

Te Ara Ahunga Ora Retirement Commission Annual Report 2022

EMPOWERING THE PEOPLE OF AOTEAROA
ON THEIR JOURNEYS TO A BETTER RETIREMENT





Te Ara Ahunga Ora Retirement Commission
is a Toitū certified carbonreduce organisation

Presented to the House of Representatives by the Retirement Commissioner pursuant to section 150(3) of the Crown Entities Act 2004. The Retirement Commissioner is an Autonomous Crown Entity under the Crown Entities Act 2004, with its role established under the New Zealand Superannuation and Retirement Income Act 2001. Te Ara Ahunga Ora Retirement Commission is the office of the Retirement Commissioner. This work is protected by copyright owned by Te Ara Ahunga Ora Retirement Commission.

Ngā Ihirangi

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Nā te Mana Ahungarua

Retirement Commissioner overview

Kei aku nui, kei aku rahi. Tēnā koutou katoa.

Tēnei te mihi nui ki tēnā, ki tēnā, i mahi ngātahi i tēnei tau. Nā te whakaaro angitū, me te manawanui, i whai ake ai tātou i te ara ahunga ora.

Ka nui aku mihi. Tēnā koutou katoa.

It's been another year where New Zealand has had to grapple with the impacts of COVID-19 and record inflation driving up the cost of living. This has made it harder than ever for people to be able to plan long-term, particularly for their retirement.

It has also presented a complex set of challenges for an organisation with a vision that aspires for everyone to retire with confidence.

We have had to think faster and smarter to respond to this rapidly evolving landscape. Not surprisingly, plans had to change, and a small number of projects earmarked for completion this year will instead be finalised in 2022/23. Despite this, I am incredibly proud of what my small team has achieved.

Te Ara Ahunga Ora Retirement Commission is required to deliver on three key areas: Retirement Policies; Retirement Villages and Financial Capability.

This year we began work on the triennial review of retirement income policies in response to the terms of reference set by the Government. Sixteen pieces of research and analyses have been undertaken, including four qualitative research reports on older people. The findings of this activity will be used to shape the recommendations I will make to the Government in the final report completed in November 2022. We have been briefing senior officials from a range of departments throughout the process and I am hopeful that Government action on recommendations will be secured.

In the retirement villages area, following public consultation on the release of our 2020 White Paper on the retirement villages legislative framework, we called for the Government to undertake an urgent review of the legislation. This is due to take place in the 2022/23 year and is being led by the Ministry of Housing and Urban Development.

We have continued to devote significant resources providing trusted and independent information to help lift New Zealanders' financial capability.

Thank you to all those in the sector who have supported the implementation of the first year of the National Strategy for Financial Capability. Its success relies on sector wide collaboration. Based on the first year's successful activity we have some good momentum to achieve our next set of activity in year two.

This year we celebrated 20 years since Sorted first launched. Sorted is founded on understanding behaviour change and has been a trailblazing example of a government agency establishing and promoting a brand to reach and help citizens.

It is now an entire ecosystem of digital channels: community, schools and workplace programmes and resources – all aimed at lifting financial capability throughout New Zealand.

Our Te whai hua - kia ora, Sorted in Schools programme continues to go from strength-to-strength, with 68% of New Zealand secondary schools and kura using Sorted in the last 12 months. We were thrilled with the overwhelming positive feedback received about it this year, including that 95% of teachers value it as a financial capability programme they like to use.

This year I found myself spending much time advocating for the plight of pensioners stuck offshore who faced an unforeseeable predicament when borders closed for a lengthy period due to COVID-19, and MIQ pressure intensified. It highlighted the inflexibility of some superannuation settings and caused unnecessary stress to those trying to navigate their already-challenging return. We intend to look further into these NZ Super settings in the year ahead.

While we have ended the year with higher financial reserves than expected, due largely to project delays arising from COVID-19, this is set to change in the coming financial years as our normal operating landscape resumes. It could mean making some tough calls on our activities in the future. This is top of mind as we began work setting our strategic direction for a new Statement of Intent and the next Statement of Performance Expectations.

Finally, I would like to thank my team for the tenacity they have shown this year. The volume of quality work delivered by just three dozen people is impressive: 15 well-researched policy and research papers published; 246 financial capability courses delivered reaching nearly 5000 people; nine sector-wide webinars connecting different parts of the sector; Money Week activities coordinated and delivered; 1.4 million users of Sorted.org.nz supported by quality tools, guides and blogs; all compliance activities achieved to a high standard including securing Toitū carbon reduction certification; and planning well underway for the National Strategy conference.

I also acknowledge with gratitude the ongoing support from our National Strategy partners and contributors and from the Minister of Commerce and Consumer Affairs, Hon. Dr David Clark. Through our collective efforts we are playing an important part in empowering New Zealanders on their journeys towards a better retirement.

**Nō reira, tēnā koutou, tēnā koutou,
tēnā koutou katoa**

Jane Wrightson
Mana Ahungarua
Retirement Commissioner

Statement of responsibility

I am the Retirement Commissioner and responsible for the preparation of Te Ara Ahunga Ora Retirement Commission's financial statements and statement of performance, and for the judgements made in them.

I am responsible for any end-of-year performance information provided by Te Ara Ahunga Ora Retirement Commission under section 19A of the Public Finance Act 1989.

I have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements and the statement of performance fairly reflect the financial position and operations of Te Ara Ahunga Ora Retirement Commission for the year ended 30 June 2022.

Signed



Jane Wrightson
Mana Ahungarua
Retirement Commissioner

5 December 2022



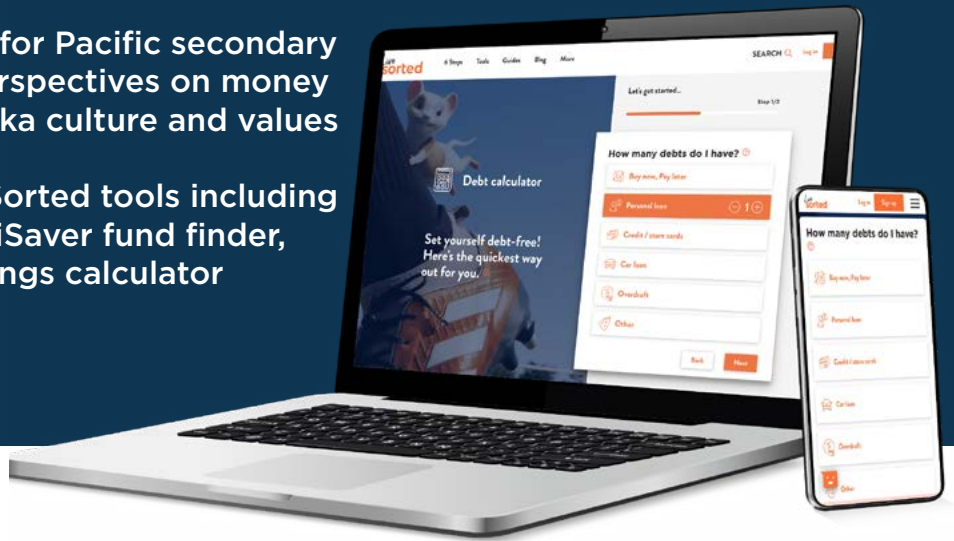
He Tīpako Whakahira Highlights

LAUNCHED:

A new Sorted Pacific Peoples Pathways to Homeownership programme which reached 300+ households in the first year

New learning resources for Pacific secondary school students with perspectives on money specially linked to Pasifika culture and values

Four new or upgraded Sorted tools including the debt calculator, KiwiSaver fund finder, investor profile and savings calculator



DELIVERED:

Live
sorted

Financial tools, guides and blogs, **used by 1.4 million+** on the Sorted website

Te whai hua - kia ora!

sorted
in Schools

Resources used by **68% of secondary schools and kura**

sorted
at Work

199 programmes delivered to **4249 participants**

The **National Strategy**
for Financial Capability

Six webinars to **580+ partners** from the National Strategy for Financial Capability

PROMOTED:

Sorted Money Week 2021 campaign, featuring TVNZ's The Chase, which drove record site visitation and engagement.

A campaign encouraging safer spending and educating people about the potential risks of using buy now, pay later schemes which **achieved 95.9 million impressions**.

A campaign highlighting the financial help offered by some of the **National Strategy community organisations which achieved 14.2 million impressions**.

PUBLISHED:

A comprehensive survey assessing 3000 New Zealanders' financial capability and wellbeing.

Plain language policy papers on NZ Superannuation and KiwiSaver.

A quarterly tracker of insights on New Zealanders' financial confidence and access to financial advice.

Seven research reports on retirement and New Zealanders' financial capability.

SATISFIED:

85%

of New Zealanders find Sorted.org.nz valuable

97%

of teachers agreed they trust the information provided by Te whai hua - kia ora, Sorted in Schools

99%

of participants agreed they trust the information provided in Sorted at Work programmes

97%

of participants agreed Sorted at Work programmes have helped build their financial confidence



CELEBRATED:



Sorted turning 20!

17,073

new sign ups to
Sorted.org.nz

sorted
at Work

26 new
workplaces
signed up



2021 campaign
winning 3 GOLDS
and 1 SILVER at
the Beacon
Awards, and
named a finalist in
the NZ Marketing
Awards

Te whai hua - kia ora!

sorted
in Schools

68%

of secondary schools
and kura throughout
NZ are using Te whai
hua, kia ora - Sorted in
Schools



Becoming a
Toitū carbonreduce
certified agency

ADVOCATED:

Successfully for a fix to be found for superannuitants stranded overseas facing pension payments being stopped and repayments sought.

For the **importance of NZ Super** in the lives of many New Zealanders through a small campaign highlighting the 'power' it brings.

For a **review of the Retirement Villages legislation.**

Tā mātou mahi

What we do

Te Ara Ahunga Ora Retirement Commission is an Autonomous Crown Entity (ACE) which aims to help New Zealanders retire with confidence.

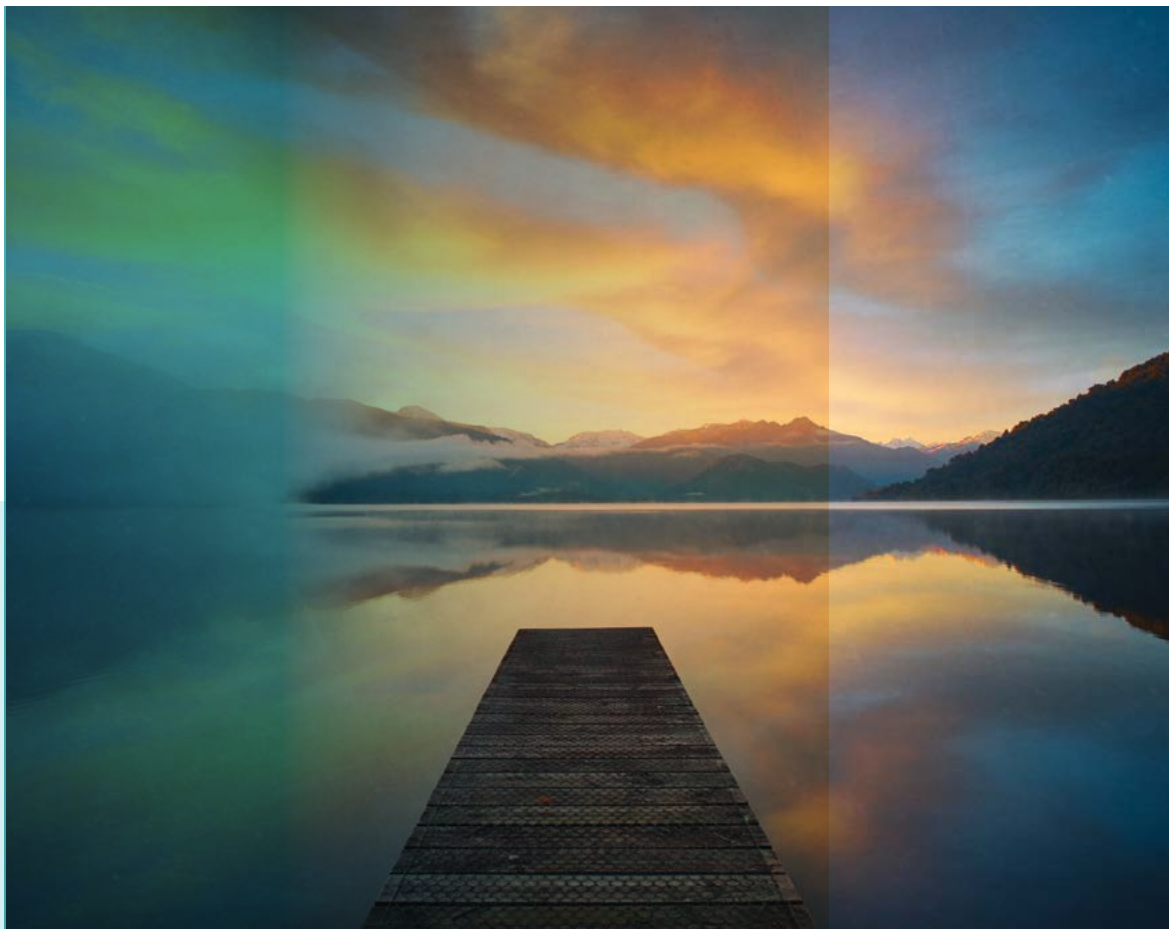
Our work is grouped into three areas: Retirement Policies, Retirement Villages and Financial Capability. We focus our activity around the core objectives of trusted information, informed advocacy, and effective collaboration.

Using this framework we advise government on retirement income policy to ensure New Zealanders have a good standard of living as they age, now and in the future.

We monitor the retirement village regulatory framework on behalf of government, also educating consumers so they can make the best decisions for themselves on retirement village living.

We work with New Zealanders of all ages to help them become financially capable so they feel confident to make good decisions around money at each life stage, and arrive at retirement in good financial shape.

Our annual work programme, as expressed in our Statement of Performance Expectations (SPE)¹, is underpinned by our Statement of Intent 2021 - 2024² (SOI), as well as the Annual Letter of Expectations from the Minister of Commerce and Consumer Affairs.



1 [SPE-2021-2022.pdf \(retirement.govt.nz\)](#)

2 [Statement-of-Intent-2021-2024.pdf \(retirement.govt.nz\)](#)



Tā mātou anga rautaki anga whakatutuki mahi

Our strategic and performance framework

The framework below outlines our plan on a page and succinctly describes why we do what we do, and how we do it. Our strategic framework shows what drives us as an organisation and what we are aiming to achieve. We summarise it, for simplicity, as a plan on a page:

Figure 1: Strategic framework

OUR PURPOSE | TĀ MĀTOU PŪTAKE

To empower the people of Aotearoa on their journeys to a better retirement




OUR VISION | TĀ MĀTOU WHAKAKITENGA

Everyone retires with confidence

OUR MISSION | TĀ MĀTOU KAUPAPA MĀTĀMUA

Provide trusted information, informed advocacy and effective collaboration to improve retirement outcomes for all.





OUR OBJECTIVES | TĀ MĀTOU ARONGA

 Trusted information  Informed advocacy  Effective collaboration

THREE GOALS | WHĀINGA E TORU




Retirement Policies

What we will do: Advocate for a system that serves the diversity of New Zealanders

How we will do it:  Conduct a three-yearly review for government
 Uncover emerging issues and call for action
 Promote debate on retirement challenges
 Drive shared evidence to measure the impact of policy changes




Retirement Villages

What we will do: Oversee a fair regulatory framework

How we will do it:  Flag issues and report on sector trends
 Support dispute resolution
 Tackle issues through sector collaboration

Financial Capability

What we will do: Promote the importance of long-term thinking

How we will do it:  Lead the National Strategy for Financial Capability
 Supply trusted, independent information through Sorted
 Equip stakeholders with insights that add value

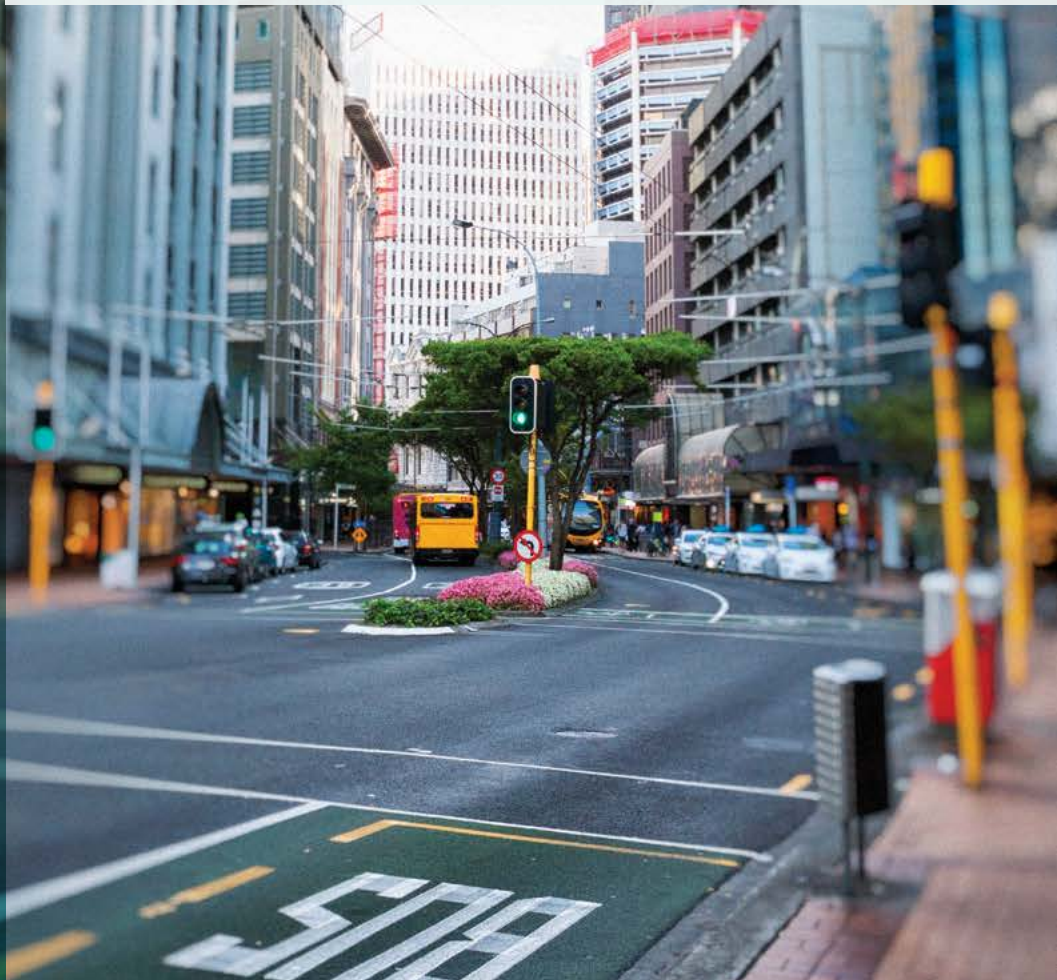


PART 1

Operations

The following pages highlight our activity for the 2021/22 year, tied to how we have performed against the long-term goals identified in our Statement of Intent 2021-2024 and our Statement of Performance Expectations for the year ending 30 June 2022.

This section is broken into our three key work areas: Policy and Research; Retirement Villages and Financial Capability. At the start of each area, we have included a progress summary table which highlights what has been achieved against the SPEs followed by a more detailed account of our activity.







Kaupapahere me te rangahau

Policy and Research

Through research and deep analysis of retirement policy settings we provide robust evidence to the Government and public to advocate for a system that serves the diversity of New Zealanders. We promote informed debate about policies that affect retirees, and what it takes to get New Zealanders financially ready for retirement.

Table 1: Policy and Research progress summary

Long term goal (SOI)	This year's SPE objectives	SPE Progress Summary
Provide robust evidence to help future-proof retirement policy and support current and future retirees	 <p>Trusted information:</p> <p>New Zealand's retirement policy settings are informed by a responsive, ongoing research programme.</p>	<p>Achieved</p> <p>Research programme commenced to begin work on 2022 Review of Retirement Income Policies</p> <p>Seven research papers published on retirees spending habits³ and housing choices⁴ and deep dives on Māori⁵, Pacific Peoples⁶, women⁷ and KiwiSaver non-contributors⁸</p>
	 <p>Informed advocacy:</p> <p>New Zealand's retirement income policies are consistent and coherent.</p>	<p>Achieved</p> <p>Convened two public webinars to encourage discussion on key policy issues facing older New Zealanders⁹</p>
	 <p>Informed advocacy:</p> <p>Public understanding of retirement policy is enhanced by an annual deep dive on at least one important issue.</p>	<p>In progress</p> <p>Deep dive completed on KiwiSaver demographics, highlighting balances across different age groups and genders¹⁰</p> <p>Māori retirement studies to be published in October 2022 after being delayed due to COVID disruption</p>
	 <p>Effective collaboration:</p> <p>Retirement policy issues are the focus of pan-sector government collaboration.</p>	<p>Achieved</p> <p>Led scheduled meetings with senior officials from key Ministries</p> <p>Chaired an expert advisory group</p>

3 Retiree-Spend-10-depths-Anonymised_28_2.pdf (retirement.govt.nz)

4 Diversity-in-housing-experiences-2021.pdf (retirement.govt.nz)

5 NZ-financial-capability_maori.pdf (retirement.govt.nz)

6 Deep-dive-on-Pacific-Peoples-financial-capability.pdf (retirement.govt.nz)

7 Deep-dive-on-womens-financial-capability.pdf (retirement.govt.nz)

8 NZ-financial-capability_KiwiSaver-non-contributors.pdf (retirement.govt.nz)

9 Older Persons Forum | Retirement Commission Te Ara Ahunga Ora

10 New data reveals for the first time largest breakdown of KiwiSaver balances across all ages and genders | Te Ara Ahunga Ora



Research

We ran an ongoing research programme to support our work understanding retirement policy settings and what retirement looks like for current and future retirees. This included publishing seven qualitative and quantitative research reports and working with stakeholders to publish a research plan that reflects sector needs.¹¹

To better understand the financial experiences of those nearing and past superannuation age we conducted some qualitative research of this demographic. The research provided insights into the experiences of work, income, expenses, and financial advice among those close to retirement and those already retired. Of specific interest was how those aged over 65 accessed and spent any savings and income (including KiwiSaver), referred to as 'decumulation'.¹²

We also ran a series of six online or face-face focus groups with people aged 65+ to provide insights to support the 2022 RRIP. Most participants experienced life-shocks or financial drains at some stage in mid-life, but some experienced more, or they were more severe than for other people, consequently impacting on financial wellbeing later in life. However, financial planning and resources played a buffering role.¹³



Policy

2022 Review of Retirement Income Policies

Work on the triennial review of New Zealand's retirement income policies (RRIP) got underway with a comprehensive research and analysis programme developed in response to terms of reference set by the Government.¹⁴ This is a significant undertaking for a very small policy team.

Key topics for the 2022 review relate to three broad areas - New Zealand Superannuation, housing, and private savings including KiwiSaver. We have been asked to give particular focus to the impact current policies have on the retirement savings outcomes and experiences of Māori as Treaty partners, and of Pacific Peoples and women.

In the lead up to the terms of reference being set we had intended to convene an older person's forum to discuss some of the key issues being faced in retirement. However, due to COVID-19 restrictions around hosting in-person events this was turned into two webinars looking at housing and demographic changes.¹⁵

We also began looking at the impact retirement settings have for Māori with work commenced on four academic papers which will be published later in 2022. Again, COVID-19 disrupted the ability to host in-person hui, as originally planned, so an online survey was sent across key Māori networks to seek a broad range of views on what retirement looks like for Māori.¹⁶ The findings of this activity will be incorporated with the wider research and analysis undertaken to inform the recommendations for the final report.

Largest breakdown of KiwiSaver balances by age and gender

We released data gathered from almost three million KiwiSaver members which provided the most comprehensive breakdown by age and gender ever completed. The research highlighted a gender gap in balances in this retirement savings scheme across all ages. Overall, it showed how both sexes' KiwiSaver balances are lagging behind where they would have expected to be at this point. Low balances are of concern and deserve some broader policy consideration by both government and the financial industry.¹⁷

11 [Research-Plan.pdf \(retirement.govt.nz\)](#)

12 [Retiree-Spend-10-depths-Anonymised_28_2.pdf \(retirement.govt.nz\)](#)

13 [Older-Peoples-Voices-Research.pdf \(retirement.govt.nz\)](#)

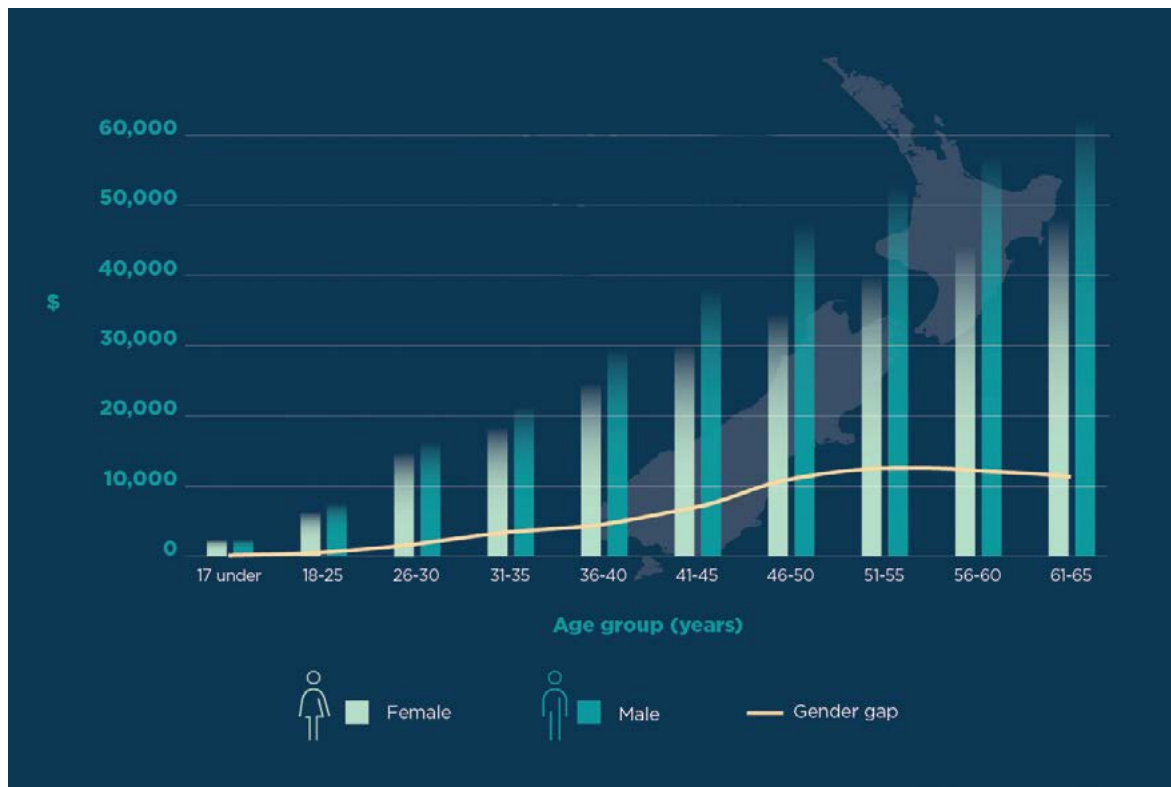
14 [2022 Review of Retirement Income Policies | Retirement Commission Te Ara Ahunga Ora](#)

15 [Older Persons Forum | Retirement Commission Te Ara Ahunga Ora](#)

16 [Nationwide research underway to reveal what retirement looks like for Māori | Retirement Commission Te Ara Ahunga Ora](#)

17 [New data reveals for the first time largest breakdown of KiwiSaver balances across all ages and genders | Retirement Commission Te Ara Ahunga Ora](#)

Figure 2: KiwiSaver gender gap by age group



Advocating for pensioners stranded overseas

The Retirement Commissioner advocated for some kinder policy thinking for New Zealand pensioners who became stranded overseas due to closed borders. Those caught out faced having their pensions stopped once they had been out of the country for 26 weeks and then repayment demands issued after 30 weeks away.

These New Zealanders faced a terrible predicament: no one could have predicted the borders would have been closed for as long as they were, and most experienced significant financial hardship and stress as they navigated their return through a crowded MIQ system.

The Retirement Commissioner asked the Ministry for Social Development (MSD) to review the situation. Fortunately, in the case of those caught out by the trans-Tasman bubble closure, a pragmatic solution was quickly found. However, other superannuitants caught further afield had to grapple with an inflexible and often unsympathetic appeals process to challenge repayment demands.

It took sustained advocacy from the Retirement Commissioner and others to get the situation looked at afresh. In the coming year we intend to examine the settings around NZ Super and the processes around it.



Highlighting the value of NZ Super

As part of our advocacy work connected to the 2022 RRIP we have encouraged regular conversation about the value NZ Super plays in helping older New Zealanders to contribute to their communities and their whānau. The cost of NZ Super is often talked about; the value much less often. We worked with illustrator Ross Murray to create portraits of four people and then brought their stories to life in animated videos voiced by their friends, grandchildren, and work mates. A series of case studies have also been developed to provide further illustration of how people aged 65 and over are managing different lifestyles.¹⁸



Effective collaboration

We chaired two senior officials group meetings across key government agencies to ensure retirement issues are considered across a range of policy settings, including providing an opportunity to provide feedback on the draft 2022 RRIP recommendations so that proposed workstreams for other agencies could be shaped. This increases the likelihood that recommendations will be supported by Government.




We also chaired an expert advisory group to help test options for systematic improvements to retirement settings. This group was established to support the Retirement Commissioner's introduction to the role in 2020 and was disbanded at the end of 2021. The Retirement Commissioner is considering different governance models in the coming year.

Papakāinga ahungarua

Retirement Villages

We play an independent role overseeing the retirement system for Aotearoa. We support residents living in retirement villages with regular analysis of complaints data, and advocate for changes to the regulatory system when issues are identified.

Table 2: Retirement Villages progress summary

Long term goal (SOI)	This year's SPE objectives	SPE Progress Summary
Maintain a competent and independent regulatory regime.	 <p>Trusted information:</p> <p>Retirement village monitoring and sector insights are readily available for stakeholders.</p>	<p>Achieved</p> <p>Published summary report with recommendations to review the Retirement Villages legislative framework</p> <p>Published papers on options to standardise Occupation Right Agreements, and the disputes scheme</p>
	 <p>Trusted information:</p> <p>Impartial information about retirement villages, for current and future retirees, is well-targeted and widely available.</p>	<p>Achieved</p> <p>Updated a range of resources on Sorted.org.nz</p> <p>Revised brochures</p>
	 <p>Informed advocacy:</p> <p>Village residents and their families can access a disputes process.</p>	<p>Achieved</p> <p>Ensured clear information is available to access two-tier complaints and disputes process¹⁹</p>



Final report of summary and recommendations for legislative framework

We published a report with recommendations following our public consultation on the 2020 White Paper²⁰ which studied the effects of the legal framework governing the retirement village sector. This White Paper Summary Report²¹ called for the Government to undertake an urgent review of the legislation, citing it as being at risk of becoming outdated and unfit for purpose. The review of the legislation is currently with the Ministry of Housing and Urban Development, which will lead this work.

Annual investigation report – Occupation Right Agreement

Our annual retirement villages investigation report investigated if a standardised Occupation Right Agreement (ORA) could be possible.²² This followed feedback received from the 2020 White Paper and a recommendation in the White Paper Summary Report to “review introducing a standard form, plain language ORA for sector-wide use”. The paper concluded a standardised ORA for general terms was feasible.

¹⁹ Complaints and disputes | Retirement Commission Te Ara Ahunga Ora

²⁰ RV-whitepaper-2020-Final.pdf (retirement.govt.nz)

²¹ RV-White-Paper-Report-2021-.pdf (retirement.govt.nz)

²² Annual-Investigation-Report_2021_22.pdf (retirement.govt.nz)

The Retirement Villages Stakeholders Forum to discuss the findings of this paper, and other activity relating to the sector, was postponed due to COVID-19 (for the second year) and finally took place in August 2022.

Retirement villages information

We refreshed a range of our resources on Sorted.org.nz to support people planning for their retirement which included updated retirement villages information. This included updating guides for when people are thinking of living in a retirement village²³, with information around tips for choosing the right village, key terms to know, seeking legal advice and other relevant resources. We also updated our printed resources on the topic which are in brochure booklet format.

A two-part webinar series was also uploaded to provide key information for people to use when thinking about moving into a retirement village.²⁴



Informed advocacy

We continued to engage with a variety of stakeholders including Retirement Villages Association (RVA), Retirement Village Residents Association (RVR), the Commerce Commission, Consumer NZ, Ministry of Housing and Urban Development, and the Government Centre for Disputes Resolution.

The Retirement Commissioner wrote to the Associate Minister of Housing asking for the terms of reference for the legislative review to be developed as a priority this calendar year.

The Retirement Commissioner reappointed the Retirement Villages Dispute Panellists for a further term of three years through to 12 February 2025.

Disputes process

We provide information for retirement village operators and residents on our website relating to the two-tier complaints and disputes process, as well as a place for people to call or email.

Through our complaints reporting system we are able to track trends and report on themes in our advice to Government. We also administer the Retirement Villages Act disputes panel process for when complaints cannot be resolved at a village level.

Retirement villages complaints and disputes: an assessment

Following on from the White Paper Summary Report, we published a study focused on better understanding options proposed as improvements to the current retirement villages complaints and disputes process. We considered these against the Aotearoa Best Practice Disputes Resolution Framework and also held a workshop in May 2022 with various stakeholders involved in the complaints and disputes process. This feedback was incorporated into the report along with some proposed options for improving the current scheme.²⁵

23 [When you're thinking of living in a retirement village » Sorted](#)

24 [Living in a retirement village: what you need to know | Retirement Commission Te Ara Ahunga Ora](#)

25 [Complaints-and-Disputes_an-assessment.pdf \(retirement.govt.nz\)](#)

Āheinga ahumoni

Financial Capability

Te Ara Ahunga Ora translates to ‘the pathway to developing long-term wellbeing’. We recognise that being able to retire with confidence requires a journey, gradually enhancing our financial capability as we step through various life stages. The earlier this can start the better.

Table 3: Financial capability progress summary

Long term goal (SOI)	This year’s SPE objectives	SPE Progress Summary
Provide trusted and independent information about retirement.	 <p>Trusted information:</p> <p>Broaden Sorted to focus on younger New Zealanders (18-35 years), specifically Māori, Pacific People and women.</p>	<p>Partly achieved</p> <p>85% of Sorted users (including Māori, and Pacific People) find the website valuable</p> <p>Four new or upgraded Sorted tools developed</p> <p>More work needed on developing an approach for young Māori on the Sorted website</p>
	 <p>Informed advocacy:</p> <p>Share financial capability insights and research with key stakeholders on a regular basis.</p>	<p>Achieved</p> <p>Published a comprehensive survey of 3000 New Zealanders’ financial confidence</p>
	 <p>Effective collaboration:</p> <p>The National Strategy for Financial Capability is relevant and supported by the sector.</p>	<p>Achieved</p> <p>Published annual report of key activity of collaboration on first year of the strategy</p> <p>Regular, strong engagement and attendance at webinars hosted throughout the year</p>

Trusted information

Sorted

Sorted marked 20 years of being the trusted and independent place New Zealanders can go to for personal money matters. It has continuously delivered on its purpose to inspire and enable New Zealanders to live, feel and be financially well now and in the future.

Our flagship website is sorted.org.nz, with associated sites such as sortedinschools.org.nz and smartinvestor.sorted.org.nz.

Continuous improvement of our Sorted tools resulted in four new or upgraded tools being released this year including a debt calculator, KiwiSaver fund finder, investor profile, retirement planner, savings calculator and KiwiSaver calculator. We were able to fund



these technology upgrades for Sorted but are finding it increasingly difficult to adequately resource marketing activity on a variety of platforms, which is essential to drive people to the website.

We surveyed more than 3000 Sorted users to gather a range of insights on how they are using the website's tools, guides and blogs and what additional content they would like to see.

85%

of those surveyed find the website valuable to help manage their finances

87%

of Māori surveyed find the website valuable to help manage their finances

89%

of Pacific Peoples surveyed find the website valuable to help manage their finances

Developing new approaches for young Māori

Throughout the year we undertook a research project to gather insights to better understand young Māori audiences. This included information from the Sorted website user survey and a deep dive into the data gathered for our

quarterly insights tracker of New Zealanders' financial confidence and access to financial advice.²⁶ We developed Pūtea Sorted for Sorted Money Week which featured te reo and Māori focused content. In the coming year we will be expanding on these efforts to ensure the Sorted.org.nz website better serves young Māori.



Money Week 2021

Building on the previous year's success, the theme 'Just wondering' was used again for 2021, encouraging New Zealanders to send their money questions to Sorted and receive personal answers.

The marketing campaign included partnering with TVNZ's The Chase and putting Paul 'The Sinnerman' Sinha to the test - demonstrating that even the smartest people in the room don't have all the answers when it comes to money.

The clever integration went on to win three golds and a silver at the Beacon Awards and was named a finalist in the TVNZ NZ Marketing Awards.

Sorted in Communities

New pathways to Pacific home ownership.

We launched a new programme which will help 1200 Pacific households over the next three years on their journey to home ownership.²⁷

The Ministry for Pacific Peoples provided funding of \$2.64 million to develop the Sorted Pacific Peoples Pathways to Home Ownership programme in response to the growing housing needs of Pacific people in Aotearoa. The course



covers different home ownership options, how to make a money plan and be ready for the unexpected.

A pilot held in December 2021 received overwhelmingly positive feedback and since the roll out 305 households have been through the programme in the 2021/22 year.

Surveys of participants have continued to attract glowing reviews of the initiative with 96% of participants agreeing they trust the information provided in the programme, 94% of participants agreeing that the course material was high quality and 92% of participants saying they would recommend the course to friends, family, or colleagues.

Sorted Kāinga Ora continues to make a difference

Sorted Kāinga Ora is an award-winning programme developed by Te Ara Ahunga Ora and Te Puni Kōkiri. The programme focuses on building the financial capability of whānau so they can make choices about how to meet their housing aspirations. By building the financial capability of whānau, the programme helps to develop healthy financial habits and have conversations about money. The programme is delivered by rōpū contracted by Te Puni Kōkiri using facilitators trained and quality assured by Te Ara Ahunga Ora. More than 330 members of the community completed the Sorted Kāinga Ora programme during 2021/2022 which is an exceptional result given the challenges of COVID-19.



27 Pacific Peoples Pathways to Homeownership | Retirement Commission Te Ara Ahunga Ora

Te whai hua - kia ora, Sorted in Schools

We have now been delivering Te whai hua - kia ora, Sorted in Schools for three years and 68% of New Zealand secondary schools and kura have used this platform in the last 12 months.

It is the first government-backed financial education programme fully aligned with the curriculum. It is taught as part of day-to-day classes in subjects as diverse as maths, social sciences, technology, English and health. We develop resources covering topics ranging from debt and money management to KiwiSaver and insurance, and train teachers to deliver the content.

Through independent assessments we know 68% of schools and kura have used Te whai hua - kia ora, and 95% of teachers value it as a financial capability programme they like to use.



New resources for Pacific secondary students

We launched the country's first Pacific-focused financial resources aimed at secondary school students from Pacific backgrounds and linked to the New Zealand curriculum.

The 'Navigating our financial future - Pacific edition' resources teach students about money while weaving Pacific values, stories and voices into the learning activities.

Students can choose from a Pacific-inspired online game - Motu Quest; video interviews and stories of Pacific Peoples' financial journeys, with Money Stories - Pacific edition; and a student self-directed planner, providing an overview of financial capability topics.²⁸

Inland Revenue partnership

We developed a new learning taxation module in partnership with Inland Revenue, Te Tari Taake (IRD). The module provides specialised tax information for Year 9 and 10 students aligned to the NZ Curriculum. The resources have been designed so students better understand tax in preparation for their working lives.²⁹

Sorted at Work

Our Sorted at Work programme includes a suite of courses and seminars designed to lift the financial capability of employees. With

COVID-19 restrictions in place throughout much of the year we continued to offer online programmes for workplaces.

Almost 200 Sorted at Work programmes were delivered to more than 4000 participants. We attracted 26 new organisations this year and now have 99 Sorted at Work partners.

Through post-programme assessments we found 97% of participants said they had built financial confidence, 97% value the Sorted at Work programme, 99% trust the information provided and 97% were motivated to take action following attending.

28 Motu Quest | Sorted in Schools

29 Resources | Sorted in Schools





Effective collaboration

He Rautaki-ā-motu mō te Āheitanga Ahumoni

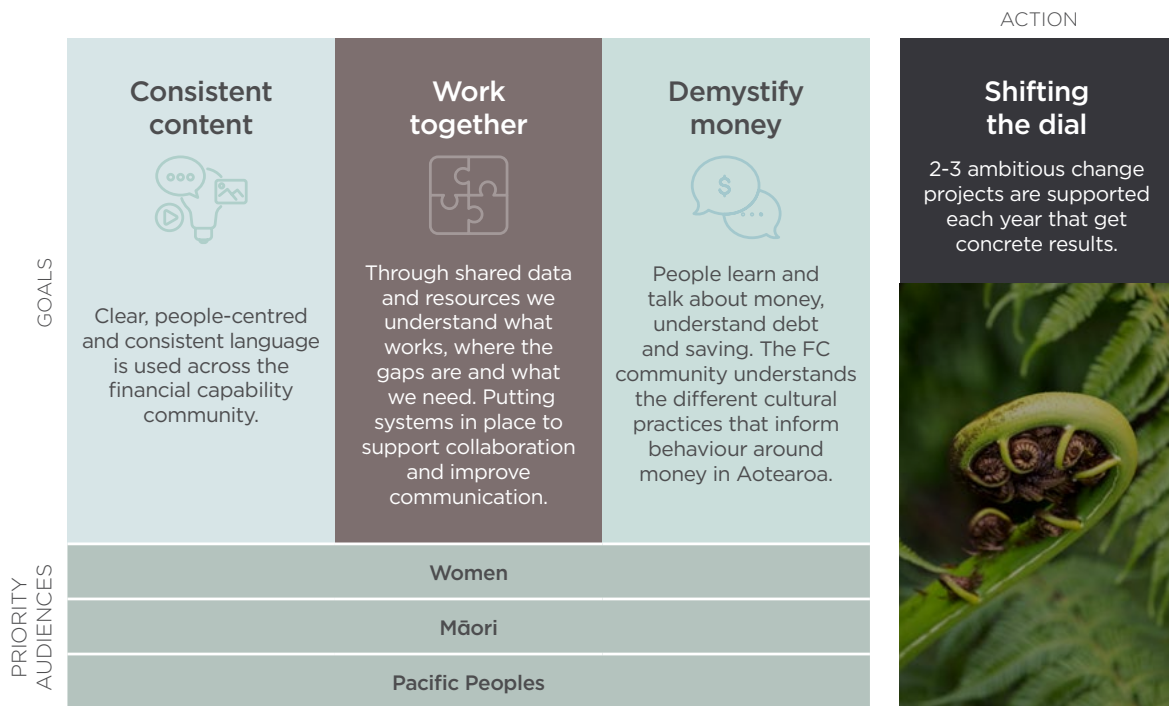
National Strategy for Financial Capability

The financial services sector has rallied behind the first year of the National Strategy for Financial Capability supporting a range of initiatives to help New Zealanders better understand money. We now have more than 500 partners involved with the strategy across community, iwi, government and business.

We have published a separate annual report with more of the highlights of the activity undertaken in the first year of the National Strategy of Financial Capability.³⁰

Figure 3: National Strategy summary

He whakarāpopototanga o te rautaki-ā-motu The National Strategy in a nutshell



30 National-Strategy-Annual-report-21-22.pdf (retirement.govt.nz)



Informed advocacy

National Financial Capability Survey

We conducted an extensive survey of 3000 New Zealanders to gain a greater understanding of the behaviours, knowledge and attitudes the population has relating to money. The study is a deep dive into the 21 internationally recognised components of financial capability and highlighted the importance of increasing financial knowledge to achieve financial wellbeing.³¹ Findings from the study were shared widely with National Strategy partners and fed into a number of projects that aim to help Kiwis manage money well.

A further three papers were released utilising these findings and focused on the National Strategy for Financial Capability's three priority audiences – women, Māori and Pacific Peoples. One final paper utilising this data was also published to better understand KiwiSaver non-contributors.³²

Sharing insights through webinars

We ran a series of sector webinars throughout the year discussing new financial capability insights. More than 580 National Strategy partners registered for the webinars and heard findings of our own research as well as from our partners on various topics including how New Zealanders' finances fared during the late 2021 lockdown.



Effective collaboration

It Starts With Action campaign

One of the many highlights this year included the impressive mahi of the Financial Services Council, working with Women in Super, which took up the Retirement Commissioner's challenge to shift the dial for women and their financial capability. Women are one of the three target audiences in the National Strategy. The *It Starts With Action* campaign launched in May 2022 as a call for the industry to come together and make impactful change.³³ The FSC reported more than 100 entities supported the campaign, 1700 industry members undertook related activities, and 1.6 million New Zealanders were reached. It was a defining moment for women working in a male-dominated industry and the FSC concluded the campaign with a formal action plan.

Safer spending and help campaign

We also joined forces with some of our community partners on a campaign to

encourage safer spending when using buy now, pay later schemes, and highlighting where people can go to if they've got into bad debt. We promoted the support Ngā Tāngata Microfinance, Good Shepherd NZ, Christians Against Poverty (CAP), and FinCap offer to those in need, including access to free advice, interest free loans, and help navigating Work and Income processes and entitlements.

De-jargoning money

Twenty partners took part in a working group to collaborate on a new industry glossary of consistent financial terms which will help demystify money for New Zealanders. The glossary was repeatedly asked for in our consultation as we developed the National Strategy and will be released in 2023. This project is an ambitious undertaking, and we will need the sector's active support in the coming year to implement change.

31 Latest Financial Capability Study Proves Knowledge Is Power, with positive findings for Māori. | Retirement Commission Te Ara Ahunga Ora

32 Financial Capability Research | Retirement Commission Te Ara Ahunga Ora

33 It Starts With Action | Home (fsc.org.nz)

Whanaketanga Māori

Māori Development

Our Māori development Whanaketanga Māori focus this year was on progressing the cultural capability of our kaimahi. This has been a significant commitment.

We continued to deliver Te whai hua – kia ora, our specially developed financial education programme, into kura Māori. More than 80% of kura throughout Aotearoa have registered for the programme to support our ākonga with their financial futures.

We have also given important focus on Māori issues in the RRIP with research and analysis beginning on four academic papers addressing the question ‘What does retirement look like for Māori?’ (as referenced in the Policy section).

We will finalise a rautaki Māori next year, after consultation, that will include both internal and external goals for our organisation.

Cultural capability

Work to develop the cultural capability of our kaimahi through a weekly training programme was facilitated by our Kaihautū. Topics included understanding the role of a Crown agency as a Treaty partner, Te Tiriti o Waitangi/The Treaty of Waitangi, the He Awa Whiria: Braided Rivers model, a deeper learning around significant events like Waitangi Day or Matariki, te ao Māori concepts and values, and workshops to support the development of the rautaki Māori.

There has been an overwhelmingly positive response to the cultural capability development undertaken within the organisation. Surveying undertaken in January 2021 and June 2022 has showed that kaimahi are more confident in a range of areas including mihi, pronunciation, practicing tikanga in the office and at meetings and in their ability to explain Māori concepts e.g. mana and kaitiakitanga. In the 2022 survey, 100% agreed that the cultural capability programme improved understanding of and responsibilities to te ao Māori.

Kaimahi also embraced the opportunity to take twice weekly reo classes facilitated through an external provider. Staff have been broken into smaller groups to suit the stage they are at in their reo journey.



Te hauora me ngā āheinga o te whakahaere

Organisational Health and Capability

Our people

Our overarching vision for our people is a workforce that is *empowered, engaged, high-performing* and *lives our values*. Our four organisational values guide our People and Culture Strategy (FY23-25), which has four broad goals:

1. **Building capability:** Identify, invest in, and develop our future leaders and specialists.
2. **Diversity, Equity & Inclusion:** Build a diverse workforce and an inclusive culture where people feel a sense of belonging, differences are celebrated, and people feel safe and supported to speak up and voice their opinions.
3. **Engagement:** Our employees are highly engaged and high performing. Our employees value the employee-centric approach we take towards flexibility and work well remotely. Our employees value the proactive approach we take to support their health and wellbeing.
4. **Values:** Our culture is one where our people's behaviours are aligned to our values, our teams work well together, and courageous conversations are held.

Building capability

Our performance and development review framework focuses on performance, behaviours and development. Individuals identify annual performance and development goals, as well as goals relating to demonstrating our values. We develop an annual organisational learning and development plan that focuses on common development goals, organisational objectives, and our employee engagement action plan. We also invested in specialist training including project management, ICT, and governance.

Diversity, equity and inclusion

One of our people goals is to continue to build a diverse workforce and an inclusive culture where people feel a sense of belonging and feel safe to bring their whole selves to work. We use the Public Service Commission's Papa Pounamu Diversity & Inclusion framework to guide our work in this area.

- **Cultural competence:** as noted in the previous section our cultural capability programme is led by our Kaihautū, with very high staff participation rates, and staff reporting that they feel the programme has improved our team's understanding of and responsibilities to te ao Māori.
- **Addressing bias:** an action in our FY23 DE&I action plan is to provide unconscious bias training to all staff in FY23.
- **Inclusive leadership:** we invested in tailored leadership training for our Leadership Team and Leads.
- **Building relationships:** we came together regularly as a team to build relationships and celebrate our diversity. We celebrated all Pacific Language Weeks and Te wiki o te reo Māori; we also participated in Mental Health Awareness Week and Pink Shirt Day.
- **Employee-led networks:** we supported our first employee-led network, focused on women. Our leaders support this work by enabling members to attend meetings during work time, contributing expertise where needed, and providing executive sponsorship where required.



We have set goals around the Public Service Commission's Kia Toipoto pay gaps action plan. As part of this commitment, and also considering our core purpose of good retirement outcomes, we:

- introduced a policy to continue employer KiwiSaver contributions for new parents taking primary carer's parental leave
- introduced a policy providing paid parental leave for partners
- formed a DE&I working group to develop a two-year DE&I action plan next year

Engagement

Our annual employee engagement survey showed an improvement of 7 points from -4 (up from -7 in 2021 and -40 in 2020). While short of our +5 target, we were pleased to see improvements across 11 areas.

Our biggest areas of improvement were:

29% increase

I feel comfortable sharing my ideas and opinions

18% increase

I feel like I am part of the team

22% increase

I have the tools, technology, and equipment to perform my job well

Our areas of strength were:

97%

I feel comfortable sharing my ideas and opinions

I feel like I am part of the team

My manager provides me with constructive and useful feedback

90%

The LT at TAAO have communicated a vision that motivates me

I feel well informed about what is happening in the organisation





My manager's actions align with our organisational values

Values

Our team has focused throughout the year on embedding our values and behaviours into all of our work and working relationships.

Each quarter we celebrate outstanding examples of individuals living the values through a team member rewards and recognition programme, Pae o Mihi Awards, which has been running since 2021.

Figure 4: Team values

 <p>Kia manawanui Let Us Be Big Hearted</p>	<p>We act with kindness, empathy, aroha and courage. We think beyond ourselves to achieve better outcomes for all. We pursue positive and innovative change.</p>
 <p>Me hoe taki We Paddle As One</p>	<p>We are stronger together. We continuously seek ways to collaborate and bring people together. We respect the value that every person and stakeholder brings to the table.</p>
 <p>E tipu, e rea We Grab The Best Of Both Worlds To Flourish</p>	<p>We embrace the best of both worlds and consider diverse cultural perspectives in our everyday work and actions. We lay the foundations for a more inclusive future.</p>
 <p>He taonga te pono We Treasure Truth</p>	<p>We are honest. We act with integrity and authenticity in everything we do. You can look to us for trusted information, honesty and guidance.</p>

Sustainability commitments

We are proud to have achieved Toitū carbonreduce certification following an audit of our emissions for the year ended 30 June 2021 (in which we recorded 45.6 tCO₂e). Our main emissions sources are related to domestic air travel and we have made a commitment to reducing these carbon emissions as part of our overall plan of reduced carbon emissions by 2025. Our 30 June 2022 Toitū audit result is a step towards that commitment, for the year end 30 June 2022 we recorded 27.2 tCO₂e (a 40% reduction compared to base year FY21).





Staff profile and metrics

We have 35 permanent employees. The team profile and some of the key metrics we track are detailed below.

Table 4: Team metrics

Key metrics	2021/2022	2020/2021	2019/2020	2018/2019
Full time	91%	86%	77%	91%
Part time	9%	14%	23%	9%
Women	86%	81%	74%	69%
Men	14%	19%	26%	31%

Figure 5: Age

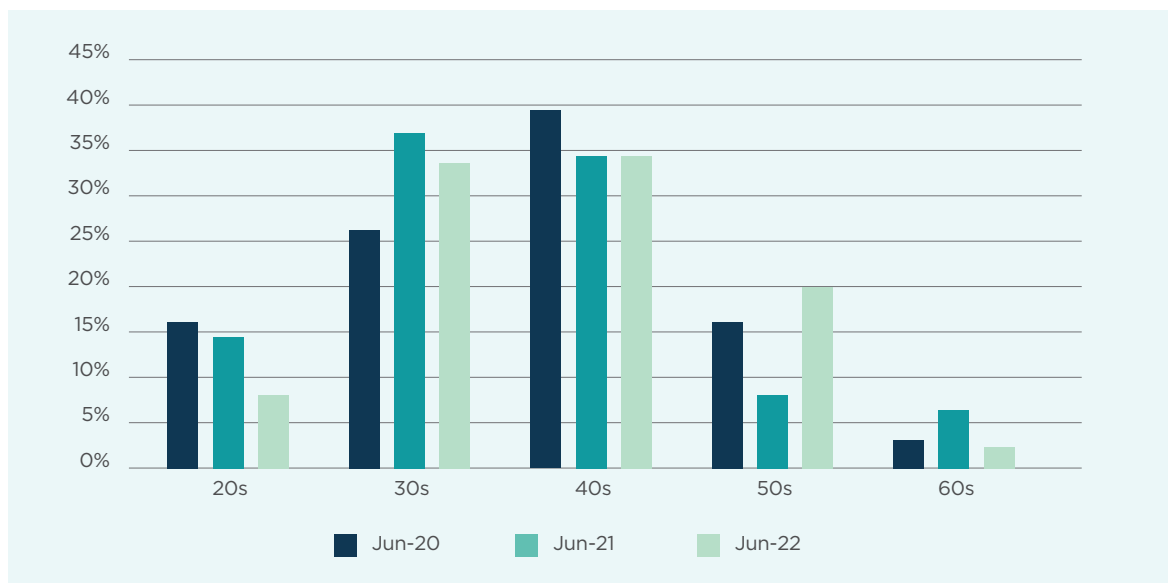


Figure 6: Average length of service (years)

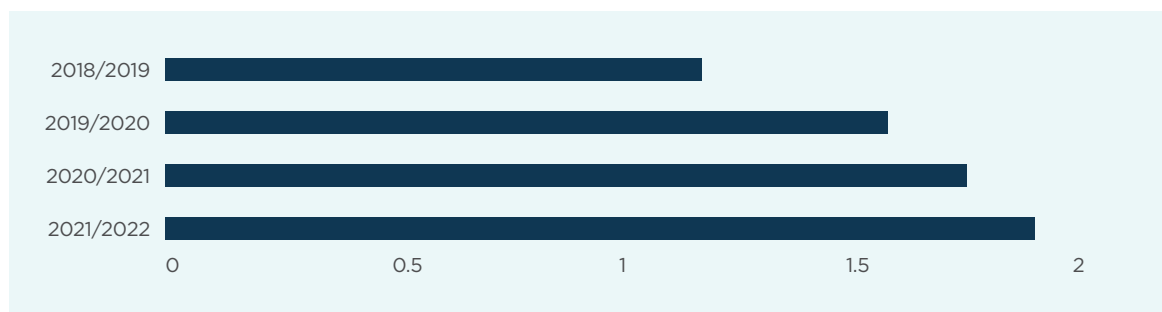


Figure 7: Ethnicity

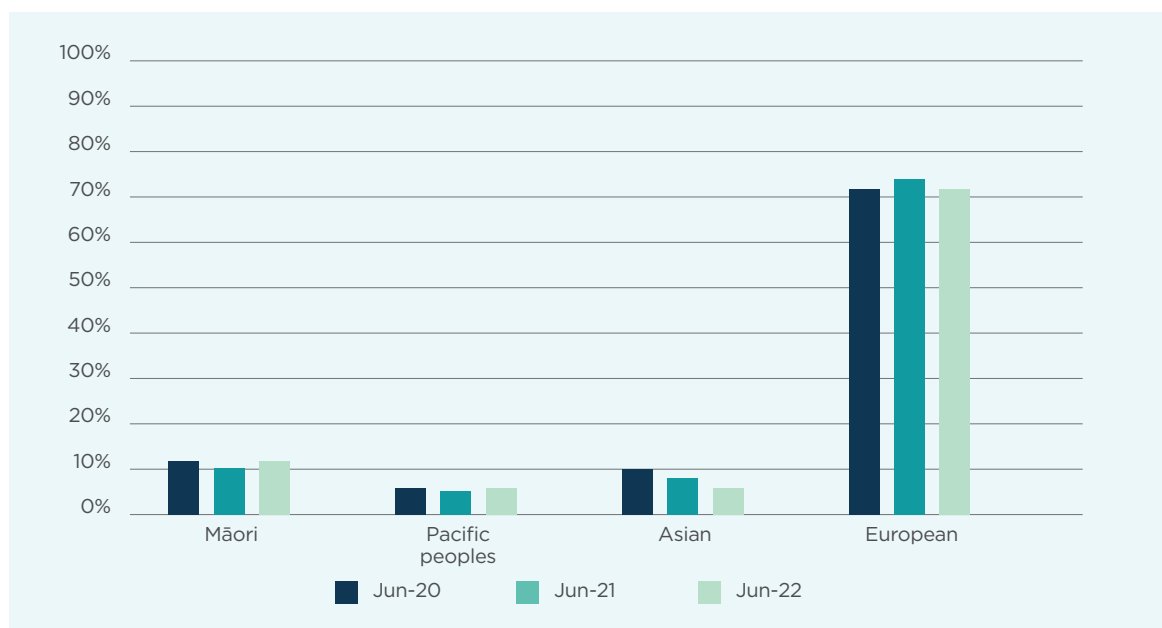


Table 5: Pay gaps³⁴

	Gender*		Ethnic**	
	Jun 2022	Jun 2021	Jun 2022	Jun 2021
Median	26%	23%	18%	15%
Mean	20%	11%	12%	15%

* (median male - median female)/median male and (mean male - mean female)/mean male

** (median non-Māori, Pacific, Asian - median Māori, Pacific, Asian)/median non-Māori, Pacific, Asian; (mean non-Māori, Pacific, Asian - mean Māori, Pacific, Asian)/mean non-Māori, Pacific, Asian

³⁴ Given the small number of employees (under 100) these percentages are indicators only. Statistics NZ notes that to calculate all gender pay measures (organisation-wide, by-level, and like-for-like jobs, and gender representation), an organisation should have at least 100 employees, including a minimum of 20 women and 20 men.

Statutory disclosure payments to employees

Employee remuneration

During the 12-month period ended 30 June 2022, 21 employees and former employees (2020/21: 17) received remuneration (salary, bonuses and other benefits such as superannuation) in excess of \$100,000 per annum.

Remuneration Paid or Payable	# Employees	# Employees
	2021/22	2020/21
\$100,000-\$109,999	3	4
\$110,000-\$119,999	2	2
\$120,000-\$129,999	5	1
\$140,000-\$149,999	5	4
\$150,000-\$159,999	1	2
\$170,000-\$179,999	0	1
\$180,000-\$189,999	2	0
\$220,000-\$229,999	1	1
\$250,000-\$259,999	1	1
\$290,000-\$299,999	0	1
\$330,000-\$339,000	1	0
Total Number of Employees	21	17

During the 12-month period ending 30 June 2022, 0 employees received compensation and other benefits in relation to cessation (2020/21: 1 employee totalling \$5,000), and 0 employees received redundancy payments as per their employment agreement (2020/21: 3 employees totalling \$129,462).

This disclosure is made in accordance with Crown Entities Act 2004, s152.



Performance measures

Our organisational health and capability measures are progressing favourably against our annual goals and form the core of good employer practice.

Table 6: Health and capability measures

Long term goal (SOI)	This year's objective	2021/22 target	2021/22 actual	2020/2021 actual
A safe and healthy workplace for all staff	Workplace hazards are identified, reported and addressed.	100% of hazards reported have a documented mitigation strategy	Achieved. Two hazards reported, strategy documented and actioned.	Achieved. 100% of hazards reported have a documented mitigation strategy.
	At least one internal wellbeing initiative is undertaken.	Achieve	Achieved. Exceeded, ran 4+ initiatives, including Pacific Language Weeks and Te wiki o te reo Māori; we also participated in Mental Health Awareness Week and Pink Shirt Day.	Achieved (3). Flexible Workplace Policy approved and implemented, Workplace Step Challenge, Virtual Round the Bays.
A high performing, engaged team aligned with our vision and mission	Engagement survey results show year on year improvement in Employee Net Promoter (ENP) Score indicator.	+5	Not Achieved -4. ENP's score increased by 7 points overall, with significant improvements made across 11 areas.	Achieved. Baseline established. Engagement survey result for this indicator: -11, up from -40 in 2020.
	Engagement survey results show year on year improvement in the indicator: <i>Employees feel well informed about the direction, strategy and activities for the Te Ara Ahunga Ora.</i>	Greater than 70%	Achieved. 86% Strongly Agree or Agree (up from 78.6% in 2021).	Achieved. Baseline established. Engagement survey result for this indicator: 78.6% Strongly Agree or Agree (up from 28% in 2020).
A collaborative culture where everyone's contribution is valued, and each team member is empowered to do a great job	A formal team member recognition programme is in place.	Achieve	Achieved. Quarterly Pae o Mihi Recognition Programme continued.	Achieved. Pae o Mihi - Recognition and Reward Programme developed for 2021 launch.
Strengthened individual, leadership and organisational capability through career progression and professional development opportunities	An annual learning and development plan is in place for the organisation.	Achieve	Achieved. Annual Professional Learning and Development (PLD) plan developed and executed.	Achieved. Learning and Development Plan approved and implemented. Cultural capability, leadership development, and project management identified as key organisational priorities.
	A cultural competency training programme improves our team's understanding of and responsibilities to te ao Māori.	Achieve	Achieved. Survey to benchmark confidence and awareness levels conducted Jan 21, follow up survey June 22 (see page 38). Demonstrated improved understanding of and responsibilities to te ao Māori.	New measure.
Recruitment, training and remuneration policies and practices support us to attract and retain skilled, flexible and adaptable team players	Employee turnover is 15% or less each year.	15% or less	Not Achieved. 35% turnover ³⁵ . Mirrors rates in the public service and wider workforce trends related to COVID-19.	Achieved. 11% turnover.
	Salary benchmarking is conducted biennially to ensure employees are remunerated fairly.	Achieve	Achieved. Biennial benchmarking conducted by Strategic Pay.	Not applicable because not required to do in this financial year. Done biennially (next survey in 2021/22).

35 Turnover is calculated by dividing the number of separations (excluding redundancy and fixed term contracts) by average headcount (the average of the headcount at the start of the FY and the end of the FY).

PART 2
**Performance
information**



TAUAKI WHAKATUTUKINGA

Statement of performance

The information below explains the allocated funding for 2021/22 by government appropriation, the statutory requirements it is intended to fund, and how we have performed against those requirements.

Statement of appropriation

Appropriation: Commerce and Consumer Affairs: Retirement Commissioner (M13) (A17)

This appropriation is limited to services from the Retirement Commissioner to comply with responsibilities under Part 4 of the New Zealand Superannuation and Retirement Income Act 2021 and Parts 3, 4 and 5 of the Retirement Villages Act 2003. These include improving the level of financial capability, raise public understanding of, and reviewing the effectiveness of, retirement income policies, and carry out the statutory functions as required in the Retirement Villages Act 2003.

Funding from the Crown for the 2021/22 year was received as a single appropriation of \$8,622,000. In addition to Crown appropriation, Te Ara Ahunga Ora Retirement Commission also received a further \$814,355 in interest and other sources.

The allocation of this funding and expenditure across our three workstreams is shown below:

Allocation of Revenue/Expenditure	Actual 2021/22	Budget 2021/22
Revenue		
Financial Capability	\$7,769,235	\$7,804,880
Retirement Income Policy	\$1,452,120	\$1,452,120
Retirement Villages	\$215,000	\$215,000
Total Revenue	\$9,436,355	\$9,472,000
Expenditure		
Financial Capability	\$6,546,052	\$7,367,140
Retirement Income Policy	\$1,796,442	\$1,892,672
Retirement Villages	\$361,089	\$423,302
Total Expenditure	\$8,703,583	\$9,683,114
Surplus/(Deficit)	\$732,772	(\$211,114)

In accordance with section 19c of the Public Finance Act 1989 Te Ara Ahunga Ora provides performance reporting under the following output classes:

- Financial Capability
- Retirement Income
- Retirement Villages

Actual 2021/22 Financial Capability Revenue comprises \$6,954,880 from our Crown Appropriation, \$763,874 of Other Revenue (100% allocation to this Output Class as revenues were for delivery of financial capability programmes in workplaces and communities), and \$50,481 Interest Revenue (100% allocation to this Output Class as the interest relates to revenues received for Te Ara Ahunga Ora's financial capability programme that are unspent at time of investment or carried over from prior years).

Actual 2021/22 Retirement Income Revenue comprises \$1,452,120 from our Crown Appropriation.

Actual 2021/22 Retirement Villages Revenue comprises \$215,000 from our Crown Appropriation.

Expenditure includes both direct and indirect expenditure. The allocation of expenditure to outputs is reviewed annually and based on the breakdown of workstreams, staff and the estimate of time spent on each output.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve the increase in financial capability and the confidence of New Zealanders, across a lifetime, putting them in the best possible position to reach their life goals and reach retirement in good financial health.³⁶

Please refer to Note 19 of the Financial Statements for detailed information relating to the surplus against budget.

Performance assessment

Performance against appropriation measures

Our performance against appropriation measures is summarised below. Performance against operating targets is discussed in the next section.

Table 7: Results against appropriation measures

Assessment of Performance	Actual 2021/22	Target 2021/22	Actual 2020/21
Te Ara Ahunga Ora Retirement Commission's actions lead to increasing the financial capability of New Zealanders ³⁷	Achieved (see Note 1)	Achieved	Achieved
Increased participation in public discussions on retirement savings and planning, and the issues surrounding New Zealand's retirement income policy	Achieved	Achieved	Achieved
Ministerial satisfaction with the Retirement Commissioner's delivery of its functions under the Retirement Villages Act 2003	Satisfied	Satisfied or Very Satisfied	Satisfied

Note 1: This will be measured by Te Ara Ahunga Ora Retirement Commission in the following ways:

Appropriation target	Actual
Over 60% of users feel more confident about money decisions after seeking to improve their financial capability through Sorted.org.nz.	Achieved. 65% based on Sorted user survey (page 38).
Over 85% of users trust the financial capability information provided by Te Ara Ahunga Ora Retirement Commission through Sorted.org.nz.	Achieved. 86% based on Sorted user survey (page 38).
The National Strategy for Financial Capability has active partners working collaboratively and reports successful progress annually, (from its four-year Statement of Intent). The National Strategy serves to unite the financial capability sector to work together. The partners depend on collaborative projects and can include financial mentors, Non-Governmental Organisations, financial services providers and public sector agencies. The Report will include stakeholders and progress on key projects and outcomes for target cohorts.	Achieved. Published Annual Report on National Strategy progress and initiatives for FY22.

³⁶ This statement was updated to better align and reflect Te Ara Ahunga Ora Retirement Commission's Statement of Intent.

³⁷ Updated our name change effective 1 July 2021, from Commission for Financial Capability (CFFC) to Te Ara Ahunga Ora Retirement Commission.

Performance measure results

The tables below report progress against the goals set out in our Statement of Intent 2021-2024 and Statement of Performance Expectations 2021-22.

Retirement Policies




Summary: This work provides evidence and research to inform retirement policy discussion.

Table 8: Retirement Policies progress against SOI long term goal:

Advocate for a system that serves the diversity of New Zealanders.

What we will do	How we will measure impact	How we will do it	2021/22	2020/21
Provide robust evidence to help future-proof retirement policy and support current and future retirees.	The number of recommendations accepted by Government or which attract widespread industry or public support.	Produce a substantial three-yearly report to Government highlighting progress, issues and key themes, distilling information into policy recommendations.	In progress, due for completion in November 2022. (See details page 11, '2022 Review of Retirement Income Policies', and 'Largest breakdown of KiwiSaver balances by age and gender').	N/A. Not a review year.
		Research and produce other relevant data insights, unavailable elsewhere, to inform public and community understanding of issues and trends.	Achieved. (See details pages 11 '2022 Review of Retirement Income Policies' and 13, 'Highlighting the value of NZ Super').	Achieved.
	An annual dashboard and six-monthly data summaries that monitor the impact of retirement policies will be accepted as valuable data.		Not applicable. As reported in the Annual Report 2020/21, did not proceed as work being done by Office for Seniors.	As reported in the Annual Report 2020/21, did not proceed as work being done by Office for Seniors.
		Promote constructive debate around retirement issues.	Achieved. (See details pages 12 'Advocating for pensioners stranded overseas' and p13 'Highlighting the value of NZ Super').	Achieved.
		Ensure information and data relating to later life and retirement matters is collected, available, and shared with organisations that need it.	Achieved. (See details page 11 'research').	Achieved.

Table 9: Retirement Policies: SPE objectives and results

Overarching strategic objective	This year's objective	How we will measure progress	2021/22 target	2021/22 actual	2020/2021 actual
 Trusted Information	New Zealand's retirement policy settings are informed by a responsive, ongoing research programme.	Publish qualitative and quantitative research reports	2	Achieved. Published seven research reports. Refer to page 11.	Achieved. Exceeded target by publishing six reports.
		Consult with stakeholders then publish a research plan that reflects sector needs	Achieve	Achieved. ³⁸ Consulted on, developed and published on Te Ara Ahunga Ora website.	New measure.
 Informed Advocacy	New Zealand's retirement income policies are consistent and coherent.	Convene an Older Persons' Forum in 2021 ahead of conducting the triennial Retirement Income Policies Review in 2022	Achieve	Achieved. Two webinars recorded and available on Te Ara Ahunga Ora website. ³⁹	New measure.
	Public understanding of retirement policy is enhanced by an annual deep dive on at least one important issue.	Research and publish a paper on the impact of retirement settings on Māori	Achieve	Not achieved by 30 June. Work commenced but impacted by COVID-19 delays (published in October 2022).	Achieved. Published Policy Paper 2021/22 New Zealand retirement income policies and how they compare within the OECD.
 Effective Collaboration	Retirement policy issues are the focus of pan-sector government collaboration.	Chair a senior officials' group across key government agencies to ensure retirement issues are considered across a range of policy settings	Achieve	Achieved. Two meetings held in July 21 and Feb 22, with RIPOG members.	Achieved. The Retirement Income Policy Group (RIPOG) was established.
		Chair an expert advisory group to help test options for systemic improvement to retirement settings	Achieve	Achieved. See page 13.	Achieved. Expert Advisory Group (EAG) meetings held in April 2021, August, October, and December 2020).

Retirement Villages

Summary: This work provides independent oversight of the retirement villages regulatory regime.

Table 10: Retirement Villages progress against SOI goal:



Oversee a fair regulatory framework

What we will do	How we will measure impact	How we will do it	2021/22	2020/21
Maintain a competent and independent regulatory regime.	An annual report, drawing on quality data and monitoring trends in the retirement villages sector, will provide insights that lead to constructive debate and change where required.	Produce and encourage quality information and education about retirement villages.	Achieved. (See page 15).	Achieved
		Ensure government and interested parties are aware of trends in the retirement villages sector.	Achieved. (See page 14 and 15).	Achieved
		Ensure village residents can access an independent, robust disputes process.	Achieved. (See page 15).	Achieved
		Collaborate with sector stakeholders to help maintain a robust and respected regulatory framework for retirement villages.	Achieved. (See page 14).	Achieved

38 Research-plan-draft-22.docx (live.com)

39 Older Persons Forum | Retirement Commission Te Ara Ahunga Ora

Table 11: Retirement Villages: SPE objectives and results

Overarching strategic objective	This year's objective	How we will measure progress	2021/22 target	2021/22 actual	2020/2021 actual
 <p>Trusted Information</p>	Retirement Village monitoring and sector insights are readily available for stakeholders.	Publish an annual report that monitors and discusses trends in the retirement villages sector, to extend the availability of the independent public data	Achieve	Achieved. Published, by 30 June 22. ⁴⁰ Refer to page 14.	Achieved. This year's focus area was on the retirement villages framework.
		Deliver final report to Government arising from the consultation process for the Retirement Villages White paper issued in December 2020	Achieve	Achieved. Letter and report to Minister Williams, acknowledgement letter 9 Aug 21, Final White Paper Report ⁴¹ . See page 14.	New measure.
	Impartial information about retirement villages, for current and future retirees, is well-targeted and widely available.	Deliver public information through high quality, engaging online content plus webinar and written material as needed	Achieve	Achieved. Website refreshed and updated, brochure available, number of brochure downloads 997. Number of Webinar Views 178. ⁴²	Achieved. 16 sessions held in the first two quarters. No face-to-face sessions held due to COVID-19 from Q3. Replaced by a two-part webinar, later uploaded to website for ongoing use, plus three videos and written material.
 <p>Informed Advocacy</p>	Village residents and their families can access a disputes process.	Provide residents and their families with informal advice on options for dispute resolution	Achieve	Achieved. Two-step process published on website, able to call/email. ⁴³	Achieved. 0800 helpline (average 12 callers a month). 102 other calls and emails. Providing a precursor to formal disputes and consumer service.
		Approve the appointment of appropriate members to the formal Disputes Panel	Achieve	Achieved. Renewed appointments, refreshed website with panel members.	Achieved. Decisions are available publicly and published on Te Ara Ahunga Ora website. The panel is appointed for a period of three years (the period of appointment was from Feb 2019 - Feb 2022). Therefore, there were no new panel appointments in FY20/21.
		Publish Dispute Panel decision summaries	Achieve	Achieved. Three disputes, details published on website. ⁴⁴	New measure.

40 Annual-Investigation-Report_2021_22.pdf (retirement.govt.nz)

41 RV-White-Paper-Report-2021-.pdf (retirement.govt.nz)

42 Monitoring and reports | Retirement Commission Te Ara Ahunga Ora

43 Complaints and disputes | Retirement Commission Te Ara Ahunga Ora

44 Retirement village complaints & dispute panel decisions | Retirement Commission Te Ara Ahunga Ora

Financial Capability


Summary: This work provides evidence-based independent information and education to help New Zealanders improve their financial capability.



Table 12: Financial capability progress against SOI long term goal:

Promote the importance of long-term thinking

What we will do	How we will measure impact	How we will do it	2021/22	2020/21
Provide trusted and independent information about retirement related matters to help New Zealanders retire with confidence	The National Strategy for Financial Capability has active partners working collaboratively and reports successful progress annually.	Lead the National Strategy for Financial Capability and foster collaboration to achieve its goals.	Achieved. See page 20 'National Strategy for Financial Capability' and page 21 'It Starts With Action', 'Safer spending and help campaign' and 'De-jargonizing money'.	Achieved.
	Sorted remains the market leader for independent information and is widely used.	Ensure Sorted suite of products remain fit for purpose and an information leader.	Achieved. See pages 16 to 19 'Sorted'.	Achieved.
	Te Ara Ahunga Ora senior team members are recognised subject matter experts and are consulted regularly.	Provide independent, robust information that assists partners' initiatives and contributes to government policy.	Achieved. Page 21 'National Financial Capability Survey' and page 21 'Sharing insights and webinars'.	Achieved.

Table 13: Financial Capability: SPE objectives and results

Overarching strategic objective	This year's objective	How we will measure progress	2021/22 target	2021/22 actual	2020/2021 actual
 Trusted information	Broaden Sorted to focus on younger New Zealanders (18-35 years) specifically Māori, Pacific Peoples, and women	Sorted website users find the website valuable to help manage their finances	Greater than 85%	Achieved. 85% total population. Sorted user survey (see page 38 for margin of error information).	Achieved. 93% Baseline established. (Sorted User Survey: 85%).
		Māori find the Sorted website valuable to help manage their finances	Greater than 85%	Achieved. 87% of Māori surveyed find the website valuable to help manage their finances. Sorted user survey (see page 38 for margin of error information).	New measure.
		Pacific People find the Sorted website valuable to help manage their finances	Greater than 85%	Achieved. 89% Pacific People surveyed find the website valuable to help manage their finances. Sorted user survey (see page 38 for margin of error information).	New measure.
		Develop and execute a new approach for the Sorted website to serve younger Māori audiences better	Achieve	Partially Achieved. (See page 17) TRA research on young Māori audiences on website.	New measure.
		Test and evaluate two digital financial capability initiatives, one each for younger New Zealanders and women	Achieve	Achieved. Ran two digital initiatives, a direct-to-consumer webinar for women, and tested use of conversational banners as a new digital advertising format to engage younger people online during Sorted Money Week 2021.	New measure.

		Plan and commence financial capability training to Pacific households via a partnership with the Ministry for Pacific Peoples	Achieve	Achieved. By 30 June 22 delivered programme to 305 households. Cumulative target for 2025 = 1200.	New measure.
		Percentage of secondary schools and Kura using Sorted in Schools	65%	Achieved. 68% using or have used Sorted in Schools in past 12 months.	Achieved. 66.5%
		Develop and launch a package of learning resources for Pacific secondary school students	Achieve	Achieved. Package developed and launched on website and promoted to schools. ⁴⁵	New measure.
 Informed Advocacy	Share financial capability insights and research with key stakeholders on a regular basis	Publish a substantial annual survey assessing NZers' financial capability and wellbeing that will track trends over time	Achieve	Achieved. Conducted FinCap study, survey report on website. ⁴⁶	New measure.
		Present well-received stakeholder webinars/seminars sharing new financial capability insights	2	Achieved. 593 registrations received to attend six webinars on various topics on financial capability research and insights.	New measure.
 Effective collaboration	The National Strategy for Financial Capability is relevant and supported by sector	Publish a short annual report analysing progress and identifying new initiatives	Achieve	Achieved. Report published on website. ⁴⁷	New measure.

45 Navigating our financial future - Pacific edition | Sorted in Schools

46 TAAO-RC-NZ-FinCap-Survey-Report.pdf (retirement.govt.nz)

47 National-Strategy-Annual-report-21-22.pdf (retirement.govt.nz)

Surveys

Data from some of our performance measures from the previous tables and commentary throughout this report comes from the following surveys.

Sorted.org.nz

We conduct an annual survey of Sorted website users asking a variety of questions to assess the value of the information provided and garner further ideas for development.

Three data points are measured in response to the 2021/22 SPEs and is broken into three audiences: general, Māori and Pacific Peoples.

Total population sample size: estimated from the Insights Tracker to be 18% of New Zealand's population aged 18+: 647192

- Total sample size (used the Sorted website in the last 12 months): 3364
- Māori sample size: 509 completed survey
- Pacific Peoples sample size: 266 completed survey
- Margin of error: +/-1.7%

Te whai hua – kia ora, Sorted in Schools

Percentage of schools using Sorted in Schools is determined from two main sources: an independently conducted teacher survey and evaluation conducted by NZCER, and data from registration forms for professional learning and development.

- Total population size: 544 secondary schools
- Sample size: 174 responses
- Result: 119 schools (68%) are using or have used Sorted in Schools in past 12 months
- Margin of error: +/- 5.7%
- Confidence level: 95%

Cultural Capability Survey 2021

- Total population: 33 employees
- Number of completed surveys: 30
- Margin of error: +/-5.5%

Cultural Capability Survey 2022

- Total population: 33 employees
- Number of completed surveys: 31
- Margin of error: +/-4.4%

PART 3
**Financial
information**



PŪRONGO KAIAROTAKE MOTUHAKE

Independent auditor's report



BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TE ARA AHUNGA ORA RETIREMENT COMMISSION FINANCIAL STATEMENTS, AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2022.

The Auditor-General is the auditor of Te Ara Ahunga Ora Retirement Commission (the Commission). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements and the performance information of the Commission on his behalf.

Opinion

We have audited:

- the financial statements of the Commission on pages 28 and 43-66 that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expenses, 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 a summary of significant accounting policies and other explanatory information; and
 - the performance information of the Commission on pages 31-38

In our opinion:

- the financial statements of the Commission on pages 43-66:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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 Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime; and
- the performance information on pages 31-38:
 - presents fairly, in all material respects, the Commission's performance for the year ended 30 June 2022, 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;
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 5 December 2022. This is the date at which our opinion is expressed.

The basis of 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, we comment on other information, and 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 Commissioner for the financial statements and the performance information

The Commissioner is responsible on behalf of the Commission for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Commissioner is responsible for such internal control as they determine is necessary to enable them 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 Commissioner is responsible on behalf of the Commission for assessing the Commission's ability to continue as a going concern. The Commissioner is 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 merge or to terminate the activities of the Commission, or there is no realistic alternative but to do so.

The Commissioner's responsibilities arise from 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 the 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 Commission'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 Commission's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.



BDO Wellington Audit Limited

- We evaluate the appropriateness of the reported performance information within the Commission'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 Commission'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 Commission 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 Commissioner 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 Commissioner is responsible for the other information. The other information comprises the information included on pages 1-27 and page 29 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 Commission 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 in our capacity as auditor, we have no relationship with, or interests, in the Commission.

Geoff Potter
BDO WELLINGTON AUDIT LIMITED
 On behalf of the Auditor-General
 Wellington, New Zealand

Tauaki ahumoni kua arotakea

Audited financial statements

Statement of comprehensive revenue & expenses

For the 12 months ended 30 June 2022

	Note	Actual 2021/22	Budget 2021/22	Actual 2020/21
Revenue from non-exchange transactions				
Revenue from Crown appropriation		\$8,622,000	\$8,622,000	\$8,622,000
Other non-exchange revenue	2	\$696,079	\$730,000	\$740,946
Revenue from exchange transactions				
Interest revenue		\$50,481	\$20,000	\$30,564
Other exchange revenue	2	\$67,795	\$100,000	\$131,973
Total revenue		\$9,436,355	\$9,472,000	\$9,525,483
Expenditure				
Personnel costs	6	\$4,870,807	\$5,020,696	\$4,729,988
Depreciation & amortisation	11, 12	\$282,778	\$370,000	\$395,792
Other operating costs	3	\$759,976	\$916,638	\$1,069,847
Financial capability activities	4	\$1,038,028	\$1,574,500	\$1,009,887
Other expenses	5	\$1,751,994	\$1,801,280	\$1,496,784
Total expenditure		\$8,703,583	\$9,683,114	\$8,702,298
Surplus/(deficit)		\$732,772	(\$211,114)	\$823,185
Total comprehensive revenue/(expenditure)		\$732,722	(\$211,114)	\$823,185

Explanations of significant variances against budget are detailed in note 19.

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these financial statements.

Statement of financial position

As at 30 June 2022

	Note	Actual 2021/22	Budget 2021/22	Actual 2020/21
Assets				
Current assets				
Cash and cash equivalents	8	\$1,366,636	\$420,886	\$1,087,584
Term investments		\$2,700,000	\$2,000,000	\$2,000,000
Receivables	9	\$33,277	\$26,418	\$45,899
Prepayments		\$39,826	\$31,432	\$106,723
GST receivable		\$183,482	\$125,000	\$105,641
Total current assets		\$4,323,221	\$2,603,736	\$3,345,847
Non-current assets				
Property, plant & equipment	11	\$343,191	\$279,795	\$360,552
Intangible assets	12	\$323,815	\$410,000	\$264,888
Total non-current assets		\$667,006	\$689,795	\$625,440
Total assets		\$4,990,227	\$3,293,531	\$3,971,287
Liabilities				
Current liabilities				
Creditors and other payables	13	\$533,237	\$386,283	\$253,661
Revenue received in advance		\$7,976	\$0	\$1,810
Lease incentive liability	7	\$146,354	\$124,297	\$149,298
Employee entitlements	14	\$276,347	\$277,884	\$272,979
Total current liabilities		\$963,914	\$788,464	\$677,748
Total liabilities		\$963,914	\$788,464	\$677,748
Net assets		\$4,026,313	\$2,505,067	\$3,293,539
Public equity				
Capital contribution		\$200,000	\$200,000	\$200,000
Accumulated surplus		\$3,826,311	\$2,305,067	\$3,093,539
Total public equity		\$4,026,311	\$2,505,067	\$3,293,539

Explanations of significant variances against budget are detailed in note 19. The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2022

	Note	Actual 2021/22	Budget 2021/22	Actual 2020/21
Public equity at 1 July		\$3,293,539	\$2,716,181	\$2,470,354
Total comprehensive revenue /(expenditure) for the year		\$732,772	(\$211,114)	\$823,185
Public equity as at 30 June		\$4,026,311	\$2,505,067	\$3,293,539
Comprised of the following funds:				
Capital contribution as at 1 July		\$200,000	\$200,000	\$200,000
Movement in capital contribution		\$0	\$0	\$0
Total capital contribution at 30 June		\$200,000	\$200,000	\$200,000
Accumulated surplus as at 1 July		\$3,093,539	\$2,516,181	\$2,270,354
Movement in accumulated surplus		\$732,772	(\$211,114)	\$823,185
Total accumulated surplus at 30 June		\$3,826,311	\$2,305,067	\$3,093,539

Explanations of significant variances against budget are detailed in note 19. The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these financial statements.

Statement of cash flows

For the 12 months ended 30 June 2022

	Note	Actual 2021/22	Budget 2021/22	Actual 2020/21
Cash flows from operating activities				
Cash was provided from:				
Receipts from Crown appropriation		\$8,622,000	\$8,622,000	\$8,622,000
Other Crown receipts		\$726,986	\$680,000	\$754,602
Other income		\$50,845	\$148,723	\$72,650
Interest received		\$50,746	\$25,000	\$26,298
		\$9,450,577	\$9,475,723	\$9,475,550
Cash was applied to:				
Payments to suppliers and employees		(\$8,073,906)	(\$9,366,955)	(\$8,050,512)
Net GST (paid) / received		(\$77,841)	(\$896)	\$7,819
		(\$8,151,747)	(\$9,367,851)	(\$8,042,693)
Net cash flows from operating activities		\$1,298,830	\$107,872	\$1,432,857
Cash flows from investing activities				
Cash was provided from:				
Term investments		\$2,000,000	\$0	\$1,700,000
Receipts from sale of property, plant & equipment		\$1,744	\$0	\$7,875
		\$2,001,744	\$0	\$1,707,875
Cash was applied to:				
Term investments		(\$2,700,000)	\$0	(\$2,000,000)
Purchase of property, plant & equipment		(\$90,567)	(\$80,000)	(\$372,599)
Purchase of intangible assets		(\$230,955)	(\$290,000)	(\$201,045)
		(\$3,021,522)	(\$370,000)	(\$2,573,644)
Net cash flows from investing activities		(\$1,019,778)	(\$370,000)	(\$865,769)
Net increase / (decrease) in cash held		\$279,052	(\$262,128)	\$567,088
Plus cash at the start of the year		\$1,087,584	\$683,014	\$520,496
Cash held at the end of the year		\$1,366,636	\$420,886	\$1,087,584
Represented by:				
Cash and cash equivalents		\$1,366,636	\$420,886	\$1,087,584
Cash held at the end of the year		\$1,366,636	\$420,886	\$1,087,584

The net GST component of operating activities reflects the net GST paid and received with Inland Revenue and has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanations of significant variances against budget are detailed in note 19. The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these financial statements.

Kupu tāpiri ki ngā tauaki ahumoni

Notes to the financial statements

Who is Te Ara Ahunga Ora and what is the basis of Financial Statement preparation?

Note 1

Statement of accounting policies

Reporting entity

The Retirement Commissioner is appointed under the New Zealand Superannuation and Retirement Income Act 2001 and the Crown Entities Act 2004. The current Retirement Commissioner was appointed for a three year term commencing 10th February 2020.

The Retirement Commissioner is an Autonomous Crown Entity defined by the Crown Entities Act 2004, is domiciled in New Zealand and its ultimate parent is the New Zealand Crown. Te Ara Ahunga Ora Retirement Commission (formerly, The Commission for Financial Capability) is the office of the Retirement Commissioner.

The principle activities of Te Ara Ahunga Ora are to:

- Help all New Zealanders prepare financially for their retirement through improved financial capability and driving sustainable and enduring behaviour change;
- Raise awareness of retirement income policy issues, monitoring and reporting on the effects and effectiveness of retirement income policies; and
- Monitor the provisions of the Retirement Villages Act and administer the Retirement Villages Act disputes process.

The financial statements for Te Ara Ahunga Ora are for the year ended 30 June 2022, and were approved by the Retirement Commissioner on 05 December 2022.

Basis of preparation

Statement of compliance and measurement base

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

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

The financial statements comply with the Tier 2 Public Benefit Entities Accounting Standards Reduced Disclosure Regime (PBE Standards RDR).

Te Ara Ahunga Ora qualifies for PBE Standards RDR reporting as it is not publicly accountable and has expenses greater than \$2m but less than \$30m.

Presentational and functional currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of Te Ara Ahunga Ora is New Zealand dollars.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted are:

PBE IPSAS 41 Financial instruments

PBE IPSAS 41 replaces PBE IPSAS 29 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. Although Te Ara Ahunga Ora has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IPSAS 29.

PBE FRS 48 Service performance reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023. Te Ara Ahunga Ora has determined the application of PBE FRS 48 will have a minor impact. This includes improved selection, disclosure and presentation of service performance information.

Summary of significant accounting policies

Goods and services tax (GST)

All items in the financial statements are exclusive of goods and services tax (GST), except for receivables and payables which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of current assets or current liabilities in the Statement of Financial Position. The net GST paid to, or received from the 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

Te Ara Ahunga Ora is a public authority, and consequently is exempt from the payment of income tax under the Income Tax Act 2007. Accordingly, no provision has been made for income tax.

Budget figures

Budget figures are derived from Te Ara Ahunga Ora's Statement of Performance Expectations for the financial year ending 30 June 2022. The budget figures were prepared in accordance with NZ GAAP, using forecast financial statements for the year ended 30 June 2022 and accounting policies that are consistent with those adopted by Te Ara Ahunga Ora for the preparation of these financial statements.

Capital management

Te Ara Ahunga Ora's capital is its equity, which is comprised of accumulated funds and capital contribution. Equity is represented by net assets.

Te Ara Ahunga Ora is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

Te Ara Ahunga Ora has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

Te Ara Ahunga Ora manages its equity as a by-product of prudently managing income, expenses, assets, liabilities, investments, and general financial dealings, to ensure the Commission effectively achieves its objectives and purpose, whilst remaining a going concern.

Cost allocation policy

Te Ara Ahunga Ora has determined the cost of outputs using the cost allocation system outlined below.

- Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output.
- Direct costs are charged directly to outputs. Indirect costs are allocated using predetermined percentages based on the previous period actual spent for each output class.

Accounting estimates and assumptions

In preparing these financial statements, Te Ara Ahunga Ora 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 a material adjustment 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 11.
- Useful lives of software assets – refer to Note 12.

Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Leases classification – refer to Note 7.

Other significant accounting policies

Other Significant Accounting Policies are included in the notes to which they relate.

Prior year comparative figures

Comparative figures have remained the same, however, in some instances there have been changes in categorisation.

There have been no changes in accounting policies. The accounting policies have been applied consistently to all periods presented in these financial statements.

How is Te Ara Ahunga Ora funded?

Note 2

Revenue

Non-exchange revenue

Non-exchange transactions are those where Te Ara Ahunga Ora receives an inflow of resources (i.e. cash) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow. Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

Exchange Revenue

Exchange transactions are those where TAAORC receives an inflow of resources ((i.e. cash) and provides approximately equal direct consideration in return.

Inflows of resources from exchange transactions are recognised as revenue to the extent of the services rendered. Exchange revenue is measured at the fair value of the consideration received or receivable.

Funding from the Crown

Funding from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates. Revenue is measured at the fair value of consideration received or receivable.

Te Ara Ahunga Ora has been provided with funding from the Crown for specific purposes as set out in its founding legislation and the scope of a single government appropriation. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Other revenue

Te Ara Ahunga Ora received other funding from Crown and non-Crown entities to contribute towards the provision of services. Other revenue is a combination of exchange and non-exchange transactions, as defined in the table below.

Breakdown of other revenue

	Actual 2021/22	Actual 2020/21
Other Revenue from non-exchange transactions		
Community Programmes	\$665,460	\$730,000
Other Revenue	\$30,619	\$10,946
Total other Revenue from non-exchange transactions	\$696,079	\$740,946
Other Revenue from exchange transactions		
Sorted Workplace Programme	\$48,684	\$100,258
Community Programmes	\$6,545	\$29,729
Other Revenue	\$12,566	\$1,986
Total other Revenue from exchange transactions	\$67,795	\$131,973
Total Other Revenue	\$763,874	\$872,919

How does the Commission spend the funds?

Note 3

Other operating costs

Accounting policy

Expenses are recognised in the period to which they relate.

Operating costs

	Actual 2021/22	Actual 2020/21
Retirement Commissioner	\$3,403	\$14,442
Other operating costs		
Professional service fees	\$52,568	\$109,934
Consultants	\$127,515	\$20,712
Travel	\$9,328	\$9,714
Auditor remuneration	\$52,819	\$24,599
Auditor remuneration additional audit fees (FY18/19)	\$0	\$11,950
Office equipment lease	\$8,953	\$7,308
Insurance	\$18,701	\$4,931
Loss on disposal of assets	\$0	\$308,364
Building operating lease expense	\$191,720	\$214,812
Other property expenses	\$89,967	\$142,559
General office supplies	\$4,960	\$8,774
Technology	\$200,042	\$191,748
Total other operating costs	\$759,976	\$1,069,847

Audit remuneration for 21/22 relates to services provided by BDO Wellington and Audit remuneration for 20/21 relates to services provided by Audit New Zealand.

Note 4

Financial Capability activities

Accounting policy

Expenses are recognised in the period to which they relate to.

Account	Actual 2021/22	Actual 2020/21
Financial capability activities		
Education (Schools)	\$462,494	\$676,243
National strategy	\$1,642	\$5,287
Community	\$51,178	\$182,482
Pacific pathways to home ownership	\$446,564	\$0
Sorted workplaces (programme delivery)	\$76,150	\$145,875
Total financial capability activities	\$1,038,028	\$1,009,887

Note 5

Other expenses

Accounting policy

Expenses are recognised in the period to which they relate to.

Account	Actual 2021/22	Actual 2020/21
Other expenses		
Kaihautū/Māori development	\$43,764	\$15,723
Research	\$171,969	\$231,434
Marketing & communications	\$1,309,179	\$1,218,423
Retirement villages	\$4,066	\$11,398
Review of retirement income policy	\$223,016	\$19,806
Total other expenses	\$1,751,994	\$1,496,784

Note 6

Personnel costs

Breakdown of personnel costs and further information

Personnel costs	Note	Actual 2021/22	Actual 2020/21
Salaries and wages		\$4,442,974	\$4,262,091
Employer contributions to superannuation schemes		\$204,077	\$172,983
Increase/(decrease) in employee entitlements	14	\$3,369	\$21,966
		\$4,650,420	\$4,457,040
ACC levies		\$8,089	\$8,344
Professional development, training & miscellaneous		\$87,926	\$94,403
Contractors		\$106,698	\$140,376
Recruitment costs		\$17,674	\$29,825
Total personnel costs		\$4,870,807	\$4,729,988

For further information regarding employee remuneration refer to Section 1 'Legislative Disclosures' on page 28

Note 7

Operating leases

Accounting policy

Operating leases

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

Commitments existing for non-cancellable operating leases as follows:

Operating leases	Actual 2021/22	Actual 2020/21
Not later than one year	\$222,075	\$170,054
Later than one year and not later than five years	\$472,645	\$647,048
Later than five years	\$0	\$0
Total operating leases	\$694,720	\$817,102
Auckland office lease	\$620,966	\$729,546
Auckland carpark lease	\$36,147	\$42,467
Photocopier lease	\$16,833	\$24,315
Tauranga desk lease	\$2,534	\$2,534
Wellington office lease	\$18,240	\$18,240
Total operating leases	\$694,720	\$817,102

On 1 November 2020 Te Ara Ahunga Ora leased new premises in Auckland for an initial term of 5 years with 1 right of renewal for another 5 years, giving a final expiry date of 31 October 2030.

Operating lease commitments also include a photocopier lease of an estimated \$7,482 per annum which expires on 09 October 2024.

Te Ara Ahunga Ora does not have the option to purchase the leased assets at the expiry of the lease periods.

Te Ara Ahunga Ora has entered into a memorandum of understanding (MOU) with Te Puni Kōkiri in which they co-share the premises and pay an annual rent including proportionate costs per month. The lease expires after September 2025. The MOU includes a 2 month break clause.

On 1 July 2021 Te Ara Ahunga Ora entered into a contract to co-share a premise in Wellington for a term of 3 years, commencing 1 July 2021. This contract includes a 6 month break clause.

*Prior reporting on Tauranga desk lease for 2020/21 accounted for the remaining time on the lease. As this contract has a 2 month break clause, this figure has been updated to account for the non-cancellable 2 month portion only.

Lease Incentives

As part of the agreement to lease its Auckland offices Te Ara Ahunga Ora received capital contribution payments from the respective premises' landlords as an incentive.

Capital contribution payments received from landlords are amortised over the life of the lease where the assets are owned by Te Ara Ahunga Ora and recognised as a reduction of rental expense over the lease term.

Note 8

Cash and cash equivalents

Accounting policy

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

Breakdown of cash and cash equivalents

Operating leases	Actual 2021/22	Actual 2020/21
Cheque & savings account	\$1,366,636	\$1,087,584
Total cash and cash equivalents	\$1,366,636	\$1,087,584

While cash and cash equivalents at 30 June 2022 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Note 9

Receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses (if applicable). Te Ara Ahunga Ora applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Receivables	Actual 2021/22	Actual 2020/21
Receivables from the sale of goods and services (exchange transactions)		
Aged receivables	\$22,124	\$34,233
Accrued interest	\$11,153	\$11,418
Debtor accrual	\$0	\$248
Total receivables	\$33,277	\$45,899

In line with PBE IPSAS 9 and PBE IPSAS 23, aged receivables and debtor accrual have been classified as exchange transactions and aged receivables (grants) are recognised as a non-exchange transaction.

The carrying value of receivables approximates their face value. A breakdown of aged trade receivables is detailed below:

Aged receivables Past due days	Actual 2021/22	Actual 2020/21
Current	\$22,124	\$33,647
< 6 months	\$0	\$586
6 months - 1 year	-	-
1 - 2 years	-	-
> 2 years	-	-
Estimates of losses	-	-
Impaired credit loss	-	-
Total aged debtors	\$22,124	\$34,233

All receivables greater than 6 months in age are considered to be past due. There are no expected losses and no allowance for credit loss in 2021/22 (2020/21: \$nil).

Te Ara Ahunga Ora has no significant concerns relating to COVID-19 impact on the ageing of receivables.

Note 10

Term investments

Accounting policy

Bank term deposits

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Term deposits

Te Ara Ahunga Ora considers there has not been a significant increase in 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 AA- investment grade credit rating, which indicates the bank has a very 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 credit losses is trivial. The carrying amounts of term deposits with maturities of 12 months or less approximate their fair value.

Property, plant & equipment and intangible assets

Note 11

Property, plant & equipment

Accounting policy

Property, plant, and equipment consists of five asset classes (leasehold improvement, furniture and fittings, office equipment, computer equipment and telecommunications), which are all measured at cost less accumulated depreciation and impairment losses.

Additions

In most instances, assets are capitalised on purchase. Capital work in progress is recognised at cost and is not depreciated until the assets are operating in a manner intended by management, at which time the costs are transferred to the appropriate property, plant & equipment asset.

The cost of an item of Property, Plant & Equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Te Ara Ahunga Ora and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction it is recognised at its fair value as at the date of acquisition.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Te Ara Ahunga Ora and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant & equipment are recognised in the statement of comprehensive revenue & expenses as they are incurred.

Disposals/Capitalisation

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive revenue & expenses.

Depreciation

Depreciation is calculated on a straight-line basis on property, plant & equipment once it is in the location and condition necessary for its intended use so as to write off its cost or valuation over its expected useful life to its estimated residual value. The following estimated useful lives and rates are used in the calculation of depreciation:

Telecommunications	3.3 years	30%
Furniture & fittings	3.3- 11.8 years	8.5% - 30.0%
Computer equipment	1.33 - 5.8 years	17.5% - 75.42%
Office equipment	2.8 - 10.4 years	9.6% - 36.0%
Leasehold improvements	3 - 5 years	20.0% - 33.33%

Leasehold improvements are depreciated over the unexpired period of the lease.

Impairment of property, plant & equipment

Te Ara Ahunga Ora does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Property, Plant & Equipment that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

If an assets carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount.

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 and adjusted if applicable. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset and expected period of use of the asset by Te Ara Ahunga Ora.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. Te Ara Ahunga Ora minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- considers asset replacement for critical IT equipment (eg. laptops) as technology advances and assets reach useful life;

Te Ara Ahunga Ora has not made significant changes to past assumptions concerning useful lives and residual values.

Property, plant & equipment	Leasehold improvements	Furniture & fittings	Computer equipment	Telecommunications	Office equipment	Total
Gross carrying amount						
Balance at 1 July 2020	\$359,302	\$131,234	\$191,707	\$0	\$72,706	\$754,949
Additions	\$204,155	\$112,221	\$36,008	\$18,235	\$0	\$370,619
Disposals	(\$359,303)	(\$85,025)	(\$13,299)	\$0	(\$2,094)	(\$459,721)
Balance at 30 June 2021	\$204,154	\$158,430	\$214,416	\$18,235	\$70,612	\$665,847
Additions	\$20,341	\$4,520	\$64,759	\$4,083	\$0	\$93,703
Disposals	\$0	\$0	(\$14,480)	\$0	(\$1,202)	(\$15,682)
Balance at 30 June 2022	\$224,495	\$162,950	\$264,695	\$22,318	\$69,410	\$743,868
Accumulated depreciation						
Balance at 1 July 2020	\$140,512	\$60,721	\$153,588	\$0	\$56,210	\$411,031
Depreciation expense	\$36,028	\$15,982	\$33,561	\$3,464	\$14,197	\$103,232
Elimination on disposal	(\$149,697)	(\$47,724)	(\$9,452)	\$0	(\$2,095)	(\$208,968)
Balance at 30 June 2021	\$26,843	\$28,979	\$177,697	\$3,464	\$68,312	\$305,295
Depreciation expense	\$45,609	\$17,120	\$39,245	\$6,593	\$2,183	\$110,750
Elimination on disposal	\$0	\$0	(\$14,166)	\$0	(\$1,202)	(\$15,368)
Balance at 30 June 2022	\$72,452	\$46,099	\$202,776	\$10,057	\$69,293	\$400,677
Carrying amount						
At 30 June 2020	\$218,790	\$70,513	\$38,120	\$0	\$16,496	\$343,919
At 30 June 2021	\$177,311	\$129,451	\$36,719	\$14,771	\$2,300	\$360,552
At 30 June 2022	\$152,043	\$116,851	\$61,919	\$12,261	\$117	\$343,191

Capital commitments

There are no capital commitments at 30 June 2022 (2020/21: \$Nil).

Note 12

Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs that are directly associated with the development of interactive aspects of Te Ara Ahunga Ora's websites are capitalised. They are recognised as capital work in progress until the website is operating in the manner intended by management, at which time the costs are transferred to the appropriate intangible asset.

Costs associated with maintaining and advertising Te Ara Ahunga Ora's websites are recognised as an expense when incurred.

Amortisation

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

The following estimated useful lives and rates are used in the calculation of amortisation:

Websites	2.5 years	40%
Software	2.5 years	40%

Impairment of intangible assets

Intangible assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

It is common for intangible assets (websites and software) to progress through a stage of work in progress. Intangibles WIP is recognised at cost, and is not amortised until the asset(s) are available for use and create economic benefit for Te Ara Ahunga Ora, at which time the costs are transferred to the appropriate intangible Asset class.

Critical accounting estimates and assumptions

Estimating useful lives of software assets

Te Ara Ahunga Ora's internally generated software largely comprises of an interactive database provided to the public as part of Te Ara Ahunga Ora's regulatory functions. Internally generated software has a finite life, which requires Te Ara Ahunga Ora to estimate the useful life of the software assets. In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use;
- the effect of technological change on systems and platforms; and
- the expected time frame for the development of replacement systems and platforms.

Breakdown of intangible assets and further information

Intangible assets	Websites	Computer software	Total
Gross carrying amount			
Balance at 1 July 2020	\$1,436,247	\$36,814	\$1,473,061
Additions	\$193,091	\$7,954	\$201,045
Disposals	(\$143,426)	(\$5,794)	(\$149,220)
Balance at 30 June 2021	\$1,485,912	\$38,974	\$1,524,886
Additions	\$230,955	\$0	\$230,955
Disposals	(\$156,030)	\$0	(\$156,030)
Balance at 30 June 2022	\$1,560,837	\$38,974	\$1,599,811
Accumulated depreciation			
Balance at 1 July 2020	\$1,040,726	\$14,408	\$1,055,134
Amortisation expense	\$277,454	\$15,106	\$292,560
Elimination on disposal	(\$81,902)	(\$5,794)	(\$87,696)
Balance at 30 June 2021	\$1,236,278	\$23,720	\$1,259,998
Amortisation expense	\$159,552	\$12,476	\$172,028
Elimination on disposal	(\$156,030)	\$0	(\$156,030)
Balance at 30 June 2022	\$1,239,800	\$36,196	\$1,275,996
Carrying amount			
At 30 June 2020	\$395,521	\$22,406	\$417,927
At 30 June 2021	\$249,634	\$15,254	\$264,888
At 30 June 2022	\$321,037	\$2,778	\$323,815

Capital commitments

There are no capital commitments at 30 June 2022 (2020/21: \$Nil).

Note 13

Creditors and other payables

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Breakdown of payables

	Actual 2021/22	Actual 2020/21
Payables under exchange transactions		
Accrued expenses and other payables	\$98,527	\$38,853
Trade creditors	\$434,710	\$214,808
Total payables under exchange transactions	\$533,237	\$253,661
Total payables	\$533,237	\$253,661

In line with PBE IPSAS 9 and PBE IPSAS 23, Accrued Expenses and Other Payables and Trade Creditors have been classified as exchange transactions.

Note 14

Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

Presentation of employee entitlements

Sick leave and current annual leave are classified as a current liability.

Breakdown of employee entitlements	Actual 2021/22	Actual 2020/21
Current portion		
Accrued salaries and wages	\$67,874	\$48,672
Accrued annual leave	\$208,473	\$224,307
Total current portion	\$276,347	\$272,979
Total employee entitlements	\$276,347	\$272,979

Note 15

Contingencies

There are no contingent assets or liabilities at reporting date (2020/21: \$Nil).

Note 16

Related parties transactions

Te Ara Ahunga Ora is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are;

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favorable than those that it is reasonable to expect Te Ara Ahunga Ora would have adopted in dealing with the party at arms 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 on normal terms and conditions consistent with the normal operating arrangements between government agencies.

On 15 May 2020 the Remuneration Authority Amendment Act was passed. Consequently, The Remuneration Authority has made a temporary reduction in the Retirement Commissioner's determination of 20%, effective on 9 July 2020, expiring 6 January 2021. This had an impact on the remuneration paid by Te Ara Ahunga Ora during the 2020/21 financial year, but not on 2021/22.

Related party transactions required to be disclosed

All related-party transactions have been entered into on an arm's-length basis. Therefore there are nil disclosures.

Key management personnel compensation

Key management personnel include the Retirement Commissioner and six members of the Executive Leadership Team.

Key management personnel	Actual 2021/22	Actual 2020/21
Remuneration	\$1,415,467	\$1,403,384
Contributions to defined contribution plans	\$70,038	\$64,307
Full-time equivalent staff	6.47	6.88

Note 17

Financial instruments

Financial instrument categories

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

Financial assets and liabilities	Actual 2021/22	Actual 2020/21
Financial assets measured at amortised cost		
Cash and cash equivalents	\$1,366,636	\$1,087,584
Term investments	\$2,700,000	\$2,011,418
Receivables	\$33,277	\$45,899
Total loans and receivables	\$4,099,913	\$3,144,901
Financial liabilities measured at amortised costs		
Creditors and other payables	\$533,237	\$253,661
Total financial liabilities	\$533,237	\$253,661

Te Ara Ahunga Ora has access to business credit card facilities of up to \$100,000 with Westpac Bank. At 2021/22 \$25,000 of this facility is in use. We also have a payroll credit line of \$39,000 (unused in both 2020/21 and 2021/22).

Note 18

Events after balance date

There were no significant events after the balance date.

Note 19

Explanation of major variances (+/- \$25,000) against budget

Statement of comprehensive revenue & expenses

Explanation of major variances from Te Ara Ahunga Ora's budgeted figures in the Statement of Performance Expectations are as follows:

- Personnel costs are \$149,889 less than budgeted due to time delays between exiting and incoming staff in a competitive job market.
- Amortisation is \$57,972 less than budgeted due to timing of our intangible asset investments, which occurred in the final quarter of the financial year.
- Depreciation is \$29,251 less than budgeted due to upgrades of computer equipment occurring in the latter part of the financial year and therefore incurring less depreciation in FY22.

Other operating costs, Financial capability activities and other expenses were \$742,420 lower than budgeted. Major variances within other operating costs are detailed below.

- A \$34,958 underspend in technology due to less need for equipment and additional IT support than budgeted.
- A \$33,245 overspend on professional consultants and advisors due to costs associated with our 3 yearly self review.
- Community is \$150,822 less than budgeted due to COVID-19 impacting on our ability to travel, train and quality assure facilitators
- Sorted at Work is \$117,300 less than budgeted, due to an underspend in facilitator costs, partially due to the continued shift in demand towards shorter online webinars (as a consequence of COVID-19). The volume of courses and seminars delivered were less than expected.
- Education (Schools) is \$117,056 less than budgeted due to personnel recruitment delays, the inability to travel and conduct professional learning development for schools due to Covid-19.
- Pacific Pathways to Home Ownership programme is \$112,936 less than budgeted due to the procurement and delivery of project resources taking place in Financial Year 2023. In addition, delivery costs were favourable against budget due to supplier pricing being favourable against expected costs.
- Retirement Villages is \$45,934 less than budgeted. Our annual Retirement Villages forum was postponed to the next financial year and travel was also reduced both as a result of COVID-19.
- National Strategy is \$38,358 less than budgeted due to the planned National Strategy for Financial Capability Conference being delayed to financial year 2023 as a result of Covid-19 risks and restrictions.
- Kaihautū /Māori Development is \$31,116 less than budgeted due to originally planned external consultancy being engaged and accounted for as personnel.
- Research is \$28,031 less than budgeted due to lower level of travel than budgeted as a result of COVID-19 and reduced outsourcing of research caused by a change of key personnel responsible for our annual research programme of work.
- Marketing and Communications is \$52,779 higher than budgeted due to increased investment in campaigns to reach our target audiences.

Variances between the budget figures presented in the financial statements and the forecast figures in the 2021/22 statement of performance Expectations are due to different classifications.

Statement of financial position

Overall Cash and Cash Equivalents and Term Investments are \$1,645,750 higher than budgeted. The main driver was a surplus of \$732,772 against a budgeted deficit of \$211,114.

- GST Receivable is \$58,482 higher than budgeted due to the timing of operational expenditure.
- Property, Plant and Equipment is \$63,396 higher than budgeted based on investment in new computer equipment due to the age of core devices.
- Intangible Assets are \$86,185 less than budgeted, due to the disposal of an outdated tool which received low engagement and was no longer supported by iOS App Store and Google Play.
- Creditors and Other Payables are \$146,954 higher than budgeted due to a significant level of invoices received after balance date.

He mahere tāngata

Directory

Our team (as at December 2022)

Jane Wrightson - Retirement Commissioner

Erin Thompson (Tainui, Te Arawa, Ngāi Tāmanuhiri) - Kaihautū / Director Māori Development

Dr Suzy Morrissey - Director, Policy

Dr Michelle Reyers - Policy Lead

Tristan Fluerty - Retirement Villages Specialist

Dr Jo Gamble - Research Lead

Nick Thomson - Director, Financial Capability

Tista Lythe - Learning Development Lead

Marina Kawe-Peautolu (Ngāti Ranginui, Ngāti Kahungunu, Ngāi Tahu) - Kaitakawaenga/Learning Designer MME

Liline Hewett - Project Specialist, Pacific

Su Min Ahn - Learning Designer EME

Tania Vercoelen - Learning Development Specialist

Lexia Hansen - Learning Development Administrator

Donna Robinson - Learning Delivery Lead

Claire Bailey - Learning Specialist Schools

Kimiorangi Thompson - Kaikōkiri/ Learning Specialist - Kura

Ana Tu'inukuafe - Relationship Specialist Communities

Natalie Palmer - Learning Delivery Specialist

Vanessa Morris - Director, Marketing

Kelly Phillips - Marketing & Content Lead

Hannah Merceanu - Digital Marketing Specialist

Georgia Lopesi - Graphic Designer

Natasha Lavulavu - Marketing Specialist

Jason Gambitsis - Digital Assets Lead

Michael Coffey - Data and Analytics Specialist

Morgan Martin - Digital Channels Specialist

Devon Connelly - Marketing Administrator

Anika Forsman - Director, Stakeholder Relations

Tom Hartmann - Personal Finance Lead

Rachel Beckett - National Partnerships Lead

Elizabeth O'Halloran - Communications Specialist

Georgette Dawbin - Communications Specialist

Nisha Keetels (Ngāti Raukawa, Ngāi Tūhoe) - Director, Corporate Services

Gemma Fulton - Finance Lead

Shristi Singh - Assistant Accountant

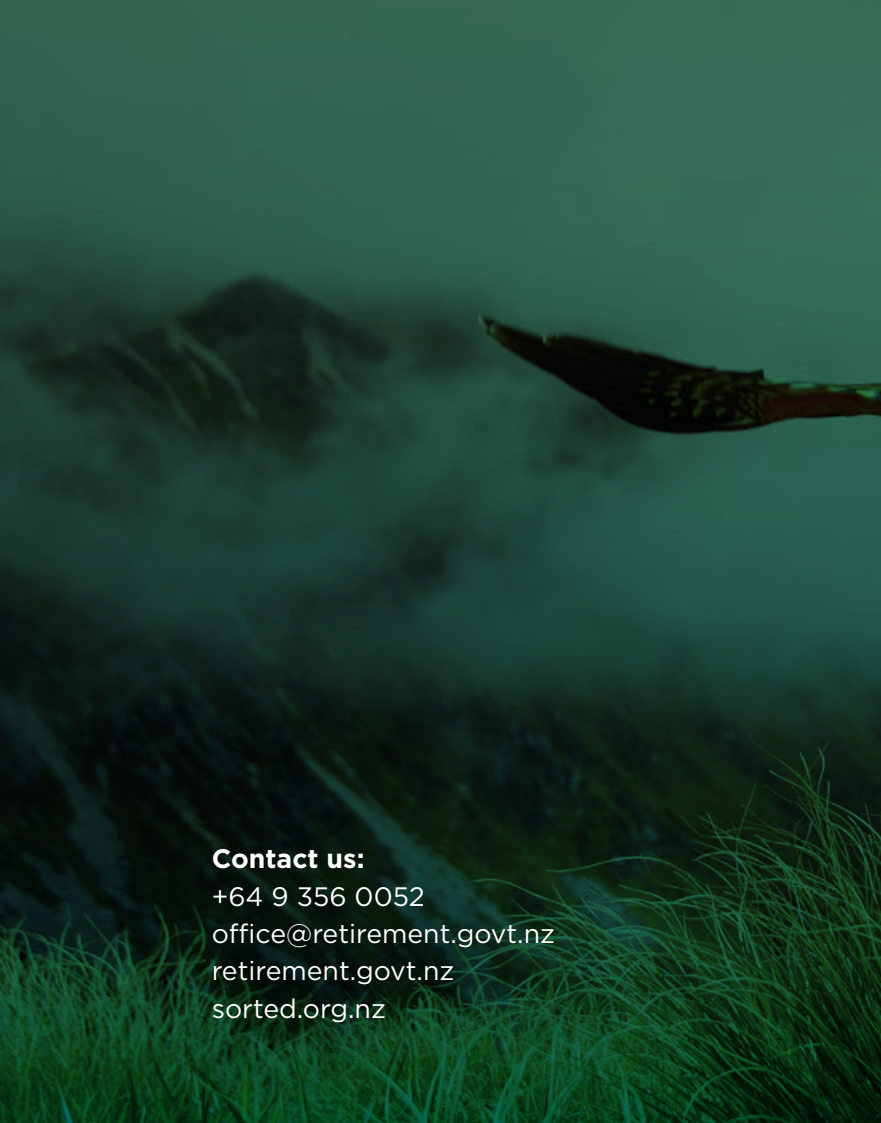
Rosa Armstrong - People Lead

Nick Beard - Business Lead

Rebecca Jenner - Performance Accountability Specialist

Ciaran Lymer - Business Administrator





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