



**Commission for  
Financial Capability**  
Building wealthy lives

---

# Annual Report

2015

---

**Cover photo:** Upper Harbour Primary School children sequencing money as part of their Sorted Schools financial capability learning.



Presented to the House of Representatives by the Retirement Commissioner pursuant to section 150(3) of the Crown Entities Act 2004.  
The Retirement Commissioner is an autonomous Crown entity under the Crown Entities Act 2004, with its role established under the New Zealand Superannuation and Retirement Income Act 2001. The Commission for Financial Capability is the office of the Retirement Commissioner.



This work is protected by copyright owned by the Commission for Financial Capability. This copyright material is licensed for re-use under the Creative Commons Attribution 4.0 International License. In essence you are free to copy, distribute and adapt the material, as long as you attribute it to the Commission and abide by the other licence terms. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>.

# Contents

---

<b>FROM THE RETIREMENT COMMISSIONER</b>	<b>2</b>
<b>STATEMENT OF RESPONSIBILITY</b>	<b>4</b>
<b>WHO WE ARE, WHAT WE DO AND HOW WE WORK</b>	<b>6</b>
<b>NATIONAL STRATEGY FOR FINANCIAL CAPABILITY</b>	<b>14</b>
<b>OUR IMPACT</b>	<b>17</b>
<b>STATEMENT OF PERFORMANCE</b>	<b>32</b>
Output Class - Financial Capability	35
Output Class - Retirement Income	43
Output Class - Retirement Villages	46
<b>FINANCIAL STATEMENTS</b>	<b>49</b>
Independent Auditors' Report	51
Statement of Comprehensive Revenue and Expenses	53
Statement of Financial Position	54
Statement of Changes in Equity	55
Statement of Cash Flows	56
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>57</b>
Who is the Commission and what is the basis of Financial Statement preparation?	57
How is the Commission funded?	59
How does the Commission spend the funds?	59
Property, Plant & Equipment and Intangible Assets	62
Other	66



## From the Retirement Commissioner

---



In December last year the Commission changed its name from the Commission for Financial Literacy and Retirement Income to the Commission for Financial Capability. Aside from a welcome simplification of the name, the change also reflected a shift from the term literacy to capability. It recognised that for many the term literacy suggests a dauntingly academic approach, whereas capability is as much about what you 'can do' as what you 'know'.

In that sense it is more accessible, more universal and has relevance for a wider group of New Zealanders.

For the Commission there remains a healthy tension between our focus on retirees of today versus our children and grandchildren, who are our retirees of tomorrow. We work to improve outcomes for both. For many New Zealanders getting to retirement in good shape is about 'little and long', small but steady savings and a series of decisions across a lifetime. Those decisions not only make life better along the way, they give us more choices as we get older.

This is critical work and as the length of time spent in retirement grows, along with our expectations, starting young and having a plan will become increasingly important. Consequently, our work in schools has expanded, with the intensive cluster approach reaching more than 5,500 students in Auckland and a new school / community programme planned for Northland.

During the year, we continued to build culture and capability within the Commission, which included the recruitment of our senior leadership team, plus additional in-house resources for investor education, retirement villages, production and digital marketing.

The value and cost efficiency of those greater in-house capabilities became apparent in Money Week 2015 with website visits and media coverage up 90%, and 24% respectively year-on-year. These figures built on some already impressive year-on-year increases in 2014 of 17% and 151% respectively. In addition the total rate card dollar value of our unpaid media coverage for twelve months was a sizeable \$22.7m (source: iSentia), demonstrating the impact of our content creation strategy.

The new CFFC website launched in early 2015, with traffic up 40% year-on-year versus the old site. Successful content campaigns, such as our competition to name the three stages of retirement, have driven new users to the site and given them reasons to come back.

Use of video and online analytics has helped us attract new audiences, fine-tune our online strategy and understand what works. An investment of just \$233 in online promotion added a further 27,000 views to our Money Moves videos, which show young dancers giving other young New Zealanders money tips.

A rebuild of the Sorted website and a Sorted brand update is now underway. Sorted website traffic is up 16% year-on-year, with unique users at just under a million annually, which begs the question why make changes now?

The answer is that our users have shifted from desktop to tablet and mobile platforms and their expectations around delivery, experience and personalisation have changed. A mobile-based, more tailored and more dynamic Sorted is needed if it is to be fit for purpose in the future. The time to invest is now while we still have users' loyalty and attention, rather than trying to make a 'come-back' after being relegated to a position of digital irrelevancy.

Two years ago the Commission signalled an increased focus on low income and vulnerable New Zealanders and acknowledged the shortcomings of online tools for some communities and audiences. We have deployed an investment approach and 2014/15 saw the roll out of face-to-face programmes across New Zealand, using 35 newly-trained and affiliated Commission facilitators, in partnership with organisations such as the New Zealand Defence Force, The Warehouse, The Tamaki Redevelopment Company and Vaka Tautua. The number of trained Commission facilitators now stands at 65 (in addition to our existing Sorted facilitator base).

Financial vulnerability comes in many forms and the Commission has also worked with multiple partners, including the FMA and NZX, to drive investor education initiatives for all ages to help investors grow and protect their investments, large and small. KiwiSaver members are investors too and explaining and demystifying the schemes has been a big focus. That work recognises the critical role KiwiSaver plays in retirement outcomes for many New Zealanders, particularly in the face of declining home ownership.

The Commission has some audacious goals, a finite budget and a small but high-performing team of 24. The challenge is always to operate as leanly, efficiently and intelligently as we can, to call on partners and stakeholders to execute and contribute, and to centralise efforts.

The National Strategy for Financial Capability is complete and work is underway to deliver the five defined strategy work streams below across New Zealand by harnessing the involvement and resources of more than 100 organisations nationally:

- Talk: a cultural shift where it's easy to talk about money;
- Learn: effective financial learning throughout life;
- Plan: everyone has a current financial plan and is prepared for the unexpected;
- Debt-smart: people make smart use of debt; and
- Save and invest: increased saving and investing.

On the back of the National Strategy the government released a statement acknowledging the benefits of greater collaboration across agencies and a commitment to financial capability.

New Zealand, along with many of our OECD counterparts, is facing unprecedented demographic change. The work of the Commission is critical in preparing retirees for some of the challenges that lie ahead.

As an organisation we constantly challenge ourselves on where we can make the most impact, where our investment can generate the biggest returns for individuals, their families, communities and the economy more broadly. We balance the goal of behaviour change with the role of information, understanding that at the heart of change is not a set of numbers but, ultimately, our ability to manage the needs of today versus tomorrow.

*D Maxwell*

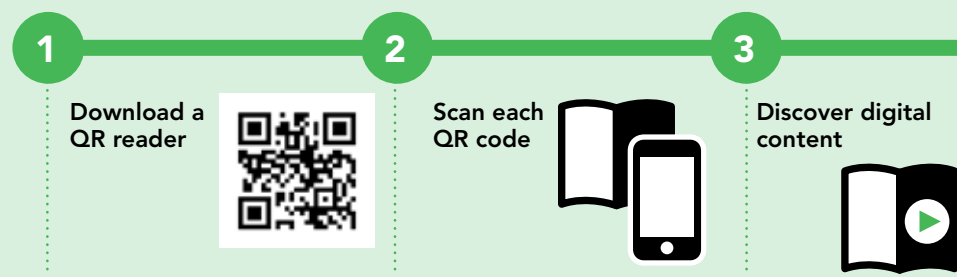
**Diane Maxwell**  
Retirement Commissioner



Money Week Highlights

### This report has embedded digital content which can be accessed as follows:

- Digital Report: If you are reading the Annual Report in a digital (softcopy) format with internet access you can simply double-click on the QR codes throughout the report to view the digital content.
- Printed Report: If you are reading the Annual Report in a printed (hardcopy) format you can simply scan the QR codes throughout the report to view the digital content.





## Statement of Responsibility

# Statement of Responsibility

We acknowledge responsibility for:

- The preparation of the Retirement Commissioner's (operating as the Commission for Financial Capability (the 'Commission')) Financial Statements and Statement of Performance, and the judgements made within them;
- Any end of year performance information provided by the Commission under section 19A of the Public Finance Act 1989; and,
- Establishing and maintaining a system of internal control that is designed to provide reasonable assurance as to the integrity and reliability of the Commission's financial and non-financial reporting.

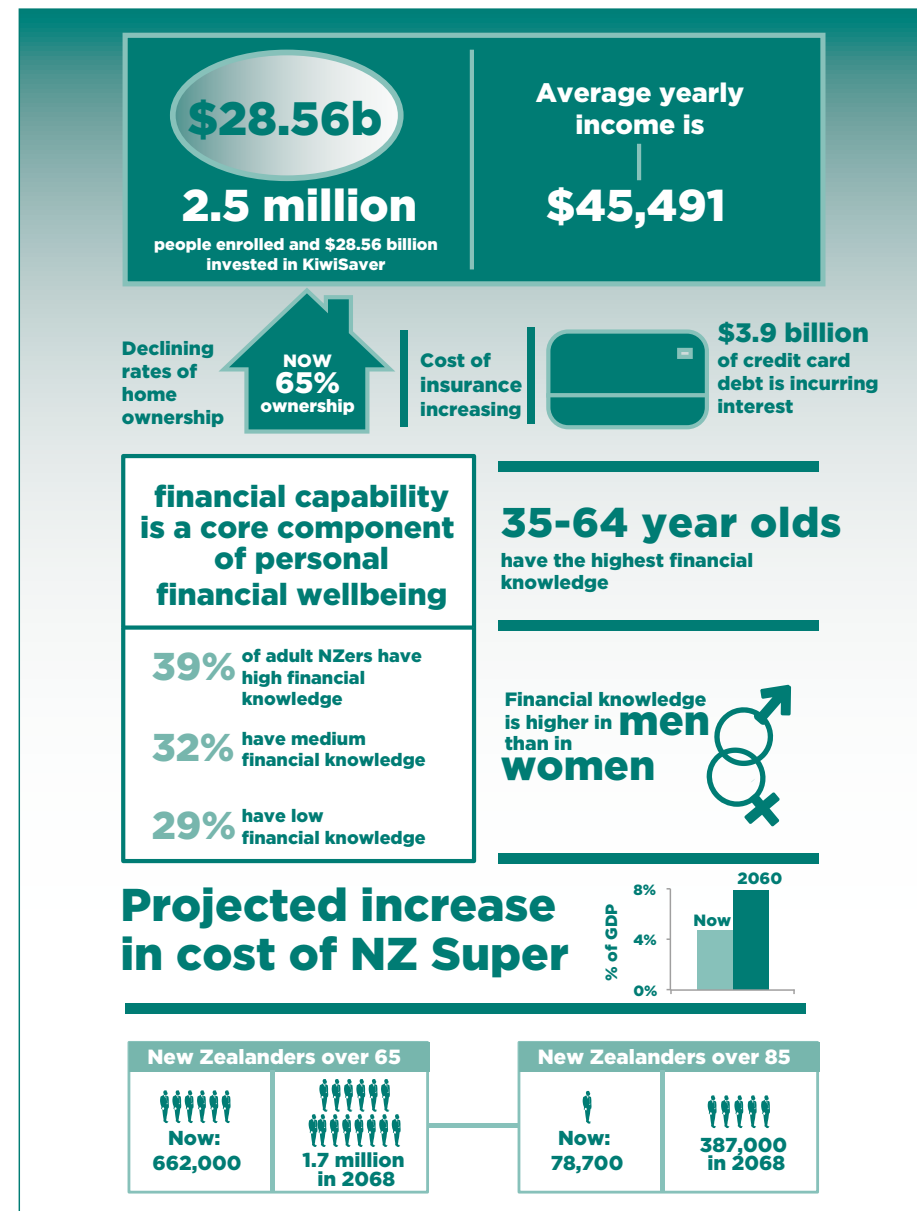
In our opinion, these Financial Statements and Statement of Performance fairly reflect the financial reporting position and operations of the Commission for the year ended 30 June 2015.

**Diane Maxwell**

Retirement Commissioner  
30 October 2015

**Hamish McKenzie**

General Manager – Finance & Corporate Services  
30 October 2015





## Who We Are, What We Do and How We Work

---

# Who We Are, What We Do and How We Work

---

The Commission is the home of financial capability. Our main task is to help the financially vulnerable become financially capable, putting them in the best possible position to reach their goals in life and get to retirement in good financial health. The 'financially vulnerable' are those at any income level who are exposed to the real possibility of financial harm. Low levels of financial capability put people at risk of making decisions that could impair their net worth.

For more than 20 years, the Commission has been equipping New Zealanders at all stages of life with the independent financial information they need to get ahead.

Every day we encourage people to talk to each other and the experts about how they can improve their financial situation through the ups and downs of economic cycles.

We are passionate about tackling financial capability issues. Since 2001 our Sorted brand has become a trusted source of free, impartial and independent financial information and resources for the nearly 1 million New Zealanders who use it every year.

We also provide robust policy advice on retirement income issues in the face of rapidly changing demographics, are a research hub that offers thought leadership, and we monitor retirement villages.

The Commission works closely with other government agencies, such as the Financial Markets Authority and the Commerce Commission, to enable a good exchange of information and drive efficiencies where possible.

## Being on the winning side of your decisions

The Commission is driven by a core belief that most New Zealanders can make smart decisions about money – but they need the right tools and encouragement. Our ongoing work in financial capability seeks to equip people with the skills and information to navigate through a lifetime of financial choices, have the confidence to ask the right questions and be on the winning side of their decisions.

A big part of our role is building and testing ideas and initiatives, and supporting New Zealand businesses and organisations to roll them out to their communities.

While we cannot (and should not) remove all risk for New Zealanders, or promise that every financial decision they make will be the right one, we can help ensure they have the frameworks, tools and encouragement to help set them on the right path to financial health.

## Why It Matters

Financial capability is increasingly an essential life skill. It is critical for getting ahead and brings confidence and control.

Improving New Zealanders' understanding of financial issues is important because being in control gives individuals greater financial freedom, creates resilient communities and builds a more prosperous and productive economy.

In addition, an ageing population and increased longevity will make the need for financial health all the more important for future generations.

## While There Are Obstacles...

There are challenges in helping the financially vulnerable become financially capable. Whether it stems from a lack of financial planning for the future, inadequate insurance, high debt or risky investing at the wrong time in life, financial anxiety can be crippling. International research shows that worrying about money can cause considerable stress, reduce mental bandwidth and erode the ability to plan for the long term. There are productivity costs linked to money-related anxieties.

There is a natural tension between long-term goals and short-term wants and needs. Every day financial worries put extra pressures on budgets, and the unexpected can bring significant setbacks. High-interest debt slows progress towards long-term goals, and we are all continually confronted by consumerism. It is inevitable that, without good planning, short-term wants will clutter and cloud our long-term aspirations.

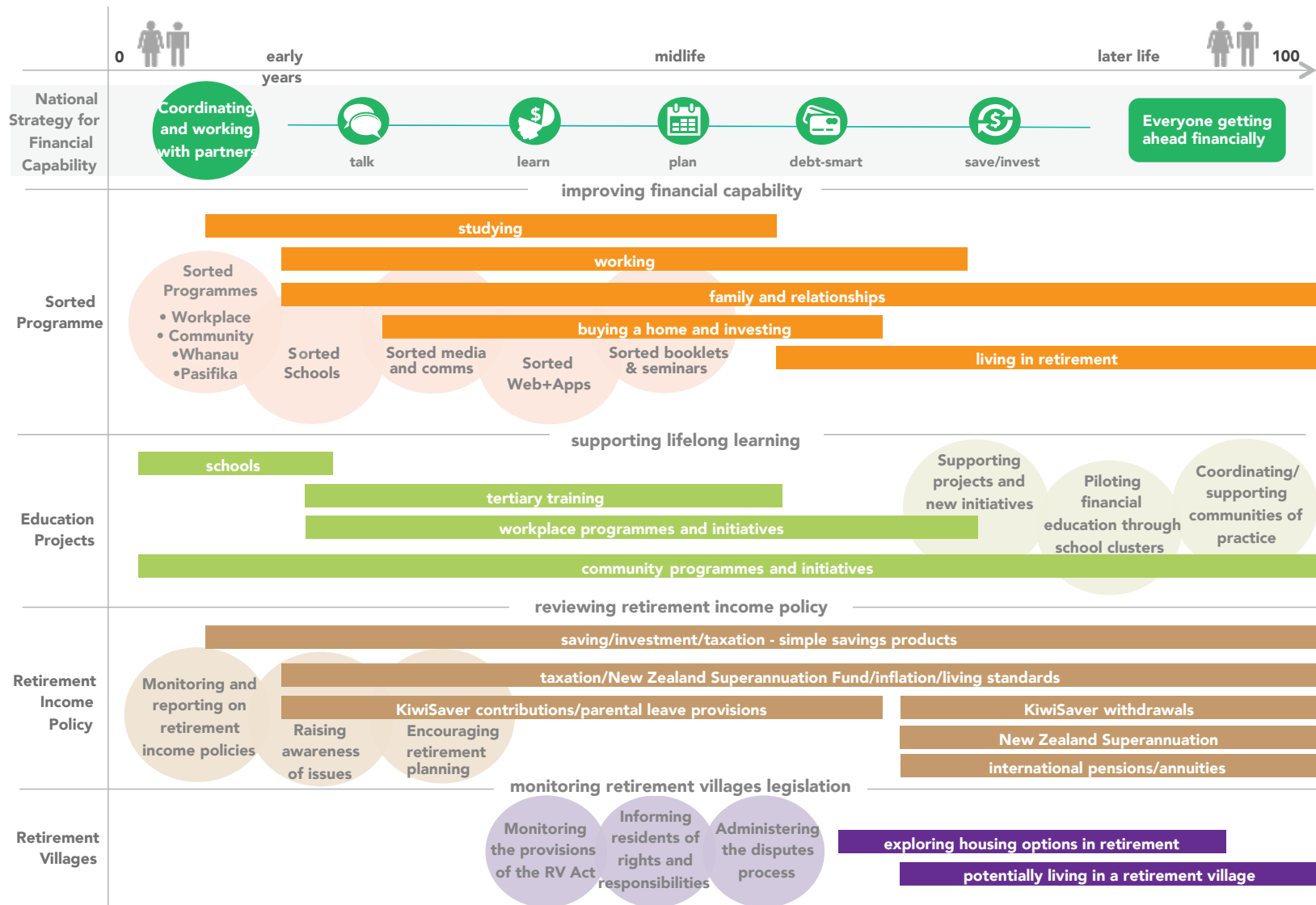
## ...The Benefits Are Clear

We recognise that everyone's wants and needs are different. Yet no matter what situation the financially vulnerable are in, whether the issue is financial planning, debt management or growing and protecting a lifetime of savings, everyone can take control of their money. There is a boost in confidence when we tackle money problems that gives us a sense of pride and achievement. Research globally shows that if people are on top of their finances, they have more time to enjoy the really important things in life.

Good financial decisions are deliberate steps towards a more financially secure future and, ultimately, good planning and smart decisions throughout life will mean New Zealanders are more likely to reach retirement in good financial shape.

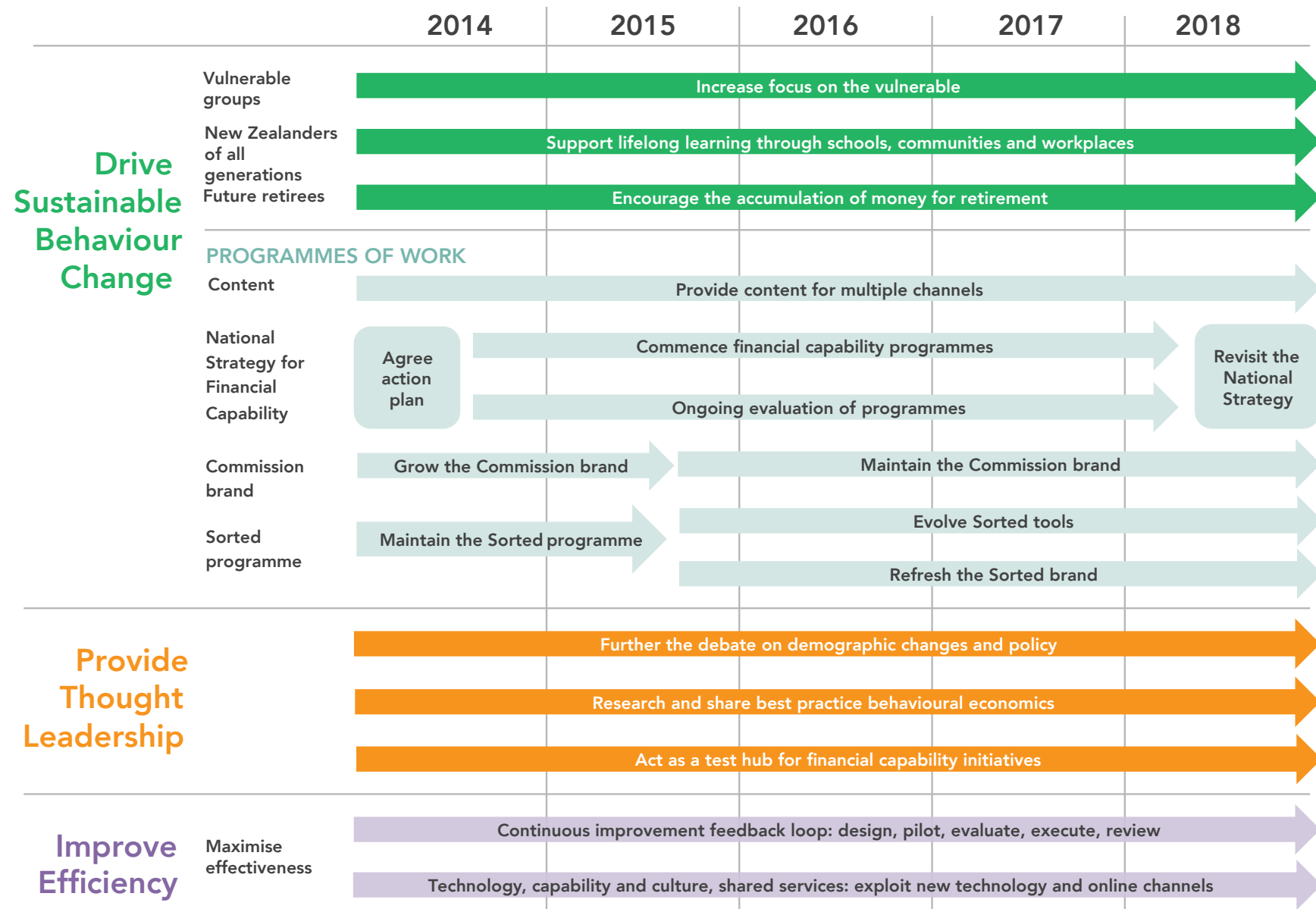
# What We Do

## Who We Are, What We Do and How We Work



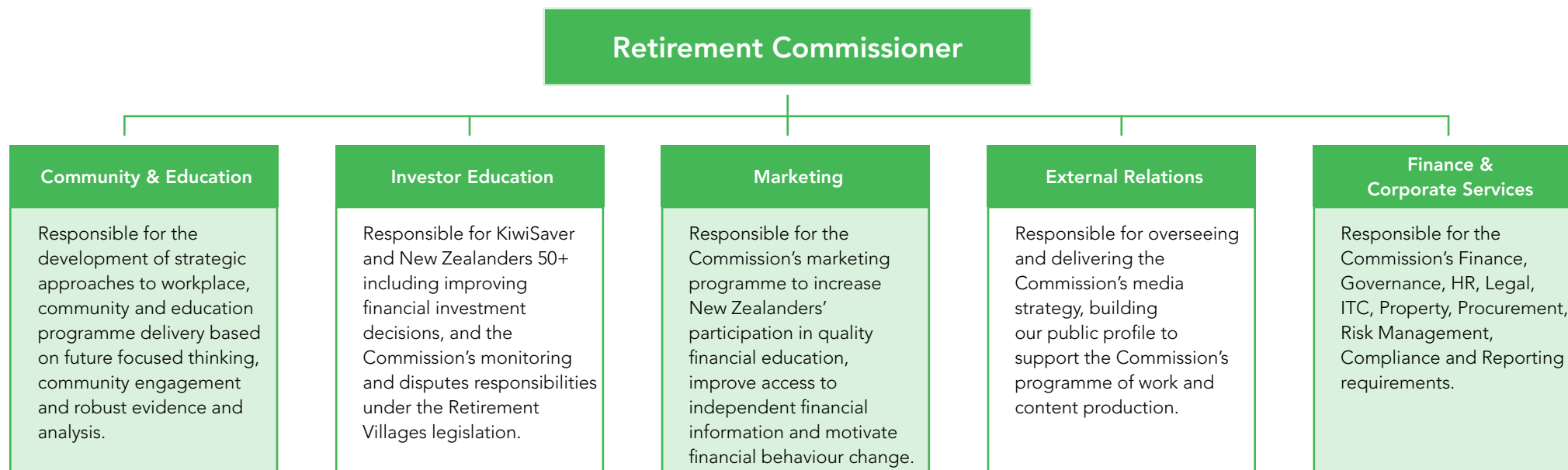
# Wealth and Wellbeing for the Retirees of Today and Tomorrow

Who We Are, What We Do and How We Work



# Our Strategic Leadership Team

## Who We Are, What We Do and How We Work



### Diane Maxwell

#### Retirement Commissioner

Diane was appointed Retirement Commissioner in June 2013 for a three-year term. Her previous role was Head of Stakeholder Management at the Financial Markets Authority (FMA), where she worked on the role of regulation locally and globally post-GFC; and the relationship between compliance, regulation, informed investors, improved disclosure and product innovation.

Prior to her role at the FMA, Diane was Head of Brand and Corporate Affairs at BNZ, overseeing media and government relations, complaints, sustainability, events, marketing and sponsorship. During that time she worked on financial literacy and responsible lending, and legislative and compliance changes including FAA, AML, review of CCCFA, Securities Act and consumer law.



**Peter Cordtz**

---

**Group Manager – Community & Education**

Peter joined the Commission in September 2015 in a role tasked with leading the delivery of strategic programmes into the community, schools and workplaces to improve outcomes for financially vulnerable New Zealanders. This includes developing the Commission's capacity to work with Maori and Pasifika stakeholders. He arrived at the Commission from a transitional role as Acting CEO of BEST Pacific's Leadership Academy and Charitable Foundation, following four years as Chief Executive of the Pacific Business Trust and seven years as General Manager of New Zealand Rugby League. Experience in senior management roles in the sports sectors, leading teams of specialists delivering national programmes and managing diverse stakeholder relationships, also serve the unique demands of this new position.



**David Boyle**

---

**Group Manager – Investor Education**

With a focus on the 50+ age group, David's role is to help New Zealanders plan and transition from working income, to investment income and how best to get there. With over 32 years of experience in the financial services industry he brings a wealth of experience to the Commission. Previously, David was GM Distribution Funds Management for ANZ Wealth and a member of its leadership team. Earlier he was GM Funds Management and responsible for the end-to-end accountability of their investment product range including KiwiSaver and managed investment funds. David is a Councillor for Workplace Savings and is the Commission's representative on the Government steering group that is reviewing the Financial Advisers Act.



**Glenn Martin**

---

**Group Manager – Marketing**

Glenn is focused on the mass reach communications and tools that support behaviour change and improvements in financial capability on a national basis. The Commission's digital channels such as sorted.org.nz and platforms such as Money Week are key assets in supporting these outcomes. Glenn joined the Commission from Pfizer New Zealand as Group Product Manager where he contributed to behaviour change associated with smoking cessation, heart health and men's health. Within Pfizer Glenn also managed the supply chain and customer services functions for the pharmaceutical, consumer and animal health businesses. Glenn's background in supply chain came from consulting roles at PricewaterhouseCoopers.

---

## Who We Are, What We Do and How We Work



**Jane Luscombe**

### **External Relations Manager**

Jane oversees the Commission's media strategy, manages its reputation and builds its public profile. She is a BBC-trained broadcast journalist with considerable experience in reporting, producing and presenting news and current affairs overseas and in New Zealand. Her career began as a reporter on an evening newspaper in the UK, before joining the BBC where she worked in television and radio, specialising in health then British and European politics. Prior to joining the Commission she spent nine years working as a reporter and producer for 3 News, where she built up extensive contacts within the industry and inside government.



**Hamish MacKenzie**

### **General Manager – Finance & Corporate Services**

Hamish leads and oversees the Commission's finance and corporate service functions. He is a Chartered Accountant and qualified economist with extensive senior management experience in internal audit, risk management, insurance and governance. Hamish's previous roles have included Group Manager - Internal Audit, Risk & Insurance at SKYCITY Entertainment Group, Head of Risk Assurance & Audit at Farmers and Associate Director at KPMG. Hamish works across all aspects of the Commission and provides guidance, advice and counsel on the 'bigger picture' to drive transformation and improve financial oversight and operational effectiveness at the Commission.

# Being a Good Employer

## Who We Are, What We Do and How We Work

The Commission is committed to being a good employer and to providing equal opportunities to all individuals and groups.

The following are the Equal Employment Opportunities (EEO) and good employer principles to which the Commission adheres.

---

### Leadership, accountability and culture

- Strong leadership and clear vision where people are valued
- Engagement processes with employees and opportunities for them to engage and participate in organisational decisions
- Managers accountable for providing EEO and managing diversity

---

### Recruitment, selection and induction

- Impartial, transparent employment process
- No barriers or biases to employing the best person for the job

---

### Employee development, promotion and exit

- Positive, equitable approach to developing all employees
- Equitable treatment for all employees to move up, through and out of the organisation
- Transparent and fair staff development practices in training, coaching, mentoring, promotion and performance management

---

### Flexibility and work design

- Workplace design that assists employees to balance work with the rest of their lives
- Consideration of flexible work practices to accommodate staff employment requirements

---

### Remuneration, recognition and conditions

- Equitable, transparent and gender-neutral remuneration system
- Equal access to job opportunities and conditions
- Recognition of employee contributions

---

### Harassment and bullying prevention

- Zero tolerance of all forms of harassment and bullying
- Managers and staff trained on their rights and responsibilities
- Policies for addressing harassment complaints

---

### Safe and healthy environment

- Proactive approach to employee health, safety and wellbeing
  - Managers and staff are trained on their rights and responsibilities
  - Obstacles for people with disabilities reduced
  - Environment that supports and encourages employee participation in health and safety
-



## National Strategy for Financial Capability

# National Strategy for Financial Capability

---

The vision outlined in the National Strategy for Financial Capability is to equip everyone to 'get ahead financially'. It sounds good, but what does it actually mean? And does 'getting ahead' resonate with everybody or is it just a pipe dream for some?

The term 'getting ahead' holds different meanings for different people, but at its core it is about how we successfully navigate our way through products, choices, demands and needs across a lifetime. The vision is about being equipped to be on the winning side of your financial decisions. It means knowing where you want to get to, what success looks like, and having a plan to get there.

One of the streams of work outlined in the strategy is 'talk'. It's about the benefits of talking about money. It's not suggesting we boast about our income, or overshare on how much we think our house is worth, but that we gain the confidence to have the hard conversations and ask questions when we don't understand. That may mean requesting the paperwork and asking more questions before investing, or talking about debt and assets within a family or relationship.

Behavioural economics tell us that knowledge alone is not the determinant of success. Our behaviour is not always rational and we sometimes act in a way that is at odds with what we know. It's important that we recognise those complexities, lest we focus on simply telling people what they should do, then stand back in surprise when they don't do it. To that end we are always seeking to understand better through research, both global and local, qualitative and quantitative, how to bring about sustainable change – change for life.

Recent research on scarcity concludes that worrying about money, how to feed the family and pay the bills, erodes mental bandwidth, confidence, energy and optimism. Building financial stability builds our own personal capability and allows us the space to plan our lives.

One of the strengths of KiwiSaver that became apparent in focus groups was how it changed the way people felt about themselves and what they were capable of. They went from being 'that person who is hopeless at saving' to 'that person who has \$10,000 in an account'. It is a moment of success and an opportunity to feel successful and, in that sense, it has an impact above and beyond the dollar sum saved.

Another insight was the importance of knowing that success is about your best result and nobody else's.

It is easy to give up when everyone else seems so much further ahead, but in the words of Warren Buffett 'no one knows who's swimming naked until the tide goes out' (in other words the neighbour's new car may just be a large loan on wheels). It's an important message that only you can carve your own path, at your own pace.

And, critically, success at an individual level builds success at a national level, both socially and economically.

The goal of the National Strategy is to bring us closer to that success, by galvanising and consolidating efforts, sharing knowledge, and providing a structure to talk about the work to be done.

It offers a clear articulation of goals and work streams, and reduces the need for the same but separate conversations, in small disparate groups, to get to the same point. Some of the goals are hairy and audacious, but that's not a bad starting point.

There are many individuals, agencies, NGOs and corporates working on financial capability initiatives across New Zealand. Bringing about sustainable behavioural change is a task that is huge, resource-hungry and seemingly without end, but we have a better chance of success if we pool our efforts.

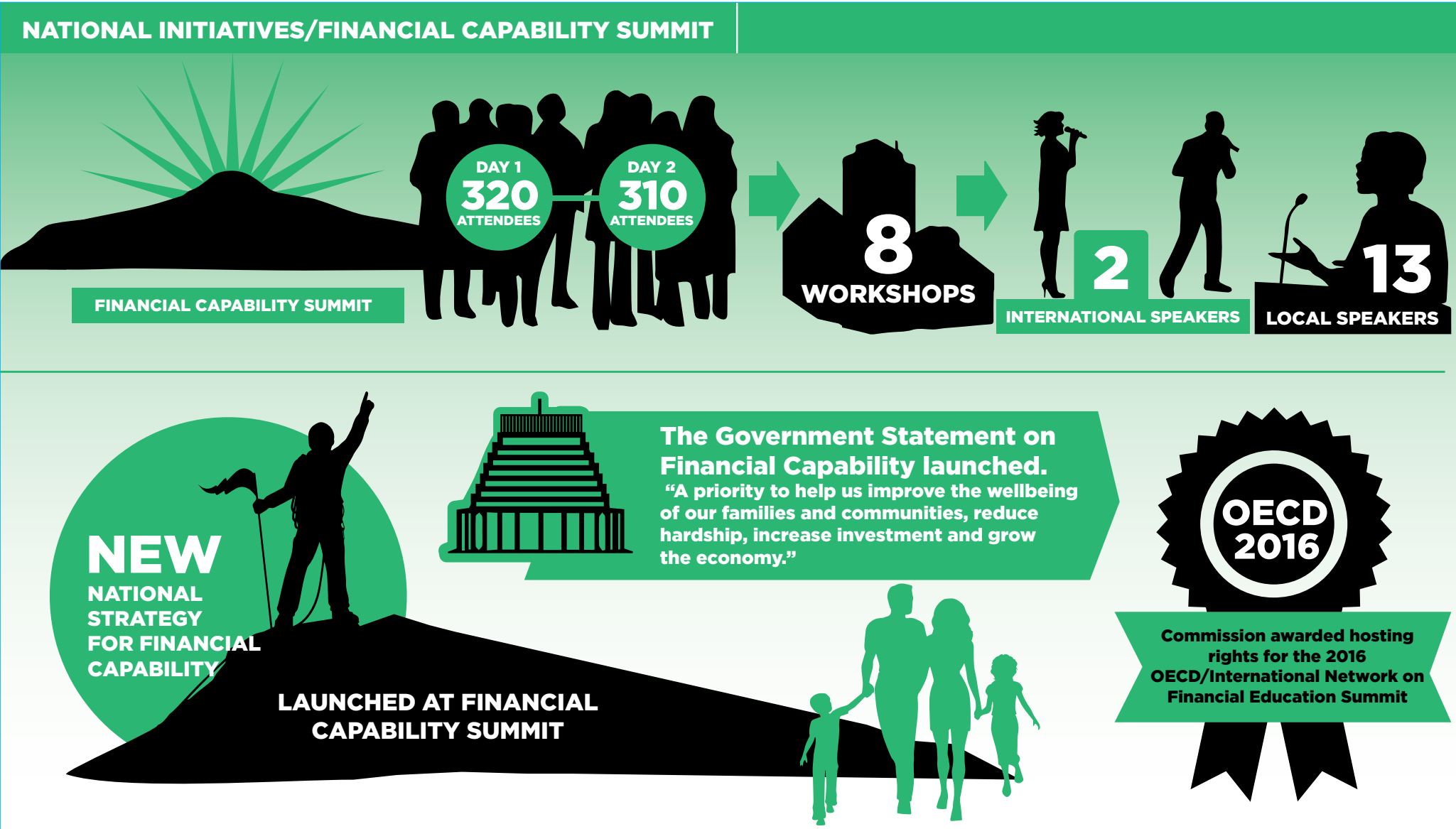


National Strategy





## Our Impact



Every two years the Commission hosts a financial capability summit, bringing together people from all corners of the financial capability sector and from across New Zealand.

#### Financial Capability Summit

This year 320 attendees heard world-class speakers share the latest research, panellists debate policies and trends, and like-minded people discuss their role in supporting financial capability in New Zealand. The Summit's keynote speaker was Professor Elaine Kempson, a UK-based and internationally-known and respected authority on consumer financial issues.

At the summit, Professor Kempson revealed more about her latest work and her thoughts on the most effective ways of helping people build their financial capability. Her presentation 'From Financial Literacy to Financial Capability: more than a semantic change' discussed how billions of dollars have been spent on financial literacy programmes, but are they working and what is the most effective way of helping people change their behaviour?

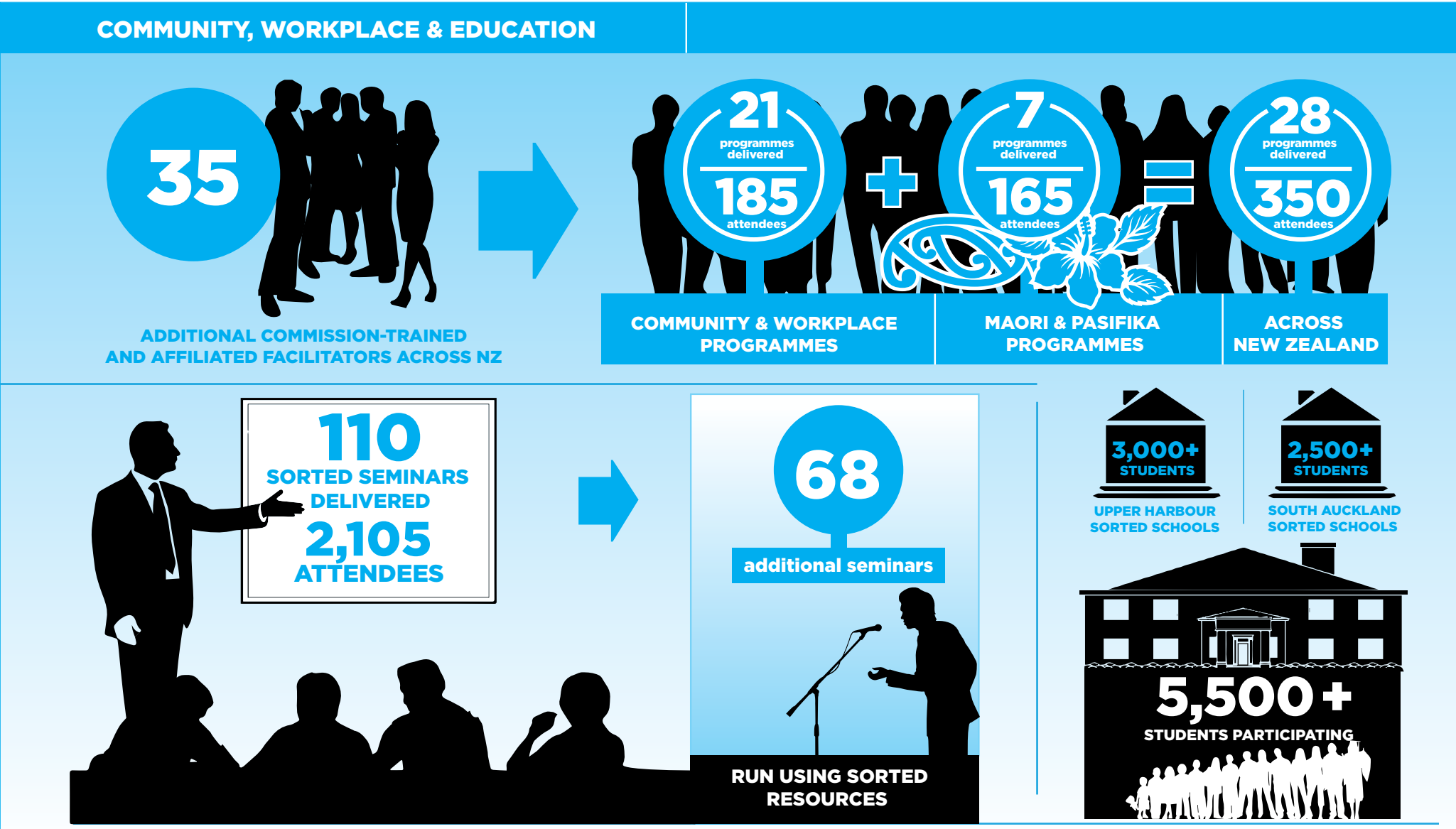
The presentations shared at the Financial Capability Summit 2015, including research from Professor Kempson, can be viewed on the Commission's website [www.cffc.org.nz](http://www.cffc.org.nz)



Elaine Kempson: Emeritus Professor, University of Bristol, England.



Financial Capability  
Summit





The Warehouse  
Workplace Programme

New Zealand Navy on exercises. (Photo supplied by NZDF).

## "I learned about how to get my credit history and to understand how it impacts future financial decisions."

### NZ Defence Force

A series of face-to-face programmes have been piloted across the Navy, Army and Air Force to help NZ Defence Force personnel and their families change the way they think about and manage their personal finances.

It's a joint initiative between the Commission and NZ Defence Force and covers the basics of managing money, including goal-setting; budgeting; saving; and dealing with debt; as well as investing; KiwiSaver; home loans; insurance; and wills. So far, four pilot programmes have been run at Linton, Devonport and Whenuapai (x2).

Damien Gillett-Jackson, Ordinary Marine Technician, who attended a course in Devonport, said: "Before taking the course I felt like I was already quite on to it when it came to money. I was curious to see what I was missing so I put my name down. Turns out I was missing much more than I realised. After the KiwiSaver session my whole mind-set towards

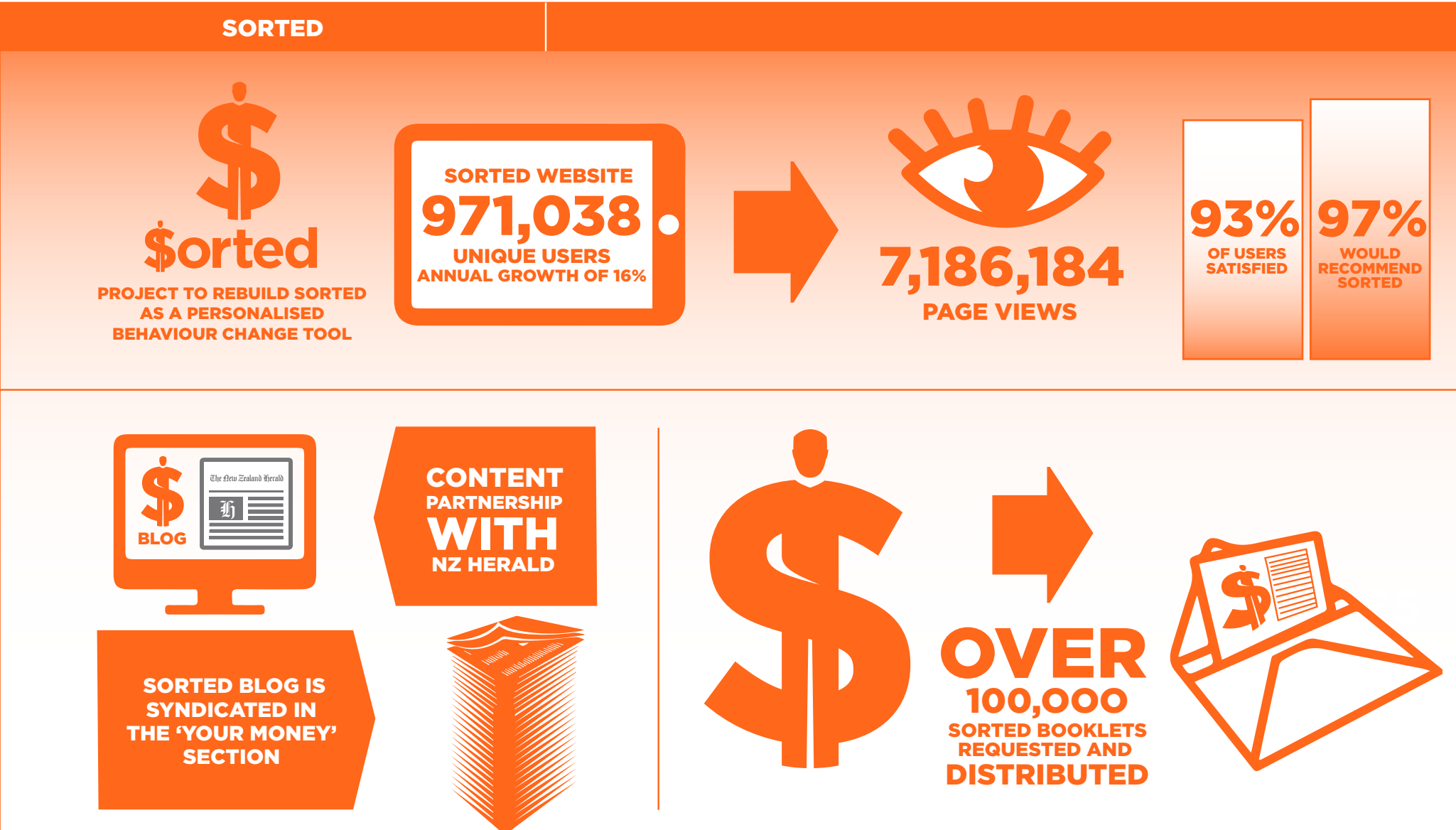
retirement and the scheme itself changed for the better."

A family workshop brings in the participants' relatives, so the whole household gets behind the programme.

Lieutenant Bryce Morgan said: "I learned about how to get my credit history and to understand how it impacts future financial decisions. Most importantly, it made me realise the benefits of taking control of my finances. Few places teach that, for free, these days."

Susan Hyatt added: "I wished I had been given the information years ago, it could have made a real difference to my financial affairs and stopped me making some big mistakes."

With more than 14,000 NZDF personnel, 105,000 RSA members and 31,000 veterans, there is significant scope to build financial capability across all generations.



**“This programme taught the families how to get their finances in order, which for many is the first step to owning a home.”**

#### Little steps that lead to lifelong changes

A group of Cook Island families have learned it's the little things that can make the difference when it comes to sorting out your finances.

Fifty of them have graduated from a six-week Sorted Community Programme run by the Commission in partnership with Tamaki Redevelopment Company (TRC).

The participants dedicated three hours a week to share, think about and put into action ways to manage their money and plan for their futures. The programme was designed to bring about an underlying shift in the way people think about and manage their money. It drew heavily on what is known about behavioural economics, present bias, social norms and the mentality of scarcity. The modules covered everything from managing expenses, to insurance, wills, KiwiSaver, buying a house and more.

Retirement Commissioner Diane Maxwell said:

“This is where people have those moments where they begin to see the small, but significant, changes they can make to their lives and their families to have a healthier and wealthier future. Behaviour change comes from a better understanding of our relationships with money.”

TRC aims to strengthen Tamaki families by assisting them to increase their social and financial mobility. This includes increasing their awareness of financial capability, with the long-term objectives of moving towards home ownership or stable home tenure, and increased positive financial behaviour.

TRC's Community Development Advisor Upusili Tevita Malolo said: “This programme taught the families how to get their finances in order, which for many is the first step to owning a home.”



Tamaki Community Programme



Graduation ceremony at Tamaki.

MEDIA PRESENCE	
----------------	--



### Life after work - ready or not

A joint survey by the Commission and the Financial Markets Authority (FMA) looked at how well older New Zealanders are preparing and investing for when they stop working. The research was commissioned to give some insights into the financial challenges and decisions facing New Zealanders, and some possible solutions, as the country's population ages.

The study found that while some people are planning thoroughly for a comfortable retirement lifestyle, others are drifting towards a more frugal future with almost half of people 50+ yet to figure out how they will reach their retirement goals. Four in ten people who have already retired did so without a financial plan.



Report available from [cfc.org.nz](http://cfc.org.nz)

## Only one in ten people 50+ are certain they have enough money saved or invested to enjoy the lifestyle they want when they stop working.

- Only one in ten people 50+ are certain they have enough money saved or invested to enjoy the lifestyle they want when they stop working. Of those already retired, a quarter do not have the money to do the things they would like in retirement.
- Among people in the survey approaching retirement, 54% had some form of financial plan. However the degree of planning varied, with only about a quarter having planned thoroughly.
- 42% of non-retirees have calculated the regular expenses they would need to cover, and 34% have worked out how much they would need on top of NZ Superannuation to give them the lifestyle they wanted.
- The experience of those who have already retired showed that while 28% have enough money to do all the things they want in retirement, 25% are just getting by and managing the basics. Retirees who had some form of plan for their retirement were far more likely to enjoy the kind of lifestyle they wanted.
- When it comes to investment risk the overwhelming majority, 83%, said that higher risk investments were to be avoided and 71% said that in general people should choose more conservative investments. However only 24% had ever used a risk profile tool to understand their own tolerance for risk.

With so many people now accumulating wealth in KiwiSaver and other investments towards their retirement, it's critical they get hold of the information and tools needed to help plan, prepare and make smarter investment choices. This will help them reach their retirement lifestyle goals and [www.sorted.org.nz](http://www.sorted.org.nz) is a great place to start.



Retirement Expectations

## MONEY WEEK 2014

**1  
IN  
5**



**AGED 18+,  
WERE AWARE  
OF MONEY WEEK  
(+16%)\***



**1  
IN  
2**



**OF THOSE,  
ONE IN TWO  
DISCUSSED  
OR TOOK  
ACTION  
RELATING  
TO MANAGING  
THEIR MONEY**



**9,267  
NEW ZEALANDERS**

**AGED 18+  
COMPLETED A FINANCIAL  
FITNESS CHECK-UP  
(+46%)\***

**385**

**PIECES OF  
MEDIA  
COVERAGE  
(+151%)\***



**MONEY  
WEEK  
WEBSITE  
RECEIVED**

**29,941  
VISITS  
(+17%)\***

\*Annual growth

**OVER 330**

**MONEY WEEK  
EVENTS WERE  
REGISTERED**



**“Going overseas and doing all the trips that we do, it takes a lot of saving personally so that means not going out and buying stuff impulsively.”**

#### Money Moves 2015

One of the best young hip hop crews in New Zealand teamed up with the Commission during Money Week to get people thinking about their money.

Members of IDentity Dance Company, fresh from winning gold at the hip hop international world finals in the United States, staged a ‘fighting fit face-off’ to launch Money Week 2015.

They also worked with the Commission on a series of 30-second YouTube videos, showing off their ‘money moves’ and sharing the ways they were able to fund their way to the finals. The idea was to engage younger New Zealanders in thinking about their financial futures.

Artistic director and dancer Andrew Cesan, who is 24, said: “Saving up to buy stuff for me is a lot more satisfying than spending impulsively. When I’ve saved I’ve thought a lot more about it.

“But money is whatever you want it to be. The people in life who have been the most successful with money have really thought of the best way to use it.”

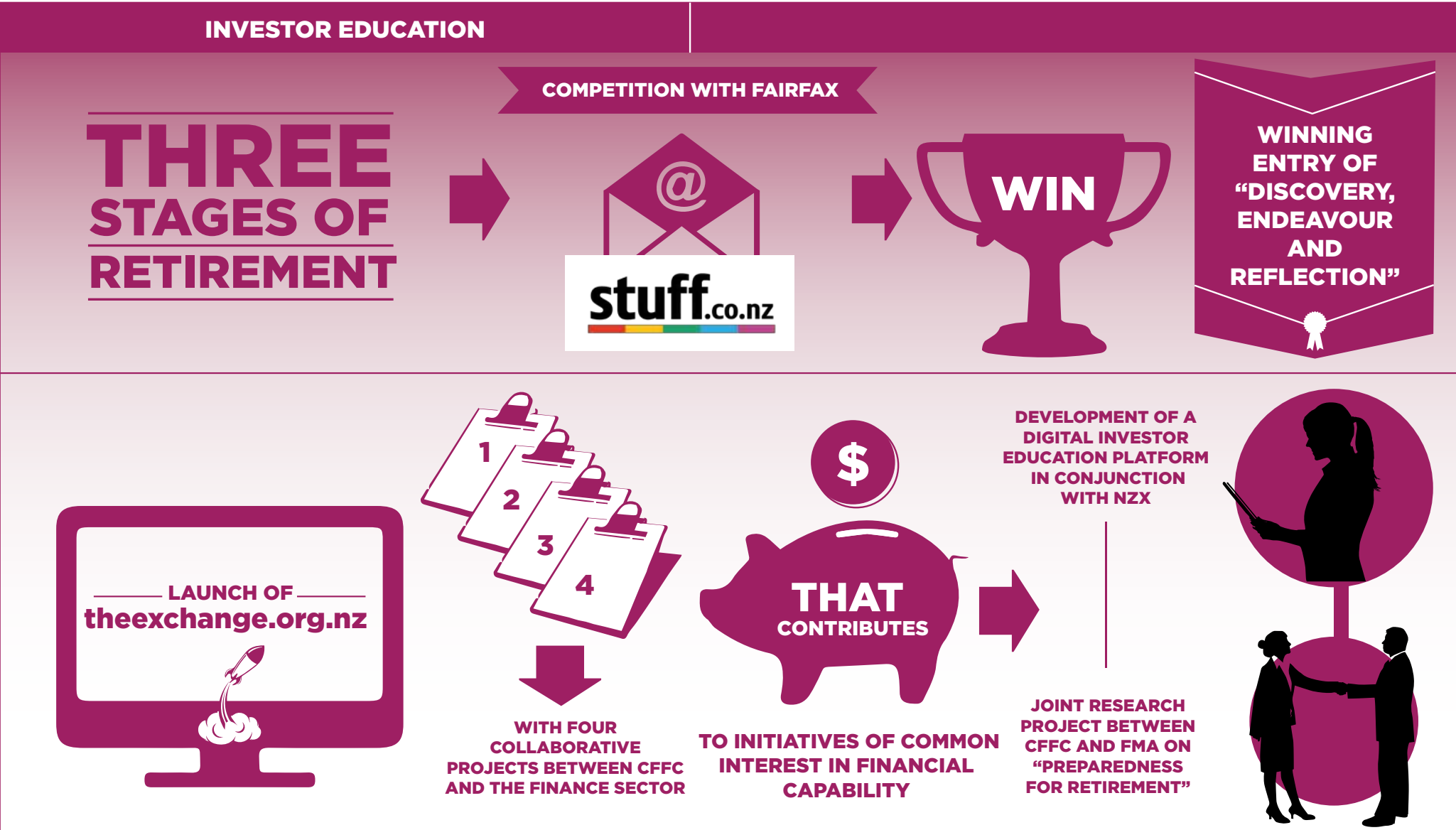
Dancer Riley Bourne added: “Going overseas and doing all the trips that we do, it takes a lot of saving personally so that means not going out and buying stuff impulsively.



Money Moves



IDentity Dance company launch Money Week with ‘money moves’ at Britomart.



We're living longer and it's really important that we all, collectively and individually, plan for that so our money lasts as long as we do. Saving and investing a little over a long time will help.



Invested.co.nz home page.



The On-Ramp to Investing

### Invested in the Future

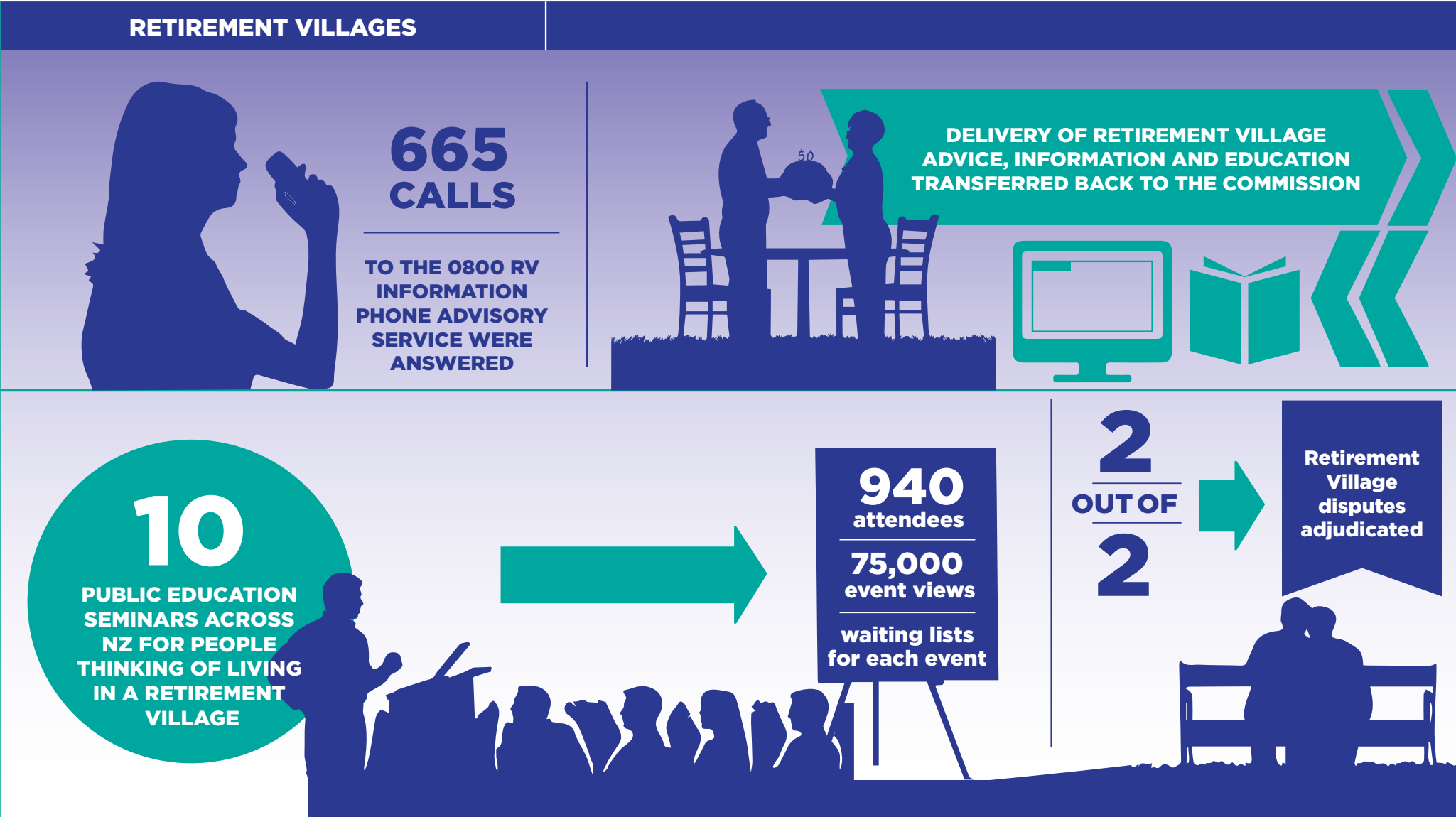
The Commission and NZX launched an online series of short and engaging videos to help people who are interested in investing, but unsure where to begin. Invested provides a starting point to learn about the different investment options available and to increase discussion of saving and investing for choices in the future.

The joint project features industry experts who provide targeted information, in plain English, about the principles of investing. The aim was to develop quality, independent investor education, which is available in a user-friendly format that is easy to digest.

The hope is that people will use the website, then go on to seek information from other sources to understand better the investment choices for their own particular circumstances.

The series looks at the basics of KiwiSaver, funds management, investing in the share market and fixed interest, as well as talking about the risks of various investments more generally, including:

- The on-ramp to investing - David Boyle, CFFC, and Aaron Jenkins, NZX
- KiwiSaver - David Boyle, CFFC
- Investing in the share market - Mark Lister, Head of Private Wealth Research at Craig's Investment Partners
- Fixed interest - Iain Cox, Australasian Head of Fixed Interest and Cash at ANZ Wealth
- Managing investment risk - Rob Everett, Chief Executive, FMA
- Tips for picking shares (equities) - Chris Swasbrook, MD at Elevation Capital Limited
- Managed funds - Carmel Fisher, MD at Fisher Funds



**"It's a time of adjustment I suppose because work fills your whole day, your whole week, and now you've got this extra time. You adjust even the little things, like the time you wake up in the morning."**



Winner of three stages competition: Erica Whyte.

### 'Discovery, Endeavour and Reflection' – Three Stages of Retirement

Three women with a love for language and an eye on the future were winners of the Commission's Three Stages of Retirement Competition to name the early, middle and late stages of retirement.

Erica Whyte and Liz Hunt have stopped working in the past few years, while Nicola Deacon plans to keep going until her 70s.

Erica, whose suggestion of 'Discovery, Endeavour and Reflection' has been adopted by the Commission and is being used in our online and published material, said endeavour was in some ways the best stage for her. "Discovery is learning what life is going to become. Once you've got something like the answers you have got to endeavour to make them happen."

Liz, who came up with 'can do, might do, used to' stopped work reluctantly two years ago at the age of 67. She said the toughest part for her wasn't financial, but mental.

"It's a time of adjustment I suppose because work fills your whole day, your whole week, and now you've got this extra time.

"You adjust even the little things, like the time you wake up in the morning."

Erica added: "One of the things I remember finding difficult was just what do I call myself. When you go into a group of people the first thing people say is what do you do? To say I'm retired suddenly just doesn't sound right. We had sold our business so we had to discover how we would fill in the day up to a point. We had to look at our finances again with a view to making them stretch for 20 or 30 years."

Nicola, who suggested 'investors, divesters, resters' said she wanted to keep working for as long as possible. "I realised when I was in my mid-teens there was a real chance I would be living to 100. I'm 51, I'm supposed to retire in 10 to 15 years' time, but I have still got potentially 50 years ahead of me. That's a long time. My husband and I enjoy what we do, we enjoy being mentally active through work so it would be awful being bored."

All three agreed that retirement looks very different now to how it used to and will look different again in 30 years' time.



3 Stages of Retirement

# Statement of Performance



## Statement of Performance

Funding from the Crown for the 2014/15 year was received as a single appropriation and was budgeted to be \$5,782,000.

This appropriation is limited to services from the Retirement Commissioner to develop and promote methods of improving the effectiveness of retirement income policies, through the publishing of information and the delivery of a comprehensive public financial education programme. The appropriation is intended to improve the financial wellbeing of all New Zealanders by increasing the number who are financially capable throughout their lives and are financially equipped for retirement. This appropriation is also intended to monitor the effects of the Retirement Villages Act 2003 and promote awareness of rights and responsibilities of all participants in the retirement villages sector.

Actual funding received from the Crown was \$6,211,400. In addition to Crown funding, the Commission also received a further \$97,914 from interest and other sources.

The allocation of this funding and expenditure across the output classes is:

Allocation of Revenue/Expenditure	Actual 2014/15	Budget 2014/15
<b>Revenue</b>		
Revenue from Crown Appropriation	\$5,782,000	\$5,782,000
Other Crown Revenue	\$429,400	-
Other Revenue	\$33,494	\$50,000
Interest Revenue	\$64,420	\$28,325
<b>Total Revenue</b>	<b><u>\$6,309,314</u></b>	<b><u>\$5,860,325</u></b>
<b>Expenditure</b>		
Financial Capability	\$4,705,412	\$4,930,607
Retirement Income	\$915,148	\$911,000
Retirement Villages	\$232,086	\$215,000
<b>Total Expenditure</b>	<b><u>\$5,852,646</u></b>	<b><u>\$6,056,607</u></b>
<b>Surplus/(Deficit)</b>	<b><u>\$456,668</u></b>	<b><u>(\$196,282)</u></b>

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



What Does A Wealthy Life  
Mean To You?

---

## Statement of Performance

The Commission is subject to the following Conditions of Use of Appropriation:

Reference	Conditions of Use
New Zealand Superannuation and Retirement Income Act 2001	Part 4 of the New Zealand Superannuation and Retirement Income Act 2001 provides the constitution, appointment, functions, powers and duties of the Retirement Commissioner.
Retirement Villages Act 2003	Part 3 provides for the monitoring and other functions of the Retirement Commissioner. Part 4 provides for the Commissioner to approve members eligible for appointment to a disputes panel. Part 5 provides for the Commissioner to make recommendations to the Minister on any draft Code of Practice or variation, and to publish information and receive submissions on any Codes of Practice or variation.
Crown Entities Act 2004	<p>The Crown Entities Act 2004:</p> <ul style="list-style-type: none"><li>• provides for different categories of Crown entities and for each category to have its own framework for governance (including the degree to which the Crown entity is required to give effect to, or be independent of, government policy)</li><li>• clarifies the powers and duties of board members in respect of the governance and operation including their duty to ensure the financial responsibility of the Crown entity, and</li><li>• sets out reporting and accountability requirements.</li></ul>

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

- Financial Capability;
- Retirement Income; and,
- Retirement Villages.

## Output Class - Financial Capability

In the Financial Capability output class our focus is on:

- **Driving behaviour change**

The Commission has an increased emphasis on sustainable and enduring behaviour change, helping the financially vulnerable become financially capable. We still play a role in disseminating information and tools, but the key lies in what people do with the information they have and how we remove the barriers to change.

- **Raising awareness of the value of financial capability**

Financial capability is an essential life skill. It is critical for getting ahead financially and brings certainty and control. Improving New Zealanders' understanding of financial issues gives individuals greater financial freedom, creates resilient communities and builds a more prosperous and productive economy.

- **Extending reach**

The Commission operates as a strategic centre, thought leader and test hub. We build and evaluate programmes, tailored for different sectors, and we then engage with stakeholders across New Zealand to execute nationally. We also provide content for multiple platforms.

- **Improving financial capability learning experiences**

Our children and our grandchildren will face fierce new challenges in their retirement as the population ages and the world around them changes. The Commission's ongoing work seeks to equip people with the skills and information to navigate through a lifetime of financial choices, have the confidence to ask the right questions and be on the winning side of their decisions so that they reach retirement in good financial shape.



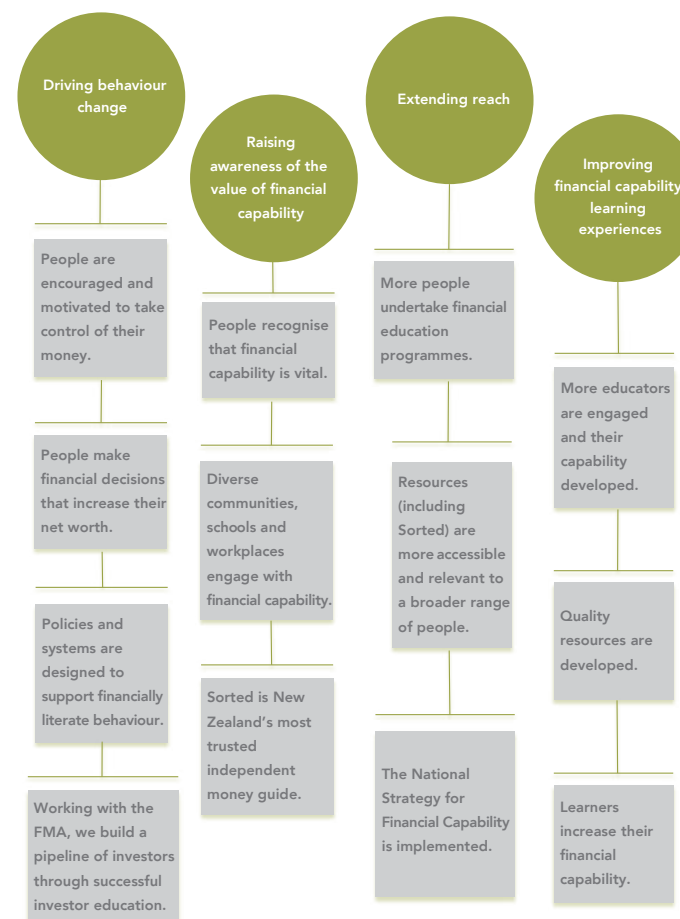
Sorted Schools

In this  
output class

## Financial Capability

Our focus  
will be on

to achieve  
these  
outcomes



## Statement of Performance

Financial Capability Focus Areas				Commission Deliverable	Measure/Indicator	Commission Performance
Driving behaviour change	Raising awareness of the value of financial capability	Extending reach	Improving financial capability learning experiences			
✓	✓	✓	✓	Lead the renewed National Strategy for Financial Capability and associated action plan.	The National Strategy is launched and action plan developed.	<p>The Commission launched the collective impact framework for implementation of the National Strategy at the Commission's Financial Capability Summit.</p> <p>A digital portal for the National Strategy has been scoped, requirements developed and a design framework agreed. This is now in the build stage for launch in 1Q16. The digital portal will provide greater visibility of the National Strategy and how stakeholders are bringing it to life. Forum tools will support networking and communication of progress, actions and learnings from work connected to the National Strategy. Linked to the National Strategy is the combined work of MBIE and the Commission in supporting cross government collaboration on financial capability. The work of this group supported the Government statement on financial capability.</p>
✓	✓	✓	✓	Promotion to encourage New Zealanders to get their money matters sorted; and the development and maintenance of sorted resources including sorted.org.nz, booklets and seminars.	Marketing monitor results for 2014/15 show an improvement from 2013/14 results.	<p>The Sorted website continues to perform well with growth in users to 971,038 per annum, an increase of 16%. There was also growth of page views to 7,186,184 per annum, an increase of 3%. Work commenced on the rebuild of sorted.org.nz to anticipate changing internet use patterns.</p> <p>This includes designing for interaction through mobile devices and shifting the user experience to focus on the individual and their needs. An RFP for a revised Sorted visual design was issued in May with the new design informing the digital design RFP, which was issued at the end of the financial year.</p> <p>The Commission's suite of Sorted seminars and programmes continued to grow with a revised workplace programme completed, plus two new programmes, Sorted Whānau and Sorted Pasifika. These were first delivered in contexts associated with problem gambling and in Pasifika families with disabilities. Customised programmes were also developed for the NZ Defence Force and Pasifika migrant workers.</p> <p>A revised booklet was developed to support people thinking of living in a retirement village. This is now being distributed through the sorted website and in face-to-face seminars.</p>

Financial Capability Focus Areas				Commission Deliverable	Measure/Indicator	Commission Performance
Driving behaviour change	Raising awareness of the value of financial capability	Extending reach	Improving financial capability learning experiences			
✓	✓	✓	✓	Coordinate an annual national Money Week with key stakeholders.	Money Week is held and the 2014 KPIs are met or exceeded.	<p>Money Week 2014, held from 13th -19th October was extremely successful with performance metrics showing excellent growth over 2013:</p> <ul style="list-style-type: none"> <li>• Awareness: Almost one in five (18%) New Zealanders aged 18+ were aware of Money Week. An increase of 16% over 2013.</li> <li>• Media coverage: Media coverage relating to Money Week grew by 151% over 2013 with 385 separate items in the media.</li> <li>• Social Media: There was an increase in reach through Facebook of 72% (1,104,650 impressions) with a greater increase in engagement of 210% resulting in 27,310 people interacting with our content.</li> <li>• Events: Over 330 events were registered on the Money Week site. This was an increase of 9% over 2013.</li> <li>• Money Week Assets: There was a 23% increase in unique visits and a 17% increase in total visits (29,941) to the Money Week site. The financial fitness check-up saw a 192% increase in page views (30,658) with a 46% increase in completions (9,267). Sorted tools were used 22,369 times, an increase of 6% over 2013.</li> <li>• Advertising: The advertising mix associated with Money Week changed from 2013 with less investment in street posters (1,245 total) but an increase in digital display advertising which resulted in 22,667 click throughs.</li> <li>• Stakeholder engagement: 90% of stakeholders surveyed were likely to run activities for Money Week 2015. Satisfaction with support from the Commission was also high at 85%.</li> </ul>
✓		✓	✓	Provide investor education.	<p>A co-branded series of investor seminars with the NZX is held.</p> <p>Successful collaboration with the FMA occurs on two education initiatives.</p>	<p>The Commission, the FMA and MBIE collaborated throughout 4Q15 on the development and launch of the Investor Capability Strategy and plans for the development of an investor portal which will provide assistance to retail investors with investment decisions.</p> <p>The Commission and the FMA reviewed research prepared by Colmar Brunton around 'Preparedness for Retirement'. A media plan was created for the communication of key messages and insights, which were released and received widespread media coverage in two waves in 1Q16.</p> <p>The Commission and NZX collaborated on the development of a digital investor education platform. The initial seven feature topics have been produced with the series titled "Invested: The On Ramp to Investing". The series is targeting individuals who are new to investing or are considering unfamiliar investment options.</p>

## Statement of Performance

Financial Capability Focus Areas				Commission Deliverable	Measure/Indicator	Commission Performance
Driving behaviour change	Raising awareness of the value of financial capability	Extending reach	Improving financial capability learning experiences			
✓	✓	✓		Deliver an optimised Sorted programme.	<p>The Sorted programme delivers campaigns that meet or exceed current KPIs and is supported by tools optimised for mobile delivery.</p> <p>Seventy-five percent of visitors to the Sorted website are 'very satisfied' or 'quite satisfied' with the website overall.</p>	<p>The development of the next version of Sorted is well underway with the conceptual solution and brand proposition being confirmed. An RFP was placed on the GETS procurement environment to select a partner for the detailed development and build.</p> <p>A key change in the evolution of Sorted is the 'retirement' of the mouse as a 3<sup>rd</sup> person device so that Sorted can become a more personalised experience centered on the individual.</p> <p>Behaviour change frameworks will be integrated into the digital design to shape the user experience and to enable personalised communications and nudges for individuals to continue to develop their 'sorted self'.</p> <p>In 2014/15 Sorted had:</p> <ul style="list-style-type: none"> <li>• 971,038 unique users, up 16% on 2013/14;</li> <li>• 7,186,184 page views, up 3% on 2013/14; and,</li> <li>• 37% returning visitors, 63% new visitors.</li> </ul> <p>A Sorted satisfaction survey (conducted in October 2015) found that user satisfaction with Sorted remains high and has improved further:</p> <ul style="list-style-type: none"> <li>• 93% of users were 'very satisfied' or 'quite satisfied' with the website overall;</li> <li>• 93% agreed information was easy to find;</li> <li>• 97% would definitely/might recommend Sorted; and,</li> <li>• 92% would definitely/might alter their financial decisions after using Sorted.</li> </ul>
✓		✓		Lead and drive 'The Exchange', a finance sector consortium that works on areas of common interest and channels various initiatives in financial capability.	Initiatives are evaluated and successful ones are rolled out nationally with the assistance of Exchange partners and their networks.	Projects launched on 'The Exchange' have progressed further with The Warehouse Group committing to an additional 12 workplace financial capability programmes. Exchange members have actively got behind Money Week 2014 and Money Week 2015 with all Exchange members committing to various action plans.

Financial Capability Focus Areas				Commission Deliverable	Measure/Indicator	Commission Performance
Driving behaviour change	Raising awareness of the value of financial capability	Extending reach	Improving financial capability learning experiences			
		✓		Establish content partnerships to syndicate financial capability content.	Two content partnerships are established with nationwide media outlets, extending the audience for financial capability content.	<p>A content partnership with the NZ Herald where the Sorted blog is syndicated in the 'Your Money' section is well established. Weekly blogs were placed by the Commission. The nesting of the KiwiSaver fund finder tool within the NZ Herald continues to be a success.</p> <p>In 2014/15 FundFinder had:</p> <ul style="list-style-type: none"> <li>• 73,379 unique users, down 6% on 2013/14;</li> <li>• 890,097 page views, down 4% on 2013/14; and,</li> <li>• 72% returning visitors, 28% new visitors.</li> </ul> <p>Analysis of FundFinder traffic has identified that 2013/14 statistics are significantly influenced by a single campaign. Stripping this campaign traffic out shows 2014/15 consistently performing better than 2013/14.</p> <p>The Commission collaborated with Fairfax on a campaign focusing on the 50+ market segment to raise awareness of the different life-stages of retirement. This was successfully completed with a strong response to the three stories and video segments. The competition to rename the three stages of retirement resulted in a large number of entries from throughout New Zealand. The winning entry of "Discovery, Endeavour and Reflection" has resulted in a restructure of the retirement section of the Commission website.</p> <p>The Commission's website has experienced significant spikes in traffic and site engagement around the three stages campaign, with 60% of total web traffic coming from news sites on the days they published the three stages stories.</p> <p>Site traffic has lifted significantly since the previous year:</p> <ul style="list-style-type: none"> <li>• 26,346 unique users, up 40%; and,</li> <li>• 123,313 page views, up 16%.</li> </ul>

## Statement of Performance

Financial Capability Focus Areas				Commission Deliverable	Measure/Indicator	Commission Performance
Driving behaviour change	Raising awareness of the value of financial capability	Extending reach	Improving financial capability learning experiences			
✓	✓	✓		Support and facilitate the Partner Working Group of He Kai Kei Aku Ringa Goal 3 to grow financial capability and savings.	The Partner Working Group completes its work plan to deliver against its goals of financial capability for Māori.	<p>The Commission has been monitoring the delivery of three pilot projects for financial literacy and capability to Maori communities:</p> <ul style="list-style-type: none"> <li>• Māori Womens Development Inc are contracted to deliver the Marae projects in Te Tai Tokerau and Ngati Porou;</li> <li>• Te Tumu Paeroa in Waiairiki are contracted to deliver to the iwi land trusts; and,</li> <li>• Te Rānanga o Ngāi Tahu are contracted to deliver to Whānau Ora organisations.</li> </ul> <p>A fourth pilot project has recently been part-funded by MBIE to deliver financial capability to kura based in Mangere and the whanau of Ngā Whare Waatea. A co-design model to deliver financial capability to rangatahi is in progress with Ngati Whatua ki Orakei. The two reports for Financial Literacy and Savings and the Whanau Low-Income Household Savings have been completed and were released at the Commission's Financial Capability Summit.</p>
✓	✓	✓	✓	Develop and implement professional learning and development programmes for teachers.	Work with a teacher training institution is progressed so that a programme of pre-service training is included within their teaching programme by 30 June 2015.	<p>The project assessing teacher training requirements around financial capability has been progressed as part of the Upper Harbour Sorted School cluster. The research summaries and resources to communicate research findings to influence the design of teaching programmes have been finalised and uploaded to <a href="http://www.cffc.org.nz">www.cffc.org.nz</a>. 91% of teachers who participated in the training successfully completed the professional learning and development programme.</p>

Financial Capability Focus Areas				Commission Deliverable	Measure/Indicator	Commission Performance
Driving behaviour change	Raising awareness of the value of financial capability	Extending reach	Improving financial capability learning experiences			
		✓	✓	Pilot and provide support to workplace, school and community programmes.	Evaluation of the Upper Harbour Cluster and South Auckland Workplace programme is completed and recommendations are used in future programmes. Scholarships to attend credentialled courses are funded, and 80% of those participating complete courses.	<p>The evaluation of the Upper Harbour Cluster is proceeding per schedule with encouraging results being reported. Over 3,000 students are involved in financial capability education as a direct result of the programme this year. The South Auckland cluster of eight schools has been finalised, with memorandums of understanding signed by each school. Over 2,500 students will be involved in financial capability education as a direct result of the programme this calendar year. Three teacher professional learning workshops and the first Advisory Group meeting of school leaders have been held. Schools will begin to develop their action plans to embed financial capability over the remainder of 2015.</p> <p>The roll out of 'The Warehouse' workplace programmes to a further 12 Warehouse sites has been launched in Auckland (x4), Whakatane, Tokoroa, Hastings, Dannevirke, Wellington (x3) and Christchurch.</p> <p>The Commission is investing in a network of affiliated facilitators to meet growing demand for financial capability workplace programmes. There are now 35 additional facilitators who have been trained to deliver Commission programmes.</p> <p>An agreement to roll-out a nationwide financial capability programme with the NZ Defence Force was signed with four pilot programmes in Navy, Army and Air force sites. NZDF and the Commission are planning for the delivery of programmes in all bases and camps within the first 12 months.</p> <p>The Ruakura Hauoro O Tainui 'Sorted Whanau' pilot with problem gamblers and their social workers finishes 1Q16. This programme will be available for other community organisations to use.</p> <p>The Vaka Tautua Pacific Disability 'Sorted Pasifika' pilot has started in Auckland and Wellington. Five part-time facilitators have been employed by Vaka Tautua to run six Commission-developed programmes over the next 18 months to Pacific families with disability. Once the initial pilot of the programme has been completed the programme resources will be available for other community organisations to use.</p> <p>A six-week financial capability pilot programme (part-funded by MBIE) for migrant Pasifika in Marton has recently been completed and a programme has commenced for Cook Island families based in Tamaki (Glen Innes, Panmure and Pt England) to sign up to a six-week Home Ownership pilot based on the Sorted Workplace Programme.</p>

## Statement of Performance

Financial Capability Focus Areas				Commission Deliverable	Measure/Indicator	Commission Performance
Driving behaviour change	Raising awareness of the value of financial capability	Extending reach	Improving financial capability learning experiences			
✓				Complete two waves of the Financial Behaviour Index (FBI).	Reports are delivered in December and June, and these measure progress of the National Strategy implementation.	Wave seven results were published in 3Q15 and plans for wave eight are being reviewed. A review of the FBI metrics by an external provider identified that the frequency in sampling was not delivering a sufficiently cost effective or thorough understanding of behaviour change over time. Consequently the methodology and investment are under review to determine a more effective approach. This includes the assessment of whether a composite index of the FBI, the Financial Knowledge and Behaviour Survey and the 50+ research could yield more useful insights and improved value from the investment. An OECD survey to measure financial capability and social inclusion was placed into the field with results due 1Q16.

## Output Class – Retirement Income

In the Retirement Income output class our focus is on:

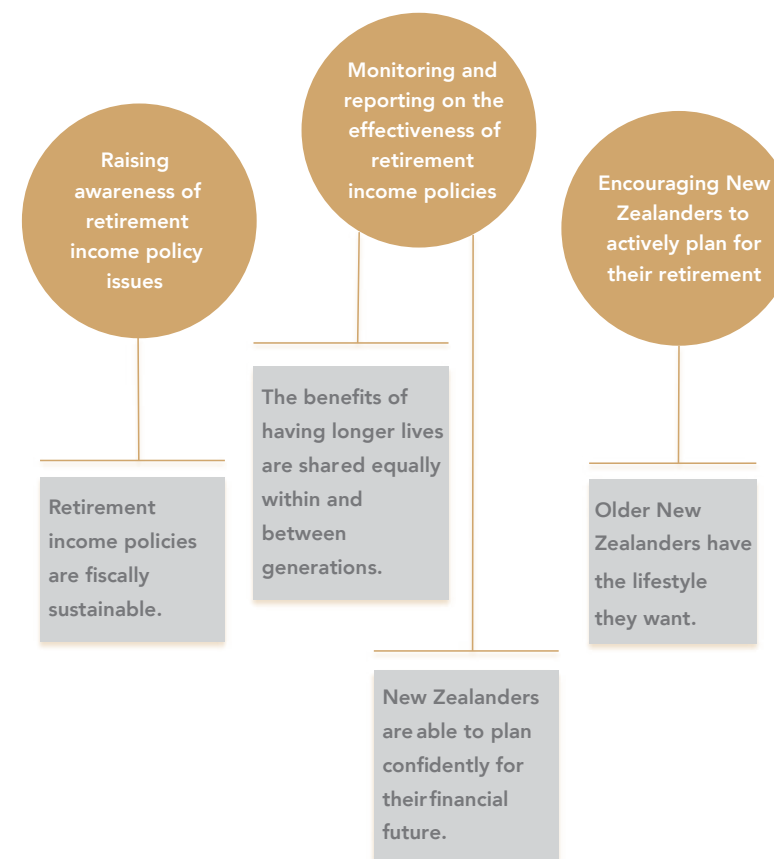
- **Raising awareness of retirement income policy issues**  
The Commission continues to drive awareness and debate of the big issues, providing robust policy advice in the face of rapidly changing demographics.
- **Monitoring and reporting on the effects and effectiveness of retirement income policies**  
The Commission's focus is on retirees of today – and of the future – operating as a research hub that offers thought leadership.
- **Encouraging New Zealanders to actively plan for their retirement**  
It is inevitable that, without farsighted planning, short-term wants clutter and cloud long-term aspirations. Yet, ultimately, good retirement planning and smart decisions throughout life will mean New Zealanders are more likely to reach retirement in good financial shape.

In this  
output class

## Retirement Income

our focus  
will be on

to achieve  
these  
outcomes



Life After Work

## Statement of Performance

Retirement Income Focus Areas			Commission Deliverable	Measure/Indicator	Commission Performance
Raising awareness of retirement income policy issues	Promoting sustainability of retirement income policies	Encouraging New Zealanders to actively plan for their retirement			
✓	✓	✓	Complete a programme of research and other work derived from recommendations from the 2013 Review and emergent requirements for the 2016 Review.	Six quality research and policy outputs are produced and satisfactorily peer-reviewed.	<p>The preparedness for retirement research – a joint initiative with the FMA – had three separate streams to look at older New Zealanders' expectations for and experiences of retirement. Research was conducted amongst those aged 50+ and included the views of those who are nearing retirement and those who have already retired.</p> <p>The individual streams investigated were:</p> <ol style="list-style-type: none"> <li>1. Retirement reality and expectations – planning and preparedness; savings and investments among those approaching retirement and retirees; and understanding risk and return and diversification;</li> <li>2. KiwiSaver investments and decumulation intentions; and,</li> <li>3. Attitudes and behaviours around seeking financial advice.</li> </ol> <p>Following on from the Government response to the 2013 Review of Retirement Income Policy, a series of stakeholder meetings and workshops was held to discuss annuities and gaps in KiwiSaver data.</p> <p>The Commission held a series of stakeholder meetings on annuities with industry representatives. A joint event with the NZ Society of Actuaries (NZSA) was held to:</p> <ol style="list-style-type: none"> <li>(a) Launch the NZSA paper on 'Income Streaming in Retirement'; and,</li> <li>(b) Conclude the Commission's review process.</li> </ol> <p>Following an assessment of the organisation's research assets, the Commission has made some changes to ensure the research programme matches the goals outlined in the three year strategic plan. This includes new skills in-house with a Behavioural Insights Manager and will see greater use of qualitative research to understand the elements of behaviour change.</p>

Retirement Income Focus Areas			Commission Deliverable	Measure/Indicator	Commission Performance
Raising awareness of retirement income policy issues	Promoting sustainability of retirement income policies	Encouraging New Zealanders to actively plan for their retirement			
✓	✓	✓	Design and implement a programme of communication with stakeholders about retirement income issues.	A sample of stakeholders is satisfied or better with the communication and interaction with the Commission. Media impact – at least 75% of media coverage is of medium or high impact.	<p>During the year, we continued to build culture and capability within the Commission which included the recruitment of additional in-house resources for investor education, retirement villages, production and digital marketing. The value and cost efficiency of the greater in-house capabilities became apparent in Money Week 2015 with website visits and media coverage up 90%, and 24% respectively year-on-year. These figures built on some already impressive year on year increases in 2014 of 17% and 151% respectively.</p> <p>A number of media and journalists sought comment on issues relating to retirement, KiwiSaver, and financial advice during 2014/15. The total rate card dollar value of our unpaid media coverage for twelve months was a sizeable \$22.7m (source: iSentia), demonstrating the impact of our content creation strategy.</p> <p>The results of research on retirement income issues have informed our messaging, some of our strategy and have been embedded in a number of media pieces. For example, content from the research has been integrated into 32 speeches from Diane Maxwell and David Boyle (reaching over 2,700 individuals), as well as videos, the Commission's website and in stakeholder events. We also completed a collaborative media campaign with Fairfax Media to reframe the three stages of retirement which included video content, news stories and a competition for the public to re-name the stages.</p> <p>The winning entry (Discovery, Endeavour and Reflection) is now being used for Commission web content, in videos, and speeches.</p> <p>The three stages are also being normalised by use in the media and by external stakeholders.</p> <p>Other coverage included a fortnightly hour-long radio slot on Radio Live, and a seven-page interview for the Listener, which generated a range of follow-up stories in other media including an interview for a documentary on New Zealand's ageing population. This documentary will also feature our three stages winner.</p> <p>We have not collated data to be able to specifically report against some of the targets for this measure, as set in the Statement of Performance Expectations; however, we are continuing to develop a performance framework more suited to the current strategic direction of the Commission and have revised our performance measures for 2015/16.</p>
	✓		Complete a second public survey assessing awareness and understanding of issues surrounding New Zealand's retirement income policy.	The survey provides sufficient information to enable the development of targeted terms of reference. Terms of reference for the 2016 Review are agreed with the Minister of Commerce by 30 June 2015.	<p>Field research has been conducted with key stakeholders, collectively and individually, to identify the themes and issues which will form the 2016 review terms of reference.</p> <p>Planning for the 2016 Review of Retirement Income Policy terms of reference is underway and will be finalised in December 2015.</p>

## Statement of Performance

### Output Class – Retirement Villages

Our work in this class fulfills the Retirement Commissioner's functions as specified in the retirement villages legislation.

In the Retirement Villages output class our focus is on:

- **Administering the Retirement Villages Act disputes process**  
The first function is to administer the disputes process, which includes checking and holding documentation, providing an approved group of panellists and providing information about the process to both residents and operators.
- **Monitoring the provisions of the Retirement Villages Act**  
The second function is to monitor the effects of the Retirement Villages Act, Codes and Regulations. Three monitoring reports on specific parts of the sector have been completed since 2009.
- **Informing intending and existing residents of their rights and responsibilities**  
We also contribute to the education and advice work in the sector.



Thinking About Living in a Retirement Village?

In this  
output class

## Retirement Villages

our focus  
will be on

to achieve  
these  
outcomes



Retirement Villages Focus Areas			Commission Deliverable	Measure/Indicator	Commission Performance
Administering the Retirement Villages Act disputes process	Monitoring the provisions of the Retirement Villages Act	Informing intending and existing residents of their rights and responsibilities			
✓	✓		Provide advice and comprehensive recommendations to the Minister for Building and Construction as required by the Retirement Villages Act, relating to monitoring and code of practice functions.	A monitoring report on the disputes process is delivered and accepted by the Retirement Commissioner. The Minister is satisfied or better with the completeness, clarity and timeliness of the Retirement Commissioner's advice or recommendations provided on any draft codes of practice.	The disputes monitoring project conducted by Public Policy and Research Ltd (Dr. Bev James) was completed and a meeting of the Retirement Villages Disputes Monitoring Project Advisory Group was held to discuss findings of the disputes monitoring project. The Commission met with the Minister of Building and Construction regarding the report and has started planning a stakeholder forum in 2Q16 to refine the recommendations, publish the monitoring report and implement changes to improve the dispute process.
		✓	Survey intending and existing residents of retirement villages to determine their information needs.	The survey provides sufficient information to enable the development of a targeted and effective advice, education and information plan.	A Memorandum of Understanding was concluded with MBIE to transfer the delivery of retirement village advice, information and education back to the Commission. A survey was completed as part of research conducted by the Centre for Research, Evaluation and Social Assessment (CRESA) to help identify the needs for advice, information and education amongst intending and current retirement village residents. A meeting of the Retirement Villages Disputes Monitoring Project Advisory Group was held to discuss findings of the advice, information and education report. This will be discussed at the 2Q16 stakeholder forum.

## Statement of Performance

Retirement Villages Focus Areas			Commission Deliverable	Measure/Indicator	Commission Performance
Administering the Retirement Villages Act disputes process	Monitoring the provisions of the Retirement Villages Act	Informing intending and existing residents of their rights and responsibilities			
✓	✓		Administer disputes and provide information effectively.	Those participating in the disputes process are correctly informed about, and follow, the legislated process.	<p>During 2014/15 the Commission piloted our Retirement Villages seminars. The objective of the seminars is to help provide factually based information on the pros and cons of moving into a Retirement Village. When the first ten seminars were announced the events were viewed 75,000 times on event finder, and waiting lists were set up for each one. Ten seminars took place around New Zealand in 4Q15 and a further Ten have been planned for 1Q16.</p> <p>Two decisions on Retirement Village disputes were published in 2014/15 and are available on the Commission's website <a href="http://www.cfc.org.nz/retirement/retirement-villages/retirement-village-disputes/dispute-decisions">www.cfc.org.nz/retirement/retirement-villages/retirement-village-disputes/dispute-decisions</a>.</p> <p>The Commission delivered training to two groups of MBIE call centre advisors who answer the 0800 RV information phone advisory service on behalf of the Commission. The Commission has liaised with some of the current dispute panel members and is scheduled to review the process for appointments and re-appointments of dispute panel members in 2016.</p>



## Financial Statements

# Financial Statements

<b>Independent Auditors' Report</b>	<b>51</b>	<b>How does the Commission spend the funds?</b>	
<b>Statement of Comprehensive Revenue &amp; Expenses</b>	<b>53</b>	Note 9 Personnel Costs	59
<b>Statement of Financial Position</b>	<b>54</b>	Note 10 Employee Entitlements	60
<b>Statement of Changes in Equity</b>	<b>55</b>	Note 11 Employee Remuneration	60
<b>Statement of Cashflows</b>	<b>56</b>	Note 12 Retirement Villages	61
<b>Notes to the Financial Statements</b>	<b>57</b>	Note 13 Explanation of Major Variances Against Budget	61
<b>Who is the Commission and what is the basis of Financial Statement preparation?</b>		Note 14 Transactions with Related Parties	61
Note 1 Reporting Entity	57	<b>Property, Plant &amp; Equipment and Intangible Assets</b>	
Note 2 Basis of Preparation	57	Note 15 Property, Plant & Equipment	62
Note 3 Significant Accounting Policies	57	Note 16 Intangible Assets	64
<b>How is the Commission funded?</b>		Note 17 Operating Leases and Capital Commitments	65
Note 4 Revenue from Crown Appropriation	59	Note 18 Lease Incentives	65
Note 5 Other Crown Revenue	59	<b>Other</b>	
Note 6 Other Revenue	59	Note 19 Debtors and Other Receivables	66
Note 7 Interest Revenue	59	Note 20 Creditors and Other Payables	66
Note 8 Revenue Received in Advance	59	Note 21 Contingencies	66
		Note 22 Events After Balance Date	66
		Note 23 Capital Management	66
		Note 24 Net Cash Flows from Operating Activities	67
		Note 24 Financial Instruments	67



Let's Talk About Money

## To the readers of the Retirement Commissioner's financial statements and performance information for the year ended 30 June 2015

The Auditor-General is the auditor of the Retirement Commissioner (the Commissioner), operating as the Commission for Financial Capability. The Auditor-General has appointed me, Athol Graham, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Commissioner on her behalf.

### Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Commissioner on pages 53 to 67, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Commissioner on pages 33 to 48.

In our opinion:

- the financial statements of the Commissioner:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2015;
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with reduced disclosure requirements.
- the performance information:

- presents fairly, in all material respects, the Commissioner's performance for the year ended 30 June 2015, including:
  - for each class of reportable outputs:
    - its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year;
    - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
  - what has been achieved with the appropriation;
  - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 October 2015. 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 Commissioner and our responsibilities, and explain our independence.

### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

---

## Independent Auditors' Report

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Commissioner's financial statements and performance information 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 Commissioner's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Commissioner;
- the appropriateness of the reported performance information within the Commissioner's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

### Responsibilities of the Commissioner

The Commissioner is responsible for preparing financial statements and performance information that:

- comply with generally accepted accounting practice in New Zealand;
- present fairly the Commissioner's financial position, financial performance and cash flows; and,
- present fairly the Commissioner's performance.

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

The Commissioner is responsible for such internal control as is determined is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Commissioner is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

### Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Commissioner.



Athol Graham  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

## Statement of Comprehensive Revenue & Expenses

For the 12 months ended 30 June 2015

### Financial Statements

	Note	Actual 2014/15	Budget 2014/15	Actual 2013/14
<b>Revenue</b>				
Revenue from Crown Appropriation	4	\$5,782,000	\$5,782,000	\$5,782,000
Other Crown Revenue	5	\$429,400	-	\$12,000
Other Revenue	6	\$33,494	\$50,000	\$5,000
Interest Revenue	7	\$64,420	\$28,325	\$41,754
<b>Total Revenue</b>		<b>\$6,309,314</b>	<b>\$5,860,325</b>	<b>\$5,840,754</b>
<b>Expenditure</b>				
Auditor Remuneration		\$20,000	\$19,350	\$18,757
Personnel Costs	9	\$1,940,806	\$1,939,886	\$1,868,986
Depreciation	15	\$51,101	\$25,840	\$27,429
Amortisation	16	\$338,743	\$385,324	\$745,505
Loss on Disposal of Assets		\$130,096	-	\$46,265
Property Expenses		\$295,126	\$195,880	\$160,874
Leasing		\$15,566	\$12,000	\$16,153
Other Operating Costs		\$773,903	\$640,832	\$589,091
Advice and Research		\$374,988	\$420,000	\$405,976
Market Research and Agencies		\$423,101	\$300,416	\$412,998
External Relations		\$75,845	\$120,166	\$111,684
Retirement Villages	12	\$127,086	\$215,000	\$97,655
Review of Retirement Income Policy		\$9,955	-	-
Financial Education Resources and Campaigns		\$1,276,330	\$1,781,913	\$1,196,464
<b>Total Expenditure</b>		<b>\$5,852,646</b>	<b>\$6,056,607</b>	<b>\$5,697,837</b>
<b>Comprehensive Revenue /(Expenditure)</b>				
Surplus/(Deficit)		\$456,668	(\$196,282)	\$142,917
<b>Total Comprehensive Revenue /(Expenditure)</b>		<b>\$456,668</b>	<b>(\$196,282)</b>	<b>\$142,917</b>

Explanations of significant variances against budget are detailed in note 13. The Notes to the Financial Statements form an integral part of these financial statements.

## Statement of Financial Position

As at 30 June 2015

	Note	Actual 2014/15	Budget 2014/15	Actual 2013/14
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents		\$1,234,740	\$915,956	\$882,972
Debtors and Other Receivables	19	\$394,714	\$18,881	\$29,687
GST Receivable		\$113,634	\$108,951	\$92,354
<b>Total Current Assets</b>		<b>\$1,743,088</b>	<b>\$1,043,788</b>	<b>\$1,005,013</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	15	\$409,876	\$151,404	\$139,083
Intangible Assets	16	\$154,788	\$445,978	\$420,198
<b>Total Non-Current Assets</b>		<b>\$564,664</b>	<b>\$597,382</b>	<b>\$559,281</b>
<b>Total Assets</b>		<b>\$2,307,752</b>	<b>\$1,641,170</b>	<b>\$1,564,294</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and Other Payables	20	\$456,194	\$429,624	\$338,561
Lease Incentive Liability	18	\$83,321	-	\$47,500
Employee Entitlements	10	\$95,540	\$72,000	\$58,804
Revenue Received in Advance	8	\$96,600	-	-
<b>Total Current Liabilities</b>		<b>\$731,655</b>	<b>\$501,624</b>	<b>\$444,865</b>
<b>Net Assets</b>		<b>\$1,576,097</b>	<b>\$1,139,546</b>	<b>\$1,119,429</b>
<b>Public Equity</b>				
Taxpayer Funds		\$200,000	\$200,000	\$200,000
Accumulated Surplus		\$1,376,097	\$939,546	\$919,429
<b>Total Public Equity</b>		<b>\$1,576,097</b>	<b>\$1,139,546</b>	<b>\$1,119,429</b>

Explanations of significant variances against budget are detailed in note 13. The Notes to the Financial Statements form an integral part of these financial statements.

## Statement of Changes in Equity

For the 12 months ended 30 June 2015

	Actual 2014/15	Budget 2014/15	Actual 2013/14
Public Equity at Start of the Year	\$1,119,429	\$1,335,828	\$976,512
Total Comprehensive Revenue /(Expenditure)	\$456,668	(\$196,282)	\$142,917
<b>Public Equity At End of the Year</b>	<b><u>\$1,576,097</u></b>	<b><u>\$1,139,546</u></b>	<b><u>\$1,119,429</u></b>

Explanations of significant variances against budget are detailed in note 13. 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 2015

	Note	Actual 2014/15	Budget 2014/15	Actual 2013/14
<b>Cash Flows From Operating Activities</b>				
<b>Cash Was Provided From:</b>				
Receipts from Crown Appropriation		\$5,782,000	\$5,782,000	\$5,782,000
Other Crown Receipts		\$339,000	-	\$12,000
Other Income		\$12,227	\$50,000	\$22,457
Interest Received		\$63,322	\$28,325	\$41,768
		<b>\$6,196,549</b>	<b>\$5,860,325</b>	<b>\$5,858,225</b>
<b>Cash Was Applied To:</b>				
Payments to Suppliers and Employees		(\$5,276,908)	(\$5,489,321)	(\$5,041,607)
Net GST (Paid) / Received		(\$42,550)	\$958	\$1,676
		<b>(\$5,319,458)</b>	<b>\$5,488,363</b>	<b>(\$5,039,931)</b>
<b>Net Cash Flows From Operating Activities</b>	24	<b>\$877,091</b>	<b>\$371,962</b>	<b>\$818,294</b>
<b>Cash Flows From Investing Activities</b>				
<b>Cash Was Applied To:</b>				
Purchase of Property, Plant & Equipment		(\$429,094)	(\$40,000)	(\$122,427)
Purchase of Intangible Assets		(\$96,229)	(\$400,000)	(\$271,671)
<b>Net Cash Flows From Investing Activities</b>		<b>(\$525,323)</b>	<b>(\$440,000)</b>	<b>(\$394,098)</b>
<b>Net Increase / (Decrease) In Cash Held</b>		<b>\$351,768</b>	<b>(\$68,038)</b>	<b>\$424,196</b>
Plus Cash at the Start of the Year		\$882,972	\$983,994	\$458,776
<b>Cash Held At The End Of The Year</b>		<b>\$1,234,740</b>	<b>\$915,956</b>	<b>\$882,972</b>
<b>Represented by:</b>				
Cash and Cash Equivalents		\$1,234,740	\$915,956	\$882,972
<b>Cash Held At The End Of The Year</b>		<b>\$1,234,740</b>	<b>\$915,956</b>	<b>\$882,972</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 13. The Notes to the Financial Statements form an integral part of these financial statements.

## Notes to the Financial Statements

### Who is the Commission and what is the basis of Financial Statement preparation?

#### Note 1 – Reporting Entity

The Retirement Commissioner was appointed under the New Zealand Superannuation and Retirement Income Act 2001 and the Crown Entities Act 2004 on 1 July 2013 for a term of three years.

The Commission for Financial Capability (the 'Commission') 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.

The principle activities of the Commission are to:

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

The financial statements for the Commission are for the year ended 30 June 2015, and were approved by the Retirement Commissioner on 30 October 2015.

#### Note 2 – Basis of Preparation

##### Statement of Compliance and Measurement Base

The financial statements for the Commission 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 historical-cost basis for a going concern in accordance with the Tier 2 Public Benefit Entities (PBE) Accounting Standards Reduced Disclosure Regime (PAS RDR).

The Commission qualifies for PAS RDR reporting as it is not publicly accountable and has expenses greater than \$2m but less than \$30m.

#### Presentation 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 the Commission is New Zealand dollars.

#### Use of Estimates and Judgments

In preparing these financial statements, the Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### Budget Figures

Budget figures are derived from the Commission's Statement of Performance Expectations for the financial year ending 30 June 2015.

The budget figures were prepared in accordance with NZ GAAP, using forecast financial statement for the year ended 30 June 2014 and accounting policies that are consistent with those adopted by the Commission for the preparation of these financial statements.

#### Note 3 – Significant Accounting Policies

##### Changes in Accounting Policies

These financial statements are the Commission's first financial statements presented in accordance with the new PBE Accounting Standards.

The Commission's opening balance sheet as at 1 July 2014 has not required any restatement for comparative purposes.

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### Cash and Cash Equivalents

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.

---

## Financial Statements

### Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Revenue and Expenses.

Definitions of the terms used in the Statement of Cash Flows are:

- 'Cash' includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash, and includes at call borrowings such as bank overdrafts, used by the Commission as part of its day-to-day cash management.
- 'Operating activities' include all transactions and other events that are not investing or financing activities.
- 'Investing activities' are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.
- 'Financing activities' are those activities relating to changes in equity of the entity.

### Impairment of Property, Plant & Equipment and Intangible Assets

Property, Plant & Equipment and 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.

Given that the future economic benefits of the Commission's assets are not directly related to the ability to generate net cash flows, the value in use of these assets is measured on the basis of depreciated replacement cost.

An impairment loss is recognised in the Statement of Comprehensive Revenue & Expenses whenever the carrying amount of an asset exceeds its recoverable amount. Any reversal of impairment losses is also recognised in the Statement of Comprehensive Revenue and Expenses.

### Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

### 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 (IRD) 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 IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### Income Tax

The Commission 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.

### Cost Allocation Policy

The Commission 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 charged to outputs based on cost drivers and related activity or usage information. Personnel costs are charged on the basis of estimated time incurred. Other indirect costs are assigned to outputs based on the proportion of direct staff time for each output.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

## How is the Commission funded?

### Note 4 – Revenue from Crown Appropriation

Revenue from the Crown appropriation 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.

The Commission 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.

### Note 5 – Other Crown Revenue

The Commission received other Crown revenue from the Ministry of Business, Innovation & Employment (MBIE) for targeted Maori and Pasifika financial capability projects. In accordance with PBE Public Sector Accounting Standard 23 (Revenue from Non-Exchange Transactions) the Commission has recognised \$230,000 (2013/14: nil) as revenue. In accordance with the underlying funding agreements the Commission must 'ring fence' this revenue for expenditure on targeted Maori and Pasifika financial capability projects.

### Note 6 – Other Revenue

The Commission received other revenue from non-Crown entities to contribute towards the development, project management, execution and evaluation of various programmes and initiatives.

### Note 7 – Interest Revenue

Interest revenue is recognised using the effective interest method.

### Note 8 – Revenue Received in Advance

Throughout the period the Commission received funding contributions from various Crown and non-Crown entities for targeted projects that had commenced, but had not been completed by 30 June 2015.

In accordance with PBE International Public Sector Accounting Standard 9 (Revenue from Exchange Transactions), the Commission has recognised \$96,600 (2013/14: nil) as Revenue Received in Advance.

## How does the Commission spend the funds?

### Note 9 – Personnel Costs

Personnel Costs	Note	Actual 2014/15	Actual 2013/14
Salaries and Wages		\$1,708,192	\$1,743,996
Employer Contributions to Super-annuation Schemes		\$63,807	\$65,860
Increase/(Decrease) in Employee Entitlements	10	\$36,736	(\$20,280)
		<b>\$1,808,735</b>	<b>\$1,789,576</b>
ACC Levies		\$13,529	\$4,746
Professional Development, Training & Miscellaneous		\$15,328	\$22,891
Recruitment Costs		\$103,214	\$51,773
<b>Total Personnel Costs</b>		<b>\$1,940,806</b>	<b>\$1,868,986</b>

## Financial Statements

### Superannuation Schemes

Obligations for contributions to KiwiSaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Statement of Comprehensive Revenue and Expenses as incurred.

### Note 10 – Employee Entitlements

Short - term employee entitlements, including holidays, are recognised as an expense over the period in which they accrue.

Entitlements that are due to be settled within 12 months after the end of the period in which the employee renders the related service are accrued based on the higher of current, or the rolling twelve months average, rate of pay.

Employee Entitlements	Actual 2014/15	Actual 2013/14
Accrued Salaries and Wages	\$55,780	\$23,842
Accrued Annual Leave	\$39,760	\$34,962
<b>Total Employee Entitlements</b>	<b>\$95,540</b>	<b>\$58,804</b>

A liability and an expense are recognised for performance pay where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

### Note 11 – Employee Remuneration

During the 12 month period ending 30 June 2015, 14 employees and former employees (2013/14: 6) received remuneration and other benefits that on an annualised full-time equivalent basis would be in excess of \$100,000 per annum.

Remuneration Paid or Payable	# Employees 2014/15	# Employees 2013/14
\$100,000–\$109,999	3	2
\$110,000–\$119,999	1	1
\$120,000–\$129,999	4	-
\$130,000–\$139,999	1	1
\$140,000–\$149,999	-	-
\$150,000–\$159,999	-	-
\$160,000–\$169,999	1	-
\$170,000–\$179,999	-	-
\$180,000–\$189,999	1	-
\$190,000–\$199,999	-	-
\$200,000–\$209,999	1	1
\$210,000–\$219,999	-	-
\$220,000–\$229,999	-	-
\$230,000–\$239,999	-	-
\$240,000–\$249,999	1	-
\$250,000–\$259,999	-	1
\$260,000–\$269,999	1	-
<b>Total Number of Employees</b>	<b>14</b>	<b>6</b>

During the 12 month period ending 30 June 2015, 2 employees (2013/14: 6) received compensation and other benefits in relation to cessation totaling \$56,145 (2013/14: \$98,443).

## Note 12 – Retirement Villages

Only direct actual costs are recorded as actual and budgeted expenditure for Retirement Villages. The Commission has calculated that approximately \$105,000 (2013/14: \$180,929) worth of overheads can also be attributed to Retirement Villages during the year.

This calculation is based on the percentage of full-time equivalent time that was estimated at the start of the year to be spent on activities

## Note 13 – Explanation of Major Variances (+/- \$25,000) against Budget

### Statement of Comprehensive Revenue & Expenses

- Other Crown Revenue is \$429,400 favourable, due to a grant from MBIE for targeted Maori and Pasifika financial capability programmes and the required treatment of the funding as Revenue from Non-Exchange Transactions in accordance with PBE International Public Sector Accounting Standard 23.
- Interest Revenue is \$36,095 favourable, due to cash outflows being less and later than budgeted.
- Personnel Costs are on-budget, due to recruitment delays for new positions and unfilled vacancies. Personnel costs are forecast to increase in 2015/16 as we increase head-count to reduce our use of third party contractors and consultants.
- Depreciation is \$25,261 unfavourable, due to an unbudgeted increase in depreciation attributable to the new Auckland office.
- Amortisation is \$46,581 favourable, due to capital expenditure on software and websites being less than budgeted.
- Loss on Disposal of Assets is \$130,096 unfavourable, primarily due to the write-off of all fixed assets associated with our exit of the Wellington office.
- Property Expenses are \$99,246 unfavourable, primarily due to lease exits costs for the Wellington office and an allocation error in the 2014/15 SPE budget.
- Other operating costs are \$133,071 unfavourable, primarily due to use of temporary contract staff and consultants who performed essential functions (eg. outsourced day-to-day accounting services) whilst permanent Auckland-based staff were recruited.
- Advice and Research is \$45,012 favourable, due to a deferment of the second public survey assessing awareness and understanding of issues surrounding New Zealand's retirement income policy (pending agreement of a draft Terms of Reference for the 2015/16 Review of Retirement Income Policy).

- Market Research and Agencies is \$122,685 unfavourable, due to rebranding of the Commission and Sorted and increased investment in Money Week.
- External Relations is \$44,321 favourable and Retirement Villages is \$87,194 favourable, due to replacement of outsourced consultants with permanent employees.
- Financial Educational Resources and Campaigns is \$505,583 favourable due to reduced spend on traditional media and timing issues related to the accounting recognition of costs incurred for the Financial Capability Summit which must be accounted for in 2015/16.

### Statement of Financial Position

- Cash and Cash Equivalents were \$318,784 favourable and Debtors and Other Receivables were \$375,883 favourable, primarily due to the receipt of a grant at year-end from MBIE for targeted Maori and Pasifika financial capability programmes.
- Property, Plant and Equipment is \$258,472 favourable due to expenditure associated with the fit-out of a new premise in Auckland.
- Intangible Assets is \$291,190 unfavourable due to expenditure on the rebuild of the sorted.org.nz website being deferred until 2015/16.

## Note 14 – Transactions with Related Parties

The Commission is a wholly owned entity of the Crown.

### Significant Transactions with Government-Related Entities

During the period, the Commission received \$5,782,000 of direct funding from the Crown (2013/14: \$5,782,000) and \$429,400 of revenue from entities controlled, significantly influenced, or jointly controlled by the Crown (2013/14: \$12,000).

The Government significantly influences the role of the Commission as well as being its major source of revenue.

### Collectively, but not Individually, Significant Transactions with Government-Related Entities

In conducting its activities, the Commission is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown.

The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Commission is exempt from paying income tax.

## Financial Statements

The Commission also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. These purchases included, but were not limited to, external audit services from Audit New Zealand, air travel from Air New Zealand, postal services from New Zealand Post Limited, communication services from MBIE and payments to other government departments for project-related expenses.

### Related Party Transactions Required to be Disclosed

All related-party transactions have been entered into on an arm's-length basis.

### Key Management Personnel Compensation

Key management personnel includes the Retirement Commissioner and five members of the Executive Leadership Team.

Key Management Personnel	Actual 2014/15	Actual 2013/14
Remuneration	\$1,144,705	\$1,145,095
Full-Time Equivalent Staff	6	7

## Property, Plant & Equipment and Intangible Assets

### Note 15 – Property, Plant & Equipment

Property, Plant & Equipment assets consist of Leasehold Improvements, Furniture & Fittings, Computer Equipment and Office Equipment.

Property, Plant & Equipment is recognised at cost less depreciation, and less any impairment losses.

#### Additions

Costs are recognised as capital work-in-progress 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 the Commission and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

#### Disposals

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.

**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 the Commission 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.

**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:

Leasehold Improvements	5 – 15 years	7.0% – 20.0%
Furniture & Fittings	3 – 12 years	8.4% – 30.0%
Computer Equipment	2 – 5 years	21.6% – 50.0%
Office Equipment	3 – 12 years	8.4% – 30.0%

Property, Plant & Equipment	Leasehold Improvements	Furniture & Fittings	Computer Equipment	Office Equipment	Total
<b>Gross Carrying Amount</b>					
Balance at 1 July 2013	\$70,846	\$113,680	\$70,413	\$23,037	\$277,976
Additions	\$66,272	\$43,400	\$12,870	-	\$122,542
Disposals	(\$56,583)	(\$2,900)	-	-	(\$59,483)
<b>Balance at 30 June 2014</b>	<b>\$80,535</b>	<b>\$154,180</b>	<b>\$83,283</b>	<b>\$23,037</b>	<b>\$341,035</b>
Additions	\$278,933	\$94,786	\$46,903	\$8,472	\$429,094
Disposals	(\$83,441)	(\$62,925)	(\$67,776)	(\$15,895)	(\$230,037)
<b>Balance at 30 June 2015</b>	<b>\$276,027</b>	<b>\$186,041</b>	<b>\$62,410</b>	<b>\$15,614</b>	<b>\$540,092</b>
<b>Accumulated Depreciation</b>					
Balance at 1 July 2013	\$8,224	\$102,286	\$57,339	\$19,777	\$187,626
Depreciation Expense	\$6,569	\$8,169	\$11,553	\$1,138	\$27,429
Elimination on Disposal	(\$10,203)	(\$2,900)	-	-	(\$13,103)
<b>Balance at 30 June 2014</b>	<b>\$4,590</b>	<b>\$107,555</b>	<b>\$68,892</b>	<b>\$20,915</b>	<b>\$201,952</b>
Depreciation Expense	\$17,564	\$13,023	\$18,853	\$1,661	\$51,101
Elimination on Disposal	(\$10,428)	(\$32,168)	(\$65,352)	(\$14,889)	(\$122,837)
<b>Balance at 30 June 2015</b>	<b>\$11,726</b>	<b>\$88,410</b>	<b>\$22,393</b>	<b>\$7,687</b>	<b>\$130,216</b>
<b>Carrying Amounts</b>					
<b>At 30 June 2014</b>	<b>\$75,945</b>	<b>\$46,625</b>	<b>\$14,391</b>	<b>\$2,122</b>	<b>\$139,083</b>
<b>At 30 June 2015</b>	<b>\$264,301</b>	<b>\$97,631</b>	<b>\$40,017</b>	<b>\$7,927</b>	<b>\$409,876</b>

## Financial Statements

### Note 16 – Intangible Assets

#### Websites

Costs that are directly associated with the development of interactive aspects of the Commission's websites are capitalised on a monthly basis.

Costs associated with maintaining and advertising the Commission's websites are recognised as an expense as incurred.

#### Computer Software

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

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

#### Amortisation

Amortisation is charged on a straight-line basis over the estimated useful life of the intangible asset.

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

Websites	2.5 years	40.0%
Software	2 – 3 years	30.0% – 48.0%

Intangible Assets	Websites	Computer Software	Capital Work-In-Progress	Total
<b>Gross Carrying Amount</b>				
Balance at 1 July 2013	\$1,667,362	\$44,866	-	\$1,712,228
Additions	\$266,384	\$5,287	-	\$271,671
Disposals	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>\$1,933,746</b>	<b>\$50,153</b>	<b>-</b>	<b>\$1,983,899</b>
Additions	\$75,275	\$604	\$20,350	\$96,229
Disposals	(\$1,689,137)	-	-	(\$1,689,137)
<b>Balance at 30 June 2015</b>	<b>\$319,884</b>	<b>\$50,757</b>	<b>\$20,350</b>	<b>\$390,991</b>
<b>Accumulated Amortisation</b>				
Balance at 1 July 2013	\$780,956	\$37,240	-	\$818,196
Amortisation Expense	\$739,176	\$6,329	-	\$745,505
Elimination on Disposal	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>\$1,520,132</b>	<b>\$43,569</b>	<b>-</b>	<b>\$1,563,701</b>
Amortisation Expense	\$333,893	\$4,850	-	\$338,743
Elimination on Disposal	(\$1,666,241)	-	-	(\$1,666,241)
<b>Balance at 30 June 2015</b>	<b>\$187,784</b>	<b>\$48,419</b>	<b>-</b>	<b>\$236,203</b>
<b>Carrying Amounts</b>				
<b>At 30 June 2014</b>	<b>\$413,614</b>	<b>\$6,584</b>	<b>-</b>	<b>\$420,198</b>
<b>At 30 June 2015</b>	<b>\$132,100</b>	<b>\$2,338</b>	<b>\$20,350</b>	<b>\$154,788</b>

## Note 17 – Operating Leases and Capital Commitments

### Operating Leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Commission are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Comprehensive Revenue and Expenses.

Commitments existed for non-cancellable operating leases as follows:

Operating Leases	Actual 2014/15	Actual 2013/14
Less than One Year	\$174,000	\$159,713
Between One and Two Years	\$146,509	\$108,213
Between Two and Five Years	\$393,905	\$113,999
Later than Five Years	\$44,187	-
<b>Total Operating Leases</b>	<b>\$758,601</b>	<b>\$381,925</b>
Auckland Office Lease	\$668,189	\$51,500
Wellington Office Lease	\$20,673	\$293,363
Photocopier Lease	\$57,202	\$23,486
Telephone Lease	\$12,537	\$13,576
<b>Total Operating Leases</b>	<b>\$758,601</b>	<b>\$381,925</b>

On 3 November 2014 the Commission leased a new premises in Auckland for an initial term of six years with one right of renewal for another four years, giving a final expiry date of 2 November 2024. The initial lease expense is \$114,349 per annum.

The Commission's leased premises in Wellington had an initial term of four years with one right of renewal for another four years, giving a final expiry date of 6 September 2021. The lease expense was \$92,070 per annum.

During the period the Commission determined that its Wellington premises was surplus to requirements and entered into a Memorandum of Understanding on 18 June 2015 to surrender the premises lease on 31 July 2015 for a one-off exit fee of \$13,000. All costs associated with the lease surrender and exit of the premises were fully accrued at 30 June 2015.

Operating lease commitments also include a photocopier lease of an estimated \$22,881 per annum based on an agreed minimum volume, which expires on 21 December 2017, and a telephone lease of \$9,044 per annum which expires 19 November 2016.

The Commission does not have the option to purchase the leased assets at the expiry of the lease periods.

### Capital Commitments

There are no capital commitments at 30 June 2015 (2013/14: \$Nil).

## Note 18 – Lease Incentive Liability

As part of the agreement to lease its Auckland and Wellington offices the Commission 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 the Commission and recognised as a reduction of rental expense over the lease term.

Lease Incentives	Actual 2014/15	Actual 2013/14
Auckland Office Lease	\$50,821	-
Wellington Office Lease	\$32,500	\$47,500
<b>Total Lease Incentives</b>	<b>\$83,321</b>	<b>\$47,500</b>

## Financial Statements

### Other

#### Note 19 – Debtors and Other Receivables

Short-term debtors and other receivables, comprising trade debtors, accrued interest and prepayments, are recorded at their face value, less any provisions for impairment.

The Commission recognises a provision for impairment where there is objective evidence of its debtors being unable to make required payments.

Debtors and Other Receivables	Actual 2014/15	Actual 2013/14
Trade Debtors	\$284,251	\$3,550
Accrued Interest	\$1,488	\$390
Prepayments	\$108,975	\$25,747
<b>Total Debtors and Other Receivables</b>	<b>\$394,714</b>	<b>\$29,687</b>

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

Aged Trade Debtors	Actual 2014/15	Actual 2013/14
Not Past Due	\$284,251	-
Past Due 1 – 30 Days	-	\$3,550
Past Due 31 – 60 Days	-	-
Past Due > 61 Days	\$19,199	-
Provision for Impairment	(\$19,199)	-
<b>Total Aged Trade Debtors</b>	<b>\$284,251</b>	<b>\$3,550</b>

All trade debtors greater than 30 days in age are considered to be past due. There has been an individual provision for a doubtful debt of \$19,199 recognised in 2014/15 (2013/14: nil).

#### Note 20 – Creditors and Other Payables

Short-term creditors and other payables are recorded at their face value as they are non-interest bearing and are generally settled within 30 days.

Creditors and Other Payables	Actual 2014/15	Actual 2013/14
Trade Creditors	\$264,306	\$271,319
Accrued Expenses and Other Payables	\$191,888	\$67,242
<b>Total Creditors and Other Payables</b>	<b>\$456,194</b>	<b>\$338,561</b>

#### Note 21 – Contingencies

There are no contingent assets or liabilities at reporting date (2013/14: \$Nil)

#### Note 22 – Events after Balance Date

There were no significant events after the balance date.

#### Note 23 – Capital Management

The Commission's capital is its equity, which is comprised of accumulated funds and capital contribution. Equity is represented by net assets.

The Commission 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.

The Commission 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.

**Note 24 – Net Cash Flow from Operating Activities**

Reconciliation of Statement of Comprehensive Revenue & Expenses surplus with Net Cash Flow from Operating Activities:

<b>Net Cash Flow from Operating Activities</b>	<b>Actual 2014/15</b>	<b>Actual 2013/14</b>
<b>Net Surplus/(Deficit) for the Year</b>	<b>\$456,668</b>	<b>\$142,917</b>
<b>Add Non-Cash Items</b>		
Depreciation	\$51,101	\$27,429
Amortisation	\$338,743	\$745,505
Net Loss on Disposal of Assets	\$130,096	\$46,265
Allocation of Lease Incentives	\$35,821	\$47,500
<b>Add Movements in Net Assets and Liabilities</b>		
(Increase)/Decrease in Trade Debtors	(\$280,701)	\$20,075
(Increase)/Decrease in Accrued Interest	(\$1,098)	\$14
(Increase)/Decrease in Prepayments	(\$83,228)	(\$5,617)
(Increase)/Decrease in GST Refund Due	(\$21,280)	\$27,869
Increase/(Decrease) in Creditors & Other Payables	\$117,633	(\$213,383)
Increase/(Decrease) in Employee Entitlements	\$36,736	(\$20,280)
Increase/(Decrease) in Revenue in Advance	\$96,600	-
<b>Net Cash Flow from Operating Activities</b>	<b>\$877,091</b>	<b>\$818,294</b>

**Note 25 – Financial Instruments****Financial Instrument Categories**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

All financial assets being cash and cash equivalents, term deposits, trade and other receivables have been categorised as loans and receivables.

Financial liabilities being trade and other payables (excluding Revenue Received in Advance) are categorised as financial liabilities measured at amortised cost.

<b>Financial Assets and Liabilities</b>	<b>Actual 2014/15</b>	<b>Actual 2013/14</b>
<b>Loans and Receivables</b>		
Cash and Cash Equivalents	\$1,234,740	\$882,972
Debtors and Other Receivables	\$394,714	\$29,687
<b>Total Loans and Receivables</b>	<b>\$1,629,454</b>	<b>\$912,659</b>
<b>Financial Liabilities</b>		
Creditors and Other Payables	\$456,194	\$338,561
<b>Total Financial Liabilities</b>	<b>\$456,194</b>	<b>\$338,561</b>

The Commission is party to letters of credit with Westpac Bank of \$39,000 (2013/14: \$39,000) and business credit card facilities with Westpac Bank of \$60,000 (2013/14: \$60,000).



Commission for Financial Capability  
Quay Building, Level 3, 106-108 Quay Street, Auckland Central 1010  
P.O. Box 106-056, Auckland City 1143  
Office phone: +64 9 356 0052  
Office email: [office@cffc.org.nz](mailto:office@cffc.org.nz)  
[cffc.org.nz](http://cffc.org.nz) | [sorted.org.nz](http://sorted.org.nz) | [moneyweek.org.nz](http://moneyweek.org.nz)



**Commission for  
Financial Capability**  
Building wealthy lives