

# Te Ara Ahunga Ora Retirement Commission **ANNUAL REPORT 2023**

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



**TE ARA  
AHUNGA ORA**  
Retirement Commission

Te Kāwanatanga o Aotearoa  
New Zealand Government





Te Ara Ahunga Ora Retirement Commission  
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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.

Presented to the House of Representatives pursuant to section 149L(3) of the Crown Entities Act 2004

# Ngā Ihirangi

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## Nā te Mana Ahungarua

# From the Retirement Commissioner

He tau kōmingomingo anō tēnei, ko te pikiutu tukipū me te nui o te utu noho ngā take nui e kōrerorero ana, e kitea ana hoki i roto i ngā upoko kōrero. I tēnei horopaki, ka aro tonu mātou ki te āwhina i ngā tāngata o Aotearoa ki te urungi i ngā uauatanga pūtea o nāiane me te aro tonu ki te anamata.

Ko tā mātou mahi he whakaaro whakamua ki ngā take ahungarua, ahakoa te āhua nei kei tawhiti kē, i te tangata e ahu whakamua ana i tōna ao. Me whai whakaaro ngā kaiwhakatau take ki te pāpātanga ki te tangata me ngā kaupapahere ā haere ake nei, ina whakairihia e ngā tamariki o nāiane i rātou pūtu i te mutunga o tō rātou ao mahi roa, whai hua hoki.

Ahakoa e ahu whakamua ana ka puta tonu ngā uauatanga o ia rā. He uaua ake ētahi o ngā tau i ētahi atu, ā, ka rerekē pea te aronga o te tangata ina pā ngā uauatanga ki a rātou. Koirā te pūtake o Te Ara Ahunga Ora - kia aro tonu ki te tirohanga whānui ki te whakatairanga kia whakaaro paetawhiti ngā kaihanga kaupapahere me te tangata.

E whakahī ana ahau ki ā mātou mahi i tēnei tau ki te miramira me te āwhina ki te whakapai ake i ngā hua tāōki mā ngā tāngata o Aotearoa.

I whakaputaina e mātou tā mātou Arotake ā-toru tau o ngā Kaupapahere Whiwhinga Moni Ahungarua, i tirohia ai te Penihana o Aotearoa, ngā wharenoho, ngā pūtea penapena tūmataiti, te whakahekenga tapeke me te KiwiSaver. Ko tētahi o aku tūtohunga matua i roto i te RRIP ko te pupuri i ngā tautuhinga onāiane o te Penihana o Aotearoa. Kāore ētahi atu huarahi i te māmā.

I harikoa ahau ki te kite kua tīmata te mahi a Te Tūāpapa Kura Kāinga ki te āta arotake i te Retirement Village Act. I tono mātou kia pēnei i te tau 2020 hei whakarite he tōkeke, he whaitake hoki te pūnaha.

This year has been another turbulent one, with inflation and a high cost of living dominating dinner table conversations and headlines. In this context, we remain focused on helping New Zealanders navigate the current financial challenges while keeping their eyes set on the future.

Our job is to apply a long-term lens to retirement issues, which usually seem a long way off as people progress through their lives. Decision-makers need to consider influence on people and policies many years from now, when today's youngest children are hanging up their boots after a long and productive working life.

There will always be day-to-day challenges along the way. Some years are harder than others, and it is natural that people will shift their focus in the presence of immediate challenges. That is why Te Ara Ahunga Ora is here - to stay focused on the bigger picture and to promote long-term thinking by both policy makers and individuals.

I am proud of the work we have done this year to draw attention to and help improve New Zealanders' retirement outcomes.

We released our three-yearly Review of Retirement Income Policies, which dove into NZ Super, housing, private savings, decumulation and KiwiSaver. One of the key recommendations I made in the RRIP was retaining NZ Super settings as they stand. The alternatives are not simple.

I was pleased to see the Ministry of Housing and Urban Development begin work on a comprehensive review of the Retirement Village Act. We called for this back in 2020 to ensure the system is fair and fit for purpose.



I kōkiri tonu au mō te hunga whiwhi i te penihana o Aotearoa i mau ki tawāhi i te wā o ngā katinga paewhenua nā te mate urutā, i whakakorehia ō rātou penihana. I whakaputaina e mātou he rangahau o ā rātou wheako i miramirahia ai ngā ngoikoretanga o tētahi pūnaha whakaioio. He maha aku tūtohunga ki te Manatū Whakahiato Ora me pēhea te whakapai ake i ngā hātepe whakahaere o te Penihana o Aotearoa.

Kua kitea he tukanga tino whaihua te Rautaki-ā-motu mō te Āheitanga Ahumoni, e āwhina ana ki te whakahāngai i tētahi rāngai nui ki te matawhānui kotahi - te āwhina i ngā tāngata o Aotearoa kia mārama ki te moni. I te taha o ngā hoa rangapū 570, i whakaputaina e mātou te papakupu whāiti reo Ingarihi tāmore hei āwhina ki te whakamāmā i ngā kupu kaupapa e whakamahia ana e te rāngai; i hui tahi i tā mātou wānanga rangapū tuatahi i Te Whanganui-a-Tara; i whakamātauria hoki tētahi kaupapa oranga ahumoni Māori e aro ana ki te hāpori ka kōkirihi ināianei e te Rōpū Kaipēke Māori, e Tāwhia.

I haumi tonu mātou i ngā rauemi maha ki te hāpai i te āheitanga ahumoni. Mā te pūnaha whatunga a Sorted o ngā huarahi matihiko, hāpori, ngā kura me ngā kaupapa ā-wāhi mahi, e toro atu ai ā mātou rauemi ki ngā tāngata o Aotearoa i ia rā. Ko te whakapiki ake i tā mātou toro atu ki ngā rangatahi Māori tētahi o ngā aronga matua i tēnei tau. I waihanga mātou i ngā rauemi hou, kei roto ko ngā kōrero o te ao tūturu, i whakapiki ake i ngā whakamāoritanga, i whakapūmautia hoki tētahi rangapūtanga ki a RE: News me TVNZ. I mahi tahi hoki ki ngā hoa rangapū kāwanatanga ki te whakatairanga i te pokapū rauemi utu noho i sorted.org.nz hei āwhina i te tangata ki te whakahaere i ā rātou moni i roto i ngā uauatanga o te taiao ahumoni.

I whai wāhi mātou ki te arotake i tā mātou hanganga i tēnei tau i muri i te huringa o te rōpū hautū, me te huri i te aronga o ngā rauemi kia hāngai ki ā mātou whāinga ā-rautaki paetawhiti. I whakaritea e mātou tētahi Rōpū Ako me te Māori me te tūranga Kaiwhakahaere Matua hou. Mā tēnei tūranga COO e āhei ai au kia pai ake taku aro ki ngā kaupapahere ahungarua, kōkiritanga me te rautaki āheitanga ahumoni i te taumata o te mana whakahaere.

Me te aha kua whakatūria e au tētahi poari tohutohu hou i te korenga o tētahi poari ōkawa. Ka tino āwhina tēnei i a au i roto i taku turanga kōkiritanga, e whakarite ana ka aro whakamua

I also continued to advocate for superannuitants who were stranded overseas during the pandemic border closures and lost their pensions. We released research into their experiences which highlighted the failings of an inflexible system. I have made several recommendations to the Ministry of Social Development as to how NZ Super operating procedures could be improved.

The National Strategy for Financial Capability has proven to be a highly effective mechanism, helping to align a large sector with a common vision - to help New Zealanders understand money. Together with more than 570 partners, we published the first plain English glossary to help de-jargon the language used by the sector; came together at our first partners conference in Wellington; and piloted a community-focused Māori financial wellbeing programme that will now be taken forward by the Māori Bankers Rōpū, Tāwhia.

We continued to invest significant resource into lifting financial capability. Through the Sorted ecosystem of digital channels, community, school and workplace programmes, our resources reach thousands of New Zealanders every day. Increasing our reach among rangatahi Māori was a key focus this year. We developed new resources including real-life stories, amped up our te reo translations, and secured a Māori media partnership with Re: News and TVNZ. We also collaborated with government partners to promote a cost-of-living resource hub on sorted.org.nz to help people manage their money in the challenging financial climate.

We took the opportunity to review our structure this year after a leadership team change, refocusing resources to align with our long-term strategic objectives. We created a dedicated Māori and Learning Team and a new Chief Operating Officer role. Having this COO role allows me to concentrate better on governance-level retirement policy, advocacy, and financial capability strategy.

I have consequently established a new advisory board in the absence of a formally constituted board. This will particularly assist me in my advocacy role, ensuring it remains forward-focused, independent and principled. We will meet quarterly to discuss and debate big picture issues and possible solutions.

tonu, ka noho motuhake, whai tikanga hoki. Ka hui mātou i ia toru marama ki te kōrerorero me te taupatupatu i ngā take whānui me ngā tūpono rongoa.

I te tau 2023 i pōhiri mātou i te Minita Tauhokohoko me ngā Take Kiritaki hou, a Hōnore Tākuta Duncan Web. E whakawhetai ana au ki tana tautoko haere tonu i ā mātou mahi.

I tohu hoki tēnei tau i te tau whakamutunga o tā mātou Tauākī Whakamaunga Atu, te mahere ā-rautaki i ārahi i a mātou mai i te tau 2021. E whakahī ana au ki ā mātou whakatutukihanga i tēnei wā, he wā kaumingomingo, otirā e rikarika ana ki te whai i ngā whāinga me ngā wawata hou.

Hei whakakapi ake, e hiahia ana au ki te mihi ki te rōpū rawe o Te Ara Ahunga Ora. He rōpū iti, engari he pakari tonu, ā, he rawe ngā mahi i whakatutukihia e ā mātou tāngata i te tau kua pahure. E tino ngākaunui ana rātou ki ā rātou mahi, ā, ka haere mai ki te mahi i ia rā e manawanui ana ki te whakatutuki i tētahi ahungarua pai ake mā te katoa.

**He iti te matakahi, pakaru rikiriki te tōtara.**

In 2023 we welcomed a new Minister of Commerce and Consumer Affairs, Hon Dr Duncan Webb. I am grateful for his ongoing support for our work.

This year also marked the final year of our Statement of Intent, the strategic plan that has guided us since 2021. I am very proud of what we have achieved in this period, during a tumultuous time, and look forward to tackling a new set of goals and ambitions.

Finally, I would like to share my gratitude for the great Te Ara Ahunga Ora team. We are small, but we are mighty, and the work our people have achieved over the past year is nothing short of impressive. They are all incredibly passionate about what they do and come to work each day truly committed to achieving a better retirement for all.

**A wedge may be small but it can fragment the tōtara. A small effort properly applied can achieve success.**

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## 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 2023.

Signed:



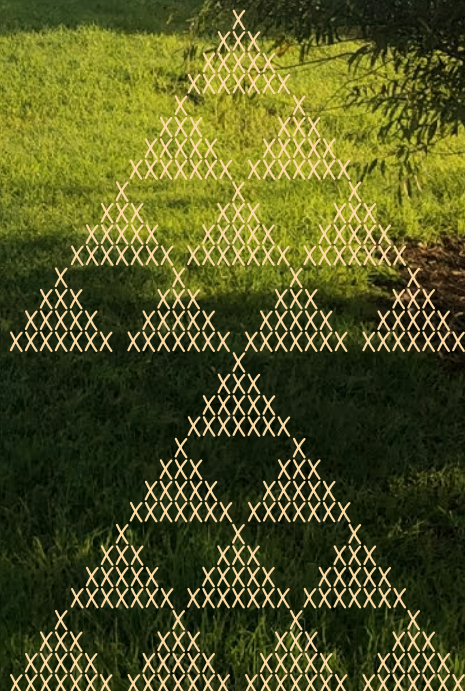
**Jane Wrightson**

Mana Ahungarua / Retirement Commissioner

12 October 2023









# Ā mātou mahi hirahira 2022/23

## Our 2022/23 highlights

### A better retirement



Published the 2022 Review of Retirement Income Policies with 16 accompanying papers



Conducted research on residents' experiences in moving out of, or within, a retirement village



Published three research reports on retirement and New Zealanders' financial capability

### Improving financial futures

**73%**

of secondary schools and kura used Sorted in Schools resources

**93%**

of teachers agreed they value Sorted in Schools as a financial capability programme



Developed learning and assessment content for two new Māori Medium Achievement Standard resources for mathematics and statistics

### Working together

**570+**

National Strategy partners across community, iwi, government, and industry worked together to help New Zealanders understand money

**544**

households completed the Pacific Peoples Pathways to Homeownership: five participants have already bought homes following the programme



Developed a Sorted cost-of-living hub alongside government partners, sharing tools and resources to help New Zealanders navigating rising costs

**321**

Published a plain language glossary covering 321 terms for the finance sector to use

**216**

Sorted at Work programmes delivered to 4189 participants

### Getting New Zealanders Sorted



Launched three upgraded Sorted tools including the mortgage calculator, money personality quiz and goal planner

**1.2M+**

Financial tools, guides and blogs, used by 1.2 million+ on the Sorted website

**86%**

of New Zealanders find sorted.org.nz valuable



Led Sorted Money Week 2022, featuring a new community fund and te reo Māori content

**23,844**

new sign ups to sorted.org.nz

**97%**

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



# Ko wai mātou

## Who we are

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

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

Using this framework we advise government on retirement income policy to help 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, and provide consumers with important information relating to 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)<sup>1</sup>, is underpinned by our Statement of Intent 2021 - 2024 (SOI)<sup>2</sup>, as well as the Annual Letter of Expectations from the Minister of Commerce and Consumer Affairs<sup>3</sup>.



1. [Te-Ara-Ahunga-Ora-RC\\_SPE-2022-2023\\_web.pdf](#) (retirement.govt.nz)
2. [CFFC-Statement-of-Intent-2021-2024.pdf](#) (retirement.govt.nz)
3. [22-23-LOE-Retirement-Commission-final-sent.pdf](#)



# Tā mātou anga rautaki anga whakatutuki mahi

## Our strategic and performance framework 2022/23

The framework below outlines why we do what we do, and how we do it.

### 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



# Te pūrongo i tā mātou Tauākī Whakamaunga Atu 2021-2024

## Reporting on our Statement of Intent 2021-2024

This Annual Report marks the final year of our Statement of Intent 2021-2024, which set our strategic intentions over a four-year period. When this plan was created in 2020, we looked carefully at the scope of our work and where we could make the most difference.

We identified our independence and research capability as a key strength; this allows us to provide trustworthy information, advocate on retirement-related matters, and foster effective collaboration. These all come together to help us achieve a better retirement for New Zealanders, now and in the future.

The last three years have seen New Zealanders met with several financial headwinds. A pandemic, cost of living challenges and severe weather events have all placed added pressure on households. It has become harder for people to plan long-term, making our role more important than ever.

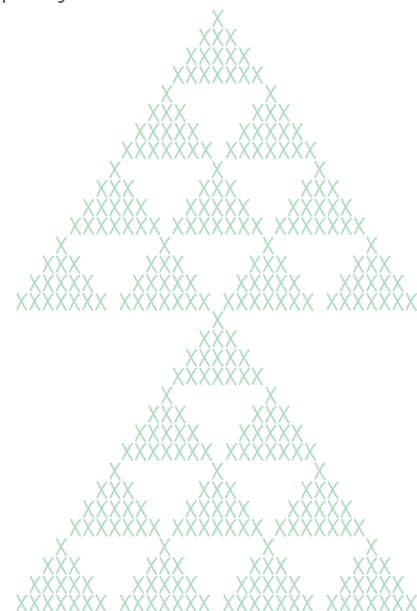
Alongside our work helping people to navigate the current challenges, we have made significant progress on our long-term strategic intentions. The following provides some of our key highlights over the last three years against the SOI goals.

### Progress with Retirement Policies

What we set out to do: Advocate for a system that serves the diversity of New Zealanders. Provide robust evidence to help future-proof retirement policy and support current and future retirees.

#### How we did it:

- Launched the first Purpose Statement for New Zealand's Retirement Income System in 2021.
- Published the 2022 Review of Retirement Income Policies, which resulted in more than 50 mentions across New Zealand media, an excellent result for a technical document.
- Published 16 research reports on retirement and New Zealanders' financial capability.
- Published five policy papers on the retirement income system on topics including NZ Superannuation, KiwiSaver and OECD comparisons.
- Advocated successfully for a fix to be found for superannuitants stranded overseas facing pension payments being stopped and repayments sought.
- Published three deep dives into important issues to enhance New Zealanders' understanding of retirement policy.



## Progress with Retirement Villages

What we set out to do: Oversee a fair regulatory framework. Maintain a competent and independent regulatory regime.

### How we did it:

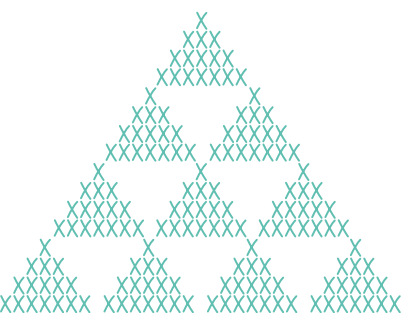
- Published a second comprehensive study in 2021 analysing the retirement villages legal framework, following the 2020 White Paper.
- Both papers helped lead to build the case for a full framework review in 2023.
- Published annual investigations on different topics as part of our ongoing monitoring of retirement villages.
- Provided information for retirement village operators and residents relating to the two-tier complaints and disputes process, as well as a point of contact for enquiries.

## Progress with Financial Capability

What we set out to do: Promote the importance of long-term thinking. Provide trusted and independent information about retirement.

### How we did it:

- Maintained Sorted's role as a trusted information leader, with more than one million users each year and more than 60,000 new sign ups.
- Launched nine new or upgraded tools on sorted.org.nz.
- Promoted three annual Money Week campaigns, attracting more than 49,000 unique visits to the website.
- Delivered Sorted in Schools for four years to kura and secondary schools throughout Aotearoa.
- Launched a new National Strategy for Financial Capability in 2021, which now involves 570+ partners across community, government and industry. Delivered 10 webinars with 1000+ National Strategy partners registered.
- Published a quarterly tracker of insights on New Zealanders' financial confidence and access to financial advice.
- Launched a new Sorted Pacific Peoples Pathway to Homeownership programme in 2021 which has so far reached 900+ households.



Our independence continues to be a key strength, giving us a unique voice and critical lens that is not guided by any other agenda other than improving New Zealanders' retirement outcomes.

Our next Statement of Intent for the period 2023-2026<sup>4</sup> sets out our strategic intentions for the next four financial years. The new Statement of Intent features a tightened vision and purpose, allowing us to better define our place and communicate the work we are resourced to do. We continue to focus on the same three key areas: retirement income, retirement villages and financial wellbeing (previously financial capability) and have set long-term objectives for each.

Detailed annual operating measures are set out in our annual Statement of Performance Expectations.<sup>5</sup>



4. [Statement-of-Intent-Tauaki-Whakamaunga-Atu-2023-2026.pdf](#) (retirement.govt.nz)

5. [2023-2024-Statement-of-Performance-Expectations.pdf](#) (retirement.govt.nz)





## PART 1 Operations

The following pages highlight our activity for the 2022/23 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 2023.

This section is broken into our three key work areas: Retirement Policies, Retirement Villages and Financial Capability.



# Kaupapa Here Ahungarua




## Retirement Policies





One of our key roles is providing research and thorough analysis of retirement policy settings that is useful for different stakeholders. We provide robust evidence to the Government and public to advocate for a system that serves all New Zealanders. We promote informed debate about policies that affect retirees, and what it takes to get New Zealanders financially ready for retirement.

### Retirement Policies progress summary<sup>6</sup>

**Long term goal (SOI):** Provide robust evidence to help future-proof retirement policy and support current and future retirees.

**How we will do it:**

-  Conduct a three-yearly review for government
-  Uncover emerging issues and call for action
-  Promote debate on retirement challenges

This year's SPE objectives	2022/23
 <b>Trusted information:</b> New Zealand's retirement policy settings are informed by a responsive, ongoing research programme.	<b>Achieved</b> Delivered the 2022 Review of Retirement Income Policies. Published three pieces of research: Stranded superannuitants <sup>7</sup> , total remuneration approach for KiwiSaver <sup>8</sup> , and focus on those with disabilities <sup>9</sup> .
 <b>Informed advocacy:</b> New Zealand's retirement income policies are consistent and coherent.	<b>Achieved</b> External review agreed recommendations in the triennial RRIP contribute to policy consistency.
 <b>Informed advocacy:</b> Public understanding of retirement policy is enhanced by an annual deep dive on at least one important issue.	<b>Achieved</b> Published paper on NZ Super settings and a globally mobile population. <sup>10</sup>
 <b>Effective collaboration:</b> Retirement policy issues are the focus of pan-sector government collaboration.	<b>Achieved</b> Chaired a senior officials' group across key government agencies to ensure retirement issues are considered across a range of policy settings.

6. Detailed in Part 2: Performance Information

7. [https://assets.retirement.govt.nz/public/Uploads/Research/TAO-RC-Stranded-SuperAnnuitants\\_2.pdf](https://assets.retirement.govt.nz/public/Uploads/Research/TAO-RC-Stranded-SuperAnnuitants_2.pdf)

8. Microsoft PowerPoint - Total remuneration 2022\_Final - for release (retirement.govt.nz)

9. TAAO\_focus-on-disability-and-longterm-health-conditions.pdf (retirement.govt.nz)

10. TAAO-RC-Policy-Paper-2023-01-PAPER.pdf (retirement.govt.nz)





## Trusted information and informed advocacy

### 2022 Review of Retirement Income Policies

We released the 2022 Review of Retirement Income Policies (RRIP)<sup>11</sup> including four research projects delving into what retirement looks like for Māori<sup>12</sup> in November 2022.

Key topics related to three broad areas - NZ Super, housing, and private savings including KiwiSaver. Particular focus was given to the impact of current policies on the retirement savings outcomes and experiences of Māori as Treaty partners, and of Pacific Peoples and women.

We made recommendations to the Government, financial services industry, employers, and for ourselves as part of the review. One of the key recommendations made by the Retirement Commissioner was to keep the age of eligibility to access NZ Super at 65.

In August 2023 we received an interim response to the 2022 RRIP which advised that the Government will provide a complete response to the 2022 Review recommendations once the recommendations relating to Māori have been received. This will enable the Government to consider all the recommendations together in a comprehensive way.



Te Ara Ahunga Ora Director Policy and Research  
Dr Suzy Morrissey and Kaihautū Erin Thompson

### Stranded superannuitants

We called for more flexibility after research highlighted the failings in experiences of pensioners caught out during border closures<sup>13</sup>. A study<sup>14</sup> conducted by Te Ara Ahunga Ora included interviews with some of these pensioners, revealing the emotional strain of being caught offshore due to COVID-19 border closures and the impact of having NZ Super payments stopped, repayment demands issued, and the difficulties navigating government bureaucracy to solve the problems.

### Retirement income preferences

As part of our advocacy work, we commissioned the University of Otago to conduct a study examining preferences over seven aspects of retirement income policy<sup>15</sup>. The research, which replicated a study from 2014, showed widespread opposition to means-testing superannuation and raising the age of eligibility but a willingness to increase taxes now rather than burden future generations.

11. RRIP\_2022.pdf (retirement.govt.nz)

12. He Mahere Māori | Retirement Commission Te Ara Ahunga Ora

13. Retirement Commissioner calls for more flexibility after study highlights failings in the experiences of pensioners caught out during border closures | Retirement Commission Te Ara Ahunga Ora

14. TAAO-RC-Stranded-SuperAnnuitants\_2.pdf (retirement.govt.nz)

15. Microsoft Word - Coleman Noviarini Sullivan Retirement Commission Survey 2022 v1





## Trusted information

We run an ongoing research programme to achieve our 'trusted information' objective. This research helps us and our stakeholders to better understand the impacts of retirement policy settings and what retirement looks like for current and future retirees. We published three qualitative and quantitative research reports that provided insight into retirement outcomes and the financial capability of New Zealanders.

This year we have uncovered some key trends to be considered in future policy and decision-making, including:

- Widespread opposition to means-testing superannuation and raising the age of eligibility, and that the majority are willing to increase taxes now rather than burden future generations.
- Nearly half of all businesses surveyed were using a total remuneration approach to KiwiSaver, going against the spirit of the scheme and potentially disincentivising contributions.
- The KiwiSaver gender gap is widening across all ages; now 25% on average, up 5% from 2021.

## Total remuneration

A survey conducted with more than 300 organisations<sup>16</sup> revealed the prevalence of employers including KiwiSaver contributions as part of employees' total remuneration, rather than on top of their earnings. The research found that 45% of the organisations surveyed, which included small, medium, and large businesses, use the model for at least some employees.

We see this practice as going against the spirit of the KiwiSaver scheme. In guidance provided to employers when KiwiSaver was introduced, they were advised that employees and employers alike have a stake in lifting the saving performance of New Zealand. Increased savings helps employees enjoy a higher standard of living in retirement and also increases the supply of domestic savings that can be invested in New Zealand businesses, helping local businesses grow.

## The impact of disabilities on financial wellbeing

We completed a deep dive into the impacts of having a disability on financial wellbeing, using our NZ Financial Capability 2021 data<sup>17</sup>. The report examined the financial wellbeing of people with a disability or long-term health condition, finding that they have lower participation rates in the workforce, lower incomes, and lower homeownership rates. This is one in a series of papers produced using the dataset. Other reports looked at the financial wellbeing of women; Māori; Pacific Peoples; and people who currently don't contribute to KiwiSaver.

16. Microsoft PowerPoint - Total remuneration 2022\_Final - for release (retirement.govt.nz)

17. TAAO\_focus-on-disability-and-longterm-health-conditions.pdf (retirement.govt.nz)





## New data revealing widening gender KiwiSaver gap

We engaged actuaries Melville Jessup Weaver (MJW) to collect demographic data on KiwiSaver in December 2022 to provide an update on data first collected in December 2021<sup>18</sup>. This data is not routinely available.

The research found a 25% gender gap on average KiwiSaver balances, up 5% in one year from the 20% gap identified in 2021. Gender gaps in every age group category had widened, with larger gaps opening in younger ages groups, up 7% for 18 – 25 year olds (now 23%) and up 8% for 31 – 35 year olds (now a 27% gap). The data was gathered from more than three million KiwiSaver members representing approximately 94% of the total KiwiSaver member base.

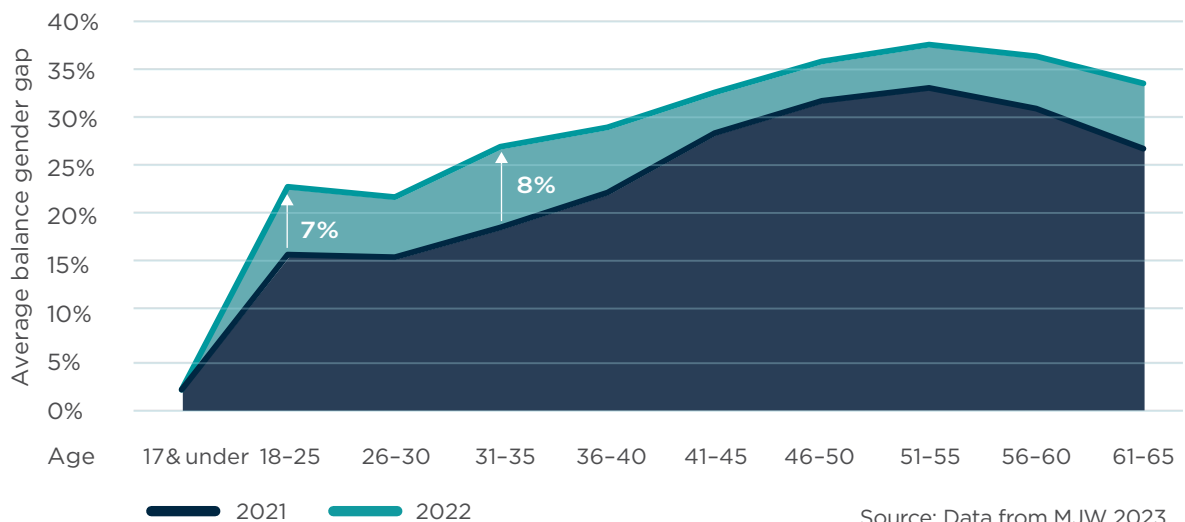


## Effective collaboration

### New Advisory Board

In 2023 the Retirement Commissioner appointed an Advisory Board to support her in ensuring advocacy is forward-focused, independent, and principled. The board's members are independent directors Alison O'Connell and David McLean, digital entrepreneur Kendall Flutey, and economist Paul Conway.

KiwiSaver average balance gender gap 2022 compared to 2021



18. New data reveals gender gaps widening in KiwiSaver balances across all ages | Retirement Commission Te Ara Ahunga Ora



# 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.

### Retirement Villages progress summary<sup>19</sup>

**Long term goal (SOI):** Maintain a competent and independent regulatory regime.

**How we will do it:**

-  Flag issues and report on sector trends
-  Support dispute resolution
-  Tackle issues through sector collaboration

This year's SPE objectives	2022/23
<p> <b>Trusted information:</b></p> <p>Retirement village monitoring and sector insights are readily available for stakeholders.</p>	<p><b>Achieved</b></p> <p>Published an annual investigation on the experiences of moving on from a retirement village.<sup>20</sup></p> <p>Published six-monthly reports of formal complaints raised in retirement villages.<sup>21</sup></p>
<p> <b>Trusted information:</b></p> <p>Impartial information about retirement villages, for current and future retirees, is well-targeted and widely available.</p>	<p><b>Achieved</b></p> <p>Delivered four webinars to various organisations on retirement village living.</p> <p>Website tools and resources available on Sorted.</p>
<p> <b>Informed advocacy:</b></p> <p>Village residents and their families can access a disputes process.</p>	<p><b>Achieved</b></p> <p>Provided residents and their families with informal advice on options for dispute resolution.</p> <p>Published Disputes Panel decisions.<sup>22</sup></p> <p>Disputes Panel members appointed in 21/22 in place until 2025.</p>

19. Detailed in Part 2: Performance Information

20. Retirement-Village-Annual-Investigation-2023.pdf

21. Monitoring and reports | Retirement Commission Te Ara Ahunga Ora

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





## Trusted information

### Review of the Retirement Villages legislation

We were very pleased to see the review of the Retirement Villages Act 2003 get underway, following the release of the terms of reference set by the Government. The Ministry of Housing and Urban Development is leading the review work<sup>23</sup>, and released a discussion paper in August 2023.

We had called for a review of the legislation back in December 2020 after releasing a White Paper<sup>24</sup> on the retirement villages framework. This was reiterated in June 2021 after public consultation on the paper. We received 3300 submissions, and provided a summary and recommendations report<sup>25</sup> to Government.

### Annual investigation report – Occupation Right Agreement

We commissioned IPSOS, a market research company, to undertake qualitative research into the experiences of residents and their family members when they moved on from, or within, a retirement village<sup>26</sup>. The objectives of the study were to explore a range of experiences and identify factors that contribute to a good or bad experience, and the financial and emotional impact of an exit for both residents and their whānau.



## Effective collaboration

We finally managed to hold our Retirement Villages Stakeholders forum in Wellington after two years of COVID-19 cancellations. Hon Dr Megan Woods, Minister of Housing, gave the opening address and reiterated the Government’s commitment to carrying out a full legislative review.

The forum provides a unique opportunity to bring together the many stakeholders in the Retirement villages sector, including government officials, retirement village operators, retirement village residents, statutory supervisors, lawyers, dispute panellists, mediators, and consumer groups.



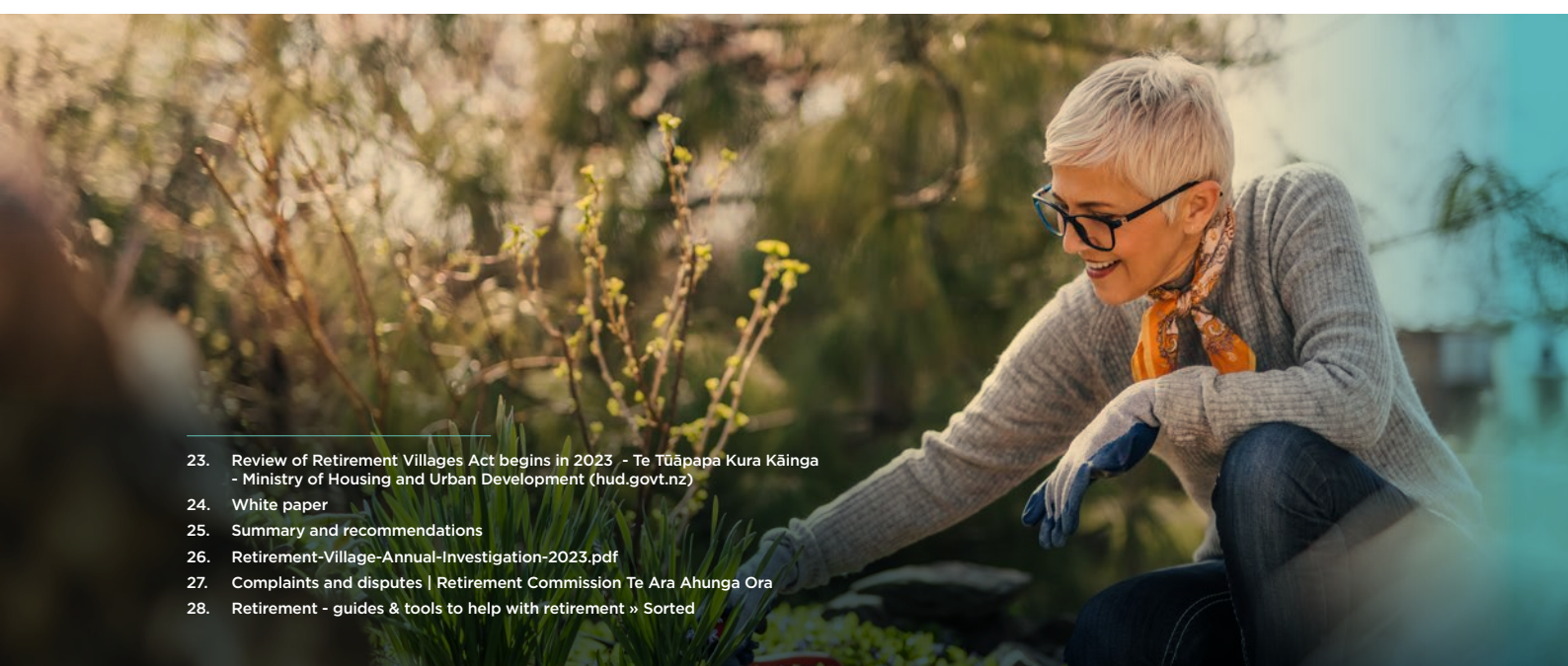
## Informed advocacy

### Disputes process

We continued to provide information for retirement village operators and residents on the Te Ara Ahunga Ora website relating to the two-tier complaints and disputes process, as well as providing a point of contact through phone or email<sup>27</sup>. We also offer guides and tools to help with retirement on sorted.org.nz<sup>28</sup>.

Our complaints reporting system allows us 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.

- 23. Review of Retirement Villages Act begins in 2023 - Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development ([hud.govt.nz](https://www.hud.govt.nz))
- 24. White paper
- 25. Summary and recommendations
- 26. Retirement-Village-Annual-Investigation-2023.pdf
- 27. Complaints and disputes | Retirement Commission Te Ara Ahunga Ora
- 28. Retirement - guides & tools to help with retirement » Sorted



# 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.

### Financial Capability progress summary<sup>29</sup>

**Long term goal (SOI):** Provide trusted and independent information about retirement related matters to help New Zealanders retire with confidence.

**How we will do it:**

-  Supply trusted and independent information through Sorted
-  Lead the National Strategy for Financial Capability
-  Equip stakeholders with insights that add value

This year's SPE objectives	2022/23
<p> <b>Trusted information:</b></p> <p>Maintain valued financial capability services with a special focus on the exposed segment; younger New Zealanders, Māori, Pacific Peoples and women</p>	<p><b>Achieved</b></p> <p>Includes:</p> <ul style="list-style-type: none"> <li>Sorted launched on TikTok.</li> <li>Expanded Maori content on Sorted.</li> <li>Media partnership with Re:News and TVNZ.</li> <li>544 households completed Pacific Peoples Pathways to homeownership programme.</li> <li>New Māori financial capability programme piloted.</li> <li>72.9% of schools and kura have used Te whai hua - kia ora, Sorted in Schools.</li> </ul>
<p> <b>Informed advocacy:</b></p> <p>Share financial capability insights and research with key stakeholders on a regular basis</p>	<p><b>Achieved</b></p> <p>Held five webinars with 552 registrations.</p>
<p> <b>Effective collaboration:</b></p> <p>The National Strategy for Financial Capability is relevant and supported by the sector.</p>	<p><b>Achieved</b></p> <ul style="list-style-type: none"> <li>National Strategy Conference attended by 200+ people.</li> <li>Secured wide participation in the De-Jargoning Money glossary project; stood up a provide savings working group for the RRIP 2022.</li> </ul>

29. Detailed in Part 2: Performance Information



## Trusted information

### Sorted

Sorted holds an important role as an accessible and trusted source of free and independent financial information and tools for New Zealanders. With more than 1.2 million users this year, it continues to deliver on its purpose to inspire and enable New Zealanders to live, feel and be financially well now and in the future. Our tools and resources continue to draw thousands of visits each year, and we are often called upon as an expert voice for media, providing general information on personal finance matters.

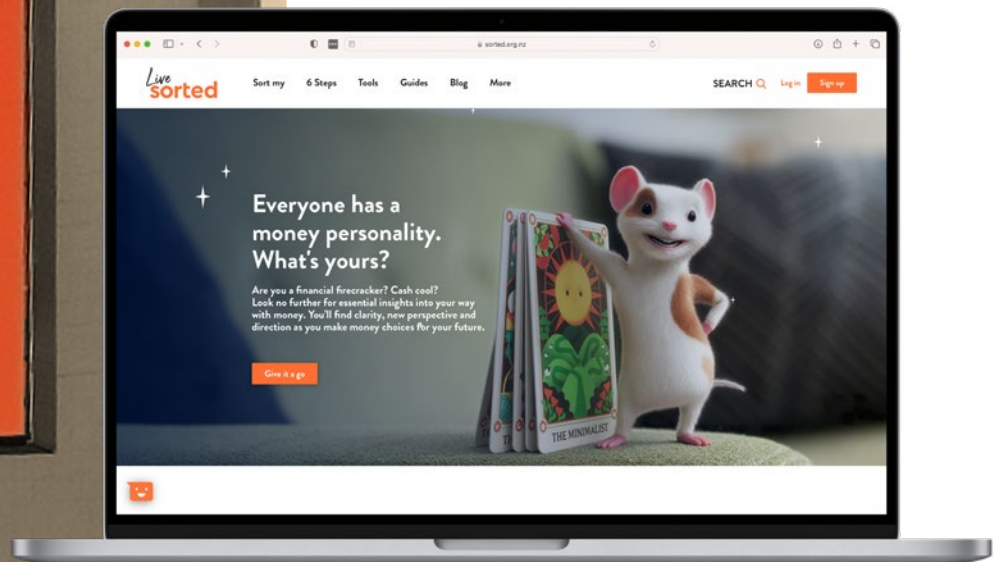
### Help with the cost of living

To help New Zealanders navigate the rising cost of living, we partnered with MBIE Consumer Protection, MSD and the FMA to develop a centralised resource hub on [sorted.org.nz](https://sorted.org.nz)<sup>30</sup>. The hub collated useful information, tools and where else to go for help with the cost-of-living challenges. A digital advertising campaign was rolled out to drive people to the hub, enabling them to access what they need in a centralised place. Campaign impressions totaled more than nine million and led to 30,000+ website sessions over a two month period.

### Better tools

We launched upgraded versions of the Goal Planner, Mortgage Calculator and Money Personality Quiz, to offer an improved user experience and new features.

The Money Personality Quiz particularly resonated with New Zealanders, achieving widespread media coverage and an increase in website traffic making it the most popular Sorted tool for a time. We collaborated with finance experts from AUT Business School to create the quiz, which drew on bespoke research to identify five money personalities in New Zealanders.<sup>31</sup>



30. Help with the cost of living » Sorted

31. Sorted and AUT collaborate to create Money Personality Quiz driven by new NZ research | Retirement Commission Te Ara Ahunga Ora

## Reaching rangatahi Māori

A deep dive into Sorted brand performance in 2022 showed strong levels of trust and relevance for the overall Māori population, as well as positive impacts following site engagement. However, brand awareness of Sorted was lower with younger Māori at 15%. To help address this, we kicked off a partnership with Re: and TVNZ titled the Māori Money Movement series<sup>32</sup>. The series was launched in May and has so far reached an audience of over 770,000 and had more than 17,000 engagements. A significant proportion of those reached have been Māori and Pacific Peoples. We also improved the targeting of our advertising to reach young Māori and build awareness of Sorted.

We expanded Māori content on Sorted, sharing six real stories from Māori, more te reo content including money kupu (words) and completed a new photoshoot for images that better reflect Māori. Bespoke Māori content was also shared during Money Week 2022 and promoted across our emails and social platforms. The strategy to reach rangatahi Māori will be a continued focus over the next year.

## Money Week 2022

Sorted Money Week built on the 'Just Wondering' theme from the previous year and expanded to include Money Mindsets, highlighting the role emotions play in our decision making.

The campaign saw some great results:

- 4.5 million impressions across all platforms
- 897,731 total video plays with an average completion rate of 24.79%
- 1053 stakeholder resources downloaded
- 338 questions submitted

Lessons from Sorted Money Week have fed into our planning for 2023, where we will extend the campaign to a full month, a move supported by sector stakeholders. This provides more time for consumers to learn and develop new habits and offers more flexibility for our stakeholders to incorporate Money Month into their business activity.

## Sorted launches on TikTok

As part of our continued efforts to reach rangatahi and a younger audience in general, Sorted joined TikTok. We used the star talents of our TupuToa intern to create a 10-part series of short videos on a range of different money topics. The posts delivered six million impressions, reaching 629,306 Kiwi and resulted in a total of 15,648 clicks through to the Sorted website.

## Sorted in Communities

### Pacific Peoples Pathways to Homeownership

The Pacific Peoples Pathways to Homeownership Programme, funded by the Ministry for Pacific Peoples, continues to succeed and is well on track to meet its goal of reaching 1200 Pacific households by June 2025.

Since 2021, 900 Pacific households have completed the programme - 544 in this year alone. The programme has been well-received, with 97% of participants saying they found the course valuable as a pathway into their first home. We are thrilled to report five households have already succeeded in purchasing their own homes since completing the programme. Given Pacific peoples are known to have statistically low rates of homeownership in New Zealand, this is an exceptional result for a new programme.

### Sorted Kāinga Ora

Sorted Kāinga Ora is a programme jointly created by Te Ara Ahunga Ora and Te Puni Kōkiri. The programme is developed by Māori, for Māori, and focuses on building the financial capability of whānau so they can make choices about how to meet their housing aspirations. The programme is delivered by rōpū contracted by Te Puni Kōkiri using facilitators trained and quality assured by Te Ara Ahunga Ora. More than 25 programmes have been delivered in 2022/2023, with approximately 15 participants attending each. We have signed a two-year partnership with Te Puni Kōkiri to continue delivering the programme.

32. The Māori Money Movement » Sorted





Pacific Pathways to Homeownership Project Specialist Liline Hewitt and Digital Specialist Mike Coffey

## Te whai hua - kia ora, Sorted in Schools

We have now been delivering Te whai hua - kia ora, Sorted in Schools for four years.

This free financial education programme is government-backed and fully aligned with the New Zealand Curriculum. We provide NZQA approved resources that allow students to gain NCEA credits, while also learning important financial life skills. Topics covered include money management, KiwiSaver, debt, tax, cryptocurrency, inflation and insurance. We promote the programme to teachers across the country and train them to deliver the content.

- 72.9% of schools and kura have used Te whai hua - kia ora, Sorted in Schools
- 96% of teachers agreed they are satisfied with the quality of Sorted in Schools
- 93% of teachers agreed that they value Sorted in Schools as a financial capability programme.

We also worked with financial education platform Banquer on a joint submission on the New Zealand Curriculum. We provided the Ministry of Education with guidance on how financial education can be integrated within mathematics and statistics and social sciences learning areas using key words. We were pleased to see the inclusion of personal finance referenced in the purpose statement for the mathematics and statistics curriculum<sup>33</sup>. We are still working closely with MoE to gain a greater understanding of how this can be applied more broadly.

## New learning resources

This year we developed learning and assessment content for two new Māori Medium Achievement Standard resources for mathematics and statistics. These new Achievement Standard resources along with the Unit Standard resources provide rangatahi with the opportunity to gain NCEA credits while learning about financial capability at kura. Te whai hua - kia ora, Sorted in Schools is the only financial education programme that has resources that provide NCEA credits.

Sorted in Schools (English Medium Education) launched “bite-size” learning resources, providing short videos and learning activities on inflation and cryptocurrency. The resources were developed in response to NZCER research<sup>34</sup> that found that students wanted independent information on popular financial topics.

## Sorted at Work

Our Sorted at Work programmes continued to offer a suite of courses and webinars for workplaces to help lift the financial capability of employees.

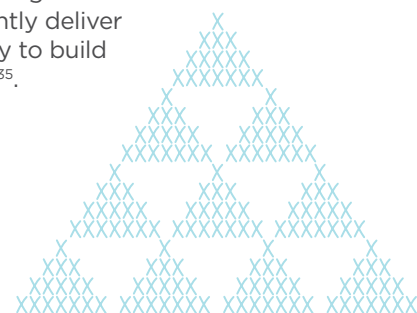
- 216 Sorted at Work programmes were delivered to 4000+ participants
- 21 new organisations signed up
- 97% of participants agreed they trust the information provided in the Sorted at Work programmes
- 91% agreed Sorted at Work programmes have helped build their financial confidence.

The programme has drawn strong interest from government clients, such as the New Zealand Defence Force, who see great value in the product and currently deliver it as part of their wider strategy to build employees’ financial wellbeing<sup>35</sup>.

33. Mathematics and statistics | Curriculum Refresh (education.govt.nz)

34. NZCER-student-voice-report.pdf (retirement.govt.nz)

35. A day in the life: Mark Williamson | Retirement Commission Te Ara Ahunga Ora





# He Rautaki-ā-motu mō te Āheitanga Ahumoni

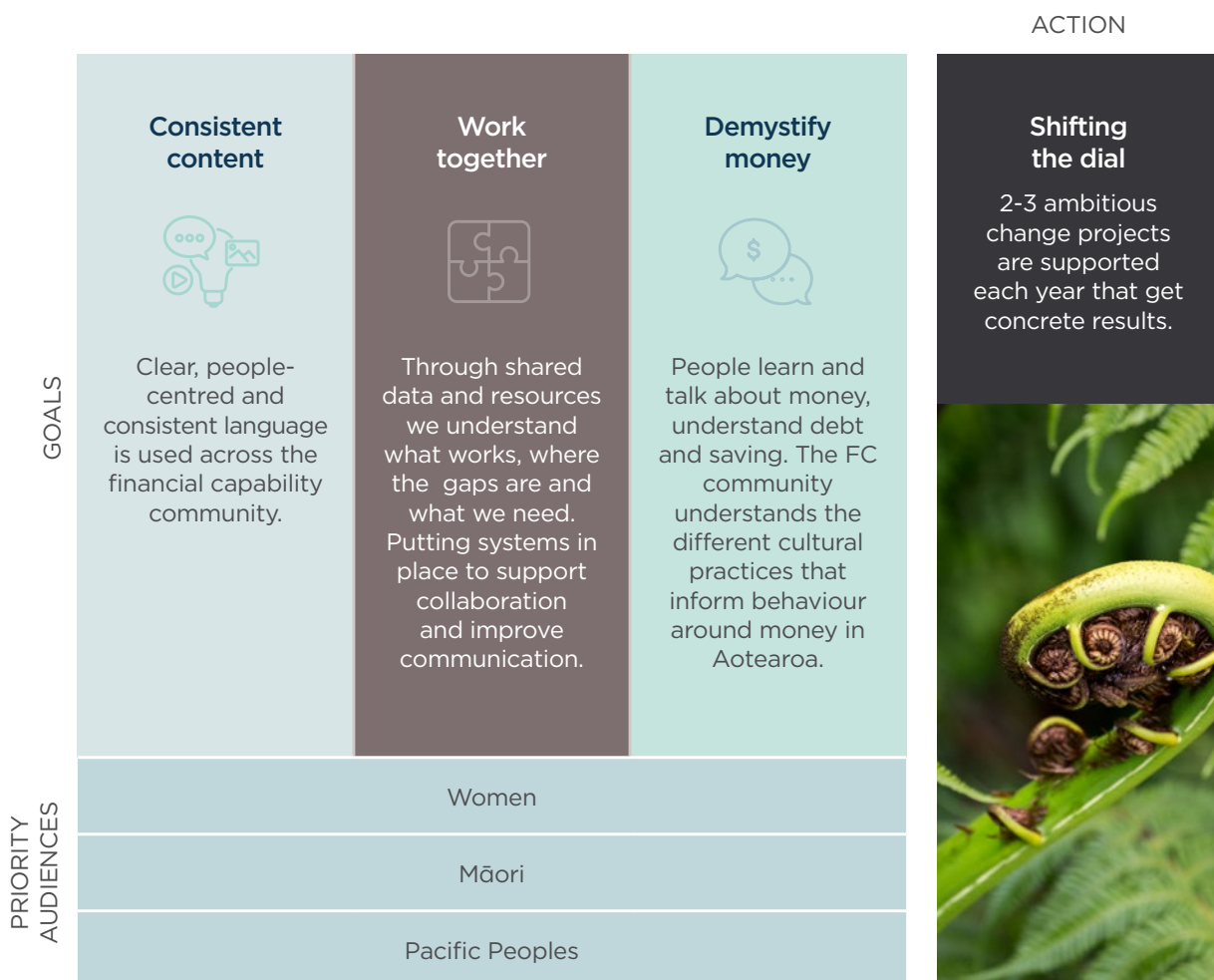
## National Strategy for Financial Capability

In the second year of the National Strategy for Financial Capability, several projects to help New Zealanders better understand money were brought to life. More than 570 partners across community, iwi, government and business have been involved with the strategy.

We published a separate annual report<sup>36</sup> with more highlights of the activity undertaken in the first year of the National Strategy of Financial Capability.

### National Strategy summary

### The National Strategy in a nutshell



36. [assets.retirement.govt.nz/public/Uploads/National-Strategy/PDFs/TAAO-National-Strategy-Annual-report-22-23\\_3.pdf](https://assets.retirement.govt.nz/public/Uploads/National-Strategy/PDFs/TAAO-National-Strategy-Annual-report-22-23_3.pdf)



## Effective collaboration

### De-jargoning Money

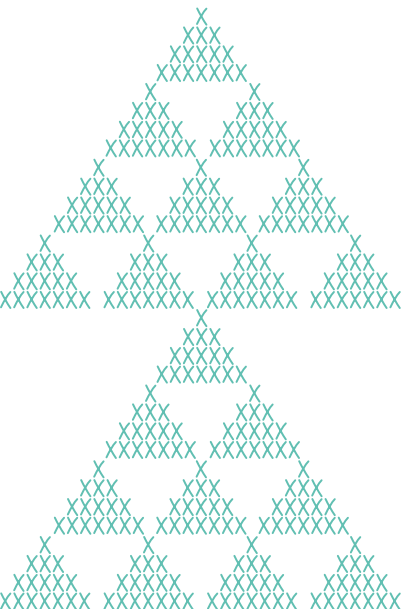
We launched *De-jargoning Money* on 1 June 2023 following 18 months of cross-sector collaboration with the finance sector<sup>37</sup>. This is the first financial glossary of plain language for organisations and institutions working across the finance and insurance sector, to use when explaining personal finance on their websites, in documents, on the front line, and in the media. We know that many terms are not readily understood by New Zealanders and this is a chance to reshape and demystify customer and consumer-facing language.

The glossary was refined through widespread sector involvement, including eight working group sessions and a survey inviting feedback, as well as WriteMark certification and customer testing. We had 48 partners provide feedback during the consultation period<sup>38</sup>.

### The power of together partners conference

Our first National Strategy partners conference<sup>39</sup> held in Wellington on 24-25 August was a great success. The conference connected more than 200 people from across the financial capability community. The sector heard from Minister Dr David Clark (Commerce and Consumer Affairs) and Minister Jan Tinetti (Women) who both commended the importance of the work that the sector is doing and reflected on the next steps required to build momentum to grow financial capability.

The next conference is scheduled to take place in Auckland in May 2024.

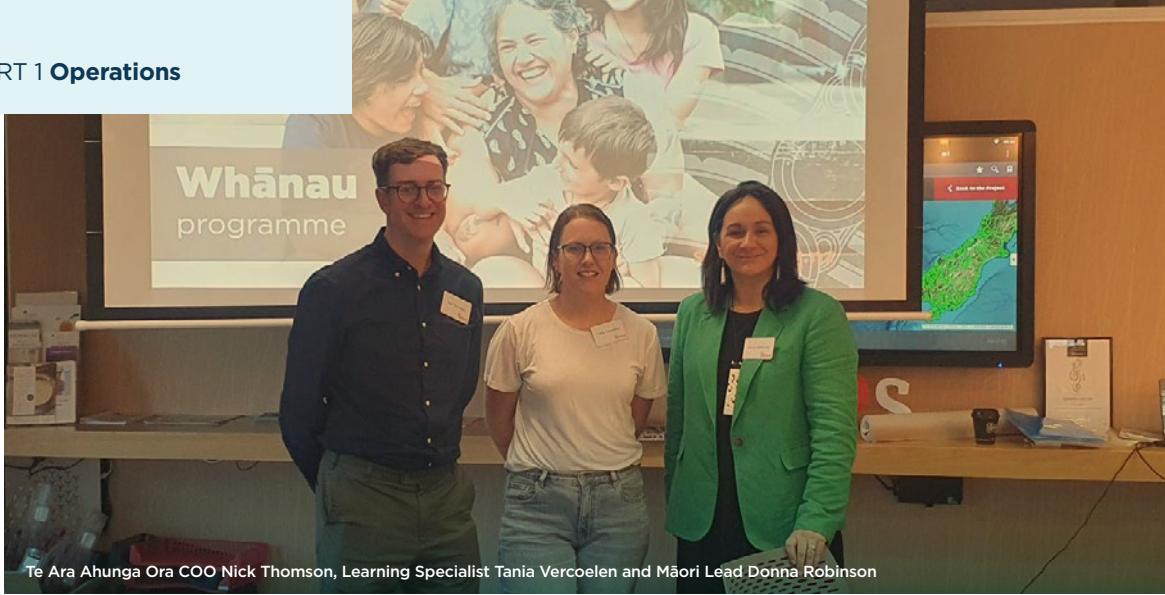


37. [De-jargoning-Money\\_Glossary\\_TAAO.pdf](#) (retirement.govt.nz)

38. [Feedback-and-testing-report\\_De-jargoning-Money\\_TAAO.pdf](#) (retirement.govt.nz)

39. National Strategy Partners conference recordings | Retirement Commission Te Ara Ahunga Ora





Te Ara Ahunga Ora COO Nick Thomson, Learning Specialist Tania Vercoelen and Māori Lead Donna Robinson

## Māori financial capability programme

We developed a Māori financial capability programme which was piloted to 23 households in partnership with Ngāi Tahu and Ngāpuhi in December 2022. We had initially set a target to reach 150 households however began working with the New Zealand Banking Association (NZBA) and Tāwhia to use this pilot to develop the 2023 National Strategy for Financial Capability 'shifting the dial' project for Māori audiences where this programme will be wider reaching with a dedicated project manager appointed through NZBA.

## Private savings working group

We engaged a private savings working group of 13 partners, to provide recommendations for the financial services industry on how they can work together to encourage more New Zealanders to save<sup>40</sup>. The group included representatives from the country's five largest banks and developed a set of recommendations to work together on to encourage more New Zealanders to save as part of the 2022 Review of Retirement Income Policies.

## Ongoing projects

We are working with partners to develop a set of sector-wide impact measures for financial capability. A steering group has commenced and we have interviewed more than 15 organisations including banks, financial wellbeing specialists, and community partners. This project will continue into the next financial year as we gather more evidence, run workshops including talanoa and hui, and survey more partners to shape the shared impact measures. We will also be exploring with partners how we can keep track of these measures across Aotearoa once developed.

Scoping work continues on a shared resource and collaboration hub for the financial capability sector. A survey was conducted with National Strategy partners in March 2023 to understand what would be most useful and any potential barriers. Together with the FMA, we are working to develop this virtual hub for partners working in financial capability and wellbeing to use.



## Informed advocacy

## Sharing research and insights

We ran a series of webinars throughout the year, allowing partners to connect and share new financial capability insights. More than 500 National Strategy partners registered for the five webinars. Insights shared through regular newsletters and webinars included updates from our 'always-on' research monitoring the financial wellbeing of New Zealanders, the role of housing in retirement outcomes, particularly for Māori and Pacific People, the pandemic effect on New Zealanders and their money, and the NZ Savings Gap. Breakout sessions were held in webinars to facilitate collaboration on various initiatives.

40. Retirement Commission joins forces with financial sector to get New Zealanders saving | Retirement Commission Te Ara Ahunga Ora



# Whanaketanga Māori

## Māori development

This year our focus for Māori development was on research, the development of Sorted content and our own kaimahi. We drafted a rautaki Māori for the organisation to progress Te Ara Ahunga Ora towards true Treaty partnership. It refers to the Waka Hourua as a metaphor for the Crown Māori relationship and the strength in working together to achieve a better outcome for Māori. It is a long serving document and provides goals and actions that are sustainable and future focussed.

We gave important focus to Māori issues in the 2022 Review of Retirement Income Policies, publishing four academic papers addressing the question 'What does retirement look like for Māori?'<sup>41</sup>. A key recommendation that came out of the 2022 RRIP was that an advisory rōpū should be established to more fully consider issues raised by our research and lead the development of policy options. Discussions were held with Te Puni Kōkiri and the Minister for Māori Development to support the establishment of this rōpū.

We continued to deliver Te whai hua – kia ora, our te reo Māori financial education programme, into kura Māori. More than 80% of kura are registered for the programme to help build the financial futures of their ākonga.

We recruited an intern through the TupuToa Internship Programme, an employment pathway that provides professional opportunities for Māori and Pacific tertiary students<sup>42</sup>. The intern facilitated a workshop 'Project Rangatahi' with kaimahi, where eight Māori university students shared insight on their experiences with money.

### Cultural capability

Our kaimahi engaged in a monthly training session facilitated by our Kaihautū, to support them on their cultural capability journeys. Topics included the history of the Māori King Movement, cultural practices and protocols, understanding Te Tiriti o Waitangi and putting it into practice in a work environment, designing a personal te whare tapa whā, and workshops to support the development of the rautaki Māori.

Kaimahi continue to respond positively to the cultural capability development undertaken within the organisation. Surveying undertaken in June 2023 found that kaimahi are more confident in a range of areas including mihi, pronunciation, ability to practice tikanga, ability to sing two waiata from memory and seeking further understanding of te ao Māori. 100% agreed that the cultural capability programme improved understanding of and responsibilities to te ao Māori.

Kaimahi also attended the Wall Walk, a workshop designed to raise collective awareness of key events in New Zealand's history and their impact for Māori, as well as national Kapa Haka festival Te Matatini.

Kaimahi were also offered the opportunity to participate in twice weekly reo classes facilitated by an external provider.

41. He Mahere Māori | Retirement Commission Te Ara Ahunga Ora

42. Intern on a mission to connect with rangatahi Māori | Retirement Commission Te Ara Ahunga Ora



# Te hauora me ngā āheinga o te whakahaere

## Organisational health and capability

### Our people

Our vision is to have a workforce that is empowered, engaged, high-performing and lives our values.

### Organisational redesign

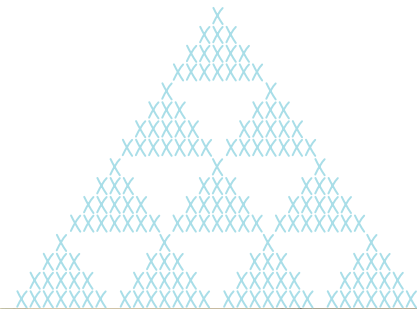
The departure of our Director - Corporate Services, and the development of a new Statement of Intent presented an opportunity to make small adjustments to the structure of the organisation. The Retirement Commissioner expanded the Director - Corporate Services role to a Chief Operating Officer role, to improve the separation between governance and management responsibilities. The Retirement Commissioner will work four-day weeks from July 2023.

The consequent internal promotion for the Chief Operating Officer role gave us an opportunity to reduce the size of our leadership team and increase resource elsewhere. We created a Māori and Learning team, led by our Kaihautū, to absorb some of the previous Financial Capability team and extend its operations to include better outcomes for Māori. We also realigned our stakeholder and community activity by bringing this under the Communications and Stakeholder function. All affected staff were redeployed.

### Building capability

We introduced a new employee platform this year to improve our performance and development review process. We developed an annual organisational learning and development plan that focused on common development goals, organisational objectives, and our employee engagement action plan.

A new policy was implemented to support each employee with a dedicated professional development allowance to undertake external development opportunities relevant to their role and interests. We also invested in specialist training on strengths coaching, unconscious bias awareness, and courageous conversations.





Te Ara Ahunga Ora Director Policy and Research Dr Suzy Morrissey and Director Stakeholder and Communications Anika Forsman

## 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 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 mentioned in the Māori Development section, our cultural capability programme led by our Kaihautū had very high staff participation rates.
- **Addressing bias:** all employees participated in unconscious bias training as part of our annual learning and development plan. We also held a session on neurodiversity in the workplace.
- **Inclusive leadership:** we invested in strengths-based development training for our Specialists, which involved two group sessions as well as a one-on-one coaching session.
- **Building relationships:** we regularly came together as a team to strengthen relationships and celebrate our diversity. We celebrated Te wiki o te reo Māori and Pacific Language weeks and participated in Mental Health Awareness Week and Pink Shirt Day.
- **Employee-led networks:** our employee-led network focused on women, Tūhono Wahine, continued to meet regularly and successfully advocate for inclusive policies.

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 provide a parental leave payment equivalent of up to six weeks' salary
- increased our sick leave allowance to 15 days, and acknowledged that this is available for physical and mental health, as well as caring responsibilities
- developed a two-year DE&I action plan and continued a DE&I working group

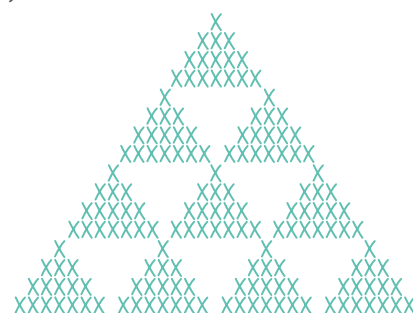
## Engagement

Our annual employee engagement survey showed a significant improvement of 15 points to 11 (up from -4 in 2022 and -7 in 2021). We were pleased to see improvements across 12 areas, including:

- I have opportunities to learn and develop (20% increase)
- I receive appropriate recognition for the work I do (28% increase)
- Most people in our organisation live our values on a day-to-day basis (20% increase)
- Conflicts and disagreements are dealt with constructively by the people involved (27% increase)

Our areas of strength were (% strongly agree and agree):

- I feel well informed about the direction and strategy of Te Ara Ahunga Ora Retirement Commission (91%)
- The Leadership Team have communicated a vision that motivates me (94%)
- I know what is expected of me and what I need to do to succeed in my role (91%)
- I feel like I am part of the team (91%)
- I have opportunities to learn and develop (89%)
- I am challenged and excited by the work I do here (86%)
- I have the tools, technology, and equipment to perform my job well (86%)
- Most people in our organisation live our values on a day-to-day basis (86%)
- My managers actions align with our organisational values (89%)
- I am proud to work at Te Ara Ahunga Ora Retirement Commission (89%)





## Values

Our values are embedded into all the work we do and help guide our working relationships.

Every quarter we celebrate stand-out examples of employees demonstrating the values through a team member rewards and recognition programme, Pae o Mihi Awards, which has been running since 2021.

### Team values

Te Ara Ahunga Ora Team Values Statements	Essence
 <p><b>Kia manawanui</b> Let us be big hearted</p>	<p>Kindness, empathy, aroha, and courage</p>
 <p><b>Me hoe tahi</b> We paddle as one</p>	<p>Collaboration, better together and unity</p>
 <p><b>E tipu, e rea</b> We embrace the best of both worlds to flourish</p>	<p>Growth, encouragement, and exploration, drawn from a dual worldview</p>
 <p><b>He taonga te pono</b> We treasure truth</p>	<p>Trust, authenticity, and honesty are treasured</p>

## Carbon emissions and sustainability commitments

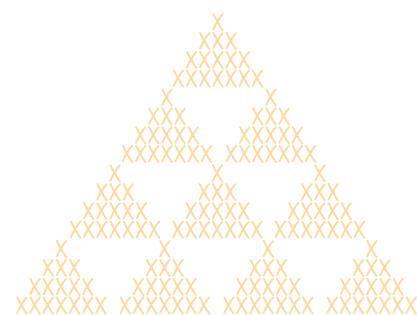
Te Ara Ahunga Ora is committed to supporting Aotearoa in the fight against climate change and has made a commitment to measure, monitor and reduce our emissions. We are proud to continue to be a Toitū carbonreduce certified organisation with our annual greenhouse gas emissions being independently verified against ISO14064- 1:2018 by Toitū Envirocare.

A Toitū Envirocare audit of our carbon emissions for the year ended 30 June 2023 confirmed that Te Ara Ahunga Ora emitted 44.15 tCO<sub>2</sub>-e (tonnes of carbon dioxide equivalent). This is a reduction of 17.33% compared to our base year emissions (year ended 30 June 2021: 53.41 tCO<sub>2</sub>-e). The main emission source for Te Ara Ahunga Ora is related to domestic air travel, this is why in the year end 30 June 2023 we made a conscious effort to monitor and limit our air travel.

A copy of our Toitū carbonreduce certification disclosure can be viewed on the Toitū website.

### Total emissions breakdown by emissions by sources:

Source	2020/2021 (tCO <sub>2</sub> -e)	2021/2022 (tCO <sub>2</sub> -e)	2022/2023 (tCO <sub>2</sub> -e)
Air travel	41.91	21.50	32.15
Working from home	2.29	2.78	1.28
Electricity (including ecotricity for Auckland office)	1.06	1.14	1.35
Accommodation	2.13	1.18	3.26
Taxis	1.48	0.8	1.22
Cars (mileage and rental vehicles, incl rental vehicle fuel)	2.3	1.37	2.65
Water (including wastewater)	1.79	1.78	1.88
Waste to landfill	0.20	0.28	0.25
Freight	0	0.03	0.02
Paper	0.25	0.15	0.09
<b>Total gross emissions</b>	<b>53.411</b>	<b>31.01</b>	<b>44.15</b>



**Our reduction targets and future plans:**

We have set the following emission reduction targets:

- 2025 target: A 6.1% reduction in gross emissions (all categories) compared to our base year (2020/2021)
- 2030 target: A 14.1% reduction in gross emissions (all categories) compared to our base year (2020/2021)

We acknowledge that limiting climate change is a much larger effort than simply reducing emissions created in the workplace and delivering our key functions, which is why education of our staff is important and part of the commitment we are making.

We have set up an internal group to champion carbon reduction ideas and projects. The group is committed to making our targets widely known and understood across the organisation and assisting staff in reducing carbon in their lives (both inside and outside the workplace). The team will also develop a strategy and projects to ensure we continue to reduce our carbon emissions year on year.





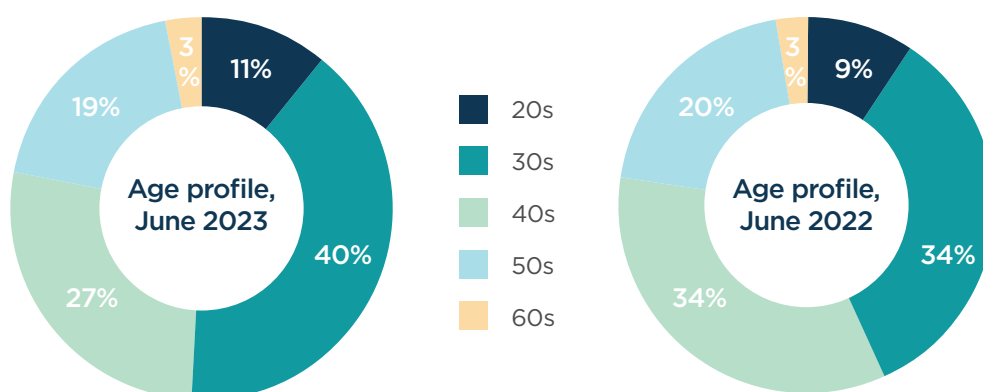
## Staff profile and metrics

We have 36 permanent employees, including two who are on parental leave as of 30 June 2023. The team profile and some of the key metrics we track are detailed below.

### Team metrics

Key metrics	2022/2023	2021/2022	2020/2021	2019/2020
Full time	89%	91%	86%	77%
Part time	11%	9%	14%	23%
Women	81%	86%	81%	74%
Men	19%	14%	19%	26%

### Age profile



### Average length of service

Average	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
Months	32	23	22	20.4	14.4	15.6
Years	2.6	1.9	1.8	1.7	1.2	1.3



## Ethnicity

Key metrics	2022/2023	2021/2022
Māori	7 (17%)	5 (13%)
Pacific Peoples	4 (10%)	3 (8%)
Asian	3 (7%)	3 (8%)
European	28 (67%)	28 (72%)
<b>Total</b>	<b>42**</b>	<b>39**</b>

\*\*The total number of employees exceeds the actual total number of employees because some team members identify as more than one ethnicity.

Our ethnicity numbers have remained largely the same as last year, with the exception of the percentage of Māori employees increasing by 4%.

Pay gaps<sup>43</sup>

	Gender*		Ethnic**	
	Jun 2023	Jun 2022	Jun 2023	Jun 2022
Median	15%	26%	20%	18%
Mean	9%	20%	17%	12%

\* (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

43. 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 2023, 28 employees and former employees (2021/22: 21) received remuneration (salary, bonuses and other benefits such as superannuation) in excess of \$100,000 per annum<sup>44</sup>.

Remuneration paid or payable	# Employees 2022/23	# Employees 2021/22
\$100,000-\$109,999	4	3
\$110,000-\$119,999	6	2
\$120,000-\$129,999	1	5
\$130,000-\$139,999	4	0
\$140,000-\$149,999	5	5
\$150,000-\$159,999	2	1
\$170,000-\$179,999	2	0
\$180,000-\$189,999	0	2
\$190,000-\$199,999	2	0
\$220,000-\$229,999	0	1
\$250,000-\$259,999	0	1
\$260,000-\$269,999	1	0
\$330,000-\$339,000	0	1
\$340,000-\$349,999	1*	0
<b>Total number of employees</b>	<b>28</b>	<b>21</b>

During the 12 month period ending 30 June 2023, 0 employees received compensation and other benefits in relation to cessation (2021/22: 0 employees), and 0 employees received redundancy payments as per their employment agreement (2021/22: 0 employees)

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

44. The increase of employees who received remuneration over \$100,000 for the year ending 30 June 2023 compared to prior year mainly relates to lower turnover and an increase in employer KiwiSaver contribution.

\*Retirement Commissioner remuneration



## Performance measures

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

### Health and capability measures

Long term goal (SOL)	This year's objective	2022/23 target	2022/23 actual	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 had a documented mitigation strategy.	Achieved. 100% of hazards reported had a documented mitigation strategy.	Achieved. Two hazards reported, strategy documented and actioned.	Achieved. 100% of hazards reported have a documented mitigation strategy.
A high performing, engaged team aligned with our vision and mission.	Engagement survey results at least maintain the previous year's baseline Employee Net Promoter Score indicator.	Achieve.	Achieved. 2023 survey recorded an employee net promoter score of +11.	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 at least maintain baseline for this indicator: Employees feel well informed about the direction, strategy and activities for Te Ara Ahunga Ora.	Achieve.	Achieved. Improved by 5% to 91%.	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. Quarterly Pae o Mihi Recognition Programme continued.	Achieved. Pae o Mihi - Recognition and Reward Programme Developed for 2021 launch.
	Implement a diversity and inclusion strategy and action plan and meet targets and measures.	Achieve.	Achieved. Diversity and Inclusion strategy has been completed and targets and measures have been met.	Not applicable	Not applicable

Long term goal (SOI)	This year's objective	2022/23 target	2022/23 actual	2021/22 actual	2020/2021 actual
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. 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 results showed 100% of the team have improved their understanding of and responsibilities to te ao Māori by attending the cultural competency training programme, Hīkina.	Achieved. Survey to benchmark confidence and awareness levels conducted Jan 21, follow up survey June 22 (see page 42). 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.	Achieve.	Achieved. 11.1% turnover.	Not Achieved. 35% turnover <sup>45</sup> . 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. Salary benchmarking data received and used for annual remuneration review.	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).
Effective systems and processes help us meet wider obligations and our team work efficiently.	Implement an information management and technology action plan with targets and measures.	Achieve.	Achieved. The Information Management and Technology Action Plan was approved in March 2023.	Not applicable.	Not applicable

45. 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 allocated for 2022/23 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 2022/23 year was received as a single appropriation of \$8,622,000. In addition to Crown appropriation, Te Ara Ahunga Ora also received a further \$1,082,798 in interest and other sources.

Allocation of revenue/expenditure	Actual 2022/23	Budget 2022/23
<b>Revenue</b>		
Financial Capability	\$8,037,678	\$7,689,880
Retirement Income Policy	\$1,452,120	\$1,452,120
Retirement Villages	\$215,000	\$215,000
<b>Total revenue</b>	<b>\$9,704,798</b>	<b>\$9,357,000</b>
<b>Expenditure</b>		
Financial Capability	\$7,639,925	\$7,684,152
Retirement Income Policy	\$1,871,917	\$1,852,308
Retirement Villages	\$443,148	\$446,638
<b>Total expenditure</b>	<b>\$9,954,990</b>	<b>\$9,983,098</b>
<b>Surplus/(Deficit)</b>	<b>(\$250,192)</b>	<b>(\$626,098)</b>

The allocation of this funding and expenditure across our three workstreams is shown above.

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 2022/23 Financial Capability Revenue comprises \$6,954,880 from Crown Appropriation, \$880,512 of Other Revenue (100% allocation to this Output Class as revenue was for delivery of financial capability programmes in workplaces and communities), and \$202,286 Interest Revenue (100% allocation to this Output Class as interest relates to revenue received for Te Ara Ahunga Ora's financial capability programme that is unspent at time of invest or carried over from prior years).

Actual 2022/23 Retirement Income Revenue comprises \$1,452,120 from our Crown Appropriation.

Actual 2022/23 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.

Please refer to Note 19 of the Financial Statements for detailed information relating to the variation 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.

### Results against appropriation measures

Assessment of Performance	Actual 2022/23	Actual 2021/22	Actual 2020/21
Te Ara Ahunga Ora Retirement Commission's actions lead to increasing the financial capability of New Zealanders	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	Satisfied

### Note 1: Measured by

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. 62% based on Sorted user survey.
Over 85% of users trust the financial capability information provided by Te Ara Ahunga Ora Retirement Commission through Sorted.org.nz	Achieved. 85% based on Sorted user survey.
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 FY23.

## 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 2022-23. Refer to part one of this report for more detail around what was achieved over the SOI reporting period and this annual reporting.

### Retirement Policies

**Summary:** We have provided robust evidence to help future-proof retirement policy and support current and future retirees. We have used the research and insights gathered to advocate for a system that serves the diversity of New Zealanders. Conducting a three-yearly review for government, uncovering emerging issues and calling for action and promoting debate on retirement challenges.

### Retirement Policies: SOI and SPE objectives and results

**SOI goal: Provide robust evidence to help future-proof retirement policy and support current and future retirees.**

SOI: what we will do	This year's SPE objective	How we will measure progress	2022/23 target	2022/23 actual	2021/22 actual	2020/2021 actual
Trusted Information: Produce a substantial three-yearly report to Government.	New Zealand's retirement policy settings are informed by a responsive, ongoing research programme.	Deliver triennial Review of Retirement Income Policies by December 2022.	Achieve.	Achieved. Published on our website in November 2022.	Not applicable.	Not applicable.
Research and produce other relevant data and insights.		Publish at least three qualitative and quantitative research reports.	3	Achieved. Three papers published on the website.	Achieved. Published seven research reports. Refer to pages 13 and 20.	Achieved. Exceeded target by publishing six reports.
Informed Advocacy:	New Zealand's retirement income policies are consistent and coherent.	Recommendations in the triennial RRIP contribute to policy consistency.	Achieve.	Achieved.	Not applicable.	Not applicable.
Informed Advocacy: Promote constructive debate around retirement issues.	Public understanding of retirement policy is enhanced by an annual deep dive on at least one important issue.	Publish at least one well-researched policy paper aimed at the general audience by June 2023.	Achieve. (NZ Super settings)	Achieved. Published a paper on NZ Super.	Achieved.	Achieved.
Effective Collaboration: Ensure information and data relating to later life and retirement matters is collected and shared with organisations.	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. One meeting held August 22. RIPOG disbanded after supporting the 2022 RRIP.	Achieved. Two meetings held in July 21 and Feb 22, with RIPOG members.	Achieved. The Retirement Income Policy Group (RIPOG) was established.
		Dashboard with measures across range of areas.	Not applicable.	Not applicable.	Not applicable.	Not applicable. Did not proceed as work being done by Office for Seniors.



## Retirement Villages

**Summary:** We have continued to oversee a fair regulatory framework and maintain a competent and independent regulatory regime. We have flagged issues and reported on sector trends, supported dispute resolution and tackled issues through sector collaboration.

### Retirement Villages: SOI and SPE objectives and results

**SOI long term goal: Maintain a competent and independent regulatory regime.**

SOI: what we will do	This year's SPE objective	How we will measure progress	2022/23 target	2022/23 actual	2021/22 actual	2020/2021 actual
Trusted Information: Produce and encourage quality information and education about retirement villages.	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. Commissioned IPSOS to undertake market research. Annual investigation published on the website <sup>46</sup> .	Achieved. Published by 30 June 22.	Achieved. This year's focus area was on the retirement villages framework.
		Publish six-monthly reports of formal complaints raised in retirement villages.	Achieve.	Achieved. (2) <sup>47</sup>	Achieved. (2)	Achieved. (2)
	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 webinars and written material, as needed.	Achieve	Achieved. Four webinars held, website tools and resources available on Sorted (6,917 page views) and on Retirement Commission website (11,535 page views) <sup>48</sup>	Achieved. Website refreshed and updated, brochure available, number of brochure downloads 997. Number of Webinar Views 178.	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.

46. Retirement-Village-Annual-Investigation-2023.pdf

47. Monitoring and reports | Retirement Commission Te Ara Ahunga Ora

48. When you're thinking of living in a retirement village » Sorted



SOI: what we will do	This year's SPE objective	How we will measure progress	2022/23 target	2022/23 actual	2021/22 actual	2020/2021 actual
Informed Advocacy: Ensure village residents can access an independent and robust disputes process.	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 through our contact us page <sup>49</sup>	Achieved. Two-step process published on website, able to call/email.	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. No new appointments (the period of appointment from Feb 2022 – Feb 2025). <sup>50</sup>	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. Two disputes, published on website. <sup>51</sup>	Achieved. Three disputes, details published on website.	New measure.

49. Complaints and disputes | Retirement Commission Te Ara Ahunga Ora

50. Approved dispute panel members & mediator agencies | Retirement Commission Te Ara Ahunga Ora

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



## Financial Capability

**Summary:** We have promoted the importance of long-term thinking by providing trusted and independent information about retirement-related matters to help New Zealanders retire with confidence. We have continued to lead the National Strategy for Financial Capability, supplied trusted, independent information through Sorted and equipped stakeholders with insights that add value.

### Financial Capability: SOI and SPE objectives and results

**SOI long term goal: Provide trusted and independent information about retirement-related matters to help New Zealanders retire with confidence.**

SOI: what we will do	This year's SPE objective	How we will measure progress	2022/23 target	2022/23 actual	2021/22 actual	2020/2021 actual
		<b>Sorted.org.nz</b>				
Trusted information: Ensure the Sorted suite of products remains fit for purpose and an information leader.	Maintain valued financial capability services with a special focus on the exposed segment: younger New Zealanders, Māori, Pacific Peoples, and women.	Sorted website users find the website valuable to help manage their finances.	Greater than 85%.	Achieved. 86% total population. Sorted user survey.	Achieved. 85% total population. Sorted user survey.	Achieved. 93% Baseline established. (Sorted User Survey: 85%)
		Māori find the Sorted website valuable to help manage their finances.	Greater than 85%.	Achieved. 88% of Māori surveyed find the website valuable.	Achieved. 87% of Māori surveyed find the website valuable to help manage their finances. Sorted user survey.	New measure.
		Pacific People find the Sorted website valuable to help manage their finances.	Greater than 85%.	Achieved. 89% of Pacific People surveyed find the website valuable.	Achieved. 89% Pacific People surveyed find the website valuable to help manage their finances. Sorted user survey (see page 40 for margin of error. information).	New measure.
		Develop and execute a new approach for the Sorted website to serve younger Māori audiences better.	Achieve.	Achieved. Refer to part one, Financial Capability section, 'Reaching rangatahi Māori.'	Partially Achieved. (See page 17) TRA research on young Māori audiences on website.	New measure.
		Grow website new user registrations.	15,000	Achieved. Exceeded target by 58% reaching a total of 23,844.	14,000	Not applicable.
		At least 45% new user registrations will be aged under 35 years.	Achieved.	Achieved. Exceeded target of 45% and had 52.7% of new registrations being aged under 35 years.	New measure	New measure



SOI: what we will do	This year's SPE objective	How we will measure progress	2022/23 target	2022/23 actual	2021/22 actual	2020/2021 actual
		<b>Sorted in Communities</b>				
		Pilot two new initiatives for priority audiences, including a programme delivered to 150 Māori households.	Achieve.	Partially Achieved. Launched Sorted on TikTok. Refer to part 1, Financial Capability section, 'Reaching rangatahi Māori.'  Developed Māori FinCap pilot and delivered 23 out of intended 150 households due to the programme being picked up by Tāwhia as part of the National Strategy.	Not applicable.	Not applicable.
		Achieve new household completion targets for the Sorted Pacific Peoples Pathways to Home Ownership Programme.	400	Achieved. 544 households completed.	Achieved. By 30 June 22 delivered programme to 305 households. Cumulative target for 2025 = 1200.	New measure.
		Participants agree the Sorted Pacific Peoples Pathways to Home Ownership Programme is valuable as a pathway into their first home.	85%	Achieved. 97% of participants agree.	Not applicable.	Not applicable.
		<b>Sorted in Schools</b>				
		Maintain percentage of secondary schools and Kura using Sorted in Schools.	65%	Achieved. 72.9% using or have used Sorted in Schools in past 12 months.	Achieved. 68% using or have used Sorted in Schools in past 12 months.	Achieved. 66.5%
		Teachers agree they are satisfied with the quality of the Sorted in Schools programme.	85%	Achieved. 96% of teachers agreed they are satisfied with the quality of Sorted in Schools.	Not applicable.	Not applicable.
		Develop and launch learning and assessment resources for two achievement standards for Māori Medium Education.	Achieve.	Achieved. Two Achievements Standards for Māori Medium Education published on our website.	Not applicable.	Not applicable.



SOI: what we will do	This year's SPE objective	How we will measure progress	2022/23 target	2022/23 actual	2021/22 actual	2020/2021 actual
		<b>Sorted at Work</b>				
		Participants agree they value the Sorted at Work programme.	85%	Achieved. 95% of participants agree they value the Sorted at Work programme.	Not applicable.	Not applicable.
Informed Advocacy: Provide independent, robust information that assists partner initiatives and contributes to government policy.	Share financial capability insights and research with key stakeholders on a regular basis.	Regularly publish a substantial annual survey assessing NZers' financial capability and wellbeing that will track trends over time.	Achieve.	Not applicable in RRIP year, regularly publish a substantial survey assessing NZer's financial capability and wellbeing that will track trends over time.	Achieved. Conducted FinCap study, survey report on website. <sup>52</sup>	New measure.
		Present at least two well-received stakeholder webinars/ seminars sharing new financial capability insights.	2	Achieved. Held five webinars with 552 registrations.	Achieved. 593 registrations received to attend six webinars on various topics on financial capability research and insights.	New measure.
Effective collaboration: Lead the National Strategy for Financial Capability and foster collaboration to achieve its goals.	The National Strategy for Financial Capability is relevant and supported by the sector.	Publish a short annual report analysing progress and identifying new initiatives agreed by the sector.	Achieve.	Achieved. Report published on website <sup>53</sup> .	Achieved. Report published on website.	New measure.
		National Strategy partners value the shared Money Week resources provided by us.	75%	Achieved. 90%	72%	Not Applicable.

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

53. assets.retirement.govt.nz/public/Uploads/National-Strategy/PDFs/TAAO-National-Strategy-Annual-report-22-23\_3.pdf

# Ngā Uiuinga

## 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 2022/23 SPEs and is broken into three audiences: general, Māori and Pacific Peoples.

- The total population size: estimated from the Insights Tracker to be 12% of New Zealand's population aged 18+: 479421
- Total sample size (used the Sorted website in the last 12 months): 3646
- Māori sample size: 583 completed the survey
- Pacific peoples sample size: 286 completed survey
- Margin of error: +/- 1.62%

### Te whai hua - kia ora, Sorted in Schools

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

- Total population size: 573 secondary and composite schools and kura
- Sample size: 181 responses
- Result: 132 schools (72.9%) are using or have used Sorted in Schools in past 12 months
- Margin of error: +/- 5.4%
- Confidence level: 95%

### Pacific Peoples Pathways to Homeownership 2023

Percentage of participants who find the programme valuable is determined via the NZCER evaluation of the programme.

- Total population: 584 Pacific people completed the programme
- Number of completed surveys (survey 1): 334
- Result: 97% agreed that they found the course valuable as a pathway into their (first) home
- Margin of error: +/-3.51%
- Confidence level: 95%

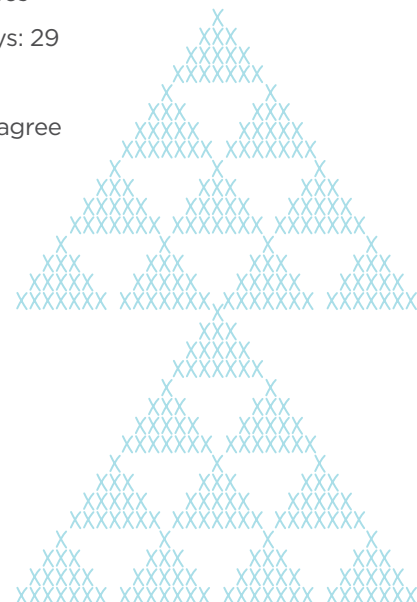
### Sorted at Work

Participants agree they value the Sorted at Work programme


- Total population: 4183 took part in at least one of the Sorted at Work programmes
- Number of completed surveys: 690
- Result: 92% of participants agree they value the Sorted at Work programme
- Margin of error: +/-3.41%

### Cultural Capability Survey 2023

- Total population: 35 employees
- Number of completed surveys: 29
- Margin of error: +/-7.64%
- Result: 100% of participants agree







**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 2023

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 51-73 that comprise the statement of financial position as at 30 June 2023, 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 36-44

In our opinion:

- the financial statements of the Commission on pages 51-73:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime; and
- the performance information on pages 36-44:
  - presents fairly, in all material respects, the Commission's performance for the year ended 30 June 2023, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
    - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 12 October 2023. 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.



BDO Wellington Audit Limited

### **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.
- 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 1-35, page 45 and 75 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



BDO Wellington Audit Limited

### 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.

A handwritten signature in blue ink, appearing to read 'GP', is written over a light blue horizontal line.

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 2023

	Note	Actual 2022/23	Budget 2022/23	Actual 2021/22
<b>Revenue from Non-Exchange Transactions</b>				
Revenue from Crown Appropriation		\$8,622,000	\$8,622,000	\$8,622,000
Other Non-exchange Revenue	2	\$638,772	\$630,000	\$696,079
<b>Revenue from Exchange Transactions</b>				
Interest Revenue		\$202,286	\$55,000	\$50,481
Other Exchange Revenue	2	\$241,740	\$50,000	\$67,795
<b>Total Revenue</b>		<b>\$9,704,798</b>	<b>\$9,357,000</b>	<b>\$9,436,353</b>
<b>Expenditure</b>				
Personnel Costs	6	\$5,280,151	\$5,436,888	\$4,870,807
Depreciation & Amortisation	11, 12	\$300,144	\$328,000	\$282,778
Other Operating Costs	3	\$855,149	\$871,000	\$759,976
Financial Capability activities	4	\$1,442,881	\$1,530,210	\$1,038,028
Other Expenses	5	\$2,076,665	\$1,817,000	\$1,751,994
<b>Total Expenditure</b>		<b>\$9,954,990</b>	<b>\$9,983,098</b>	<b>\$8,703,583</b>
Surplus/(Deficit)		(\$250,192)	(\$626,098)	\$732,772
<b>Total Comprehensive Revenue/(Expenditure)</b>		<b>(\$250,192)</b>	<b>(\$626,098)</b>	<b>\$732,772</b>

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 2023

	Note	Actual 2022/23	Budget 2022/23	Actual 2021/22
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	8	\$320,845	\$345,719	\$1,366,636
Term Investments		\$3,200,000	\$2,250,000	\$2,700,000
Receivables	9	\$76,956	\$34,469	\$33,277
Prepayments		\$60,871	\$30,000	\$39,826
GST Receivable		\$246,276	\$123,480	\$183,482
<b>Total Current Assets</b>		<b>\$3,904,948</b>	<b>\$2,783,668</b>	<b>\$4,323,221</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	11	\$252,468	\$269,472	\$343,191
Intangible Assets	12	\$375,210	\$342,316	\$323,815
<b>Total Non-Current Assets</b>		<b>\$627,678</b>	<b>\$611,788</b>	<b>\$667,006</b>
<b>Total Assets</b>		<b>\$4,532,626</b>	<b>\$3,395,456</b>	<b>\$4,990,227</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and Other Payables	13	\$286,382	\$273,000	\$533,237
Revenue Received in Advance	13	\$25,000	\$0	\$7,976
Lease Incentive Liability	7	\$102,464	\$108,980	\$146,354
Employee Entitlements	14	\$342,661	\$293,272	\$276,347
<b>Total Current Liabilities</b>		<b>\$756,507</b>	<b>\$675,252</b>	<b>\$963,914</b>
<b>Total Liabilities</b>		<b>\$756,507</b>	<b>\$675,252</b>	<b>\$963,914</b>
<b>Net Assets</b>		<b>\$3,776,119</b>	<b>\$2,720,204</b>	<b>\$4,026,313</b>
<b>Public Equity</b>				
Capital Contribution		\$200,000	\$200,000	\$200,000
Accumulated Surplus		\$3,576,119	\$2,520,204	\$3,826,311
<b>Total Public Equity</b>		<b>\$3,776,119</b>	<b>\$2,720,204</b>	<b>\$4,026,311</b>

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 2023

	Note	Actual 2022/23	Budget 2022/23	Actual 2021/22
Public Equity at 1 July		\$4,026,311	\$3,346,302	\$3,293,539
Total Comprehensive Revenue / (Expenditure) for the year		(\$250,192)	(\$626,098)	\$732,772
<b>Public Equity as at 30 June</b>		<b>\$3,776,119</b>	<b>\$2,720,204</b>	<b>\$4,026,311</b>
Comprised of the following funds:				
Capital contribution as at 1 July		\$200,000	\$200,000	\$200,000
Movement in capital contribution		\$0	\$0	\$0
<b>Total Capital contribution at 30 June</b>		<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>
Accumulated Surplus as at 1 July		\$3,826,311	\$3,146,302	\$3,093,539
Movement in accumulated surplus		(\$250,192)	(\$626,098)	\$732,772
<b>Total Accumulated surplus at 30 June</b>		<b>\$3,576,119</b>	<b>\$2,520,204</b>	<b>\$3,826,311</b>

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 2023

	Actual 2022/23	Budget 2022/23	Actual 2021/22
<b>Cash Flows From Operating Activities</b>			
<b>Cash Was Provided From:</b>			
Receipts from Crown Appropriation	\$8,622,000	\$8,622,000	\$8,622,000
Other Crown Receipts	\$832,620	\$655,000	\$726,986
Other Income	\$32,323	\$23,723	\$50,845
Interest Received	\$191,200	\$52,000	\$50,746
	<b>\$9,678,143</b>	<b>\$9,352,723</b>	<b>\$9,450,577</b>
<b>Cash Was Applied To:</b>			
Payments to Suppliers and Employees	(\$9,896,290)	(\$9,706,905)	(\$8,073,906)
Net GST (Paid) / Received	(\$62,795)	\$2,372	(\$77,841)
	<b>(\$9,959,085)</b>	<b>(\$9,704,533)</b>	<b>(\$8,151,747)</b>
<b>Net Cash Flows From Operating Activities</b>	<b>(\$280,942)</b>	<b>(\$351,810)</b>	<b>\$1,298,830</b>
<b>Cash Flows From Investing Activities</b>			
<b>Cash Was Provided From:</b>			
Term Investments	\$2,700,000	\$2,500,000	\$2,000,000
Receipts from sale of Property, Plant & Equipment	\$0	\$0	\$1,744
	<b>\$2,700,000</b>	<b>\$2,500,000</b>	<b>\$2,001,744</b>
<b>Cash Was Applied To:</b>			
Term Investments	(\$3,200,000)	(\$2,250,000)	(\$2,700,000)
Purchase of Property, Plant & Equipment	(\$23,197)	(\$30,000)	(\$90,567)
Purchase of Intangible Assets	(\$241,652)	(\$250,000)	(\$230,955)
	<b>(\$3,464,849)</b>	<b>(\$2,530,000)</b>	<b>(\$3,021,522)</b>
<b>Net Cash Flows From Investing Activities</b>	<b>(\$764,849)</b>	<b>(\$30,000)</b>	<b>(\$1,019,778)</b>
<b>Net Increase / (Decrease) In Cash Held</b>	<b>(\$1,045,791)</b>	<b>(\$381,810)</b>	<b>\$279,052</b>
Plus cash at the start of the year	\$1,366,636	\$727,529	\$1,087,584
<b>Cash Held At The End Of The Year</b>	<b>\$320,845</b>	<b>\$345,719</b>	<b>\$1,366,636</b>
<b>Represented by:</b>			
Cash and Cash Equivalents	\$320,845	\$345,719	\$1,366,636
<b>Cash Held At The End Of The Year</b>	<b>\$320,845</b>	<b>\$345,719</b>	<b>\$1,366,636</b>

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

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## 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 initially appointed for a three year term commencing 10th February 2020, with a three year renewal effective from 10th February 2023.

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 2023, and were approved by the Retirement Commissioner on TBC October 2023.

#### 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

There are no current standards issued and not yet effective.

## Summary of Significant Accounting Policies

### Goods and Services Tax

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 2023. The budget figures were prepared in accordance with NZ GAAP, using forecast financial statements for the year ended 30 June 2023 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

## Changes in Accounting Policies

There have been changes in two accounting policies as detailed below.

PBE FRS 48 replaces PBE IPSAS 1, TAAORC has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

PBE IPSAS 41 replaced PBE IFRS 9 Financial Instruments for the year ending 30 June 2023. There has been little change as a result of adopting the new standard, as the requirements are similar to those contained in PBE IFRS 9.

# How is Te Ara Ahunga Ora funded?

## Note 2 - Revenue

### Non-Exchange Revenue

Non-exchange transactions are those where TAAORC 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 assets 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 2022/23	Actual 2021/22
<b>Other Revenue from non-exchange transactions</b>		
Community Programmes	\$637,976	\$665,460
Other Revenue	\$796	\$30,619
<b>Total other Revenue from non-exchange transactions</b>	<b>\$638,772</b>	<b>\$696,079</b>
<b>Other Revenue from exchange transactions</b>		
Sorted Workplace Programme	\$84,843	\$48,684
Community Programmes	\$101,897	\$6,545
Other Revenue	\$55,000	\$12,566
<b>Total other Revenue from exchange transactions</b>	<b>\$241,740</b>	<b>\$67,795</b>
<b>Total Other Revenue</b>	<b>\$880,512</b>	<b>\$763,874</b>

# 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

#### Other Operating Costs

	Actual 2022/23	Actual 2021/22
Retirement Commissioner	\$10,156	\$3,403
<b>Other Operating Costs</b>		
Professional Service Fees	\$27,263	\$52,568
Consultants	\$144,403	\$127,515
Travel	\$21,755	\$9,328
Auditor Remuneration	\$38,684	\$52,819
Office equipment lease	\$9,310	\$8,953
Insurance	\$19,763	\$18,701
Loss on Disposal of Assets	\$4,033	\$0
Other property Expenses	\$113,255	\$89,967
Building operating lease expense	\$218,264	\$191,720
General Office Supplies	\$9,286	\$4,960
Technology	\$238,977	\$200,042
<b>Total Other Operating Costs</b>	<b>\$855,149</b>	<b>\$759,976</b>

## Note 4 – Financial capability activities

### Accounting Policy

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

Account	Actual 2022/23	Actual 2021/22
<b>Financial Capability Activities</b>		
Education (Schools)	\$474,087	\$462,494
National Strategy	\$90,931	\$1,642
Community	\$87,116	\$51,178
Pacific Pathways to Home Ownership	\$652,586	\$446,564
Sorted Workplaces (Programme Delivery)	\$138,161	\$76,150
<b>Total Financial Capability Activities</b>	<b>\$1,442,881</b>	<b>\$1,038,028</b>

## Note 5 – Other Expenses

### Accounting Policy

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

Account	Actual 2022/23	Actual 2021/22
<b>Other Expenses</b>		
Kaihautū/Māori development	\$29,562	\$43,764
Research	\$189,777	\$171,969
Marketing & Communications	\$1,721,153	\$1,309,179
Retirement Villages	\$39,478	\$4,066
Review of Retirement Income Policy	\$96,695	\$223,016
<b>Total Other- Expenses</b>	<b>\$2,076,665</b>	<b>\$1,751,994</b>

## Note 6 – Personnel Costs

### Breakdown of personnel costs and further information

Personnel Costs	Note	Actual 2022/23	Actual 2021/22
Salaries and Wages		\$4,674,505	\$4,442,974
Employer Contributions to Superannuation Schemes		\$279,244	\$204,077
Increase/(Decrease) in Employee Entitlements	14	\$66,314	\$3,369
		<b>\$5,020,063</b>	<b>\$4,650,420</b>
ACC Levies		\$8,270	\$8,089
Professional Development, Subscriptions, Training, & Miscellaneous		\$187,620	\$87,926
Contractors		\$61,995	\$106,698
Recruitment Costs		\$2,203	\$17,674
<b>Total Personnel Costs</b>		<b>\$5,280,151</b>	<b>\$4,870,807</b>

For further information regarding employee remuneration refer to Section 1 'Legislative Disclosures' on page 33

## 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 2022/23	Actual 2021/22
Not later than one year	\$286,092	\$222,075
Later than one year and not later than five years	\$473,976	\$472,645
Later than five Years	\$0	\$0
<b>Total Operating Leases</b>	<b>\$760,068</b>	<b>\$694,720</b>
Auckland Office Lease	\$437,808	\$620,966
Auckland Carpark Lease	\$25,485	\$36,147
Photocopier Lease	\$9,352	\$16,833
Hamilton Desk Lease	\$8,580	\$0
Tauranga Desk Lease	\$2,534	\$2,534
Wellington Office Lease	\$276,309	\$18,240
<b>Total Operating Leases</b>	<b>\$760,068</b>	<b>\$694,720</b>

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, therefore only the two month period is included in the above table.

Te Ara Ahunga Ora entered into a 12 month lease of 3 desks in Hamilton which commenced January 2023.

On 1 April 2023 Te Ara Ahunga Ora entered into a contract to lease a premise in Wellington for a term of 4 years.

#### 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

	Actual 2022/23	Actual 2021/22
Cheque & Savings Account	\$320,845	\$1,366,636
<b>Total Cash and Cash Equivalents</b>	<b>\$320,845</b>	<b>\$1,366,636</b>

While cash and cash equivalents at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, 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 2022/23	Actual 2021/22
<b>Receivables from the sale of goods and services (exchange transactions)</b>		
Aged receivables	\$54,718	\$22,124
Accrued interest	\$22,238	\$11,153
Debtor accrual	\$0	\$0
<b>Total Receivables</b>	<b>\$76,956</b>	<b>\$33,277</b>

In line with PBE IPSAS 41, Aged receivables and Debtor accrual have been classified as exchange transactions and aged receivables (grants) are recognised as non-exchange transactions.

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

Aged Receivables Past Due Days	Actual 2022/23	Actual 2021/22
Current	\$54,085	\$22,124
< 6 months	\$633	\$0
6 months - 1 year	\$0	\$0
1 - 2 years	\$0	\$0
> 2 years	\$0	\$0
Estimates of Losses	\$0	\$0
Impaired Credit Loss	\$0	\$0
<b>Total Aged Debtors</b>	<b>\$54,718</b>	<b>\$22,124</b>

All receivables greater than 6 months in age are considered to be past due. Te Ara Ahunga Ora Retirement Commission has assessed that no credit loss allowance is required for 2022/23 (2021/22: \$nil) under PBE IPSAS 41.

## 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	2.58- 5 years	20.0% - 38.71%

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, 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
<b>Gross Carrying Amount</b>						
Balance at 1 July 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)
<b>Balance at 30 June 2022</b>	<b>\$224,495</b>	<b>\$162,950</b>	<b>\$264,695</b>	<b>\$22,318</b>	<b>\$69,410</b>	<b>\$743,868</b>
Additions	\$2,333	\$5,583	\$13,255	\$0	\$2,026	\$23,197
Disposals	(\$9,679)	\$0	(\$23,233)	\$0	(\$1,614)	(\$34,527)
<b>Balance at 30 June 2023</b>	<b>\$217,149</b>	<b>\$168,533</b>	<b>\$254,717</b>	<b>\$22,318</b>	<b>\$69,822</b>	<b>\$732,539</b>
<b>Accumulated Depreciation</b>						
Balance at 1 July 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)
<b>Balance at 30 June 2022</b>	<b>\$72,452</b>	<b>\$46,099</b>	<b>\$202,776</b>	<b>\$10,057</b>	<b>\$69,293</b>	<b>\$400,677</b>
Depreciation Expense	\$46,323	\$16,530	\$40,118	\$6,695	\$220	\$109,887
Elimination on Disposal	(\$5,646)	\$0	(\$23,233)	\$0	(\$1,614)	(\$30,493)
<b>Balance at 30 June 2023</b>	<b>\$113,130</b>	<b>\$62,629</b>	<b>\$219,661</b>	<b>\$16,752</b>	<b>\$67,899</b>	<b>\$480,070</b>
<b>Carrying Amount</b>						
<b>At 30 June 2021</b>	<b>\$177,311</b>	<b>\$129,451</b>	<b>\$36,719</b>	<b>\$14,771</b>	<b>\$2,300</b>	<b>\$360,552</b>
<b>At 30 June 2022</b>	<b>\$152,043</b>	<b>\$116,851</b>	<b>\$61,919</b>	<b>\$12,261</b>	<b>\$117</b>	<b>\$343,191</b>
<b>At 30 June 2023</b>	<b>\$104,019</b>	<b>\$105,904</b>	<b>\$35,056</b>	<b>\$5,566</b>	<b>\$1,923</b>	<b>\$252,468</b>

## Capital Commitments

There are no property plant and equipment capital commitments at 30 June 2023 (2021/22: \$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 TAAORC, 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	Capital work in progress	Total
<b>Gross Carrying Amount</b>				
Balance at 1 July 2021	\$1,485,912	\$38,974	\$0	\$1,524,886
Additions	\$230,955	\$0	\$0	\$230,955
Disposals	(\$156,030)	\$0	\$0	(\$156,030)
<b>Balance at 30 June 2022</b>	<b>\$1,560,837</b>	<b>\$38,974</b>	<b>\$0</b>	<b>\$1,599,811</b>
Additions	\$209,837	\$0	\$31,815	\$241,652
Disposals	(\$50,370)	\$0	\$0	(\$50,370)
<b>Balance at 30 June 2023</b>	<b>\$1,720,304</b>	<b>\$38,974</b>	<b>\$31,815</b>	<b>\$1,791,093</b>
<b>Accumulated Depreciation</b>				
Balance at 1 July 2021	\$1,236,278	\$23,720	\$0	\$1,259,998
Amortisation Expense	\$159,552	\$12,476	\$0	\$172,028
Elimination on Disposal	(\$156,030)	\$0	\$0	(\$156,030)
<b>Balance at 30 June 2022</b>	<b>\$1,239,800</b>	<b>\$36,196</b>	<b>\$0</b>	<b>\$1,275,996</b>
Amortisation Expense	\$187,479	\$2,778	\$0	\$190,257
Elimination on Disposal	(\$50,370)	\$0	\$0	(\$50,370)
<b>Balance at 30 June 2023</b>	<b>\$1,376,909</b>	<b>\$38,974</b>	<b>\$0</b>	<b>\$1,415,883</b>
<b>Carrying Amount</b>				
<b>At 30 June 2021</b>	<b>\$249,634</b>	<b>\$15,254</b>	<b>\$0</b>	<b>\$264,888</b>
<b>At 30 June 2022</b>	<b>\$321,037</b>	<b>\$2,778</b>	<b>\$0</b>	<b>\$323,815</b>
<b>At 30 June 2023</b>	<b>\$343,395</b>	<b>\$0</b>	<b>\$31,815</b>	<b>\$375,210</b>

## Capital Commitments

At 30 June 2023 TAAORC has \$30,650 of intangible capital commitments which relate to work in progress at year end, these are contracted to be completed in FY24 (2021/22: \$Nil). \$12,625 relates to an interactive tax module for our Sorted In Schools websites. \$18,025 relates to an updated budgeting tool for our Sorted website.

## 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 2022/23	Actual 2021/22
<b>Payables under exchange transactions</b>		
Accrued Expenses and Other Payables	\$60,278	\$98,527
Trade Creditors	\$226,104	\$434,710
<i>Total payables under exchange transactions</i>	<b>\$286,382</b>	<b>\$533,237</b>
<b>Total payables</b>	<b>\$286,382</b>	<b>\$533,237</b>

In line with PBE IPSAS 41, 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 2022/23	Actual 2021/22
<b>Current portion</b>		
Accrued Salaries and Wages	\$93,515	\$67,874
Accrued Annual Leave	\$249,146	\$208,473
<i>Total current portion</i>	<b>\$342,661</b>	<b>\$276,347</b>
<b>Total Employee Entitlements</b>	<b>\$342,661</b>	<b>\$276,347</b>



## Note 15 – Contingencies

There are no contingent assets or liabilities at reporting date (2021/22: \$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.

## 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 five members of the Executive Leadership Team (Prior to Jan 2023, Retirement Commissioner and six members).

Key Management Personnel	Actual 2022/23	Actual 2021/22
Remuneration	\$1,385,699	\$1,415,467
Contributions to defined contribution plans	\$79,576	\$70,038
Full-Time Equivalent Staff	6.17	6.47

## 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 2022/23	Actual 2021/22
<b>Financial Assets measured at amortised cost</b>		
Cash and Cash Equivalents	\$320,845	\$1,366,636
Term Investments	\$3,200,000	\$2,700,000
Receivables	\$76,956	\$33,277
<b>Total Loans and Receivables</b>	<b>\$3,597,801</b>	<b>\$4,099,913</b>
<b>Financial Liabilities measured at amortised costs</b>		
Creditors and Other Payables	\$286,382	\$533,237
<b>Total Financial Liabilities</b>	<b>\$286,382</b>	<b>\$533,237</b>

Te Ara Ahunga Ora has access to business credit card facilities of up to \$100,000 with Westpac Bank. At 2022/23 \$30,000 of this facility is in use. We also have a Payroll Credit line of \$39,000 (unused in both 2021/22 and 2022/23).

## 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:

- Revenue from interest is \$147,286 more than budgeted due to balances and interest rates on term investments and cash being higher than anticipated.
- Other Exchange Revenue is \$191,740 more than budgeted due to collaborative funding agreements with Te Puni Kokiri and IRD which were secured post budgeting as well as higher demand than anticipated for our workplaces programme.
- Personnel Costs are \$156,737 less than budgeted due to lower recruitment costs and a reduction in the size of the Leadership Team.
- Amortisation is \$31,299 less than budgeted due to timing of our intangible asset investments, some of which are in WIP at year end.

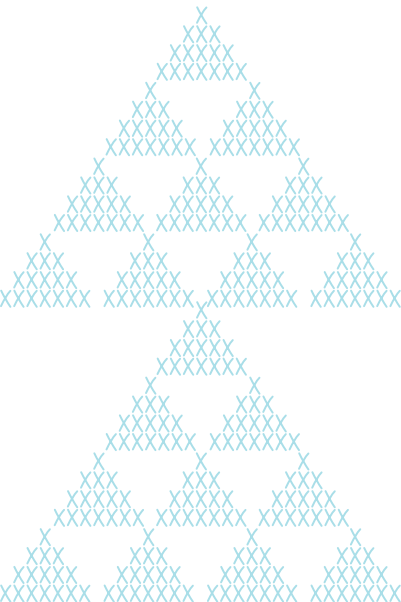
**Other operating costs, Financial Capability Activities and other expenses were \$156,486 higher than budgeted. Major variances within other operating costs are detailed below.**

- Marketing and Communications is \$337,153 higher than budgeted due to additional planned investment in paid and social media to drive engagement for key campaigns including 'cost of living' and 'Māori Money Movement' in response to market conditions and audience insights. Website operating costs and software licensing were also higher than expected due to cost increases and international exchange rates.
- National Strategy for Financial Capability is \$27,931 more than budgeted due to higher than expected costs of the annual conference, as well as additional costs to support the De-Jargoning Money project.
- Community is \$140,134 less than budgeted as we changed direction for delivery of our Māori financial capability initiative (Whānau programme) which resulted in not engaging an external provider to deliver.
- Māori Development is \$45,438 less than budgeted due to strategic planning and staff cultural capability training being conducted internally. Some planned projects were delayed until 2023/24 due to staff capacity.
- Variances between the budget figures presented in the Financial Statements and the Forecast figures in the 2022/23 Statement of Performance Expectations are due to different classifications.

## Statement of Financial Position

Overall Cash and Cash Equivalents and Term Investments are \$925,126 higher than budgeted. The main driver was a deficit of \$250,192 against a budgeted deficit of \$626,098.

- GST Receivable is \$122,796 higher than budgeted due to the timing of operational expenditure.
- Receivables are \$42,487 higher at 30 June than budgeted due to stronger interest rates on term deposits than expected (accrued interest) and contracted revenue being invoiced but not received at 30 June.
- Intangible Assets are \$32,894 higher than budgeted, due to more investment in website assets than originally budgeted, this variance is mostly due to a new collaboration with IRD.
- Employee Entitlements are \$49,389 higher than budgeted due to low staff turnover and most roles being filled at year end resulting in higher annual leave balances.









# He mahere tāngata

## Directory

### Our team (as at October 2023)

**Jane Wrightson**

Retirement Commissioner

**Nick Thomson**

Chief Operating Officer

Gemma Fulton – Finance Lead

Shristi Singh – Assistant Accountant

Nick Beard – Business Lead

Rebecca Jenner – Performance  
Accountability Specialist

Ciaran Lymer – Business Administrator

Vacant – People Lead

**Dr Suzy Morrissey**

Director, Policy and Research

Dr Jo Gamble – Research Lead

Ben King – Financial Research  
Specialist

Dr Michelle Reyers – Policy Lead

Tristan Fluerty – Retirement  
Villages Specialist

Dr Jordan King – Policy Specialist

**Anika Forsman**

Director, Stakeholder and Communications

Tom Hartmann – Personal Finance Lead

Elizabeth O'Halloran – Communications Lead

Georgette Hart – Communications  
Specialist

Rachel Beckett – Stakeholder Lead

Natalie Palmer – Stakeholder Specialist

Josh Nicholson – Stakeholder Specialist  
(parental leave cover)

**Erin Thompson** *Ngāti Rangiwewehi,*

*Ngāi Tāmanuhiri, Ngaati Tiipa*  
Kaihautū / Director, Māori and Learning

Yasmin Frazer – Learning Lead

Claire Bailey – Learning Specialist

Su Min Ahn – Learning Specialist

Vacant – Learning Specialist

Donna Robinson *Waikato-Tainui, Ngāti*  
*Raukawa* – Kaiārahi / Kaupapa Māori Lead

Marina Kawe-Peautolu *Ngāti Ranginui,*  
*Ngāti Kahungunu, Ngāi Tahu*  
– Kaitakawaenga / Kaupapa Māori  
Specialist

Kimiorangi Thompson *Ngāti Rangiwewehi,*  
*Ngāi Tāmanuhiri, Ngāti Kahungunu ki*  
*Wairarapa*  
– Kaikōkiri / Kaupapa Māori Specialist

Lexia Hansen – Māori and Learning  
Administrator

**Vanessa Morris**

Director, Marketing

Vacant – Marketing and Product Lead

Vacant – Digital Marketing Specialist

Katie Houlihan – Marketing Specialist  
(parental leave cover)

Mike Crozier – Graphic Designer

Jason Gambitsis – Digital Assets Lead

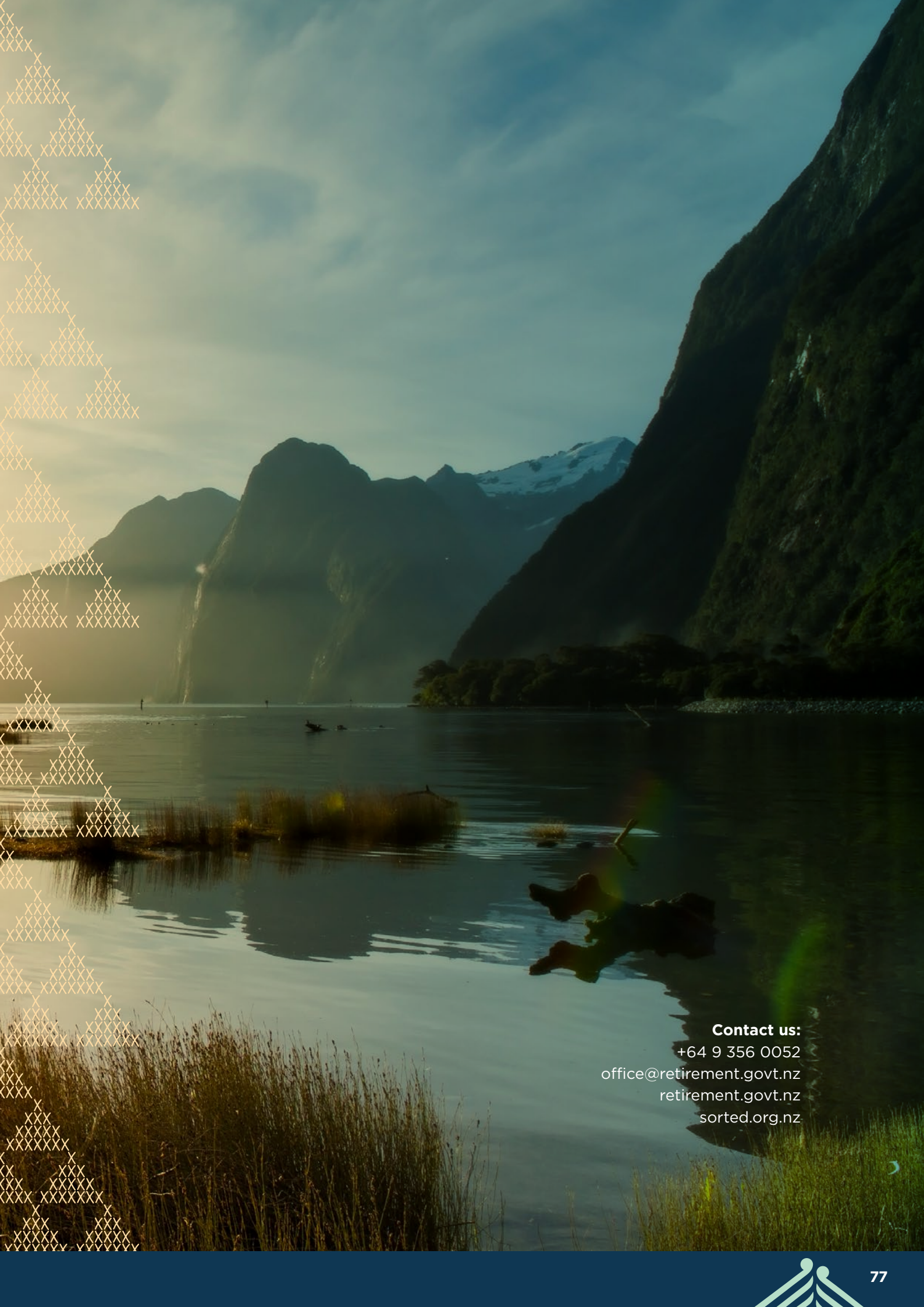
Vacant – CRM and Analytics Specialist

Laura Lock – Digital Channels Specialist

Devon Connelly – Marketing Administrator







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## Te Ara Ahunga Ora Retirement Commission

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