Performance will be Assessed and End of Year Reporting

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Strategic Goal 1 - Growing awareness/knowledge			
Number of research reports published and distributed	4	6	2*
Education Champions engaged in at least two Foundation initiatives over the year	75%	Not yet available	Expired
Content about Asia on Foundation and Media digital platforms	300	300	300
Strategic Goal 2 - Deepening connections			
Level of New Zealand public awareness of the importance of Asia to New Zealand (social research)	Maintain	Not yet available	Maintain
Number of Track II dialogues conducted	7	7	7
Number of inward/outward Asia experiences	50	90	300*
Number of partnerships/sponsorships	20	16	10*
Number of attendees at partnership/sponsorship event	18,000	50,000	25,000

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Strategic Goal 3 - Growing confidence			
Number of supported entrepreneurs engaged with Asian counterparts	20	20	40*
Percentage increase in applications for internships	5%	-38%	5%
Strategic Goal 4 - Organisational performance			
Stakeholders satisfied with what the Foundation is delivering (survey to be conducted biannually)	Maintain	Not yet available	Not measured (conducted biennially)

* With the reopening of international borders, the Foundation's focus is returning to providing experiential opportunities for New Zealanders to thrive in Asia.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Asia New Zealand Foundation in its Annual Report to be tabled in the House.

Forecast Financial Statements

Statement of Forecast Comprehensive Revenue and Expenditure for the year ending 30 June 2024

Revenue	
Revenue from Crown Appropriation	5,500,000
Other Crown Revenue	421,500
Interest revenue	287,000
Other revenue	10,000
Total revenue	6,218,500
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Expense	
Personnel costs	3,028,800
Project expense	65,000
Depreciation and amortisation	45,000
Other expense	3,579,700
Total expense	6,718,500
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Surplus/(Deficit)	(500,000)
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Other comprehensive revenue and expense	-
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Total comprehensive revenue and expense	(500,000)

Statement of Forecast Changes in Equity for the year ending 30 June 2024

Balance at 1 July 2023	7,750,000
Total comprehensive revenue and expense for the year	(500,000)
Balance at 30 June 2024	7,250,000

Statement of Forecast Financial Position as at 30 June 2024

ASSETS	
Current assets	
Cash and cash equivalents	350,000
Trade and other receivables	340,000
Investments	3,050,000
Total current assets	3,740,000
Non-current assets	
Property, plant and equipment	120,000
Intangible assets	-
Investments	4,000,000
Total non-current assets	4,120,000
Total assets	7,860,000
LIABILITIES	
Current liabilities	
Trade and other payables	200,000
Employee entitlements	230,000
GST	60,000
Total current liabilities	490,000
Non-current liabilities	
Provisions	120,000
Total non-current liabilities	120,000
Total liabilities	610,000
NET ASSETS	7,250,000
EQUITY	
General funds	5,730,000
Managed Fund Korea	840,000
Managed Fund Japan	680,000
TOTAL EQUITY	7,250,000

Statement of Forecast Cash Flows for the year ending 30 June 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash was provided from:	
Supply of outputs to the Crown	5,500,000
Additional Crown funding	421,500
Other invoiced revenue	50,000
	5,971,500
Cash was distributed to:	
Payments to suppliers	(3,089,300)
Payments to employees	(3,248,200)
Payments on behalf of funds	(100,000)
Net GST (paid)/received	(75,000)
	(6,512,500)
Net cash inflow / (outflow) from operating activities	(541,000)
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash was provided from:	
Interest received	200,000
Investments maturing	3,250,000
	3,450,000
Cash was distributed to:	
Acquisition of investments	(2,740,000)
Purchase of property, plant and equipment	(69,000)
	(2,809,000)
Net cash inflow / (outflow) from investing activities	641,000
Net (decrease) / increase in cash and cash equivalents	100,000
Plus opening cash	250,000
Closing cash and cash equivalents	350,000

Statement of Significant Underlying Assumptions

The Asia New Zealand Foundation's forecast financial statements and forecast service performance have been prepared in accordance with sections 149E of the Crown Entities Act 2004 for the purposes of providing information on the Asia New Zealand Foundation's future operating intentions (financial and non-financial) and financial position, against which it must report and be formally audited at the end of the financial year. The information in these financial statements may not be appropriate for purposes other than those described.

The opening position of the forecast statements is based on unaudited results for 2022/23. The actual results for April to June 2023 are unavailable at the time of preparation; therefore, the balance as at 30 June 2023 has been estimated using April to June 2023 forecast figures.

The reader of this report should note that the actual results achieved for the forecast periods could vary from the information presented and that some variations may be material.

Statement of Accounting Policies

Reporting Entity

The Asia New Zealand Foundation is a Schedule 4 entity in terms of the Public Finance Act 1989.

The Foundation is a trust whose primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return.

Basis of Preparation

The forecast financial statements for the Foundation have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice (NZ GAAP).

The forecast financial statements have been prepared on a historical cost basis for a going concern in accordance with Tier 2 PBE accounting standards and applied disclosure concessions. The criteria under which the Foundation is eligible to report in accordance with Tier 2 standards are: Foundation expenditure is less than \$30 million; and it is not publicly accountable.

The forecast financial statements are presented in New Zealand dollars, being the functional currency of the Foundation. All values are rounded to the nearest dollar.

Critical accounting estimates and assumptions

In preparing these forecast financial statements, the Foundation has made estimates and assumptions concerning the future. These estimates and assumptions may 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.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Summary of Significant Accounting Policies

The following significant accounting policies, which materially affect the measurement of the forecast financial performance and financial position, have been applied consistently to all periods presented in these forecast financial statements.

Revenue

Crown Appropriation funding

The Foundation derives revenue through the provision of outputs to the Crown. The Foundation considers there are no conditions attached to this funding and it is recognised as revenue on receipt.

Additional revenue from the Crown

The Foundation has renewed its contract to provide the ASEAN Young Business Leaders Initiative programme. The Foundation considers there are no conditions attached to this funding and it is recognised as revenue on receipt. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

The Foundation receives core sponsorship revenue from New Zealand Trade and Enterprise. The Foundation considers there are no conditions attached to this funding and it is recognised as revenue on receipt.

Interest revenue

Interest revenue is recognised using the effective interest method.

Other revenue

Non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grant is initially recorded as revenue in advance and recognised as revenue when conditions of the grant are satisfied.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, and term deposits with original maturities of three months or less.

Trade and other receivables

Trade and other receivables are reported at their face value, less an allowance for expected credit losses. The Foundation applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

Investments

Investments in bank term deposits with original maturities of more than one year are initially measured at the amount invested. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Purchases and sales of investments are recognised on the trade-dates, the dates on which the Foundation commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred.

Property, plant and Equipment

Property, plant and equipment asset classes consist of leasehold improvements, computer equipment, furniture and fittings and office equipment.

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

Additions and Disposals

The cost of an item of property, plant or equipment is recognised as an asset if, and only if, the future service potential associated with the item will flow to the Foundation and the cost of the item can be measured reliably.

Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Gains and losses on disposals are measured by comparing the proceeds with the carrying value of the assets. Gains and losses on disposal are reported net in the forecast Statement of Comprehensive Revenue and Expenses.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to the Foundation, and the costs of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the costs of the assets to their estimated residual values over their useful lives. Only items or groups of items purchased with a value above \$500 are capitalised. Those under \$500 are expensed.

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

Leasehold improvements	5 – 9 years	11 – 20%
Furniture and fittings	3.8 – 9 years	11 – 26%
Office equipment	3.5 – 6.7 years	15 – 29%
Computer equipment	2.8 – 4 years	25 – 36%

Intangible Assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with the development and maintenance of the Foundation's website are recognised as an expense when incurred.

Staff training costs are recognised as an expense when incurred.

Amortisation

The carrying value of software with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is ready for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful life and associated amortisation rate of a major class of intangible assets have been estimated as follows:

Computer software	3 years	33%
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Impairment

The property, plant and equipment and intangible assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may 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. The value in use is the present value of the asset's remaining service potential. The impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Trade and other payables

Trade and other payables are recorded at their face value. Trade payables are typically on 30 payment terms.

Employee entitlements

Employee benefits that the Foundation expects to be settled within 12 months of the end of the period in which the employee render services are measured based on accrued entitlements at current rates of pay.

Provisions

The Foundation recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Capital Management

The Foundation's capital is its equity. Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated surplus/(deficit)
- Managed funds (Japan and Korea)

Managed funds are historical funds held by the Foundation for specific activities. While there is no contractual obligation to use these funds for specific purposes, the board has agreed it has a moral responsibility to use the funds for the purpose originally intended and not for any other means.

The Trust deed requires the Board of Trustees to manage the Foundation's revenue, expenses, assets, liabilities, investments and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing the Trust's equity is to ensure that the Trust achieves its objectives and purpose effectively, whilst remaining a going concern.

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses arising from the settlement of these transactions are recognised in the surplus or deficit.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of accounts receivable and accounts payable, which are stated with GST included. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Income tax

The Foundation is a registered charity with Charities Services and consequently has been granted exemption from income tax. Accordingly, no charge for income tax has been provided for.