

Annual Report  
of the  
Asia New Zealand Foundation  
for the year ended 30 June 2023

Presented to the House of Representatives  
pursuant to the Crown Entities Act 2004  
and the Public Finance Act 1989




Asia New Zealand  
**Foundation**

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**Te Whītau Tūhono** |

## THE MINISTER OF FOREIGN AFFAIRS

In accordance with the Crown Entities Act 2004 and the Public Finance Act 1989, I present, on behalf of the Asia New Zealand Foundation Board of Trustees, the annual report on the operations of the Foundation for the year ended 30 June 2023.

A handwritten signature in black ink, appearing to read 'Fran Wilde', written in a cursive style.

HON DAME FRAN WILDE, DNZM QSO  
Chair

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## MISSION STATEMENT

The Asia New Zealand Foundation's mission is to build and sustain New Zealanders' knowledge and understanding of the countries, people, cultures and languages of Asia, so they can develop more extensive and effective economic and cultural relationships in the region.

### What we do

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

### Why we do it

New Zealand's present and future, economically, culturally and socially, are firmly tied to Asia. This reality presents New Zealand with a range of positive opportunities – we need to be deliberate and thoughtful in our approach to them.

### How we do it

We provide experiences and resources to help New Zealanders build their knowledge, skills, connections and confidence to thrive in Asia. This is achieved through a range of diverse programmes: arts, business, education, entrepreneurship, leadership, media, research, sports, and informal diplomacy (Track II).

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## OUR VALUES

The Asia New Zealand Foundation's te reo expression Te Whītau Tūhono describes the Foundation's commitment to unity, connectedness and the forging of strong relationships through its work to equip New Zealanders to thrive in Asia.

Whakapono – we believe in what we do.

Our work makes a difference for Aotearoa New Zealand's future. We are driven to change people's lives through knowledge, connections and confidence.

Ako – we are creative, dynamic and adaptable.

We are continuously learning and sharing our knowledge. We believe collaboration strengthens our impact and helps us thrive in our changing environment.

Manaakitanga – we value relationships through respect and support.

We value relationships and people and the importance of strong and diverse connections. We support our colleagues, value their contribution, and have their back. We build relationships with respect, inclusivity, and care.

## CHAIR'S REPORT

The 2022/23 year certainly marked the return to business as usual for the Asia New Zealand Foundation, with numerous inbound and outbound activities delivered across our programmes as travel restrictions were lifted. As we continue to equip New Zealanders to thrive in Asia, these initiatives actively contribute to the knowledge, skills and connections required to build confidence and capability.

The resumed activities were a reminder of the importance of face-to-face connections with stakeholders in Asia across arts, sports, business, entrepreneurship and media programmes and for delegations from our Leadership Network and Track II diplomacy community.

A highlight for me was the regional biennial meeting of our Asia-based Honorary Advisers in Singapore in March, which included the Chair of the network, Minister of Foreign Affairs Nanaia Mahuta. Bringing together our Board and offshore advisers, the gathering included a range of influential business, government, academia and community leaders. It was a powerful demonstration of the ongoing support these advisers provide to the Foundation.

Back in New Zealand, I also enjoyed catching up with our New Zealand Honorary Advisers at gatherings in Auckland and Wellington and was delighted to hear from participants of the Leadership Network Tāngata Moana hui on Pacific-Asia connections that was held in June in Auckland. Their enthusiasm and passion lit up the room.

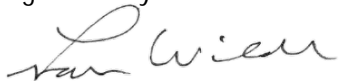
We have had several opportunities to present and discuss the results of the 26th *New Zealanders' Perceptions of Asia and Asian Peoples* survey. Despite regional and international challenges, the report highlights the strong interest that New Zealanders maintain in Asia. In 2022, a record 80 percent of New Zealanders said developing political, social and economic ties with Asia was important for New Zealand's future. It was also encouraging to hear that young people show a strong appetite to connect with modern Asia through entertainment, sport, games and pop culture.

The contributions of Foundation leaders were recognised in the 2023 Honours. Foundation Deputy Chair Paul Te Poa Karoro Morgan was appointed a Companion of the New Zealand Order of Merit (CNZM) for services to Māori and business, while Foundation Honorary Adviser (and now a Trustee) Khoa Dang (Mitchell) Pham was appointed as an Officer of the New Zealand Order of Merit (ONZM) in recognition of his services to the technology sector and New Zealand-Asia relations.

As well as Mitchell, the Foundation was pleased to welcome new trustees Hongyu (Carol) Cheng and Tina Porou and acknowledge the contributions of retiring trustees Lyn Lim, Simon Watt and Danny Chan who have since been appointed New Zealand Honorary Advisers. I would like to acknowledge the contribution of my other fellow trustees Te Poa Karoro (Paul) Morgan, Tupe Solomon-Tanoa'i, Ziena Jalil and Chris Seed.

We also welcomed during the year Asia Honorary Adviser Hu Shuli from China and newly appointed New Zealand Honorary Adviser Tania Te Whenua.

We are about to farewell Executive Director Simon Draper, who is returning to the Ministry of Foreign Affairs and Trade. For nearly eight years Simon has deftly guided the Foundation through a period that welcomed a range of new initiatives, including our 25 to Watch, the Asia Media Centre, our podcast series, the establishment of our Christchurch office and a range of commitments to te ao Māori. I want to thank Simon for his stewardship throughout a period of considerable growth and his ongoing dedication to maintaining the Foundation's status and reputation as New Zealand's leading authority on Asia.



HON. DAME FRAN WILDE, DNZM QSO  
Chair

## EXECUTIVE DIRECTOR'S REPORT

This is my final annual report as executive director of the Asia New Zealand Foundation, a role I have had the privilege of holding for the last eight years. To that end, I want to reflect not just on the last 12 months but make some more general observations.

The year 2022/23 started with the first six-month period being one where we as an organisation resumed sending staff back to Asia. While the travel itself was not straight forward, with an ever-changing number of COVID requirements to navigate, a very clear learning was there is no substitute to face-to-face meetings. The strategy of the Foundation was to be an early mover when it came to travel back into Asia, on the basis that being among the first foreigners through the door would make a positive impression. I believe this was the case.

This was also the period where at home the Foundation worked on Seriously Asia Revisited, a work programme looking at how New Zealand can best engage with Asia. It involved over 100 Asia experts, four hui across New Zealand and the commissioning of reports to look at the outcomes of the first Seriously Asia research conducted in 2003. The findings are about to be published, but there was a clear call for a New Zealand 'vision' for its engagement with Asia. Minister Mahuta has tasked the Foundation to produce this, and work is well underway.

The second half of the year saw us start sending grantees and other young New Zealanders offshore, moving from online opportunities to majority in-person experiences. It was extremely satisfying to be back to our pre-Covid business as usual. All New Zealanders are more appreciative of the benefits of travelling in Asia after some three years of restrictions.

A highlight for me was bringing our Asia Honorary Advisers and Trustees together in Singapore, for a session with Minister Mahuta in which they described what a post-Covid Asia looked like and the opportunities and risks for New Zealand in the region. Hosting more than 70 young ASEAN and New Zealand entrepreneurs in Bangkok and Hua Hin was also a fantastic re-start for the ASEAN Young Business Leaders Initiative.

And of course, we continued the usual work of the Perceptions of Asia and attendance at key Asia conferences, like the Shangri La Dialogue and Asia Pacific Roundtable as well as sponsoring events in New Zealand with strong Asia content such as the China Business Summit. Organisationally, we continued our Te Ao Māori journey with the appointment of our first Chief Māori Adviser.

As I leave the Foundation, I am immensely proud of the work we do. Despite its small size, we know it is making a real difference to New Zealanders' engagement with Asia. And like the 100 experts we brought together at the Seriously Asia hui, I am sure Asia is going to be more important to New Zealand in the next 20 years than it has been in the last 20. My hope is we move from a primarily transactional mindset with Asia and understand that being part of the most dynamic, exciting, and interesting part of the world requires us to engage in all facets of the relationship. It is an exciting prospect for all New Zealanders.

Finally, I want to thank the Board, Honorary Advisers, both here in New Zealand and across Asia, for their support of the organisation. To Foundation staff, my heartfelt thanks for the energy and passion you bring to your work every day, and to you the reader for being interested in the Asia New Zealand Foundation.



SIMON J DRAPER  
Executive Director

# GOVERNANCE AND ACCOUNTABILITY STATEMENT

## Role of the board

The Minister of Foreign Affairs (the Responsible Minister) has appointed a governing board. The board's governance responsibilities include:

- Communicating with the Responsible Minister and other stakeholders to ensure their views are reflected in the Foundation's planning
- Delegating responsibility to the executive director for the achievement of specific objectives
- Monitoring organisational performance and the achievement of objectives
- Accounting to the Responsible Minister on plans and progress against them
- Maintaining effective systems of internal control
- Setting strategic direction
- Approving policies
- Delegating authority to the executive director.

## Structure of the Asia New Zealand Foundation

### *ASIA NEW ZEALAND FOUNDATION OPERATIONS*

The board has appointed the executive director to manage all the Foundation's operations. All other employees of the Foundation have been appointed by the executive director. The board directs the executive director by setting policy and strategy and delegating responsibility and authority for the achievement of objectives.

### *BOARD COMMITTEES*

The board may set up committees to provide a more detailed level of focus on particular issues. Committees are delegated responsibility for governance, policymaking and monitoring of the organisation's progress toward meeting objectives stated in policies. Committees do not involve themselves in operational matters. The board maintains an audit and risk committee that meets each year with the external auditor.

### *QUALITY ASSURANCE*

The executive director is responsible for reporting to the board, which in turn reports to the Responsible Minister on the achievement of objectives. These are set out in the organisation's strategic plan and Statement of Performance Expectations (SPE), as approved by the board.

## Governance philosophy

### *BOARD MEMBERSHIP*

Board members are appointed by the Responsible Minister. The board is composed of members who have diverse skills and experience, to bring a wide range of thought to bear on policy issues. Once appointed, all members are required to act in the best interests of the Foundation.

### *CONNECTION WITH STAKEHOLDERS*

The board acknowledges its responsibility to keep in touch with stakeholders, including the Responsible Minister.

### *DIVISION OF RESPONSIBILITY BETWEEN THE BOARD AND MANAGEMENT*

A key to the efficient running of the Foundation is that there is a clear division between the roles of the board and those of management. The board concentrates on setting policy and strategy then monitors progress toward meeting objectives. Management is concerned with implementing policy

and strategy. The board clearly demarcates these roles by ensuring the delegation of responsibility and authority to the executive director is concise and complete.

#### *ACCOUNTABILITY*

The board held four meetings during 2022/23 to monitor progress toward its strategic objectives and to ensure the affairs of the Foundation were being conducted in accordance with the board's policies.

#### *DECLARATIONS OF INTEREST*

The board maintains an interests register and ensures board members are aware of their obligations to declare interests.

#### *INTERNAL CONTROLS*

While many of the board's functions have been delegated, the overall responsibility for maintaining effective systems of internal control rests with the board. Internal controls include the policies, systems and procedures established to provide assurance that specific objectives of the board will be achieved. The board has acknowledged its responsibility by signing the Statement of Responsibility.

#### *RISK MANAGEMENT*

The board acknowledges that it is ultimately responsible for the management of risks to the Foundation. The board has charged the executive director with operating a risk management programme.

#### *LEGISLATIVE COMPLIANCE*

The board acknowledges its responsibility to ensure that the organisation complies with all legislation. The board has delegated responsibility to the executive director for the development and operation of a programme to systematically identify compliance issues and ensure all staff are aware of legislative requirements that are particularly relevant to them.



## STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2023

The board of the Foundation accepts responsibility for the preparation of the financial statements and statement of performance and the judgements made in them.

The board of the Foundation accepts responsibility for any end-of-year performance information provided by the Foundation under section 19A of the Public Finance Act 1989.

The board of the Foundation accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the board of the Foundation, the financial statements and statement of performance for the year ended 30 June 2023 fairly reflect the financial position and operations of the Foundation.

Signed on behalf of the board:



HON DAME FRAN WILDE, DNZM QSO  
Chair  
24 OCTOBER 2023



HONGYU CHENG  
Trustee  
24 OCTOBER 2023

# Independent auditor's report

## **To the readers of the Asia New Zealand Foundation's Financial Statements and Performance Information for the year ended 30 June 2023**

The Auditor-General is the auditor of the Asia New Zealand Foundation (the Foundation). The Auditor-General has appointed me, Michael Rania, using the staff and resources of Moore Markhams Wellington Audit, to carry out the audit of the financial statements and the performance information for an appropriation, of the Foundation on his behalf.

### **Opinion**

We have audited:

- the financial statements of the Board on pages 29 to 47, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Foundation on pages 15 to 28.

In our opinion:

- the financial statements of the Foundation on pages 29 to 47:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information on pages 15 to 28:
  - presents fairly, in all material respects, the Foundation's performance for the year ended 30 June 2023, including:
    - for each class of reportable outputs:

- its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
  - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 24 October 2023. This is the date at which our opinion is expressed.

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

### **Basis for our opinion**

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

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

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

### **Responsibilities of the Board for the financial statements and the performance information**

The Board are responsible on behalf of the Foundation for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board are responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board are responsible on behalf of the Foundation for assessing the Foundation's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an

intention to liquidate the Foundation or to cease operations, or there is no realistic alternative but to do so.

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

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Foundation's framework for reporting its performance.

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

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Board are responsible for the other information. The other information comprises the information included on pages 1 to 9, and pages 48 to 52 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

### **Independence**

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

Other than the audit and this engagement, we no relationship with, or interests in, the Foundation.



Michael Rania  
Moore Markhams Wellington Audit  
On behalf of the Auditor-General  
Wellington, New Zealand

## STATEMENT OF PERFORMANCE

In 2022/23 the government provided the Foundation with funding for one output under the output class:

‘Promotion of Asian Skills and Relationships’

This output can be summarised as follows:

*The provision of services that build and sustain New Zealanders’ knowledge and understanding of and relationships with Asia.*

### Mission

The output is focused on the following mission:

- Equipping New Zealanders to thrive in Asia

### Goals

In the Statement of Performance Expectations (SPE) the goals to achieve are:

- 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  
The 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.

The Asia New Zealand Foundation has also been contracted by the Ministry of Foreign Affairs and Trade to deliver the ASEAN Young Business Leaders Initiative. This is not funded by the SPE but relevant to the delivery of its mission.

## STATEMENT OF PERFORMANCE (CONTINUED)

Financial performance under this output is summarised below.

	Actual 2023 \$	Budget 2023* \$	Actual 2022 \$
Revenue			
Revenue from Crown appropriation	5,500,000	5,500,000	5,500,000
Other revenue	856,733	458,200	355,992
<b>Total revenue</b>	<b>6,356,733</b>	<b>5,958,200</b>	<b>5,855,992</b>
<b>Total expenses</b>	<b>6,219,560</b>	<b>6,558,200</b>	<b>4,528,681</b>
<b>Net surplus/(deficit) for the period</b>	<b>137,173</b>	<b>(600,000)</b>	<b>1,327,311</b>

Revenue from Crown appropriation is provided through Vote Ministry of Foreign Affairs and Trade. Funding was received through the appropriation 'Promotion of Asian Skills and Relationships'. Budgeted expenditure for this appropriation was \$5,500,000. Actual expenditure was \$5,500,000 (2022: \$5,500,000).

\* Budget is unaudited.

### Performance measures and results

The SPE specifies the mission and goals to be achieved with the funding provided. Performance measures have been established, and results are detailed below. Please note that activities funded from other revenue and reserves may also contribute to the same SPE outcome.

The Foundation continued to focus on domestic activity for the first six months of the financial year, with a return to full international opportunities for stakeholders and grantees in 2023.



## Strategic 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.*

Measure	Result
Number of research reports published and distributed	<p>2022/23 goal: four reports published and distributed 2022/23 actual: six research reports published and distributed:</p> <p><i>The Rising Impact of Asia on New Zealand Sport;</i></p> <p><i>Seriously Asia Revisited Series (four reports);</i></p> <ul style="list-style-type: none"> <li>• Politics and Security between Aotearoa New Zealand and Asia</li> <li>• Trade, Tourism and Investment between Aotearoa New Zealand and Asia</li> <li>• Innovation and Sustainable Development between Aotearoa New Zealand and Asia</li> <li>• Society and Culture between Aotearoa New Zealand and Asia</li> </ul> <p><i>New Zealanders' Perceptions of Asia and Asian Peoples 2022 Annual Survey.</i></p> <p>2021/22 actual: two research reports published and distributed: Te Waipounamu and Asia - South Island Business connections with Asia now and in the future; New Zealanders' Perceptions of Asia and Asian Peoples 2021 Annual Survey.</p>
Content about Asia on Foundation and Media digital platforms	<p>Last year's goal of 250 was extended to 300 this year and was not met due to staff changes during the reporting period.</p> <p>2022/23 goal: 300 2022/23 actual: 282</p> <p>2021/22 actual: 276</p>
Education Champions engaged in at least two Foundation initiatives over the year	<p>The 2021-22 review of education initiatives established Education Champions as a key pillar of the programme. Regional gatherings of Education Champions were held in Auckland, Tauranga, Wellington and Christchurch in 2022. In 2023, aspects of the education programme underwent further review, with the Education Champions to be supplemented by a digital engagement plan.</p> <p>2022/23 goal: 75% 2022/23 actual: 22%</p>

### Arts Project Fund

The Foundation's Arts Project Fund continues to support projects that develop New Zealanders' awareness and knowledge of Asia through the arts. Highlights in the 2022-23 year included MADE IN THEM, a collaborative contemporary dance work created by Chinese dancer/choreographers Xin Ji and Xiao Chao with The New Zealand Dance Company. Premiered at Auckland's ASB Waterfront Theatre, the work explores the depth of human emotion and expression in response to extreme

environments and events. Developed in response to Covid-19, the performance was presented as a double bill titled Stage of Being, alongside Tupua Tigafua's LittleBits and AddOns.

*"To share our voices via a platform that allows everyone to have their own interpretation on top of our work is a very personal thing."* – Xin Ji, dancer and choreographer

### Education initiatives boosted

The Foundation oversaw a review of the education programme and continues to deliver a range of initiatives, including funding for Asia language training, visits to Asia, Asia resources for learning in schools and teacher professional development.

In addition to regional gatherings of the Education Champions (a network of 24 leading voices on Asia from within the education sector) in Auckland, Tauranga, Wellington and Christchurch, the Foundation held its first meeting of all Champions since their induction in July 2021. The meeting proved to be a great opportunity to develop further initiatives, workshops and in-person engagement.

The refreshed te ao tangata social sciences area provided inspiration for the Foundation to provide a resource to help teachers build Years 7 and 8 students' knowledge and understanding of Asia. These inquiry cards, titled *Making Connections: Aotearoa New Zealand and Asia*, guide students through topics that span the history of Asian migration to Aotearoa. This resource will feature in the Education Gazette.

The Japan study grant funded by Nakashimato Co. Ltd. re-opened in May 2023. This fund provides support for students to visit Japan for study tours.

*"To learn about other cultures and develop an appreciation for the diversity of different people within our world is important. It helps students develop a stronger sense of belonging and can make those involved learn more about their own culture."* – Kylee Edwards, deputy principal, Endeavour School Hamilton

### Growing New Zealand's future leaders

The Foundation's Leadership Network is a global professional network that equips New Zealand's next generation of leaders to thrive in Asia. It provides over 420 members with the knowledge, connections and confidence to lead New Zealand's future relationships with Asia.

In 2022-23, the Foundation hosted a range of onshore and offshore events to strengthen connections between members. These included events such as the Rethinking Leadership Hui, the Mentorship Hui, the Otago History Hui, Festival for the Future and Young Enterprise Trust's *Enterprise in Action* mentoring weekend. More than 100 meetings were also held through the monthly match up series *Ngopi & Kōrero* (coffee and chat). Throughout the year, the Foundation ran its 2023 intake process, receiving a record near-200 applications.

### Asia Media Centre (AMC) and media programme

Media contact with the AMC has increased, with journalists requesting contacts and guidance for a diverse range of stories from across the region. The interest in media travel grants has also increased with 16 applications submitted in August 2022. Funding supported coverage of international defence summit the Shangri-La Dialogue by Stuff Gallery reporter Thomas Manch, who produced seven stories across five outlets from his attendance of the summit.

The Foundation's podcast "Asia Insight" continues to feature interviews with visiting experts from across the region including an Artist Profile series.

The New Voices project, featuring commissioned content such as personal stories or objective journalistic content, continues to develop. This project provides editorial support for the development of content by new writers, so their content can be published by mainstream New Zealand outlets.

The Asia Media Centre visited Southeast and South Asia during the year, including attendance at the Raisina Dialogue in New Delhi. During this visit, future media placements were discussed and agreed with media organisations.

#### Leadership Network Otago History Hui

With travel restrictions preventing the hosting of Leadership Network offshore forums, the Foundation organised a trip to explore the history of Chinese people in Otago. A second hui was held in November 2022 for 15 members. The hui was guided by Foundation Honorary Adviser Emeritus Professor Manying Ip, former Foundation board member Dr James Ng and former Foundation board member and former mayor of Dunedin Peter Chin. The group visited and learned about historic sites of significance for the region's Chinese community in Dunedin, Lawrence and Arrowsmith.

## Strategic 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.*

Measure	Result
Level of New Zealand public awareness of the importance of Asia to New Zealand (social research)	<p>The longitudinal research project, <i>New Zealanders' Perceptions of Asia and Asian Peoples</i>, has been undertaken since 1997.</p> <p>The report presents the results from a survey of 2323 New Zealanders aged 15 years and over conducted from 4 to 30 November 2022. Results are weighted to ensure representation by age, gender, ethnicity and geography. For further information on the research, refer to page 17 of this report.</p> <p>2022/23 goal: maintain 2022/23 actual: 72%</p> <p>2021/22 actual: 73%</p>
Number of Track II dialogues conducted	<p>The Foundation continued adding value to the Track II dialogue series by hosting post-dialogue briefings, roundtable discussions and events to find a wider audience. Planned dialogues with India and Vietnam were postponed into the second half of 2023.</p> <p>2022/23 goal: conduct seven Track II dialogues</p> <p>2022/23 actual: five Track II dialogues conducted: Asan Institute (Korea) for Policy Studies; Sri Lanka (with multiple think-tank partners); Fiji and Vanuatu (with various partners); Brunei (with Foreign Minister of Brunei); and a series of Track II simulations held online and in person in New Zealand.</p> <p>2021/22 actual: 13 Track II dialogues conducted: Asan Institute (Korea) for Policy Studies; ASEAN Australia New Zealand Trilateral; Australia National University; Indian Council of World Affairs (India); India (with multiple think-tank partners); Japan (with various partners); Korea (with various think-tank partners); Malaysia/Singapore (with various think-tank partners), Mekong (with various think-tank partners); Nepal Institute for International Cooperation and Engagement; Thailand (with various think-tank partners); Diplomatic Academy of Vietnam; and a series of Track II simulations held online and in person in New Zealand. The Foundation also partnered with a number of New Zealand's Track II partners to co-host engagements, including with NZIIA for Indonesia's major Asia Forum.</p>
Number of inward/outward Asia experiences	<p>The Foundation was able to offer offshore opportunities across all programmes in 2023 following the reopening of borders, resulting in an increased number of experiences</p> <p>2022/23 goal: 50 2022/23 actual: 229</p> <p>2021/22 actual: 1</p>

Measure	Result
Number of partnerships/sponsorships	<p>The Foundation was able to partner with 19 organisations across a broad spectrum of events across the country.</p> <p>2021/22 goal: 20 2022/23 actual: 19</p> <p>2021/22 actual: 20</p>
Number of attendees at partnership/sponsorship events	<p>Through 18 sponsorships, the Foundation's work reached more than 100,000 attendees, including 60,000 people who visited the Auckland Writers Festival. An additional 100,000 people attended the Auckland Diwali Festival.</p> <p>2022/23 goal: 18,000 2022/23 actual: 102,237</p> <p>2021/22 actual: 80,084</p>

### New Zealand's longest running study on Asia

Now in its 26th year, the latest iteration of the *New Zealander's Perceptions of Asia and Asian Peoples* survey was well received by the Government, media and academics, as well as by the public and private sector. As a longitudinal research project, it continues to provide data that helps New Zealand to understand its evolving relationships with Asia, and to drive the Foundation's programme of work.

Despite Covid-19 and regional developments, New Zealanders expressed an even stronger interest in Asia – with 80 percent stating they believe developing political, social and economic ties with Asia was important to the country's future. This represents a 13 percent increase in public sentiment since 2019, directly addressing the Foundation's goal of growing Asia awareness and knowledge in New Zealand.

Japan, Singapore and South Korea continue to be valued as trusted partners. While China is perceived as complex, respondents saw the country as worthy of ongoing investment and considered it an important partner. In terms of day-to-day interest, food remains the most popular Asia-related topic, followed by tourism/travel from or to Asia and business/trade. It was also encouraging to hear that young people show a strong appetite to connect with modern Asia through entertainment, sport, games and pop culture.

To provide additional insights, a series of qualitative focus groups were held between 15 and 25 November 2022. The report, which was covered in both national and international media, has been presented to Members of Parliament, a number of government agencies and chambers of business.

### Arts Practitioner Fund

The Arts Practitioner Fund received 70 applications with 17 successful. Supporting experiential opportunities to deepen artistic and professional connections with Asia, the projects funded include residencies, work placements, research tours and exchanges. It included the attendance of three arts producers at the Bangkok Arts Market and Asia Producers Camp; the attendance of four arts curators at the Gwangju Biennale in South Korea and a dance residency in Malaysia completed by Aotearoa-born Samoan dancer/choreographer Ufitia Sagapolutele.

The fund also supported multidisciplinary storyteller Allan Xia to conduct a research tour of Taiwan from May to June 2023. As an artist and developer, Xia works across a range of mediums, such as illustration, comics, videogames and virtual reality. He is also founder and director of Chromocon, New Zealand's most significant Indie Arts Festival, embracing illustrators, comic artists, animators, sculptors and game developers. During his tour of Taiwan, he met with a range of Indie arts organisations in Taipei, Taitung, Kaohsiung and Tainan to explore opportunities for future collaborations.

#### ASEAN Young Business Leaders Initiative (YBLI) inbound travel

An inbound agribusiness delegation of seven ASEAN YBLIs was delivered, anchored by the Fieldays event in Hamilton and E Tipu BOMA agri-summit in Christchurch. Participants also featured as speakers at the Aspire Asia Aotearoa 'Future of Consumption' event with the Auckland Business Chamber in Auckland.

#### ASEAN Young Business Leaders Initiative (YBLI) Summit

The Foundation delivered the 2023 ASEAN YBLI Summit, which was the largest offshore delegation the Foundation has managed in its history. Bringing together 75 participants to Thailand – including entrepreneurs from New Zealand and throughout ASEAN – the summit strengthened the connection between YBLIs, fostered networking and explored opportunities to increase trade between New Zealand and Southeast Asia. More than 90 percent of attendees noted that they would 'recommend friends to apply to the YBLI programme', that they felt 'more connected to the Asia New Zealand Foundation and more aware of its goals and mission', and they could identify 'further opportunities to increase trade between New Zealand and Southeast Asia'.

*"It was a privilege to attend this brilliantly successful summit, just to be there and learn more about trade in SE Asia and how that could apply to my business. It was so encouraging to meet and learn from other business leaders in what can be quite a lonely existence. The overwhelming tone across the summit was openness, generosity and vulnerability. I'll definitely be applying for future summits, proud to be a YBLI."* — Tim Harper, YBLI Summit participant

#### Focus on the Pacific and Asia

To understand our identity as a country is to first and foremost acknowledge the position of Māori as tangata whenua and Te Tiriti o Waitangi. Since the 2019 Te Ao Māori hui in Waitangi, the Foundation has conducted a range of engagement activities. In June 2023, the Leadership Network held a Tāngata o Moana Hui, gathering nearly 50 network members at the University of Auckland's Fale Pasifika to learn about the Pacific region and connect with Asia.

Conceived and curated by a group of Leadership Network members, the objective of this hui was to equip network members with a broad knowledge and competency of Te Ao Tāngata Moana (Indigenous people of the Pacific), particularly in regard to Māori and Asia. In addition to growing Tāngata Moana networks for Te Whītau Tūhono, the hui provided Leadership Network members with insights into the history, knowledge and value systems unique to the Pacific region – and how they could contribute to the way New Zealand perceives its relationships with Asia.

Speakers included journalist Barbara Dreaver, University of Auckland Deputy Vice-Chancellor Jemaima Tiatia-Siau, former All Black and high-performance coach Filo Tiatia and artist Ufitia Sagapolutele.

*"My biggest takeaway was that in order to engage effectively with Asia, we must first be able to engage effectively with our own communities/history in NZ. I learned that I can develop cross-cultural skills at home, that I could apply to Asia in the future."* – Victoria Brownlee, Tāngata Moana Hui participant.

## Track II initiatives expand

The Foundation held inbound and outbound Track 1.5 and Track II dialogues with partners across Asia, New Zealand and the Pacific. A highlight was hosting the 10th dialogue with the Seoul-based Asan Institute for Foreign Policies in Wellington. This ongoing initiative is a reflection of the Foundation's trusted, long-term and highly successful partnership with one of Asia's leading think tanks and an important friend of New Zealand.

The Foundation also commenced a ministerial-level Track II roundtable programme that provides a new and highly valued avenue for growing expert knowledge of New Zealand's Asia relations. In addition to lifting the Foundation's profile and raising the awareness of Track II initiatives, this programme has encouraged new stakeholders to engage with and contribute to the Foundation through roundtable meetings with New Zealand Minister of Pacific Peoples and Associate Minister of Foreign Affairs Aupito William Sio and Minister of Defence Peeni Henare.

The Foundation has hosted an array of highly regarded Asia experts including Malaysian scholar Professor Cheng-Chwee Kuik; Indonesian scholar and commentator Dr Luqman Nul-Hakim; the Indian Minister of External Affairs Dr Subrahmanyam Jaishankar; the Foreign Minister of Brunei Dato Erywan Yusof and senior leaders from the Asia Development Bank.

## Regional representation

The Foundation continues to be among the few organisations from New Zealand that attend the Shangri-La Dialogue each year in Singapore hosted by Minister for Defence (and Asia Honorary Adviser to the Foundation) Dr Ng Eng Hen. As the region's premier Track 1.5 inter-governmental security conference, the dialogue fosters a strong sense of community among leading regional policymakers, legislators, academics, business delegates, journalists, ministers and military chiefs. The executive director, representing the Foundation, also connected with many Asia-based Track II stakeholders.

## Hosting thought leaders

The Foundation has hosted an array of highly regarded Asia experts from across the region, as well as leading New Zealand voices on Asia. These have included the late Allan Gyngell, National President of the Australian Institute of International Affairs, who was a virtual speaker at the China Business Summit 2022; Amarit Charoenphan, Thai angel investor and business adviser who was a virtual speaker at the Canterbury Tech Summit 2022; and Yah-Leng Yu and Arthur Chin, creative and brand designers from Singapore who spoke at the Semi Permanent 2022 creativity festival.

## Arts reunion

The Foundation's Arts Reunion event in October brought together more than 40 artists from across New Zealand who had participated in the Foundation's arts programme throughout the years. The event focused on network building and the presentation of the preliminary findings of the Foundation's art research project. It was also an opportunity to screen some of the IN TOUCH Arts Commissions – digital art works the Foundation commissioned during the Covid period to support artists and continue to present works that portrayed New Zealand-Asia links. The Auckland gathering was the first time the Foundation had held an arts 'alumni' event. Participants were very positive in their responses, with many highlighting the value of bringing the sector together after a period of such disruption.

### Strategic 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.*

Measure	Result
Number of supported entrepreneurs engaged with Asian counterparts	In addition to ASEAN Young Business Leaders Initiative (YBLI) planned visits, New Zealand entrepreneurs were included in the ASEAN YBLI Summit in Thailand  2021/22 goal: 20 2022/23 actual: 27  2021/22 actual: 10
Percentage increase in applications for Internships	The Foundation offered a combination of online/domestic (nine interns) and in-country internship places (nine interns) with 12 hosts in 2022/23. Target applications were not received due to the reopening of international borders and increased travel opportunities for young New Zealanders.  2022/23 goal: 5% 2022/23 actual: -38%  2021/22 actual: 803%

#### Enhancing relationships with the Māori business community

The Foundation's participation with the work of the Māori trade organisation Te Taumata has reinforced the ability to promote Asia engagement to those who represent an authentic voice for Māori on trade between New Zealand and the rest of the world. The Foundation also led a Māori food and beverage delegation of nine participants to Singapore and Thailand.

*"I enjoyed connecting with the group, especially our time in Hua Hin getting to make new connections on a wider scale is exceptional. I better understood how Aotearoa is perceived internationally and as part of the Māori delegation felt proud to share my perspective with our group."* — Kieran Hema, a member of the Māori food and beverage delegation

#### Business Internships

The Foundation has successfully delivered 18 interns for placement throughout Asia, selected from more than 300 applications. Fifty percent of interns completed their placement in-market (Malaysia, Thailand, Singapore and Vietnam) and 50 percent virtually (Hong Kong, China, India and South Korea). Sectors ranged from film and law, to exporting, biotech and foreign policy.

*"Through my research and time in Seoul, I saw many similarities between the cultural values of South Korea and New Zealand, especially Māori culture. One of those values being tino rangatiratanga. Like Māori, the people of South Korea value their cultural identity and love their country. They are proud to talk about their whakapapa and the success of their families and people."*

— Brigham Riwai-Couch, CJ Cultural Foundation intern



## Inspiring the next generation

The Foundation's NextGen Track II programme continues to engage and inspire students who are interested in Track II diplomacy, Asia, and a career that is internationally engaged.

The Foundation hosted six NextGen roundtables, with the initiative expanding in scale to involve a greater range of students and subject matter experts. Successful roundtables were delivered with NextGen participants at Auckland University, Canterbury, Otago and Victoria University of Wellington. All were well attended and boosted students' confidence to participate in Asia-related discussions and to pursue Asia-related study. The largest roundtable was convened in the margins of University of Otago's Foreign Policy School, gathering 70 participants – from early career professionals and young ASEAN diplomats to New Zealand officials. This day-long Track 1.5 event, which included a workshop and conference, aimed to develop the confidence and capacity of New Zealand's aspiring Track II practitioners.

In November 2022, the Foundation co-hosted the China 8+8 Young Leaders Dialogue with the New Zealand Consulate General in Shanghai. Held to commemorate the 50th anniversary of diplomatic relations between China and New Zealand, this online dialogue introduced 16 attendees to NextGen and Track II roundtable engagement.

## Inaugural sports research report

In 2022, the Foundation launched a new in-depth sports research from Professor Holly Thorpe (University of Waikato) and Dr Tom Kavanagh (Lincoln University) to examine New Zealand's sporting connections with Asia and put forward recommendations to sports decision-making bodies about how they can best position themselves for the years ahead. The research involved surveying more than 130 leading New Zealand sports and sports management people, including 25 who had travelled to Asian countries for sport-related purposes.

*The Rising Impact of Asia on New Zealand Sport* report delves into experiences and learnings obtained from athletes, coaches, administrators, programme managers, officials, medical support and journalists. Including short profiles of key individuals who have helped grow New Zealand's sporting links with Asia, the report provides a range of recommendations to better equip athletes and sports people to thrive in Asia. The recreational, Olympic and Paralympic sports covered include cycling, rugby, surf lifesaving, golf, hockey, badminton, basketball and mountaineering.

This initiative was an opportunity for the Foundation to establish new relationships with a broad range of stakeholders in the sports sector, including more than 20 National Sports Organisations that attended the roundtable discussion and subsequent public launch event of *Rising Impact of Asia on New Zealand Sport*. The report has also been distributed widely to the media and the sports sector, including Sport New Zealand and board members of Paralympics New Zealand. The report will contribute to inform the Foundation's work with the country's sporting sector.

*"There is a 'sport diplomacy' that takes place with these things, so people are trying to redefine who they are and the way the world looks at them and treats them. You can see that in South Korea, you can see that in Tokyo - the use of sporting events to change people's perceptions of a country."* – National sports organisation leader

## Singapore Hui

In March, 14 members of the Leadership Network participated in an offshore hui held in Singapore. Hui in Asia provide opportunities for members to have in-country experiences, expose them to Asian cultures, provide leadership opportunities and build connections within the network and offshore. The Singapore Hui focussed on future planning and included meetings with the Urban Redevelopment Authority, Strategic Futures Office of the Prime Minister, Monetary Authority of Singapore as well as future thinking companies WSP, Xero, Meta, Zespri and ShioK Meats.

*"The Singapore hui improved my knowledge and confidence in engaging with Asia, by providing opportunities to meet with people in Singapore who come from many different backgrounds, including New Zealanders who migrated to Singapore. It was an incredible opportunity – we had a number of encounters that I wouldn't have otherwise had in my typical day-to-day life, such as meeting diplomats and business leaders from Meta and Zespri. Yet, arguably, the most valuable and unique part was sharing that Singapore experience with fellow Leadership Network members and seeing how we'll bring our experiences back to our communities and Aotearoa." — Marie Ysabel Landingin, Transport Planner WSP and Singapore hui participant*

## Outward sports funding resumes

The Foundation recommenced cultural funding for sports groups travelling to Asia. Having launched the sports programme with a focus solely on Japan, 2023 saw the programme offer support across Asia replicating the reach of the Foundation's other programmes. Two rounds of funding were offered, with 24 successful applications travelling to eight countries – a strong indication that New Zealanders are re-connecting with Asia through sport.

## Strategic goal 4: Organisational performance

*Outcome statement: The 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.*

Strategic Goal 4 – Organisational performance	
Stakeholders satisfied with what the Foundation is delivering (survey to be conducted biennially)	<p>The Foundation undertook a Stakeholder survey in 2023 with 89% of respondents satisfied with what the Foundation is delivering with responses of good, very good and excellent.</p> <p>2022/23 goal: Maintain</p> <p>2022/23 actual: 89%</p> <p>2020/21 actual: 89%</p>

### Enhancing engagement with Māori stakeholders

The Foundation continues to strengthen its engagement with Te Ao Māori, with the February 2023 appointment of a full-time Kaitohutohu Matanga Māori – Chief Adviser Māori. A framework for ongoing activity is being developed, drawing from Te Arawhiti Māori-Crown Relations and development guidance tools. By focusing on the development of staff capability, exploring possibilities and developing potential across all programme areas, this framework will incorporate organisational systems and policies to embed culturally safe and equitable practice.

### Upskilling staff in Te Reo Māori and tikanga

From an organisational culture perspective, staff continued with te reo training and Matariki was celebrated in both the Auckland and Wellington offices. Waiata have been written specifically for the Foundation to mark important occasions.

### Revisiting Seriously Asia

Throughout 2022/23 the Seriously Asia Revisited work programme was developed to review the outcomes of the 2003 Seriously Asia report and to deliver a refreshed roadmap for Aotearoa's relationships within and across Asia. This phased process – which consisted of forward planning, research, analysis and the presentation of key findings – involved the collaborative support of Foundation staff, across multiple programmes. Staff worked collectively with over 100 leading voices on Asia, including senior officials, young leaders, Māori and Pacific voices, academics and specialists. Four hui were held addressing the key themes of the work; Society and Culture (Auckland); Politics and Security (Wellington); Trade, Tourism and Investment (Christchurch) and Innovation and Sustainable Development (Queenstown).

This work and the resultant publications represent one of the largest undertakings the Foundation has delivered for some years. The initiative has provided a range of benefits to the Foundation, including engagement with senior decision makers, new ideas for programme execution and the expansion of the stakeholder community.

The Seriously Asia Revisited report, to be launched in the second half of 2023, will feature in-depth insights into the current state of New Zealand's relationships with Asia. It also includes a roadmap with a range of recommendations to inform the next two decades.

*"Thank you for leading such an important piece of work for our country, with over 120 leaders revisiting the new roadmap setting for future successes in the next two decades. The hui was led with a strong strategic thinking behind it for all of us engaging with Asia even more closely. Can't wait to see the full report."* — Franky Wang, Head of Asia Business Activation Bank of New Zealand and Seriously Asia Revisited Christchurch hui participant

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2023 \$	Budget 2023* \$	Actual 2022 \$
<b>Revenue</b>				
Revenue from Crown appropriation		5,500,000	5,500,000	5,500,000
Other Crown revenue	2	554,000	327,000	235,000
Interest revenue	2	278,228	121,200	106,821
Other revenue		24,505	10,000	14,171
<b>Total revenue</b>		<b>6,356,733</b>	<b>5,958,200</b>	<b>5,855,992</b>
<b>Expense</b>				
Personnel costs	3	2,984,204	2,863,000	2,797,690
Project expense	4	74,552	45,000	-
Depreciation and amortisation	9, 10	38,917	45,000	45,954
Other expense	5	3,121,887	3,605,200	1,685,037
<b>Total expense</b>		<b>6,219,560</b>	<b>6,558,200</b>	<b>4,528,681</b>
<b>Surplus/(Deficit)</b>		<b>137,173</b>	<b>(600,000)</b>	<b>1,327,311</b>
<b>Other comprehensive revenue and expense</b>				
		-	-	-
<b>Total comprehensive revenue and expense</b>		<b>137,173</b>	<b>(600,000)</b>	<b>1,327,311</b>

Explanations of significant variances against budget are detailed in note 22.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Actual 2023 \$	Budget 2023* \$	Actual 2022 \$
Balance at 1 July	7,747,520	7,770,000	6,420,209
Total comprehensive revenue and expense for the year	137,173	(600,000)	1,327,311
<b>Balance at 30 June</b>	<b>7,884,693</b>	<b>7,170,000</b>	<b>7,747,520</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

\* Budget is unaudited.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Actual 2023 \$	Budget 2023* \$	Actual 2022 \$
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	6	333,067	342,500	336,494
Trade and other receivables and prepayments	7	290,027	148,200	178,485
Investments	8	3,259,498	4,500,000	4,950,000
<b>Total current assets</b>		<b>3,882,592</b>	<b>4,990,700</b>	<b>5,464,979</b>
Non-current assets				
Property, plant and equipment	9	90,264	89,300	87,318
Intangible assets	10	-	-	-
Investments	8	4,575,396	2,800,000	2,750,000
<b>Total non-current assets</b>		<b>4,665,660</b>	<b>2,889,300</b>	<b>2,837,318</b>
<b>Total assets</b>		<b>8,548,252</b>	<b>7,880,000</b>	<b>8,302,297</b>
<b>LIABILITIES</b>				
Current liabilities				
Trade and other payables	11	228,219	250,000	143,722
Employee entitlements	12	234,089	235,000	205,176
GST		35,177	75,000	57,387
<b>Total current liabilities</b>		<b>497,485</b>	<b>560,000</b>	<b>406,285</b>
Non-current liabilities				
Provisions	13	166,074	150,000	148,492
<b>Total non-current liabilities</b>		<b>166,074</b>	<b>150,000</b>	<b>148,492</b>
<b>Total liabilities</b>		<b>663,559</b>	<b>710,000</b>	<b>554,777</b>
<b>NET ASSETS</b>		<b>7,884,693</b>	<b>7,170,000</b>	<b>7,747,520</b>
<b>EQUITY</b>				
General funds	15	6,370,406	5,651,400	6,210,724
Managed Fund Korea	15	833,218	838,700	838,862
Managed Fund Japan	15	681,069	679,900	697,934
<b>TOTAL EQUITY</b>		<b>7,884,693</b>	<b>7,170,000</b>	<b>7,747,520</b>

Explanations of significant variances against budget are detailed in note 22.

The accompanying accounting policies and notes form an integral part of these financial statements.

\* Budget is unaudited.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2023 \$	Budget 2023* \$	Actual 2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Revenue from Crown appropriation		5,500,00	5,500,000	5,500,000
Other Crown revenue		554,000	327,000	235,000
Other revenue		62,907	35,000	84,718
Revenue on behalf of funds		-	-	1,000
		6,116,907	5,862,000	5,820,718
Cash was distributed to:				
Payments to suppliers		(3,078,173)	(3,387,500)	(1,775,811)
Payments to employees		(2,955,291)	(2,908,000)	(2,776,778)
Payments on behalf of funds		(33,900)	(45,000)	-
Net GST (paid)/received		(27,315)	25,000	4,434
		(6,094,679)	(6,315,500)	(4,548,155)
<b>Net cash inflow/(outflow) from operating activities</b>		22,228	(453,500)	1,272,563
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash was provided from:				
Interest received		145,981	90,000	113,439
Investments maturing		5,400,000	4,950,000	4,500,000
		5,545,981	5,040,000	4,613,439
Cash was distributed to:				
Acquisition of investments		(5,534,893)	(4,450,000)	(5,750,000)
Purchase of property, plant and equipment		(36,743)	(44,000)	(32,294)
Purchase of intangibles		-	-	-
		(5,571,636)	(4,494,000)	(5,782,294)
<b>Net cash inflow/(outflow) from investing activities</b>		(25,655)	546,000	(1,168,855)
Net (decrease)/increase in cash and cash equivalents		(3,427)	92,500	103,708
Plus opening cash		336,494	250,000	232,786
Closing cash and cash equivalents	6	333,067	342,500	336,494

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from Inland Revenue. The GST (net) component has been presented as a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements. Explanations of significant variances against budget are provided in note 22.

The accompanying accounting policies and notes form an integral part of these financial statements.

\* Budget is unaudited.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1: Statement of accounting policies for the year ended 30 June 2023

#### Reporting entity

The Asia New Zealand Foundation (the Foundation) is a Schedule 4 entity in terms of the Public Finance Act 1989. These financial statements have been prepared in accordance with the Public Finance Act 1989 and Crown Entities Act 2004. In addition, the Foundation has reported on the funding administered on behalf of the Crown in the statement of performance.

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

The Foundation has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Foundation are for the year ended 30 June 2023 and were approved on 24 October 2023 by the audit and risk committee under delegated authority from the Board of Trustees.

#### Basis of preparation and statement of compliance

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

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).

The financial statements have been prepared 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.

These financial statements comply with PBE accounting standards reduced disclosure regime.

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

#### Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

#### *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.

Commitments and contingencies are disclosed exclusive of GST.

#### *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.

#### *Budget figures*

The budget figures are those approved by the board in the Statement of Performance Expectations 2022/23. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Foundation for the preparation of the financial statements.

#### *Cost of service statement*

The Foundation has a single output. Therefore, all costs shown in the cost-of-service statement, as reported in the statement of performance, are allocated directly to that output.

#### *Critical accounting estimates and assumptions*

In preparing these 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.

The estimates and assumptions that have a significant risk of causing material 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 to note 9.
- *Impairment of non-financial assets* – refer to note 9.
- *Carrying amount of make-good provision for the Auckland and Wellington offices* – refer to note 13.

#### *Critical judgements in applying the Foundation's accounting policies*

Management has exercised the following critical judgements in applying the Foundation's accounting policies for the year ended 30 June 2023:

- *Grants received* - refer to note 2.
- *Lease classification* – refer to note 5.

## Note 2: Analysis of revenue

The specific accounting policies for significant revenue items are explained below:

### Revenue from Crown appropriation

The Foundation derives revenue through the provision of outputs to the Crown. A schedule detailing the timing of this revenue stream is agreed with the Ministry of Foreign Affairs and Trade at the beginning of the year. The Foundation considers there are no conditions attached to this funding and it is recognised as revenue on receipt.

### Other Crown revenue

The Foundation signed a new contract to provide the ASEAN Young Business Leaders Initiative programme with the Ministry of Foreign Affairs and Trade in July 2021. 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 also receives revenue from core sponsorship. 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

The Foundation receives specific project funding revenue from third parties. The Foundation considers there are no conditions attached to this funding and it is recognised as revenue on receipt.

### Other grants

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.

### Critical judgements in applying the Foundation's accounting policies

#### *Grants received*

The Foundation must exercise judgement when recognising grant revenue to determine if the conditions of the grant contract have been satisfied. This judgement is based on the facts and circumstances that are evident for each grant contract.

## Note 2: Analysis of revenue (continued)

	2023	2022
	\$	\$
<b>OTHER CROWN REVENUE</b>		
ASEAN Young Business Leaders Initiative	484,000	165,000
Core Sponsorship (NZTE)	70,000	70,000
<b>Total revenue from the Crown</b>	<b>554,000</b>	<b>235,000</b>
<b>INTEREST REVENUE</b>		
Interest from term deposits	260,340	104,060
Other interest	17,888	2,761
<b>Total interest revenue</b>	<b>278,228</b>	<b>106,821</b>

The total revenue of \$6,356,733 (2022 – \$5,855,992) includes total non-exchange revenue of \$6,077,878 (2022 – \$5,745,263).

## Note 3: Personnel costs

	2023	2022
	\$	\$
Salaries and wages	2,881,800	2,709,973
KiwiSaver employer contributions	73,491	66,806
Increase/(decrease) in employee benefit liabilities	28,913	20,911
<b>Total personnel costs</b>	<b>2,984,204</b>	<b>2,797,690</b>

	2023	2022
<b>Key management personnel compensation</b>		
<b>Board Members</b>		
Remuneration	\$37,961	\$33,860
Full-time equivalent members	7.92	7.5
<b>Key management personnel</b>		
Remuneration	\$535,601	\$487,592
Full-time equivalent members	2	2
<b>Total key management personnel remuneration</b>	<b>\$573,562</b>	<b>\$521,452</b>
<b>Total full-time equivalent personnel</b>	<b>9.92</b>	<b>9.5</b>

Key management personnel include the executive director, deputy executive director and members of the Board of Trustees. Full-time equivalent is based on the number of months during the year members have been with the Foundation.

### Note 3: Personnel costs (continued)

Employee remuneration	2023	2022
Total remuneration paid and payable		
\$100,000 – 109,999	1	3
\$110,000 – 119,999	1	-
\$120,000 – 129,999	2	2
\$130,000 – 139,999	1	-
\$140,000 – 149,999	-	2
\$150,000 – 159,999	2	1
\$160,000 – 169,999	-	1
\$170,000 – 179,999	1	-
\$210,000 – 219,999	-	1
\$230,000 – 239,999	1	-
\$260,000 – 269,999	-	1
\$300,000 – 309,999	1	-

### Note 4: Project expense

	2023	2022
	\$	\$
Managed Fund Korea	34,052	-
Managed Fund Japan	40,500	-
Total project expense	74,552	-

### Note 5: Other expense

#### Grant expenditure

Discretionary grants are those grants that the Foundation has no obligation to award on receipt of the grant applications. These grants are only recognised as expenditure when the successful applicants have been notified of the Foundation's approval.

Grants awarded in prior years and cancelled in this financial year prior to payment are written back with these writebacks recognised as revenue. Writebacks are reported under other revenue in the statement of statement of comprehensive revenue and expense.

#### 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.

#### Critical judgements in applying the Foundation's accounting policies

##### *Lease classification*

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Foundation.

Judgement is required for various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include the renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

## Note 5: Other expense (continued)

Classification as a finance lease means the asset is recognised in the statement of financial position as plant and equipment, whereas for an operating lease no such asset is recognised.

The Foundation has exercised its judgement on the appropriate classification of equipment leased and determined the lease arrangement as an operating lease.

	2023	2022
	\$	\$
Fees paid to auditor		
- Audit fees for financial statements' audit	36,561	30,709
Grants awarded	459,617	128,038
Operating lease payments	320,206	310,364
Board of Trustees' expenses (Note: fees paid to Trustees detailed in note 3)	95,811	22,771
Telecommunications	5,932	5,703
Insurance premiums	24,716	13,039
Other operating expense	2,179,044	1,174,413
<b>Total other expense</b>	<b>3,121,887</b>	<b>1,685,037</b>

Project expense includes additional grants awarded of \$74,552 (2022 – \$0).

Other operating expense includes activity in our ten programmes and overheads.

### Operating leases as lessee

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

	2023	2022
	\$	\$
Not later than one year	276,793	286,758
Later than one year and not later than five years	449,834	908,116
Five years or more	-	111,964
<b>Total</b>	<b>726,627</b>	<b>1,306,838</b>

Operating leases include the premises' leases for the Wellington and Auckland offices and a photocopier lease. The Wellington office lease expires in April 2026 with no right of renewal. The current Auckland office expires in November 2023. A new five-year photocopier lease was signed in June 2021.

There are no restrictions placed on the Foundation by any of its leasing arrangements.

The Foundation entered into an operating lease for a new Auckland office in July 2023, this lease commences on 1 November 2023. Future aggregate minimum lease payments to be paid under this non-cancellable lease are as follow:

	2023
	\$
Not later than one year	52,789
Later than one year and not later than five years	338,573
Five years or more	314,195
<b>Total</b>	<b>705,557</b>

## Note 6: 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.

	2023	2022
	\$	\$
Cash at bank	333,067	336,494
Total cash and cash equivalents	333,067	336,494

While cash and cash equivalents at 30 June 2023 are subject to expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance is trivial.

Assets recognised in a non-exchange transaction that are subject to restrictions

The Foundation holds unspent grant funding received, included in cash at bank, of \$22,230 (2022 – \$18,000) that is subject to restrictions. The restrictions generally specify how the grant is required to be spent in providing the specified deliverables of the grant arrangement.

## Note 7: Trade and other receivables and prepayments

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.

No loss allowance has been recognised because the estimated loss allowance is trivial.

	2023	2022
	\$	\$
Trade receivables	22,258	-
Interest receivable	202,225	69,978
Prepayments	65,544	108,507
Less: Allowance for credit losses	-	-
Total trade and other receivables and prepayments	290,027	178,485
Total receivables comprise:		
Receivables from the sale of goods and services (exchange transactions)	202,838	69,978
Receivables from grants (non-exchange transactions)	21,645	-

## Note 8: Investments

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

The Foundation considers there has not been a significant increase in the credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term A investment grade credit rating, which indicates the bank has a strong capacity to meet its financial commitments.

No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for the credit losses is trivial.

The carrying amounts of term deposits approximate their fair value.

	2023	2022
	\$	\$
Current portion		
Term deposits maturing in the following 12 months	3,259,498	4,950,000
Non-current portion		
Term deposits maturing in over 12 months	4,575,396	2,750,000
<b>Total investments</b>	<b>7,834,894</b>	<b>7,700,000</b>

## Note 9: Property, plant and equipment

All classes of property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

### Additions

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.

### Disposals

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 surplus or deficit.

### 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.

## Note 9: Property, plant and equipment (continued)

### 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%

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at the end of each financial year. The cost of leasehold improvements is capitalised and depreciated over the un-expired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

### Impairment of property, plant and equipment and intangible assets

The Foundation does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

### Non-cash-generating assets

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.

### Critical accounting estimates and assumptions

#### *Estimating useful lives and residual values of property, plant and equipment*

At each balance date the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates requires a number of factors to be considered, such as the physical condition of the asset, the expected period of use and the expected disposal proceeds from any future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense in the surplus or deficit, and the carrying amount of the asset in the statement of financial position.

#### *Impairment of non-financial assets*

At each balance date the Foundation reviews all its non-financial assets for impairment. No impairment has been made this year.



## Note 9: Property, plant and equipment (continued)

	Leasehold improvements \$	Computer equipment \$	Furniture & fittings \$	Office equipment \$	Total \$
At 1 July 2022					
Cost	420,857	97,334	143,811	50,241	712,243
Accumulated depreciation and impairment charges	(386,203)	(66,013)	(132,597)	(40,112)	(624,925)
Net book value	34,654	31,321	11,214	10,129	87,318
Additions	-	36,782	-	6,390	43,172
Disposals	-	(55,251)	-	(19,921)	(75,172)
Accumulated depreciation eliminated on disposal	-	55,251	-	18,612	73,863
Depreciation charge	(4,931)	(21,988)	(6,533)	(5,465)	(38,917)
Closing net book value	29,723	46,115	4,681	9,745	90,264
At 30 June 2023					
Cost	420,857	78,865	143,811	36,710	680,243
Accumulated depreciation and impairment charges	(391,134)	(32,750)	(139,130)	(26,965)	(589,978)
Net book value	29,723	46,115	4,681	9,745	90,264

There were no capital commitments as at 30 June 2023 (2022 – Nil).

## Note 10: 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%
		2023
		\$
<hr/>		
Software at 1 July 2022		
Cost		27,962
Accumulated amortisation		(27,962)
Opening carrying value		<hr/>
		-
Additions		-
Disposals		-
Accumulated amortisation eliminated on disposal		-
Amortisation charge		-
Closing carrying value		<hr/>
		-
<hr/>		
Balance at 30 June 2023		
Cost		27,962
Accumulated amortisation		(27,962)
Closing carrying value		<hr/>
		-
<hr/>		

## Note 11: Trade and other payables

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

	2023	2022
	\$	\$
Payables under exchange transactions		
Trade payables	76,050	73,621
Accrued expenses	48,817	43,851
Total payables under exchange transactions	124,867	117,472
Payables under non-exchange transactions		
Grants payable	103,352	26,250
Grants received subject to conditions	-	-
Total payables under non-exchange transactions	103,352	26,250
Total trade and other payables	228,219	143,722

## Note 12: 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.

These include salaries and wages accrued up to the balance date and annual leave earned to but not yet taken at the balance date.

The Foundation recognises a liability and expense for bonuses where they are contractually obliged, or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

### Defined contribution superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

	2023	2022
	\$	\$
Accrued salaries and wages	118,703	80,770
Annual leave	115,386	124,406
Total employee entitlements	234,089	205,176

## Note 13: 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.

Critical accounting estimates and assumptions

### *Carrying amount of make-good provision for the Auckland and Wellington offices*

At each balance date, the Foundation reviews the carrying amount of the make-good provision for the Auckland and Wellington offices. The carrying amount is based on information provided by third parties and takes into account relevant market factors.

The carrying amount of the provision has increased based on current market factors.

	2023	2022
	\$	\$
Non-current provisions		
<i>Lease make-good provision</i>		
Opening balance	148,492	143,449
Additional provisions made during the year	17,582	5,043
Closing balance	166,074	148,492

The property lease agreements in both Wellington and Auckland require the Foundation to reinstate the office spaces to their original condition upon expiry. This would include removing partitioning, redecorating and replacing carpets. The Wellington office lease expires in April 2026 with no right of renewal. The current Auckland office lease expires in November 2023. A new Auckland premises lease has been entered into commencing November 2023.

## Note 14: Contingent liabilities and assets

There were no contingent liabilities or assets as at 30 June 2023 (2022 – Nil).

## Note 15: 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.

The table below shows the split of total comprehensive revenue and expense for the year, split between the equity components based on activity.

Equity	1 July 2022	Surplus/(Deficit)	30 June 2023
	\$	\$	\$
General funds	6,210,724	159,682	6,370,406
Managed Fund Korea	838,862	(5,644)	833,218
Managed Fund Japan	697,934	(16,865)	681,069
<b>Total equity</b>	<b>7,747,520</b>	<b>137,173</b>	<b>7,884,693</b>

## Note 16: Related party transactions

The Foundation is an entity of the Crown under the Schedule 4 of the Public Finance Act 1989.

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 it is reasonable to expect the Foundation would have adopted in dealing with the parties at arm's length in the same circumstances. Further, transactions with other government agencies (for example government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and are undertaken on the normal terms and conditions for such transactions.

The Foundation received pro bono legal services from Bell Gully, a legal firm of which former Trustee Simon Watt was a partner until 31 December 2022, and is now a consultant to, to a value of \$19,169 (2022 - \$6,842).

## Note 17: Events after the balance date

There have been no significant events after the balance date.

## Note 18: Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2023	2022
	\$	\$
<hr/>		
Financial assets measured at amortised cost		
Cash and cash equivalents	333,067	336,494
Trade and other receivables	224,483	69,978
Investments	7,834,894	7,700,000
Total financial assets measured at amortised cost	8,392,444	8,106,472
<hr/>		
Trade and other payables (excluding grants received subject to conditions)	228,219	143,722
<hr/>		

## Note 19: ASEAN Young Business Leaders Initiative

Expenditure relating to the ASEAN Young Business Leaders Initiative is as follows:

	2023	2022
	\$	\$
<hr/>		
Contribution towards personnel costs	200,000	125,000
Programme costs	204,645	4,817
Total expenditure	404,645	129,817

Contribution towards personnel costs and programme costs are included in the statement of comprehensive revenue and expense in the line items 'Personnel costs' and 'Other expenditure'.

## Note 20: Donated services

The Foundation receives in-kind donations of services from many organisations. Following the transition to the PBE accounting standards, the Foundation is no longer required to include them in the surplus or deficit.

The Foundation is able to measure reliably some of these services, and a summary is provided below:

	2023	2022
	\$	\$
<hr/>		
Management services	19,169	6,842
Total donated services	19,169	6,842
<hr/>		

## Note 21: Covid-19

### Impact of Covid-19

With the removal of border controls and MIQ requirements in March 2022, the Foundation was able to resume offshore, in-person staff visits in 2022/23. In September 2022, the Covid-19 Protection Framework ended, and the Foundation was able to offer offshore opportunities to stakeholders.

### Impact on operations

The biggest impact on the Foundation's operations has been the ability to return to offering international travel for stakeholders.

### *International Travel*

The Foundation is a largely experiential organisation providing opportunities to visit Asia and to bring contacts from Asia to New Zealand. In the first half of the financial year, international travel was limited to staff. In 2023, the Foundation had confidence to send stakeholders offshore safely.

### *Subsequent events*

There is limited ongoing impact to the Foundation's operations from Covid-19.

## Note 22: Explanation of significant variances against budget

The Foundation refined its strategy in late 2021 and continued working towards its vision of 'A New Zealand confident in and with Asia' and the value proposition of 'We equip New Zealanders to be confident and engaged with Asia by enabling deeper connections, awareness and knowledge'.

### Statement of comprehensive revenue and expense

The Foundation budgeted a deficit of \$600,000 for the 2022/23 and achieved a full-year surplus of \$152,173 (underspend).

Revenue for the Foundation is above budget. This is due to the Foundation being able to draw down the full contracted revenue for the delivery of the ASEAN Young Business Leaders Initiative. Due to uncertainty during the budget process, international travel components had not been budgeted. Interest income was also well above budget, following a period of increased interest rates.

The Foundation continued to focus on domestic activity for the first six months of the financial year, with a return to full international opportunities in 2023. Variances in expenditure relate to savings across programmes, including the cancelled Auckland Lantern Festival, changes to the Foundation's education programme and several activities postponed to the next financial year.

### Statement of financial position

The variances in assets and equity against budget largely relate to the variance in comprehensive revenue and expenditure, with bank and investment balances higher than budgeted.

### Statement of cash flows

The variances in cash flows follow on from the financial surplus for the year, particularly payments to suppliers, which are under budget, and acquisition of investments and interest received, which are over budget as surplus funds were invested and interest receipted.

## ORGANISATION INFORMATION AS AT 30 JUNE 2023

### Board of Trustees

Chair: Hon Dame Fran Wilde DNZM QSO

Deputy Chair: Te Poa Karoro (Paul) Morgan CNZM QSO

Trustees: Hongyu (Carol) Cheng, Ziena Jalil, Mitchell Pham ONZM, Tina Porou MNZM, Chris Seed (ex-officio) and Tupe Solomon-Tanoa'i (Danny Chan, Lyn Lim MNZM, Simon Watt)

Identified stakeholders: Peter Crisp (Chief Executive, New Zealand Trade and Enterprise) and Iona Holsted (Secretary for Education)

### Board of Honorary Advisers

Chair: Hon Nanaia Mahuta, Minister of Foreign Affairs

China: Professor Zhou Guangzhao, Hu Shuli

Hong Kong: Dr Victor K Fung, Annie Wu Suk-Ching

India: Dr Raghupati Singhania, Dr Reuben Abraham

Indonesia: HE Amris Hassan, Helianti Hilman

Japan: Amane Nakashima, Hirofumi Nakasone

Malaysia: Tan Sri Rafidah Aziz

Philippines: Guillermo M. Luz

Singapore: Dr Ng Eng Hen, Stanley Tan ONZM

South Korea: Professor Han Sung-Joo, Heekyung Jo Min

Sri Lanka: Senaka Silva

Thailand: Professor Pavida Pananond, Dr Supachai Panitchpakdi, Professor Thitinan Pongsudhirak

Timor Leste: Adaljiza Magno

Vietnam: Pham Thi My Le

New Zealand: Warrick Cleine, Hon Lianne Dalziel CNZM, Rob Fyfe CNZM, Sameer Handa MNZM, Traci Houpapa MNZM, Emeritus Prof Manying Ip CNZM, Melissa Lee MP, Kyle Murdoch, Simon Murdoch CNZM, Nicola Ngarewa, Sachie Nomura, Rt Hon Sir Anand Satyanand GNZM QSO KStJ, Paula Tesoriero MNZM, Vanushi Walters MP, Josh Wharehinga, (Mitchell Pham ONZM).

### Founders of the Foundation

Hon Philip Burdon

Rt Hon Sir Don McKinnon ONZ GCVO

*Footnote: names denoted within the brackets have either retired or left the organisation within the past 12 months.*



## Asia New Zealand Foundation staff

Executive Director: Simon J Draper  
Deputy Executive Director: Adele Mason  
Director Arts and Director Auckland: Craig Cooper  
Director Communications and Media: Katie Howe (Rebecca Inoue-Palmer)  
Director Education: (Sean O'Connor)  
Director Engagement and Research: Suzannah Jessep  
Director Entrepreneurship and Business: Nick Siu (Adam McConnochie)  
Chief Adviser, Māori: Veronica Thompson  
Accountant: Sunita Soma  
Communications Adviser: Subasita Borkakoty (Shireen Shariff)  
Communications Adviser (Digital): Phoebe Taylor  
Education Adviser: Dara Choo  
Executive Assistant: Paula McLaughlin  
Media Adviser: Eleanor Wenman, Carla Teng (Lee Seabrook-Suckling)  
Media Centre Manager: Graeme Acton  
Project Officer Internships: Bo Bae Wilson  
Project Officer Leadership: Linh Le  
Receptionist/Accounts Assistant: Elizabeth Basalaj  
Senior Adviser Business: Ethan Jones  
Senior Adviser Engagement and Research: Dr James To  
Senior Adviser Entrepreneurship: Lingy Au  
Senior Adviser Research: Dr Jordan King  
Sports Adviser: Kirsty Sharp  
Website Manager: Ned Wotherspoon

*Footnote: names denoted within the brackets have left the organisation within the past 12 months.*

## FOUNDATION SUPPORTERS

The Foundation has sought to build partnerships with the New Zealand Government and the business community. We receive contributions from the following partners:

Partners:

Ministry of Foreign Affairs and Trade.

New Zealand Trade and Enterprise.

Sponsors:

The Nakashimato Scholarship Foundation.

The Foundation also acknowledges support from the following organisations:

ADC Microfinance, Akaroa Salmon, Beach House Pictures, Bell Gully, Buzzebees, CJ Cultural Foundation, Destiny Bay Wine, Eat the Kiwi, Etipu Boma, Good Gallery Thailand, Food Innopolis, Food Plant Singapore, Geo-Informatics and Space Technology, GNS Professional, Hong Kong International Arbitration Centre, Hungry Hub, Invest Hong Kong, KPMG Vietnam, Lawrence Chinese Camp, Leaf Foods, Meta Singapore, Mobile Logistics, New Zealand Chamber Singapore, New Zealand China Council, New Zealand High Commission Singapore, Ngai Tahu, Nutrition Technologies, Royal Thai Embassy, ServisHero, Shiok Meats, Singapore Food Agency, Singapore Government's Centre for Strategic Futures, Singapore Urban Redevelopment Authority, Startup Dunedin, Tata Consultancy Services, Te Matuku Oysters, Te Taumata, The Foodbowl, Toitu Otago Settlers Museum, Tupu Toa, United Media Solution, WSP Singapore, Xero Singapore, Zealong Tea Estate and Zespri Singapore.

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