



# Retirement Commission **ANNUAL REPORT 2024**

IMPROVING FINANCIAL FUTURES FOR  
A BETTER RETIREMENT FOR ALL



**TE ARA  
AHUNGA ORA**  
Retirement Commission

**Te Kāwanatanga o Aotearoa**  
New Zealand Government



The Retirement Commission  
is a Toitū certified carbonreduce organisation

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

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# Ngā Ihirangi

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SECTION 1  
**About the  
Retirement  
Commission**

## Nā te Mana Ahungarua

# From the Retirement Commissioner

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

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

**Ka nui aku mihi. Tēnā koutou katoa.**

It's been another year of challenging economic conditions, with inflation, high interest rates and the rising cost of living dominating conversations and news reports. In this environment, it can be hard to stay positive, yet we know that confronting problems and planning your way out provides an excellent boost to your future self.

I'm proud to present my fourth annual report as Retirement Commissioner, which details the extraordinary efforts of my small team, and the powerful partnerships we embrace to collectively help New Zealanders. That's why Te Ara Ahunga Ora Retirement Commission (the Commission) exists – to keep sight of the bigger picture and to promote long-term thinking among both policymakers and New Zealanders. We can also undertake cross-sector work, including with government partners – work that breaks down barriers and encourages new ideas to deliver more for New Zealand.

This year, we've completed some significant projects and are close to the finish line for a few more. In the policy and advocacy space, we published two significant studies on KiwiSaver reform and NZ Superannuation options. In an environment in which opinion is sometimes more prevalent than fact, both papers provide evidence-led pathways for legislators to consider.

I'm particularly grateful to those who attended our focused NZ Super Summit to test ideas for change against the status quo. I'm on record as saying the status quo for NZ Super is sustainable. New Zealand currently has the

eighth lowest pension cost of the OECD group of 38 countries, so we're in the lowest quartile for expenditure. If change is ever contemplated, options must be developed that consider where the harm would lie and the remediations needed.

Thanks too to the Financial Services Council and the Retirement Income Interest Group, among others, with whom we tested several KiwiSaver ideas to see if there was general agreement with our proposals from a provider and an actuarial perspective. And there was!

The ball is now in the Government's court.

I'm also looking forward to the result of the review of the Retirement Villages Act, being undertaken by the Ministry for Housing and Development (MHUD) following the Retirement Commission's two earlier studies. More than 11,000 people submitted to MHUD's consultation paper. I'm hoping that Cabinet will greenlight the drafting of new, improved legislation and Code. This legislation is two decades old, and longstanding tensions in the sector need to be addressed and decisions made.

I've been delighted with the progress made with the three-year National Strategy for Financial Capability. The strategy is a powerful tool for cross-sector collaboration, and some dot-joining, in a complicated operating environment. This was the final year of the current National Strategy, and a fresh one is currently being developed, again with significant sector consultation. A highlight this year was being able to develop a simple measurement tool for financial capability programmes – like all good things it looks simple but was hard to make. The opportunity now is for the tool to be used by multiple partners and funders, so that better data can be secured on what works and what needs more development.

Our powerhouse website Sorted is holding its own in a fragmenting online environment. People love Sorted's content – the challenge is finding and holding users, and our marketing budget is of course stretched. Working with New Zealand's biggest podcast, The Morning Shift, allowed us to attract a younger audience, and we continue to seek initiatives that will maintain Sorted's presence as New Zealand's authoritative, unbiased and appealing source of quality financial information to help people navigate their economic lives.

I've spent some time thinking about financial education in schools, which is also fragmented and has opportunities for better collaboration to increase reach. It's another complex, cross-sector area, but I've found there's goodwill in abundance to seek change.



So that's our year – please read on. In November 2023, we welcomed the new Minister of Commerce and Consumer Affairs, Hon Andrew Bayly, whose ongoing support for our efforts is greatly appreciated. This year also marked the beginning of our Statement of Intent 2023-2026, the strategic plan guiding us for the next three financial years.

Thank you to all who have helped and guided us, and to my small, but perfectly formed, team, who do great work every day.

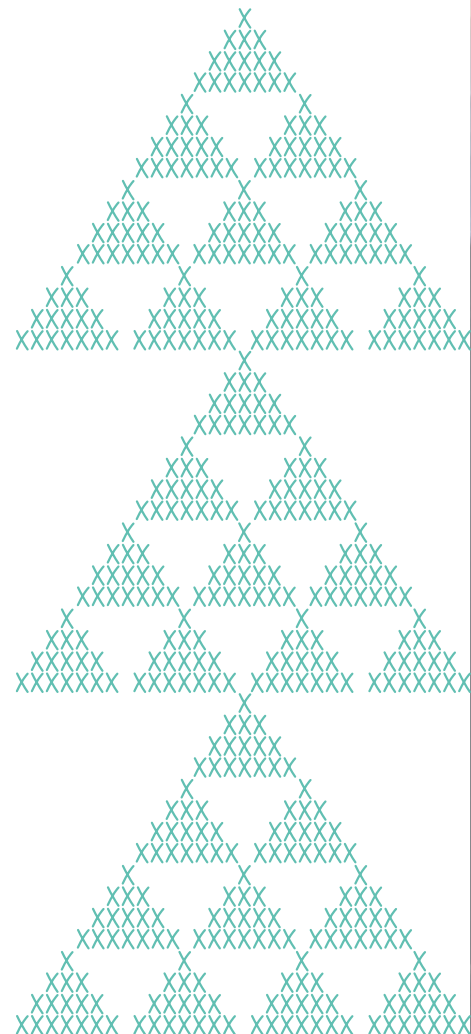
**He iti te matakahi, pakaru rikiriki te tōtara.**

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



**Jane Wrightson**

Mana Ahungarua / Retirement Commissioner



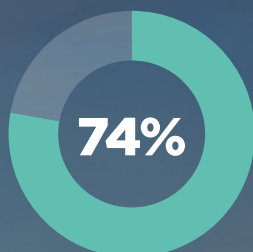
# Ā mātou mahi hirahira 2023/24

## Our 2023/24 highlights

### A better retirement

 **7+**

pieces of research published on retirement matters, including retirement villages



of our stakeholders agree we're an independent and principled voice on retirement issues

**90+** 

people attended the NZ Super Summit

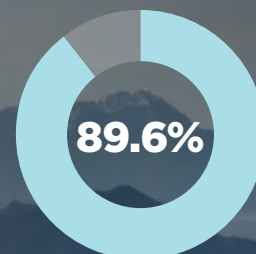
### Improving financial futures

 **356**

households completed the Pacific Peoples Pathways to Homeownership programme

 **980+**

mentions in media about our work



of secondary schools and kura used Sorted in Schools resources

### Working together

**270+** 

partners attended the National Strategy Conference

 **10**

financial wellbeing outcomes measures developed

**#1**

public sector document at the Plain Language Awards

### Getting New Zealanders Sorted

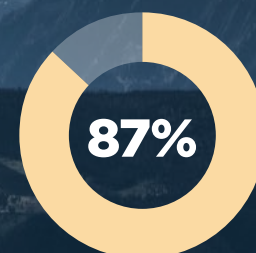
**2.1m+**

uses of Sorted's financial tools, guides and blogs



**17,000**

new users of Sorted, thanks to Money Month activity



find the Sorted website content valuable

## Ko wai mātou

# Who we are

The Retirement Commission is an Autonomous Crown Entity (ACE) that aims to help improve the financial futures of New Zealanders so a better retirement is enjoyed by all.

We group our work into three areas:

- Retirement Income
- Retirement Villages
- Financial Wellbeing

We advise the Government on retirement income policy to help ensure New Zealanders have a good standard of living as they age, now and in the future.

We monitor the retirement village regulatory framework and provide consumers with important information relating to retirement village living.

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

Our annual work programme, as expressed in our Statement of Performance Expectations (SPE)<sup>1</sup>, is underpinned by our Statement of Intent 2023-2026 (SOI)<sup>2</sup>, as well as the Annual Letter of Expectations from the Minister of Commerce and Consumer Affairs<sup>3</sup>.

<sup>1</sup> 2023-2024-Statement-of-Performance-Expectations.pdf (retirement.govt.nz)

<sup>2</sup> Statement-of-Intent-Tauaki-Whakamaunga-Atu-2023-2026.pdf (retirement.govt.nz)

<sup>3</sup> 2023-24-Letter-of-Expectations-for-Te-Ara-Ahunga-Ora-Retirement-Commission.pdf





# Tā mātou anga rautaki anga whakatutuki mahi

## Our strategic and performance framework 2023/24

Our strategic framework shows what drives us as an organisation and what we're aiming to achieve. We summarise it, for simplicity, in a plan on a page.



### OUR VALUES



#### Kia manawanui

Let us be big hearted



#### E tipu, e rea

We embrace the best of both worlds to flourish



#### Me hoe tahi

We paddle as one



#### He taonga te pono

We treasure truth

## SECTION 2

# Year in review

The following pages highlight our activity for the 2023/24 year. This is tied to measuring performance against the long-term goals identified in our Statement of Intent 2023-2026 and our annual Statement of Performance Expectations ending 30 June 2024.

This section is broken into our three key statutory areas: Retirement Income; Retirement Villages and Financial Wellbeing and Organisational Health and Capability.



## Moniwhiwhi Ahungarua

# Retirement Income



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

This year, we delved into NZ Super, KiwiSaver and the experiences of older New Zealanders, to highlight the key challenges people are facing in retirement.



## Retirement Income progress summary <sup>4</sup>

SOI strategic objective: Retirement income policies are stress-tested to examine if they meet the needs of a diverse population, advocating for a fair and stable system.

SOI outcome	Annual objective	2023/24
 <b>Trusted information</b> The Government has access to ongoing independent research and analysis on retirement matters	Identify areas of policy requiring further research and analysis	<b>Achieved</b> Published three studies, including: NZ Super Issues and Options paper <sup>5</sup> KiwiSaver Opportunities for Improvement paper <sup>6</sup> Analysis of rates relief (rebates) schemes in NZ <sup>7</sup>
	Establish a Māori advisory rōpū to develop policy options that would better support Māori retirement	<b>Not achieved</b> We decided not to establish a Māori advisory rōpū because we needed first to conduct additional research to better understand Māori needs in retirement. This was considered as part of the NZ Super Issues and Options paper and KiwiSaver Opportunities paper
 <b>Trusted information</b> Informed debate around retirement issues	Use research and analysis to explain key challenges facing people in retirement	<b>Achieved</b> Includes 5+ mentions in key media (such as 1News, Newshub, Breakfast, NZ Herald, Stuff, The Post, Waikato Times, The Press, Sunday Star Times, Radio NZ, Newstalk ZB, Newsroom) on: MJW research on KiwiSaver gender savings gap <sup>8</sup> The impact of separation on over 50s <sup>9</sup> Gender and ethnic differences in KiwiSaver contributions <sup>10</sup>
		<b>Achieved</b> Published three studies, including: MJW report on KiwiSaver gender balance differences <sup>11</sup> Separation and asset division <sup>12</sup> KiwiSaver contributions by demographics <sup>13</sup>
 <b>Informed advocacy</b> The Retirement Commission is seen as an independent and principled voice on retirement issues	Be recognised subject matter experts on retirement issues	<b>Achieved</b> 74% of respondents familiar with our work agreed Te Ara Ahunga Ora provides an independent and principled voice <sup>14</sup>
		<b>Achieved</b> Initiated five pieces of media commentary on key retirement issues, including: Opinion pieces on the need for long-term thinking on NZ Super Call-to-action on International Women's Day Supporting releases on NZ Super Opportunities and Issues paper, Super Summit and KiwiSaver Opportunities pieces

4 Detailed in Section 3: Reporting

5 TAAO-RRIP-NZ-Super-issues-paper.pdf (retirement.govt.nz)

6 KiwiSaver - Opportunities for Improvement (retirement.govt.nz)

7 Duyen-Tran\_TAAO\_Equitable-Rates-Relief.pdf (retirement.govt.nz)

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

9 Everything fair in love and war? Research reveals the high cost of breaking up after 50 | Retirement Commission Te Ara Ahunga Ora

10 Newly released data highlights 36% gender gap on KiwiSaver contributions | Retirement Commission Te Ara Ahunga Ora

11 KiwiSaver Demographic Study (retirement.govt.nz)

12 Separation-report-TRA-X-Te-Ara-Ahunga-Ora-261023.pdf (retirement.govt.nz)

13 NZPRI\_Kiwisaver contributions research report (retirement.govt.nz)

14 Based on stakeholders who signalled in the survey they were familiar with the work of Te Ara Ahunga Ora. Noting that the survey included stakeholders beyond our policy and research audience, including community organisations, retirement villages, National Strategy partners and others, who are more aware of our work under Sorted. Overall, 68% of survey participants agreed that Te Ara Ahunga Ora provides an independent and principled voice on retirement. The proportion agreeing with the statement increased to 74% when restricted to those familiar with Te Ara Ahunga Ora.



## Trusted information

### NZ Super options and issues

In February 2024, the Retirement Commissioner released a comprehensive paper outlining various policy options and considerations for NZ Super – highlighting that the system needs to be fair, stable and affordable<sup>15</sup>. She said that NZ Super is not especially expensive by international standards and called for a long-term political accord on the retirement income system. The paper also included references to Māori, where data was available, and built on the work undertaken as part of the 2022 Review of Retirement Income Policies (RRIP). The release attracted widespread media coverage and conversation, garnering 39 mentions across multiple media outlets.



### Spotlight: Super Summit

Following the release of the NZ Super Issues and Options paper, we hosted a Super Summit in Wellington in March. We called on a range of expert panellists and moderators for the day, who provided a thoughtful and respectful contest of ideas around NZ Super. The summit attracted around 90 attendees, including academics, officials, media and community representatives. We were delighted Hon Louise Upston was able to address the summit. A summary of proceedings was also published, identifying the key themes and highlights<sup>16</sup>. A range of media stories ran in various outlets in the lead-up to and after the summit.



### KiwiSaver opportunities for improvement

In June 2024, we published a comprehensive analysis on how the current settings for joining, contributing and withdrawing from KiwiSaver are working. As for the NZ Super Issues and Options paper, particular focus was given to Māori to build on the RRIP work. The paper stress-tested some of the suggestions that had been floated to improve KiwiSaver, such as making it compulsory, as well as posing some new ideas. Given how high membership rates already are, making compulsory isn't necessary. Those not contributing are most likely not in a position where they can because they are not in paid work, on low incomes, or self-employed. The Retirement Commissioner made 15 recommendations to the Government, several to KiwiSaver providers, the wider financial services industry and employers, to improve the scheme. She argued the biggest opportunity for change is to increase contribution rates by individuals and employers to at least 4%. The accompanying release attracted significant media attention, with more than 62 mentions.

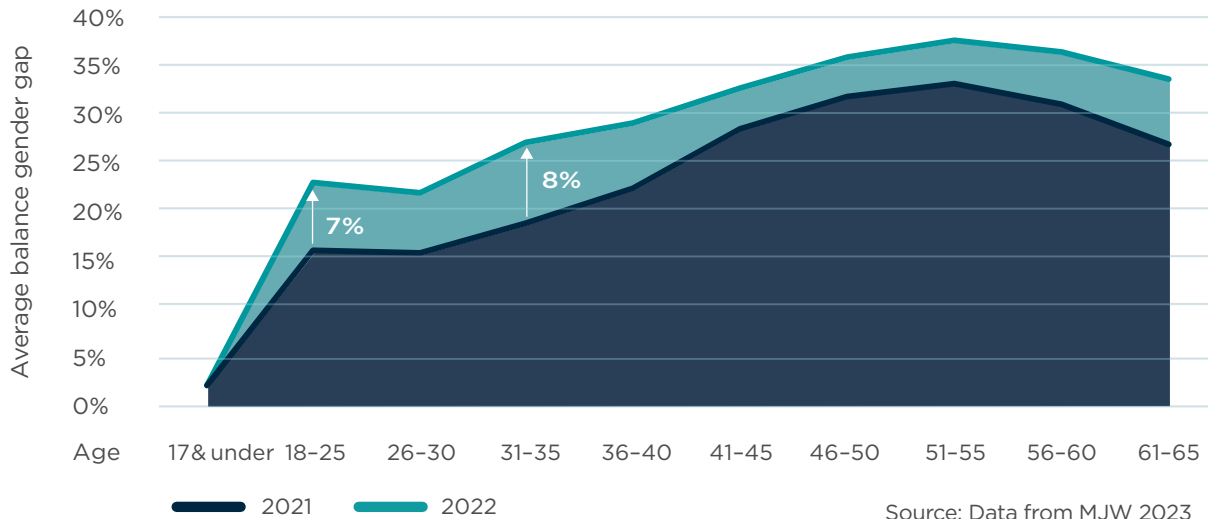
<sup>15</sup> TAAO-RRIP-NZ-Super-issues-paper.pdf (retirement.govt.nz)

<sup>16</sup> Pension tension: Summing up the Super Summit (retirement.govt.nz)

## Annual research highlights stubborn gender retirement savings gap in KiwiSaver

We continued to analyse the gender difference in KiwiSaver balances using Melville Jessup Weaver to undertake the research on our behalf. The data released in July 2023 showed an increase of 5% in the gender gap on average KiwiSaver balances across all ages within one year. This means there is a 25% difference, on average, in KiwiSaver balances between men and women. These findings attracted strong media interest, mentioned 28 times across the major news agencies.

### KiwiSaver average balance gender gap 2022 compared to 2021



We updated this research in May 2024, revealing no improvement to the gender savings gap on the 2023 figures, which remained fixed at 25%. However, the findings also showed that the average KiwiSaver balance was \$31,8232, \$4,444 higher than last year.

## New data highlights 36% gender gap in KiwiSaver contributions

We commissioned the New Zealand Policy Research Institute at AUT to carry out research using newly available information on Stats NZ's Integrated Data Infrastructure, which allowed KiwiSaver contribution rates to be investigated. The research once again showed the impact of the gender pay gap on KiwiSaver, this time highlighting a 36% gap between the contributions of men and women. The data allowed us to examine the individual characteristics of KiwiSaver members in a way we've never been able to before. It exposed some clear imbalances that tell us if we don't make changes, we're on a pathway to continue seeing the inequalities we're seeing now in our retired population for decades to come. Once again, the release of the findings attracted strong media interest, with 29 mentions across the major media outlets.

## High cost of breaking up after 50

We shared a new study on the complex journey of dividing assets after a relationship break-up later in life and the financial impact this has on retirement. The research revealed nine in 10 people did not consider retirement when dividing financial assets at all, yet 66% of Kiwis reported having their retirement plans negatively affected by separation. Few people included KiwiSaver in the relationship property asset pool, despite contributions made during the relationship being relationship property. The study provided valuable insights into the lived experiences of older New Zealanders today, providing another opportunity to highlight key challenges facing people in retirement. There were 12 mentions of the study in major media.

## Research reveals the added cost of growing older

A qualitative study released in December 2023 highlighted the often unforeseen financial impacts of health conditions as people age. In-depth interviews were conducted with older people grappling with disabilities or experiencing difficulties with a physical condition since turning 65 about the additional expenses they face. Some people have attained mortgage-free status but have very little in the way of cash wealth (asset rich but cash poor). Homeowners with physical impairments face the double burden of expenses and financial requirements to maintain the value of their asset plus unexpected or ongoing expenses related to health.

Andrea, a 74-year-old who shared her experience for the study, said: *“Financially, it’s been a significant impact – I have to pay out on a constant basis. Vision is one of the most important parts of life. I can’t walk up and down the stairs in the dark, so I have to make sure someone is there to help me. There are times I can’t drive and have had to go on bus or taxi. It confines you a bit; I used to roar around everywhere.”*



### Informed advocacy

## Recognised subject matter experts

Throughout the year, we were regularly called on to share our subject matter expertise at various events and conferences. We spoke on retirement matters at more than 23 events throughout New Zealand, sharing our research, insights and key recommendations to enhance the retirement income system.

We also initiated at least five pieces of commentary in the media to highlight key retirement issues and suggest ways to improve the system. On top of the media discussed earlier in this section, we highlighted the inequities women face in retirement and called for political alignment to agree on a retirement policy framework – pensions, savings and education – that stretches beyond the election cycle.

## What our stakeholders think

This year, we asked our stakeholders what they think of the work we undertake. We were pleased to see that 74% of respondents who are familiar with our retirement income policy research agree that the Commission provides an independent and principled voice on retirement. Seventy-three percent also agree that our research sets the standard for high-quality analysis.



## Papakāinga Ahungarua



# Retirement Villages

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

This year, we've continued to report on the complaints raised in retirement villages and provide informal advice to residents on options for dispute resolution and information on retirement village living. We also published an annual research paper investigating operating models used by retirement villages internationally.

### Retirement Villages progress summary<sup>17</sup>

**SOI strategic objective: Retirement village residents and the industry operate within a competent and independent regulatory system.**

SOI outcome	Annual objective	2023/24
 <b>Trusted information</b>  The Government is kept well informed on retirement village issues and experiences	Monitor complaints made to retirement villages and report on trends and formal complaints raised	<b>Achieved</b>  Published two six-monthly reports of complaints raised <sup>18</sup>
	Conduct an annual investigation relating to retirement village living	<b>Achieved</b>  Published 'Retirement Villages: international scan of operating models' <sup>19</sup>
 <b>Trusted information</b>  Residents can access a fair and robust disputes process if they need to  People weighing up retirement village living can access impartial information	Provide residents and their families with informal advice on options for disputes resolution and information on retirement village living	<b>Achieved</b>  Provided informal advice on options for dispute resolution <sup>20</sup> via phone, email or our website  Published Disputes Panel decisions <sup>21</sup>  Made independent information on retirement village living available on Sorted

<sup>17</sup> Detailed in Section 3: Reporting

<sup>18</sup> Monitoring and reports | Retirement Commission Te Ara Ahunga Ora

<sup>19</sup> Retirement Villages: International Scan of Operating Models

<sup>20</sup> We handle an average of 10 queries per month through the Retirement Commission website, and the MBIE Service Centre handles approximately 5-10 calls a month, forwarding any complicated queries back to the Commission to manage.

<sup>21</sup> Retirement village complaints & dispute panel decisions | Retirement Commission Te Ara Ahunga Ora



## Informed advocacy

### Review of the Retirement Villages Act

We continued to provide support to the Ministry of Housing and Urban Development (MHUD) on the review looking at the Retirement Villages Act. A discussion paper on the review, published by MHUD, attracted around 11,000 submissions. The Retirement Commissioner continues to advocate for the completion of the review and the clear need to update the legislation.

We called for a review of the legislation back in December 2020, following the release of a white paper on retirement villages framework. This was reiterated in June 2021 after public consultation on the paper where we received 3300 submissions and provided a summary and recommendations report to the Government. MHUD are completing their analysis of the submissions and will be reporting to the Associate Minister of Housing Hon Tama Potaka later in 2024.

### Spotlight: New videos on retirement village living

We began work on three new videos to provide an overview of how retirement villages work, the costs of living in them and how to future-proof retirement village choices. These videos will be used on [sorted.org.nz](https://sorted.org.nz) alongside the existing tools and guides we already have available to help people make retirement living choices, as well as for speaking engagements. The videos will be available to view in 2024.





## Trusted information

### Annual investigation – international operating models

We asked economic research company BERL to investigate operating models used by retirement villages internationally for our annual investigation. Researchers assessed retirement village organisations in Australia, the UK, the US and Canada. The findings revealed the dominance of the licence-to-occupy model in New Zealand is uncommon in the rest of the world. Insights from this study will contribute to MHUD’s review of the Retirement Villages Act, particularly relating to consumer protections for residents.

### Monitoring complaints

We continued to provide information for retirement village operators and residents on our website relating to the two-tier complaints and disputes process, as well as providing a point of contact through phone or email.

We received six-monthly reports from retirement village operations about any formal complaints received and how they have been resolved. We publish a summary of the information twice a year, which helps us to monitor trends and any concerns or issues in the industry that the Government needs to be aware of. The most frequently reported complaints relate to the maintenance/repair of buildings, resident behaviour, service quality, fees/charges and management. We also administer the Retirement Villages Act disputes panel process for when complaints cannot be resolved at a village level.

### Engaging with residents and the sector

We were invited throughout the year to share our insights around the different aspects of the retirement villages framework at various conferences, retirement villages and workplaces, and in the media. We also regularly met with the Retirement Village Residents’ Association and Retirement Village Association around key issues and opportunities relating to the sector. We look forward to the resolution of some longstanding disagreements through a legislative review.



## Oranga Ahumoni

# Financial Wellbeing

We lead the National Strategy for Financial Capability and encourage a joined-up approach between sector partners working together on financial wellbeing initiatives. We provide financial information and education through Sorted's website and programmes in schools, workplaces and communities.

This year, we continued to support and provide a range of opportunities for National Strategy partners to collaborate on and concluded the three-year action plan. The action plan was conceived after much consultation and challenge from the sector, and we're delighted with the results.

We delivered new initiatives for our priority audiences on Sorted, including brand refreshes, campaigns, and tools and resources, and explored new channels such as partnering with one of the country's top podcasts.



## Financial Wellbeing progress summary<sup>22</sup>

SOI long-term strategic objective: Financial wellbeing is improved by a successful National Strategy for Financial Capability and engaged and diverse audiences using Sorted.

SOI outcome	Annual objective	2023/24
 <b>Collective impact</b> National Strategy partners work together to help New Zealanders understand money	Provide National Strategy Partners with a range of opportunities to engage and collaborate	<b>Achieved</b> 85% of partners agree the strategy offers good cross-sector collaboration opportunities  Exceeded target of three and offered four initiatives for partners to take part in: Money Month, National Strategy Conference, Shared Resource Hub and Shared Impact Measures
	Share financial wellbeing insights from our research with National Strategy partners	<b>Achieved</b> Hosted three webinars sharing research and insights
 <b>Trusted information</b> Sorted content helps improve financial wellbeing	Grow Sorted brand awareness to 55%	<b>Not achieved</b> 48% selected Sorted.org.nz when asked “Which, if any, of the following websites/organisation’s websites about money and managing your finances are you aware of?”
	Execute initiatives for Sorted’s priority audiences, including Māori	<b>Achieved</b> Partnered with one New Zealand’s biggest podcast, The Morning Shift, to run three dedicated Sorted episodes  Developed new tax resources for ‘Te whai hua – kia ora’ for students at kura (secondary)
	85% of Sorted users continue to find the content valuable	<b>Partially achieved<sup>23</sup></b> 87% of Sorted website users agree content is valuable  98% find Sorted Kainga Ora content valuable  82.2% value Sorted in Schools as a financial capability programme
 <b>Collective impact</b> Financial education is accessible to young people	Grow percentage of secondary schools using Sorted in Schools	<b>Achieved</b> 89.6% used the programme (up 16.7% on previous year)

<sup>22</sup> Detailed in Section 3: Reporting

<sup>23</sup> Refer to Section 3, surveys for details.



## Collective impact

# He Rautaki-Ā-Motu Mō Te Āheitanga Ahumoni National Strategy for Financial Capability

It's been another busy and productive period working with partners to complete the final year of activity for the National Strategy for Financial Capability. Over the past three years, the National Strategy has proven to be an effective way to align a diverse sector around a common vision: helping New Zealanders understand money. Alongside the development and implementation of several initiatives this year, work has begun to develop the next strategy and three-year work plan. We published a separate annual report with more highlights of the activity undertaken as part of the strategy<sup>24</sup>.

## Shift the dial partners conference

We hosted a successful National Strategy partners conference in Auckland in May. More than 270 partners attended from over 120 financial sector organisations representing banking and insurance, not-for-profits, government agencies and iwi. Minister of Commerce and Consumer Affairs Andrew Bayly opened the conference by sharing his priorities for financial wellbeing. We also had speakers on behavioural science, the future of education, Māori financial wellbeing programmes, innovative approaches to building resilience, various community initiatives, how banks are influencing better outcomes and more.

The conference also provided the opportunity to give feedback on the next National Strategy, which will be released later in 2024. In addition, three breakfasts for women, Māori and Pacific Peoples allowed a deeper conversation on some of the issues facing these groups, and solutions and actions the sector can work on.

24 National-Strategy-Annual-Report-2023-2024.pdf (retirement.govt.nz)





Dr Pushpa Wood helped to facilitate at the National Strategy Conference shifting the dial for Māori breakfast

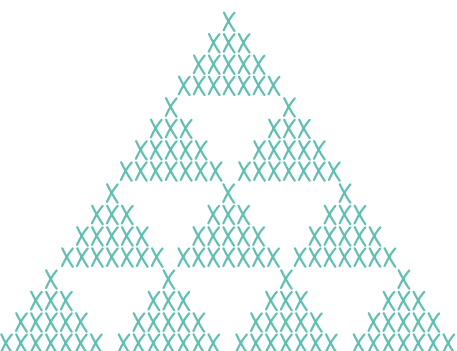
## Māori financial wellbeing roadmap

We hosted five wānanga with 280 Māori partners who work to lift financial capability, from more than 60 different organisations from around the country. This included a shift-the-dial breakfast session at the National Strategy Conference. These events connected Māori working to improve financial capability outcomes for Māori, to enable them to discuss opportunities and issues, and create a shared roadmap across the sector to support the next National Strategy for Financial Capability.

## Sharing research and insights

We launched a shared resource hub that allows National Strategy partners to share resources, connect and learn more about what works when it comes to improving the financial wellbeing of New Zealanders. To date, more than 115 partners and 100 pieces of research and insights have been uploaded to the hub, covering research and data insights, financial education resources, and evaluation and impact.

We also continued to run webinars to share our research and what others are doing to support financial wellbeing. This included webinars offering consumer insights on how New Zealanders are doing financially, what are good outcomes for measuring financial capability and money insights focused on Māori.



## Shared measurement tool for financial wellbeing

An ongoing challenge for those working to lift financial capability is the lack of a clear way to measure progress and success. In response to this, we've developed a consistent way to measure outcomes to support providers to communicate their findings and better understand what works.

We scanned the globe to delve into research on measuring financial capability and wellbeing, and interviewed financial capability providers in New Zealand. The findings were included in a comprehensive research and background paper that helped define 10 good financial capability outcomes (focusing on growth and resilience), and a questionnaire-based tool to capture progress from an intervention<sup>25</sup>. This tool has the potential to provide much better clarity around the effectiveness of financial capability interventions.

Figure 1: Shared financial capability measures

FINANCIAL GROWTH MEASURES		FINANCIAL RESILIENCE MEASURES	
1	Increase saving regularly	1	Keep emergency savings
2	Increase amount invested	2	Have relevant insurances, wills and enduring powers of attorney in place
3	Increase return potential	3	Review protection regularly
4	Accelerate repayments on interest-incurring debt		
5	Reduce everyday borrowing		
6	Meet all financial obligations to avoid consequences		
7	Reduce financial product fees and interest paid		

## Māori financial capability programme – Te Rito Hou

We partnered with Tāwhia and the New Zealand Banking Association to deliver Te Rito Hou, a programme designed to help lift the financial capability of Māori. The programme was piloted in Te Tairāwhiti Gisborne, Te Waiharakeke Blenheim and Ōtautahi Christchurch. A key success factor of the programme was the 'by Māori, for Māori' approach, which created a space to build trust, and encourage whānau to share their stories and open up about money. Having local bankers participate in the wānanga helped distinguish the programme from other financial literacy programmes participants had attended. After a successful pilot, the programme will be rolled out across more locations in 2024-2025.

25 National-Strat-Shared-financial-capability-outcomes-whitepaper-AW.pdf (retirement.govt.nz)

## Spotlight: Award-winning plain-language financial glossary

We were thrilled to win the Best Public Sector Document at the Plain Language Awards for *De-jargonising Money*, the financial terms glossary we developed in 2023. This success highlights the strength of partner collaboration, with more than 48 partners involved in developing the glossary to help demystify jargon in the finance and insurance sector.





## Trusted information

# Sorted

Sorted maintains its important role as an accessible and trusted source of free and impartial information and tools. The Sorted website is a popular choice for New Zealanders seeking help with their money, with the tools, blogs and guides used more than 2.1 million times this year. We were also often called on as an expert voice for media, podcasts and events, to provide general information on personal finance matters.

We had hoped through our increased efforts this year to be able to grow brand awareness of Sorted, and although we did reach our target during the year, we were not able to sustain it. It can be challenging to compete against others in the sector, like banks and insurance providers, who have significantly larger marketing budgets. With further budget reductions in this coming financial year, maintaining the awareness we have will be even more challenging and require some innovative approaches.

We know that those who do use Sorted say how valuable the content is (87%) in helping support their financial wellbeing, and the awards we won give us confidence that we're being effective with the spend we have.

**“Love the calculators and tools.”**

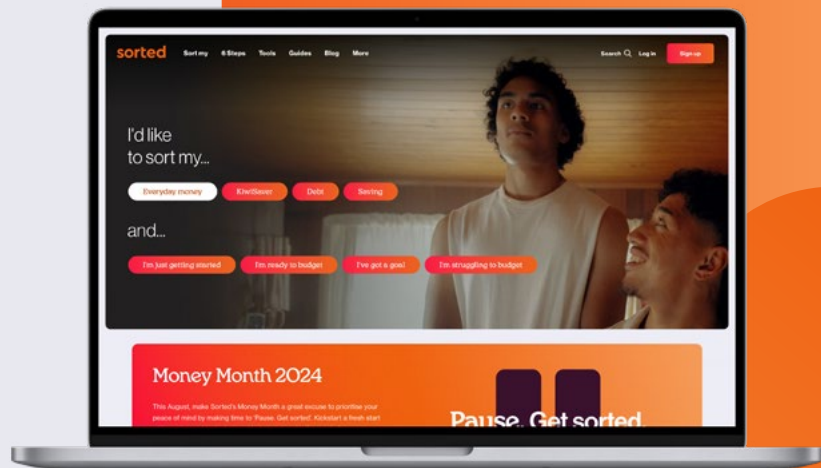
– Michelle, Sorted user

**“Sorted got me into my house.”**

– Craig, Sorted user

**“I didn't know how to budget before this!”**

– Alice, Sorted user





## First Money Month in 2023

We had been successfully running an annual Money Week awareness campaign with the financial services sectors since 2012. However, the current financial landscape, combined with feedback from National Strategy partners to be given more time to amplify their efforts, led us to shift its focus to become a full month in August 2023. This year, the Money Month theme was 'Pause. Get sorted', which encouraged Kiwis to take a moment to get their money sorted, using the tools and information Sorted offers to guide them. Alongside the consumer marketing campaign, National Strategy partners organised their own events, social media, giveaways and other activity to amplify reach. Money Month continues in 2024, building on the same theme.

Money Month highlights included:

**170**  
social posts  
from partners

**1.76 million**  
million views of our video content

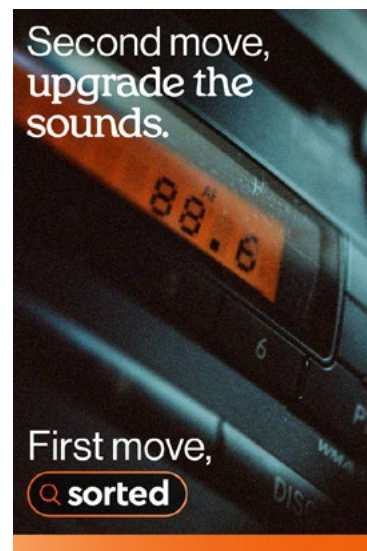
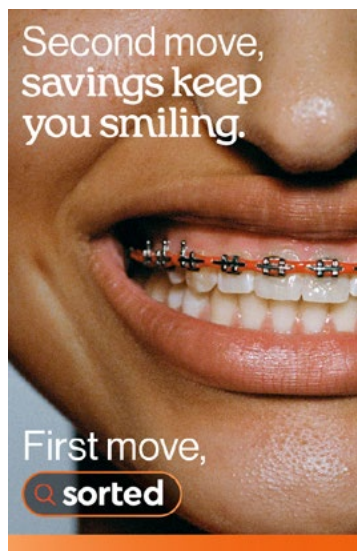
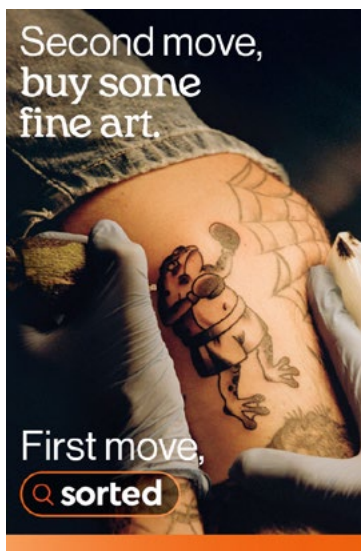
**17,000**  
new users of the Sorted website

**50+**  
partner  
events

**83**  
mentions in media

## New look for Sorted

We launched a refreshed look and feel for Sorted to ensure our content stays relevant for priority audiences and reaches them in the moments that matter. Following on from the Sorted brand refresh, we ran a new awareness campaign, with the key message being 'Sorted, your first move for all things money'. We produced three hero videos for social and TV, and ran billboards and radio advertising.



## The Morning Shift podcast

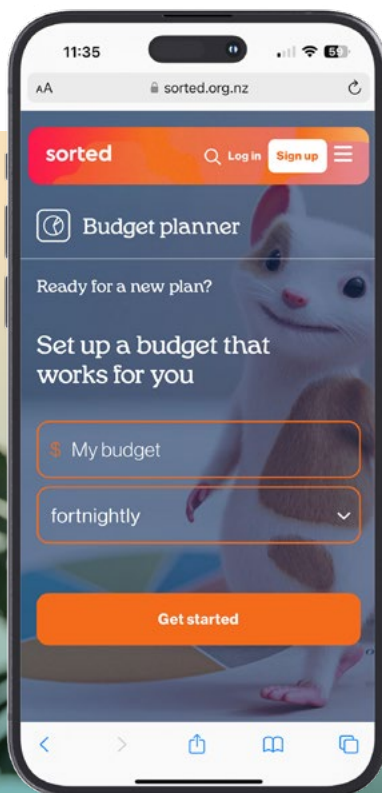
Sorted partnered with one of New Zealand's biggest podcast, The Morning Shift, to run a three-part series on money topics. The hosts interviewed our Sorted experts on budgeting, homeownership and investing. Highlights included:

- Our investing podcast made the 'Top 5' podcasts in New Zealand the week it went live
- 53,200 downloads/streams across the three podcasts
- We recorded 225 hours of engaging content about money
- 2-5 minute soundbites of our content were shared on other Morning Shift podcasts, which were streamed 207,000 times
- In addition to the podcast downloads, the brand and partnership was promoted on their social channels to 156,000 followers.

## Sorted tools

We launched a new budget planner on Sorted to replace the old budgeting tool. The new planner is designed to help users prioritise their spending and drive it towards the things that matter most. It includes a new tailored insights experience, which highlights people's non-essential spending, to help guide them towards improved money management.

We've also been working on a new tool to help retirees work out how to best draw down on their savings and make their money last through later life. The calculator will provide some draw-down rules of thumb to consider, with various scenarios on how things could play out, giving retirees more confidence to make spending decisions after a lifetime of saving. Currently, there's no other free tool like this on the market and the need for its development was one of the recommendations made in the 2022 Review of Retirement Income Policies. The tool is set to be launched later in 2024.





## Collective impact

# Te whai hua – kia ora, Sorted in Schools

We have continued to deliver Te whai hua – kia ora, Sorted in Schools. This free financial education programme, fully aligned with the New Zealand curriculum, is available to secondary schools and kura. We offer NZQA-approved resources that allow students to gain NCEA credits while learning important financial life skills. We promote the programme to teachers across the country and help train them to deliver the content.

Sorted in Schools was recognised on the world stage with a mention in the World Economic Forum's January 2024 insight report on Longevity Economic Principles<sup>26</sup>. The programme was included as a case study of principles in practice and described as "designing for inclusion".

### Key data highlights:

- 89.6% schools used Sorted in Schools
- 82.2% value Sorted in Schools as a financial capability programme
- 23,916 resource downloads
- 79.06% website engagement rate
- 61,036 website sessions

### New learning resources

We developed a new card game called Money Mission as a teaching resource to help young people better manage their money, and increase their knowledge on saving, spending and investing. This was launched to support Money Month 2023 and distributed to schools around the country.

This year, we also launched Sort it Out<sup>27</sup>, a collection of resources to help secondary graduates preparing to leave school. The resources include a booklet and online interactive activities, which guide students through key financial decisions like starting studying, going flatting and buying their first car.

Working in partnership with Inland Revenue, we developed new tax resources for both English medium education and Māori medium education. These help students build their tax knowledge with online interactives, resource booklets and learning activities.

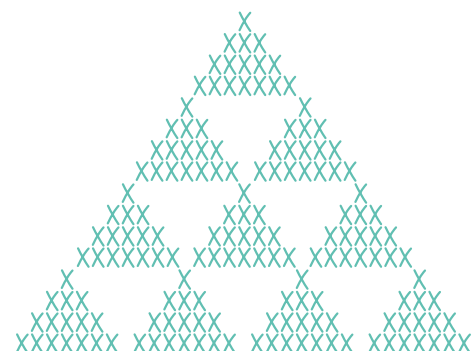
Two new bite-sized learning resources were also added to our suite, providing animated short videos and learning activities on buy now, pay later<sup>28</sup> and understanding cashflow<sup>29</sup>.

26 WEF\_Longevity\_Economy\_Principles\_2024.pdf (weforum.org)

27 Sort it out! Sorting your financial future | Sorted in Schools

28 Buy now pay later | Bite-sized student resources and activities | Sorted in Schools

29 Where is my money going? | Bite-sized student resources and activities | Sorted in Schools



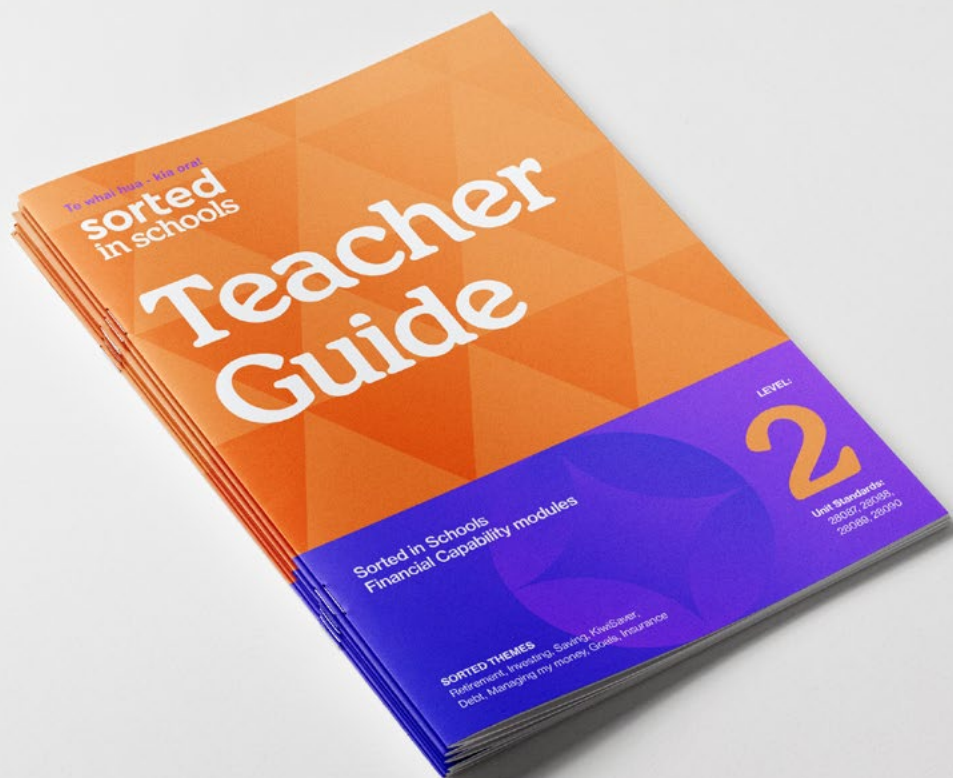
## Bringing teachers together

To support teaching of Te whai hua – kia ora, Sorted in Schools, we provide professional learning development opportunities for teachers of financial education. This year, we held 73 sessions with secondary schools and kura throughout New Zealand, offering a mixture of online and in-person opportunities to learn more about the programme and how to teach financial education.

We also began work to establish regional networks of teachers and others in the community who are passionate about financial education, to support them to keep sharing their insights and what works.

## Advocating for financial education

Recognising the need to develop a coordinated approach to how financial education is taught in schools, we've ramped up our efforts to engage with the Ministry of Education and others operating in the sector. We provided a briefing for the incoming Minister of Education, outlining the key financial education activity taking place in schools and key recommendations to improve how it's used. To help gather information, the Retirement Commissioner convened an informal group of providers working in schools' financial education, comprised of Banqer, Life Education Trust, Young Enterprise Trust, Westpac, ASB and Kiwibank<sup>30</sup>. Work is underway to secure a Memorandum of Understanding with the Ministry of Education to progress these efforts in the coming year.



30 Te-Ara-Ahunga-Ora-Retirement-Commission-Briefing-to-the-Incoming-Minister-of-Education.pdf



# Sorted in Communities

## Pacific Peoples Pathways to Homeownership

We've achieved our target of reaching 1200 Pacific households through our Pacific Peoples Pathways to Homeownership programme, funded by the Ministry for Pacific Peoples. This year, 356 households completed the programme. An external evaluation of the programme will be undertaken in September 2024. For the coming year, we're exploring the opportunity to reconnect with former participants, as well as offering the full programme to additional households.

## Sorted Kāinga Ora

Our Sorted Kāinga Ora programme, jointly created with Te Puni Kōkiri, has had another positive year building the financial capability of Māori to support their housing aspirations. Our role uses our subject matter expertise to develop the content, then train and quality assure facilitators to deliver it. Te Puni Kōkiri contracts these facilitators to deliver the programme to their relevant rōpū.

This year, we ran five workshops to train up new facilitators to deliver the programme across New Zealand, and undertook a comprehensive review and update of the content used in the programme. We also undertook an independent, kaupapa Māori evaluation of Sorted Kāinga Ora, to explore whether the programme is achieving the intended changes for participants, whānau and hapori.

Those surveyed spoke highly of the programme and the value it provides.

*"It's an awesome programme. We know it does make a difference. We do see changes... financial transformation in our whānau, which is fantastic. But, more importantly, we see the confidence and security that it provides to whānau, and the ability to create intergenerational wealth and wellbeing."*

(Facilitator)<sup>31</sup>

# Sorted at Work

We made some changes to the way we operate our Sorted at Work programme this year, introducing an online directory through which workplaces can book programmes directly with our trained facilitators<sup>32</sup>. Sorted at Work still includes a suite of courses and webinars on key money topics, and facilitators are available throughout the country to deliver this in person or online. We have maintained our partnership with the New Zealand Defence Force, which utilises Sorted at Work as a key programme to build its employees' financial wellbeing.

We also hosted a successful planning day with Sorted at Work facilitators, at which they shared what's working and identified opportunities to improve content and promotion of the programme.

<sup>31</sup> <https://assets.retirement.govt.nz/public/Uploads/Sorted-Kainga-Ora-Evaluation-2024.pdf>

<sup>32</sup> Facilitator directory | Retirement Commission Te Ara Ahunga Ora

## Spotlight: Waingakau housing development initiative

For Te Taiwhenua o Heretaunga, Sorted Kāinga Ora has helped 32 whānau (50 individuals) realise their first-home dreams after participating in the financial capability programme. Te Taiwhenua o Heretaunga has been facilitating Sorted Kāinga Ora programmes since 2019, which has resulted in at least 255 people graduating with the information and tools they need to support their money goals and set them on the right course for buying their first home. Participants continued to receive ongoing support upon completion of the programme, including check-ins every three months. They could also tap into the housing arm of the organisation to undertake further workshops and how to utilise shared equity options for affordable housing through the Waingākau development.

Taiwhenua o Heretaunga Whānau Housing Navigator Rikki Te Kira says: *“The programme’s success stems from its real, practical approach. Facilitators and guest speakers ensured content was digestible, applying parts that whānau could handle at each stage. They utilised the Sorted tools, breaking down information into graphs and PowerPoints, making it interactive and empowering. Activities motivated participants, setting the right kaupapa from the start. Empowerment came from the whānau themselves, with facilitators checking in and out to address questions and insights, creating a safe space for open discussion.”*



## TE HAUORA ME NGĀ ĀHEINGA O TE WHAKAHAERE

# Organisational health and capability


We are a small, values-based and inclusive organisation with operational practices that enable our people to enjoy a collaborative, energetic and principled culture. We take pride in providing effective systems and practices that free up our people to focus on what's important and empower them to take action.

This year, we're pleased with the progress we made on our organisational health and capability measures, which form the core of good employer practice. A standout for this year was our staff engagement rate, which we achieved an Employee Net Promoter Score (eNPS) of 59 against the national benchmark of 10 - derived from asking whether people would recommend the Commission as a great place to work.





**SOI long-term strategic objective: Te Ara Ahunga Ora is a great place to work, with an inclusive and values-based culture that has the training, systems and processes in place to enable people to grow.**

SOI outcome	Annual objective	2023/24 target	2023/24 actual
 <b>Great team</b> Our workforce is safe, healthy and culturally competent	Our people are committed, motivated and proud to work for Te Ara Ahunga Ora	Our Engagement Index is at least 68%	<b>Achieved</b> 79% based on five engagement-related questions and measures of how positive people feel about their work
	Foster a collaborative and inclusive culture where everyone's contribution is valued	Maintain 71% agree	<b>Achieved</b> 81% of employees agree they feel valued for the contribution they make
		Maintain 90% agree	<b>Achieved</b> 97% of employees agree Te Ara Ahunga Ora values diversity
	Workplace incidents are reported and addressed	Achieve	<b>Achieved</b> Three incidents were reported and addressed
	Cultural competency training improves employees' understanding and responsibilities to te ao Māori	Maintain 100% agree	<b>Achieved</b> 100% of employees agree their understanding of their responsibilities to te ao Māori has improved
Effective and secure technologies support our team to do a great job	Provide technology that supports our team to do their job well and maintain a high level of security	Maintain 75% agree	<b>Achieved</b> 86% of employees agree they have the tools, technology and equipment to perform their job well
		Achieve zero critical level security findings	<b>Achieved</b> Report provided by Aura Information Security
Our strategic thinking and connections are expanded	Implement a Rautaki Māori Strategy and Action Plan	Achieve	<b>Achieved</b> Monthly updates provided to show progress against action plan

## Building capability

We've seen a positive response to our annual organisational learning and development plans, and the opportunities provided to pursue personal development relevant to their role and interests. Our staff engagement survey shows 89% agree they have opportunities to learn and develop, and 95% agree their manager supports their professional growth and development.

### Diversity, equity and inclusion

One of our people goals is to continue to build a diverse workforce and an inclusive culture in which people feel a sense of belonging and feel safe to bring their whole selves to work. Our engagement survey results show that 97% of employees agree that Te Ara Ahunga Ora values diversity.

We set goals aligned with Kia Toipoto, to help close gender, Māori, Pacific Peoples and ethnic pay gaps in the Public Service<sup>33</sup>.

We also use the Public Service Commission's Papa Pounamu Diversity & Inclusion framework to guide our work in this area.

- **Cultural competence:** Our fortnightly cultural capability programme led by our Kaihautū continues to have very high staff participation rates.
- **Addressing bias:** We provided a special leadership programme to support the development and career progression of our specialist employees.
- **Inclusive leadership:** We provided leadership training for our leads and specialists, to help build on their skills and understanding.
- **Building relationships:** We celebrated Te wiki o te reo Māori and Pacific Language weeks, and participated in New Zealand Sign Language Week.
- **Employee-led networks:** We have employee-led networks focused on women, Diversity, Equity & Inclusion and the environment that meet regularly and advocate for inclusive policies.

<sup>33</sup> Kia-Toipoto-Pay-Gaps-Action-Plan-2024.pdf (retirement.govt.nz)



## He Waka Hourua Rautaki Māori

We launched our Rautaki Māori strategy and action plan, which identifies key activity to improve the wellbeing of Māori and ultimately Aotearoa. This included our work in kura through Te whai hua – kia ora, Sorted in Schools; Sorted Kāinga Ora; the National Strategy financial wellbeing programme, Te Rito Hou; wānanga held throughout the year to develop a roadmap for Māori financial wellbeing initiatives; our cultural capability programme; and the two research papers on NZ Super and KiwiSaver.

Pleasingly, our annual survey of kaimahi in June 2024 found that 100% agreed that our cultural capability programme improved understanding of and responsibilities to te ao Māori. This is tied to our fortnightly cultural capability programmes, te reo classes and workshops on Te Tiriti o Waitangi.

### Tupa Toa internship

Once again, we recruited an intern through the Tupa Toa Internship programme, an employment pathway that provides professional opportunities for tertiary students. The intern undertook a project around the glossaries used for Te whai hua – kia ora, Sorted in Schools, and made suggestions to the language we use, so our resources are even more accessible for young people. She also provided content for the Sorted website and our social media channels relevant to our younger priority audiences<sup>34</sup>.

## Engagement

We've made a significant improvement on our annual employee engagement survey of 48 points to +59 (up from +11 in 2023). We also achieved 79% on a new Engagement Index introduced this year, which is based on five engagement-related questions and measures how positive people feel about their work.

### Employee Net Promoter Score (eNPS)

"I would recommend Te Ara Ahunga Ora as a great place to work" - using the 5-point Likert scale.



34 My Money Sorted: Jaelyn » Sorted

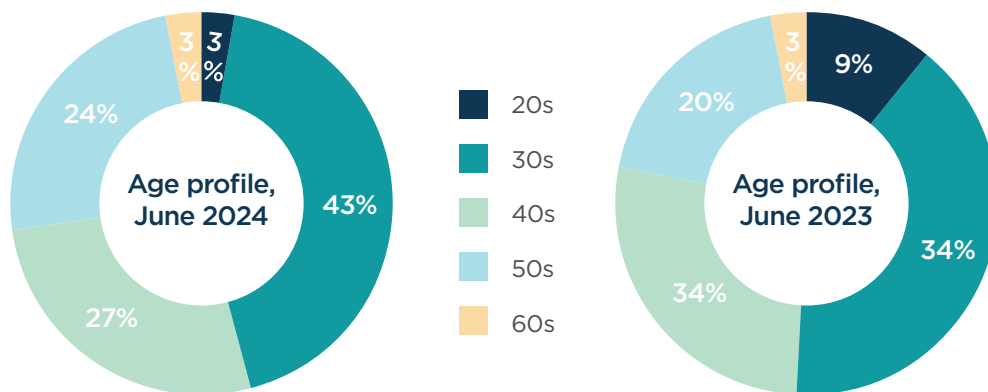
## Staff profile and metrics

We have 37 employees, including two on fixed-term contracts covering parental leave. The team profile and some of the key metrics we track are detailed below.

**Table 1: Team metrics**

Key metrics	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Full time	92%	89%	91%	86%	77%
Part time	8%	11%	9%	14%	23%
Women	76%	81%	86%	81%	74%
Men	24%	19%	14%	19%	26%

**Figure 1: Age**



**Table 2: Average length of service (years)**

Average	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
Months	33	32	23	22	20.4	14.4	15.6
Years	2.8	2.6	1.9	1.8	1.7	1.2	1.3

Table 3: Ethnicity

Ethnicity	June 2024		June 2023		June 2022	
	Count	Percentage	Count	Percentage	Count	Percentage
Māori	5	11%	7	17%	5	13%
Pacific Peoples	3	5%	4	10%	3	8%
Asian	3	9%	3	7%	3	8%
European/ Other	33	75%	28	67%	28	72%
<b>Total</b>	<b>44**</b>	<b>100%</b>	<b>42**</b>	<b>100%</b>	<b>39**</b>	<b>100%</b>

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

Table 4: Pay gaps<sup>35</sup>

	Gender*			Ethnic**		
	June 2024	June 2023	June 2022	June 2024	June 2023	June 2022
Median	16%	15%	26%	8%	20%	18%
Mean	10%	9%	20%	13%	17%	12%

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

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

Our small size means we don't meet the threshold to produce statistically robust gender or ethnic pay-gap statistics. Even small changes in our staffing can significantly impact our pay-gap statistics and make our figures volatile.

<sup>35</sup> Given the small number of employees (under 100) these percentages are indicators only. Statistics NZ notes that to calculate all gender pay measures (organisation-wide, by-level, and like-for-like jobs, and gender representation), an organisation should have at least 100 employees, including a minimum of 20 women and 20 men.

## Statutory disclosure: payments to employees

### Employee remuneration

During the 12-month period ended 30 June 2024, 23 employees and former employees (2022/23: 28) received remuneration (salary, bonuses and other benefits such as superannuation) in excess of \$100,000 per annum.

Remuneration paid or payable	# Employees 2023/24	# Employees 2022/23
\$100,000-\$109,999	1	4
\$110,000-\$119,999	5	6
\$120,000-\$129,999	3	1
\$130,000-\$139,999	0	4
\$140,000-\$149,999	6	5
\$150,000-\$159,999	2	2
\$160,000-\$169,999	1	0
\$170,000-\$179,999	0	2
\$180,000-\$189,999	0	0
\$190,000-\$199,999	1	2
\$200,000-\$209,999	1	0
\$210,000-\$219,999	1	0
\$220,000-\$229,999	0	0
\$260,000-\$269,999	1	1
\$280,000-\$289,000	1 <sup>36</sup>	0
\$340,000-\$349,999	0	1
<b>Total number of employees</b>	<b>23</b>	<b>28</b>

During the 12-month period ending 30 June 2024, 1 employee received compensation and other benefits in relation to cessation totalling \$5000 (2022/23: 0 employees), and 0 employees received redundancy payments as per their employment agreement (2022/23: 0 employees).

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



36 Retirement Commissioner reduced to a four-day week.

## Carbon emissions and sustainability commitments

We've committed to measuring, monitoring and reducing our greenhouse gas emissions. We're proud to continue to be a Toitū carbonreduce-certified organisation, with our annual greenhouse gas emissions independently verified against ISO14064- 1:2018 by Toitū Envirocare.

A Toitū Envirocare audit of our carbon emissions for the year ended 30 June 2024 confirmed that the Commission emitted 43.32 tCO<sub>2</sub>-e (tonnes of carbon dioxide equivalent). This is a reduction of 18.89% compared to our base year emissions (year ended 30 June 2021: 53.41 tCO<sub>2</sub>-e). Our main emission source is related to domestic air travel, so we've made a conscious effort to monitor and limit our air travel where possible.

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

### Our reduction targets

We've set the following emission reduction targets:

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

### Total emissions breakdown by source

Source	2020/2021 (tCO <sub>2</sub> -e)	2021/2022 (tCO <sub>2</sub> -e)	2022/2023 (tCO <sub>2</sub> -e)	2023/2024 (tCO <sub>2</sub> -e)
Air travel	41.91	21.50	32.15	32.04
Working from home	2.29	2.78	1.28	1.18
Electricity (including Ecotricity for Auckland office)	1.06	1.14	1.27	0.71
Accommodation	2.13	1.18	3.26	2.87
Taxis	1.48	0.8	1.22	0.94
Cars (mileage and rental vehicles, including rental vehicle fuel)	2.3	1.37	2.65	3.23
Water (including wastewater)	1.79	1.78	1.88	1.90
Waste to landfill	0.20	0.28	0.25	0.30
Freight	0	0.03	0.02	0.01
Paper	0.25	0.15	0.09	0.14
<b>Total gross emissions</b>	<b>53.411</b>	<b>31.01</b>	<b>44.07<sup>37</sup></b>	<b>43.32</b>

<sup>37</sup> These figures have been updated following our 2022/23 Toitū audit and re-certification, which occurred following the publishing of our 2022/23 annual report.

## Spotlight: Volunteer day

Kaimahi spent a day weeding, planting and learning about the amazing mahi being undertaken at Pourewa in Auckland for our annual volunteer day. Pourewa is a community vegetable garden and revegetation nursery for the whānau of Ngāti Whātua Ōrākei. One of the cultural capability sessions focused on the history of Ngāti Whātua Ōrākei, which provided useful context ahead of the volunteer day.







## SECTION 3

# Reporting

### Statement of responsibility

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

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

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

In my opinion, these financial statements and the statement of performance fairly reflect the financial position and operations of the Retirement Commission for the year ended 30 June 2024.

Signed:

**Jane Wrightson**

Mana Ahungarua/Retirement Commissioner

9 October 2024



# Tauaki whakatutukinga

## Statement of performance

This section of the annual report provides Te Ara Ahunga Ora's performance information presented in accordance with service reporting standard PBE FRS 48. It supports the 'Year in review' commentary provided in section 2.

### Contextual information

As outlined in our Statement of Intent 2023-2026, we have set three overarching strategic objectives aligned to three focus areas. Each year, we plan our activity around meeting our aspirations, working towards achieving our vision of a better retirement for all. The annual objectives for the areas of Retirement Income and Financial Wellbeing reflect our statutory responsibilities required under Part 4, sections 83 & 84 of the New Zealand Superannuation and Retirement Income Act 2001. Our annual objectives for Retirement Villages relate to part 3, section 36 of the Retirement Villages Act 2003.

### Statement of compliance

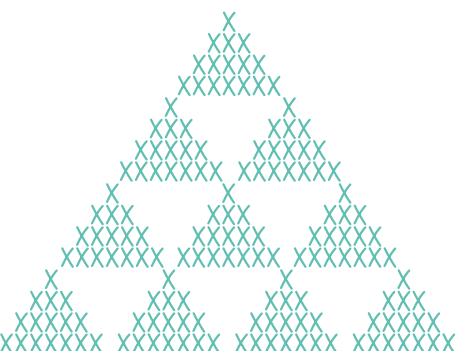
We have complied with the amendments to PBE FRS 48 that came into effect for reporting periods from 1 January 2022. We apply the six qualitative characters of performance information (relevance, understanding, comparability, faithful representation, timeliness and verifiability) in our practice. The constraints identified in the PBE FRS 48 of materiality, cost-benefit, and balance between the qualitative characteristics, have been factored into our selection process for service performance information.

### Judgements on performance measures

We measure our progress in a variety of ways. We note that because we do not have control over the extent to which a government will use the recommendations and information we provide in our research and analysis we use surveying and outputs to help us track progress in the areas of Retirement Income and Retirement Villages.

There is no agreed measure of financial wellbeing used in New Zealand, or in fact globally, so we evaluate our success based on outputs, using annual surveys and independent and internal evaluations across our programmes.

We regularly review our results, output class and appropriations measures to ensure they remain effective, including considering these under the requirements of the PBE FRS 48. We provide the Government with quarterly updates on performance, and report on our annual progress against these measures in this annual report.



# Statement of appropriation

The information below explains the funding allocated for 2023/24 by government appropriation, the statutory requirements it's intended to fund, and how we've performed against those requirements.

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

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

Funding from the Crown for the 2023/24 year was received as a single appropriation of \$8,622,000. In addition to Crown appropriation, the Commission also received a further \$1,395,422 from interest and other sources.

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

Allocation of revenue/expenditure	Actual 2023/24	Budget 2023/24
<b>Revenue</b>		
Financial Capability	\$8,034,362	\$7,859,940
Retirement Income Policy	\$1,638,180	\$1,638,180
Retirement Villages	\$344,880	\$344,880
<b>Total revenue</b>	<b>\$10,017,422</b>	<b>\$9,843,000</b>
<b>Expenditure</b>		
Financial Capability	\$7,756,052	\$8,336,972
Retirement Income Policy	\$2,130,533	\$2,185,026
Retirement Villages	\$474,463	\$500,734
<b>Total expenditure</b>	<b>\$10,361,048</b>	<b>\$11,022,732</b>
<b>Surplus/(Deficit)</b>	<b>(\$343,626)</b>	<b>(\$1,179,732)</b>

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

- Financial Wellbeing<sup>38</sup>
- Retirement Income
- Retirement Villages

Actual 2023/24 Financial Capability Revenue comprises \$6,638,940 from our Crown Appropriation, \$1,103,023 of Other Revenue (100% allocation to this Output Class as revenues were for delivery of financial capability programmes in workplaces and communities), and \$292,399 Interest Revenue (100% allocation to this Output Class as the interest relates to revenues received for the Commission's financial capability programme that is unspent at time of investment or carried over from prior years).

Actual 2023/24 Retirement Income Revenue comprises \$1,638,180 from our Crown Appropriation.

Actual 2023/24 Retirement Villages Revenue comprises \$344,880 from our Crown Appropriation.

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

### What's intended to be achieved with this appropriation

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

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



<sup>38</sup> In December we requested the appropriation to make some minor wording changes to align with the new Statement of Intent, including the change from Financial Capability to Financial Wellbeing.

# Performance assessment

## Performance against appropriation measures

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

**Table 5: Results against appropriation measures**

Assessment of performance	Actual 2023/24	Actual 2022/23	Actual 2021/22
Te Ara Ahunga Ora Retirement Commission's actions lead to increasing the financial capability of New Zealanders	Achieved (see Note 1)	Achieved (see Note 1)	Achieved
Increased participation in public discussions on retirement savings and planning, and the issues surrounding New Zealand's retirement income policy	Achieved	Achieved	Achieved
Ministerial satisfaction with the Retirement Commissioner's delivery of its functions under the Retirement Villages Act 2003	Satisfied	Satisfied	Satisfied

**Table 5, Note 1:**

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

Appropriation target	Actual
Over 60% of users feel more confident about money decisions after seeking to improve their financial capability through Sorted.org.nz	Achieved. 69%
Over 85% of users trust the financial capability information provided by Te Ara Ahunga Ora Retirement Commission through Sorted.org.nz	Achieved. 85%
The National Strategy for Financial Capability has active partners working collaboratively and reports successful progress annually (from its three-year strategy). The National Strategy serves to unite the financial capability sector to work together. The partners depend on collaborative projects and can include financial mentors, Non-Governmental Organisations, financial services providers and public sector agencies. The Report will include stakeholders and progress on key projects and outcomes for target cohorts.	Achieved. Published Annual Report on National Strategy progress and initiatives for FY24

## Te pūrongo i tā mātou Tauākī Whakamaunga Atu 2023-2026

# Reporting on our Statement of Intent 2023-2026

This annual report covers the first year of our current Statement of Intent 2023–2026, which has set out our strategic intentions and undertakings for how we will achieve our purpose. We have identified three key strategic objectives aligned to our statutory responsibilities:

- Retirement Income
- Retirement Villages
- Financial Wellbeing




How we have delivered our annual objectives against the SOI is outlined in the earlier sections and in the following. The tables and performance stories included throughout the annual report reflect what's been achieved against this year's Statement of Performance Expectations and the first year of the SOI.

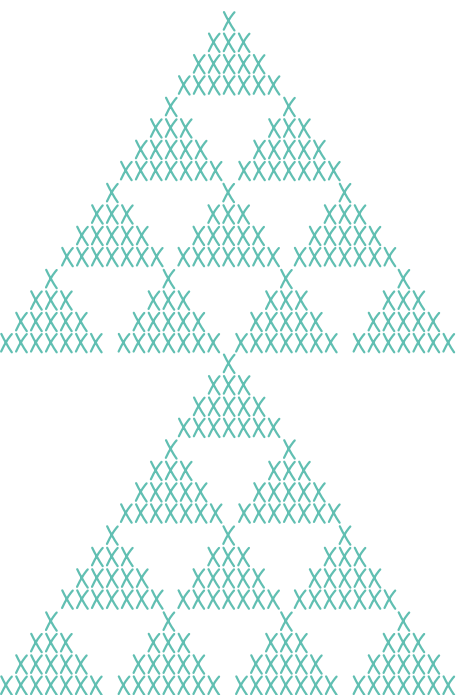


## Reporting on our SOI: Retirement Income

The outcomes we seek	Actions we will undertake	How these are measured	2023-24 progress
 <b>Trusted information</b>  The Government has access to ongoing independent research and analysis on retirement matters	Produce a comprehensive review of retirement income policies every three years	MBIE confirms that research and analysis undertaken in the review is consistent with the terms of reference  The review is accepted by the Minister as an authoritative and unbiased study	Not applicable as not a review year
	Our research and analysis identify areas of policies that work well or that may need further consideration, development or adjustment	Publish at least three research or analysis pieces each year	<b>Achieved</b>  Referenced in the earlier sections and performance tables against SPE below
 <b>Trusted information</b>  Informed debate around retirement issues	Use research and analysis to explain key challenges facing people in retirement	Share all research and analysis studies with relevant stakeholders and publish on our website  Secure media coverage for all major studies	<b>Achieved</b>  Referenced in the earlier sections and performance tables against SPE below
 <b>Informed advocacy</b>  The Retirement Commission is seen as an independent and principled voice on retirement issues	Be recognised subject matter experts on retirement issues	Provide or initiate media commentary on key retirement issues  The majority of respondents in an annual sector stakeholder survey agree that the Retirement Commission provides an independent and principled voice	<b>Achieved</b>  Referenced in the earlier sections and performance tables against SPE below




## Reporting on our SOI: Retirement Villages

Our intended outcomes	Actions we will undertake	How these outcomes are measured	2023-24 progress
<p> <b>Trusted information</b></p> <p>The Government is kept well informed on retirement village issues and experiences</p>	<p>Conduct an annual investigation relating to retirement villages</p>	<p>Publish the annual investigation report and share with stakeholders, including Government</p>	<p><b>Achieved</b></p> <p>Referenced in the earlier sections and performance tables against SPE below</p>
<p> <b>Trusted information</b></p> <p>Residents can access a fair and robust disputes process if they need to</p>	<p>Provide residents and their families with informal advice on options for dispute resolution</p> <p>Ensure information about dispute panellists and dispute decisions is publicly available</p>	<p>Publish disputes information on our website</p> <p>Publish information about dispute panellists and dispute decisions on our website</p>	<p><b>Achieved</b></p> <p>Referenced in the earlier sections and performance tables against SPE below</p>
<p> <b>Trusted information</b></p> <p>People weighing up retirement village living can access impartial information</p>	<p>Supply independent information through Sorted</p>	<p>Publish information on our website</p>	<p><b>Achieved</b></p> <p>Referenced in the earlier sections and performance tables against SPE below</p>





## Reporting on our SOI: Financial Wellbeing

Our intended outcomes	Action we will undertake	How these outcomes are measured	2023-24 progress
 <p><b>Collective impact</b></p> <p>National Strategy partners work together to help people understand money</p>	<p>Use the National Strategy to drive collaboration on initiatives to improve people's financial wellbeing</p> <p>Provide financial wellbeing insights from our research to National Strategy partners</p>	<p>Deliver and report on initiatives identified in the National Strategy in the National Strategy's annual report</p> <p>Share research insights at least biannually</p>	<p><b>Achieved</b></p> <p>Referenced in the earlier sections and performance tables against SPE below</p>
 <p><b>Trusted information</b></p> <p>Sorted content helps improve financial wellbeing</p>	<p>Develop and supply trusted and valued financial education and information to Sorted audiences</p>	<p>Provide evidence in each Te Ara Ahunga Ora annual report from surveys and evaluations that our financial education and information is trusted and valued</p> <p>Include an initiative for Māori audiences in each year's SPE</p>	<p><b>Achieved</b></p> <p>Referenced in the earlier sections and performance tables against SPE below</p>
 <p><b>Collective impact</b></p> <p>Financial education is accessible to young people</p>	<p>We provide age-appropriate content and advocate for improved financial education opportunities as they arise</p>	<p>Sorted in Schools receives positive annual evaluations</p> <p>Engage proactively with any curriculum development work or relevant sector initiatives to avoid duplication and encourage collaboration</p>	<p><b>Achieved</b></p> <p>Referenced in the earlier sections and performance tables against SPE below</p>

# Performance measure results

The following tables report progress against the strategic objectives and outcomes set out in our Statement of Intent 2023-2026 and Statement of Performance Expectations 2023-24. Refer to section two for more detail around what was achieved.




## Retirement Income

**Summary:** We've ensured the Government has access to research and analysis throughout the year on retirement matters, and continued to advocate for a system that serves the diversity of New Zealanders. We've recommended where there are opportunities for improvement, and encouraged debate on the challenges facing the key components of NZ Super and KiwiSaver.

**Strategic objective:** Retirement income policies are stress-tested to examine if they meet the needs of a diverse population, advocating for a fair and stable system.



## Retirement Policies: SOI and SPE objectives and results




SOI Outcome	Annual objectives	Measures	2023/24 target	2023/24 actual
 <b>Trusted information</b>  The Government has access to ongoing independent research and analysis on retirement matters	Identify areas of policy requiring further research and analysis	Research or analysis undertaken, and findings shared on our website and with stakeholders, including Government	Publish at least three pieces of research	<b>Achieved</b>  Three papers published. Refer to pages 10 and 11
	Establish a Māori advisory rōpū to develop policy options that would better support Māori retirement	Advisory rōpū established, and a Kaupapa Māori research analysis piece commissioned	Achieve	<b>Not achieved</b>  Focused on further research on Māori instead. Included as part of NZ Super and KiwiSaver papers
 <b>Trusted information</b>  Informed debate around retirement issues	Use research and analysis to explain key challenges facing people in retirement	Media coverage secured for all major studies	Achieve five mentions in major NZ media for each major study	<b>Exceeded</b>  Each major study generated significantly more than target. Refer to pages 12 and 13
		All research and analysis shared with relevant stakeholders and published on our website	Publish at least three pieces of research	<b>Achieved</b>  Refer to pages 12 and 13
 <b>Informed advocacy</b>  The Retirement Commission is seen as an independent and principled voice on retirement issues	Be recognised subject matter experts on retirement issues	Respondents agree Te Ara Ahunga Ora provides an independent and principled voice	70% agree	<b>Achieved</b>  74% of those familiar with our work agree
		Provide or initiate media commentary on key retirement issues	Achieve 5 pieces of major media coverage	<b>Achieved</b>  Refer to pages 11 and 13 for examples of the pieces of major media coverage

## Retirement Villages

**Summary:** We've continued to advocate for a fair regulatory framework, kept the Government informed on sector trends and issues, supported dispute resolution and provided impartial information.

**Strategic objective:** Retirement village residents and the industry operate within a competent and independent regulatory system.

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

SOI outcome	Annual objectives	Measures	2023/24 target	2023/24 actual
 <b>Trusted information</b> The Government is kept well informed on retirement village issues and experiences	Monitor complaints made to retirement villages, and report on trends and formal complaints raised	Six-monthly reports of formal complaints raised in retirement villages published	Achieve	<b>Achieved</b> Two reports published on our website
 <b>Trusted information</b> Residents can access a fair and robust disputes process if they need to	Conduct an annual investigation relating to retirement villages	Investigation published and shared with stakeholders, including Government	Achieve	<b>Achieved</b> Published an international scan of retirement village business models. Refer to page 16
 <b>Trusted information</b> People weighing up retirement village living can access impartial information	Provide residents and their families with informal advice on options for dispute resolution and information on retirement village living	Te Ara Ahunga Ora provides multiple channels for residents and families to access impartial information and receive informal advice	Achieve	<b>Achieved</b> Published informal advice on dispute options via phone, email and our website  Published disputes panel decisions on our website  Independent information on retirement village living available on Sorted website

## Financial Wellbeing

**Summary:** We've promoted the importance of long-term thinking by providing trusted and independent information and education to help build people's financial wellbeing into retirement. We've continued to lead that National Strategy for Financial Capability, including a range of initiatives aimed at helping New Zealanders understand money.

**Strategic objective: Financial wellbeing is improved by a successful National Strategy for Financial Capability, and engaged and diverse audiences using Sorted.**

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

SOI outcome	Annual objectives	Measure	2023/24 target	2023/24 actual
 <b>Collective impact</b>  National Strategy partners work together to help New Zealanders understand money	Provide National Strategy Partners with a range of opportunities to engage and collaborate	Partners agree the Strategy offers good cross-sector collaboration opportunities	65% agree	<b>Achieved</b> 85% agree
		Initiatives are developed for partners to engage and collaborate on	Three initiatives available	<b>Achieved</b> Four initiatives available. Refer to pages, 19, 20, 21 and 23
	Share financial wellbeing insights from our research with National Strategy partners	Research and insights are shared with partners	Two shared	<b>Achieved</b> Refer to page 20
 <b>Trusted information</b>  Sorted content helps improve financial wellbeing	Grow Sorted brand awareness	Sorted brand awareness increases	Increase 5% on previous year to 55%	<b>Not achieved</b> 48% average across the year
	Execute initiatives for Sorted's priority audiences, including Māori	Two initiatives executed	Achieve	<b>Achieved.</b> The Morning Shift Podcast page 24  Te whai hua – kia ora, tax resources for kura
	Sorted users continue to find the content valuable	Users of Sorted content agree it is valuable	Maintain > 85% agree	<b>Partially achieved</b> 87% of Sorted website users agree content is valuable  98% find Sorted Kāinga Ora content valuable  82.2% value Sorted in Schools as a financial capability programme
 <b>Collective impact</b>  Financial education is accessible to young people	Grow percentage of secondary schools and kura using Sorted in Schools	Secondary schools using Sorted in Schools increases on previous year	70%	<b>Achieved</b> 89.6% using or have used Sorted in Schools in the past year

# Surveys

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

## Sorted.org.nz

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

Three data points are measured in response to the 2023/24 SPEs and broken into three audiences: general, Māori and Pacific Peoples.

- Total population: estimated from the Insights Tracker to be 12% of New Zealand's population aged 18+: 431,461
- Total sample size (used the Sorted website in the last 12 months): n=2503
- Māori sample size: 438
- Pacific Peoples sample size: 199
- Margin of error: +/-2%

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

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

- Total population size: 528
- Sample size: 280
- Result: 89.6%
- Margin of error: 2.45%
- Confidence level: 95%.

## Cultural Capability Survey 2024

- Population size: n=37
- Sample size: n=33
- Margin of error is +/-6%

## National Strategy Partners

Percentage of our partners who agree our strategy offers good cross-sector collaboration opportunities:

- Total population: 884
- Sample size: 58
- Margin of error: +/-12%

## Sorted Kāinga Ora

- Total population: 249
- Sample size: 68
- Margin of error: +/-10%

## Stakeholder Survey

- Total population: n=1305
- Sample size of completed surveys: 97
- Margin of error therefore ranged from: +/- 8% to +/-9.



## Financial information



## Pūrongo kaiarotake motuhake

Independent  
auditor's report

BDO Wellington Audit Limited

**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF TE ARA AHUNGA ORA RETIREMENT COMMISSION FINANCIAL STATEMENTS,  
AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024.**

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

**Opinion**

We have audited:

- the financial statements of the Commission on pages 58-80 that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information; and
- the performance information of the Commission on pages 40-51

In our opinion:

- the financial statements of the Commission on pages 58-80:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime; and
- the performance information on pages 40-51:
  - presents fairly, in all material respects, the Commission's performance for the year ended 30 June 2024, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
    - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 9 October 2024. This is the date at which our opinion is expressed.

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

**Basis for our opinion**

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

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





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

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

The Commissioner is responsible on behalf of the Commission for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Commissioner is responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Commissioner is responsible on behalf of the Commission for assessing the Commission's ability to continue as a going concern. The Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commission, or there is no realistic alternative but to do so.

The Commissioner's responsibilities arise from the Crown Entities Act 2004.

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

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

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

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

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

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

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



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

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

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Commissioner is responsible for the other information. The other information comprises the information included on pages 1-39, page 52 and 81 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

#### Independence

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

Other than in our capacity as auditor, we have no relationship with, or interests, in the Commission.

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



# Tauaki ahumoni kua arotakea

## Audited financial statements

### Statement of Comprehensive Revenue & Expenses

For the 12 months ended 30 June 2024

	Note	Actual 2023/24	Budget 2023/24	Actual 2022/23
<b>Revenue from Non-Exchange Transactions</b>				
Revenue from Crown Appropriation		\$8,622,000	\$8,622,000	\$8,622,000
Other Non-exchange Revenue	2	\$770,715	\$750,000	\$638,772
<b>Revenue from Exchange Transactions</b>				
Interest Revenue		\$292,399	\$200,000	\$202,286
Other Exchange Revenue	2	\$332,308	\$271,000	\$241,740
<b>Total Revenue</b>		<b>\$10,017,422</b>	<b>\$9,843,000</b>	<b>\$9,704,798</b>
<b>Expenditure</b>				
Personnel Costs	6	\$5,180,999	\$5,551,482	\$5,280,151
Depreciation & Amortisation	11, 12	\$330,992	\$320,000	\$300,144
Other Operating Costs	3	\$977,671	\$1,003,000	\$855,149
Financial Capability activities	4	\$1,255,758	\$1,372,250	\$1,442,881
Other Expenses	5	\$2,615,628	\$2,776,000	\$2,076,665
<b>Total Expenditure</b>		<b>\$10,361,048</b>	<b>\$11,022,732</b>	<b>\$9,954,990</b>
Surplus/(Deficit)		(\$343,626)	(\$1,179,732)	(\$250,192)
<b>Total Comprehensive Revenue/(Expenditure)</b>		<b>(\$343,626)</b>	<b>(\$1,179,732)</b>	<b>(\$250,192)</b>

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

## Statement of Financial Position

As at 30 June 2024

	Note	Actual 2023/24	Budget 2023/24	Actual 2022/23
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	8	\$728,197	\$169,699	\$320,845
Term Investments	10	\$2,760,865	\$2,400,000	\$3,200,000
Receivables	9	\$74,181	\$77,500	\$76,956
Prepayments		\$72,355	\$29,826	\$60,871
GST Receivable		\$160,130	\$180,000	\$246,276
<b>Total Current Assets</b>		<b>\$3,795,728</b>	<b>\$2,857,025</b>	<b>\$3,904,948</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	11	\$157,356	\$174,429	\$252,468
Intangible Assets	12	\$381,459	\$428,783	\$375,210
<b>Total Non-Current Assets</b>		<b>\$538,815</b>	<b>\$603,212</b>	<b>\$627,678</b>
<b>Total Assets</b>		<b>\$4,334,543</b>	<b>\$3,460,237</b>	<b>\$4,532,626</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and Other Payables	13	\$418,534	\$377,164	\$286,382
Revenue Received in Advance	13	\$42,957	\$0	\$25,000
Lease Incentive Liability	7	\$85,343	\$92,600	\$102,464
Employee Entitlements	14	\$355,216	\$352,674	\$342,661
<b>Total Current Liabilities</b>		<b>\$902,050</b>	<b>\$822,438</b>	<b>\$756,507</b>
<b>Total Liabilities</b>		<b>\$902,050</b>	<b>\$822,438</b>	<b>\$756,507</b>
<b>Net Assets</b>		<b>\$3,432,493</b>	<b>\$2,637,799</b>	<b>\$3,776,119</b>
<b>Public Equity</b>				
Capital Contribution		\$200,000	\$200,000	\$200,000
Accumulated Surplus		\$3,232,493	\$2,437,799	\$3,576,119
<b>Total Public Equity</b>		<b>\$3,432,493</b>	<b>\$2,637,799</b>	<b>\$3,776,119</b>

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

## Statement of Changes in Equity

For the year ended 30 June 2024

	Actual 2023/24	Budget 2023/24	Actual 2022/23
Public Equity at 1 July	\$3,776,119	\$3,817,531	\$4,026,311
Total Comprehensive Revenue / (Expenditure) for the year	(\$343,626)	(\$1,179,732)	(\$250,192)
<b>Public Equity as at 30 June</b>	<b>\$3,432,493</b>	<b>\$2,637,799</b>	<b>\$3,776,119</b>
Comprised of the following funds:			
Capital contribution as at 1 July	\$200,000	\$200,000	\$200,000
Movement in capital contribution	\$0	\$0	\$0
<b>Total Capital contribution at 30 June</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>
Accumulated Surplus as at 1 July	\$3,576,119	\$3,617,531	\$3,826,311
Movement in accumulated surplus	(\$343,626)	(\$1,179,732)	(\$250,192)
<b>Total Accumulated surplus at 30 June</b>	<b>\$3,232,493</b>	<b>\$2,437,799</b>	<b>\$3,576,119</b>

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

## Statement of Cash Flows

For the 12 months ended 30 June 2024

	Actual 2023/24	Budget 2023/24	Actual 2022/23
<b>Cash Flows From Operating Activities</b>			
<b>Cash Was Provided From:</b>			
Receipts from Crown Appropriation	\$8,622,000	\$8,622,000	\$8,622,000
Other Crown Receipts	\$1,127,193	\$969,000	\$832,620
Other Income	\$48,449	\$17,217	\$32,323
Interest Received	\$240,512	\$200,000	\$191,200
	<b>\$10,038,154</b>	<b>\$9,808,217</b>	<b>\$9,678,143</b>
<b>Cash Was Applied To:</b>			
Payments to Suppliers and Employees	(\$9,913,955)	(\$10,688,542)	(\$9,896,290)
Net GST (Paid) / Received	\$86,147	(\$4,808)	(\$62,795)
	<b>(\$9,827,808)</b>	<b>(\$10,693,350)</b>	<b>(\$9,959,085)</b>
<b>Net Cash Flows From Operating Activities</b>	<b>\$210,346</b>	<b>(\$885,133)</b>	<b>(\$280,942)</b>
<b>Cash Flows From Investing Activities</b>			
<b>Cash Was Provided From:</b>			
Term Investments	\$1,500,000	\$2,700,000	\$2,700,000
Receipts from sale of Property, Plant & Equipment	\$0	\$0	\$0
	<b>\$1,500,000</b>	<b>\$2,700,000</b>	<b>\$2,700,000</b>
<b>Cash Was Applied To:</b>			
Term Investments	(\$1,060,865)	(\$2,400,000)	(\$3,200,000)
Purchase of Property, Plant & Equipment	\$0	(\$35,185)	(\$23,197)
Purchase of Intangible Assets	(\$242,129)	(\$233,297)	(\$241,652)
	<b>(\$1,302,994)</b>	<b>(\$2,668,482)</b>	<b>(\$3,464,849)</b>
<b>Net Cash Flows From Investing Activities</b>	<b>\$197,006</b>	<b>\$31,518</b>	<b>(\$764,849)</b>
<b>Net Increase / (Decrease) In Cash Held</b>	<b>\$407,352</b>	<b>(\$853,615)</b>	<b>(\$1,045,791)</b>
Plus cash at the start of the year	\$320,845	\$1,023,314	\$1,366,636
<b>Cash Held At The End Of The Year</b>	<b>\$728,197</b>	<b>\$169,699</b>	<b>\$320,845</b>
<b>Represented by:</b>			
Cash and Cash Equivalents	\$728,197	\$169,699	\$320,845
<b>Cash held at the end of the year</b>	<b>\$728,197</b>	<b>\$169,699</b>	<b>\$320,845</b>

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

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

# Kupu tāpiri ki ngā tauaki ahumoni

## Notes to the financial statements

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

#### Note 1 – Statement of Accounting Policies

##### Reporting Entity

The Retirement Commissioner is appointed under the New Zealand Superannuation and Retirement Income Act 2001 and the Crown Entities Act 2004. The current Retirement Commissioner was initially appointed for a three year term commencing 10th February 2020, with a three year renewal effective from 10th February 2023.

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

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;
- Raise awareness of retirement income policy issues, monitoring and reporting on the effects and effectiveness of retirement income policies; and
- Monitor the provisions of the Retirement Villages Act and administer the Retirement Villages Act disputes process.

The financial statements for the Commission are for the year ended 30 June 2024, and were approved by the Retirement Commissioner on 9 October 2024.

##### 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 going concern basis, and the accounting policies have been applied consistently throughout the year.

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

The Commission qualifies for PBE Standards RDR reporting as it is not publicly accountable and has expenses greater than \$5m but less than \$33m.



## Presentational and Functional Currency

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

## Standards issued and not yet effective and not early adopted

There are no current standards issued and not yet effective.

## Summary of Significant Accounting Policies

### Goods and Services Tax

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of current assets or current liabilities in the Statement of Financial Position. The net GST paid to, or received from the Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### Income Tax

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.

### Budget Figures

Budget figures are derived from the Commission's Statement of Performance Expectations for the financial year ending 30 June 2024. The budget figures have been prepared in accordance with NZ GAAP, with accounting policies that are consistent with those adopted by the Commission for the preparation of these financial statements.

### 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 has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

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, while remaining a going concern.

### 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 allocated using predetermined percentages based on the previous period actual spent for each output class.

### Accounting Estimates and Assumptions

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant, and equipment – refer to Note 11.
- Useful lives of software assets – refer to Note 12.

### Judgements in applying accounting policies

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

- Leases classification – refer to Note 7.

### Other Significant Accounting Policies

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

### Changes in Accounting Policies and Accounting Standards

There have been no changes in accounting policies for the year ended 30 June 2024.

Amendments to PBE IFRS 17 are effective for reporting periods from 1 January 2026. The Commission has not yet determined the impact of amendments to this accounting standard, but does not expect any significant impact.

# How is the Commission funded?

## Note 2 – Revenue

### Non-Exchange Revenue

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

Inflows of resources from non-exchange transactions are only recognised as assets where both:

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

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

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

### Exchange Revenue

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

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

### Funding from the Crown

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

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.

### Interest Revenue

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

## Other Revenue

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

### Breakdown of Other Revenue

	Actual 2023/24	Actual 2022/23
<b>Other Revenue from non-exchange transactions</b>		
Community Programmes	\$750,000	\$637,976
Other Revenue	\$20,715	\$796
<b>Total other Revenue from non-exchange transactions</b>	<b>\$770,715</b>	<b>\$638,772</b>
<b>Other Revenue from exchange transactions</b>		
Sorted Workplace Programme	\$57,676	\$84,843
Community Programmes	\$208,207	\$101,897
Other Revenue	\$66,425	\$55,000
<b>Total other Revenue from exchange transactions</b>	<b>\$332,308</b>	<b>\$241,740</b>
<b>Total Other Revenue</b>	<b>\$1,103,023</b>	<b>\$880,512</b>

# How does the Commission spend the funds?

## Note 3 - Other Operating Costs

### Accounting Policy

Expenses are recognised in the period to which they relate

#### Other Operating Costs

	Actual 2023/24	Actual 2022/23
Retirement Commissioner	\$8,310	\$10,156
<b>Other Operating Costs</b>		
Professional Service Fees	\$31,556	\$27,263
Other consultants	\$170,250	\$144,403
Travel	\$19,728	\$21,755
Auditor Remuneration	\$46,800	\$38,684
Office equipment lease	\$9,090	\$9,310
Insurance	\$21,961	\$19,763
Loss on Disposal of Assets	\$0	\$4,033
Other property Expenses	\$106,816	\$113,255
Building operating lease expense	\$279,032	\$218,264
General Office Supplies	\$5,859	\$9,286
Technology	\$278,269	\$238,977
<b>Total Other Operating Costs</b>	<b>\$977,671</b>	<b>\$855,149</b>

## Note 4 – Financial capability activities

### Accounting Policy

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

Account	Actual 2023/24	Actual 2022/23
<b>Financial Capability Activities</b>		
Education (Schools)	\$341,631	\$474,087
Community	\$169,602	\$87,116
Pacific Pathways to Home Ownership	\$507,604	\$652,586
Sorted Workplaces (Programme Delivery)	\$95,878	\$138,161
National Strategy	\$141,043	\$90,931
<b>Total Financial Capability Activities</b>	<b>\$1,255,758</b>	<b>\$1,442,881</b>

## Note 5 – Other Expenses

### Accounting Policy

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

Account	Actual 2023/24	Actual 2022/23
<b>Other Expenses</b>		
Kaihautū/Māori development	\$38,942	\$29,562
Research	\$298,501	\$189,777
Marketing & Communications	\$2,130,709	\$1,721,153
Retirement Villages	\$44,231	\$39,478
Review of Retirement Income Policy	\$103,245	\$96,695
<b>Total Other- Expenses</b>	<b>\$2,615,628</b>	<b>\$2,076,665</b>

## Note 6 – Personnel Costs

### Breakdown of personnel costs and further information

Personnel Costs	Note	Actual 2023/24	Actual 2022/23
Salaries and Wages		\$4,619,780	\$4,674,505
Employer Contributions to Superannuation Schemes		\$276,652	\$279,244
Increase/(Decrease) in Employee Entitlements	14	\$12,555	\$66,314
		<b>\$4,908,987</b>	<b>\$5,020,063</b>
ACC Levies		\$8,093	\$8,270
Professional Development, Subscriptions, Training, & Miscellaneous		\$137,764	\$187,620
Contractors and temp staff		\$108,990	\$61,995
Recruitment Costs		\$17,165	\$2,203
<b>Total Personnel Costs</b>		<b>\$5,180,999</b>	<b>\$5,280,151</b>

For further information regarding employee remuneration refer to Section 2 'Year in review' on page 36

## Note 7 – Operating Leases

### Accounting Policy

#### Operating Leases

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

Commitments existing for non-cancellable operating leases as follows:

Operating Leases	Actual 2023/24	Actual 2022/23
Not later than one year	\$282,344	\$286,092
Later than one year and not later than five years	\$403,211	\$473,976
Later than five years	\$0	\$0
<b>Total Operating Leases</b>	<b>\$685,555</b>	<b>\$760,068</b>
Auckland Office Lease	\$444,375	\$437,808
Auckland Carpark Lease	\$25,867	\$25,485
Photocopier Lease	\$2,057	\$9,352
Hamilton Desk Lease	\$6,321	\$8,580
Tauranga Desk Lease	\$1,395	\$2,534
Wellington Office Lease	\$205,540	\$276,309
<b>Total Operating Leases</b>	<b>\$685,555</b>	<b>\$760,068</b>

On 1 November 2020 the Commission leased new premises in Auckland for an initial term of five years with one right of renewal for another five years. During the Fy2023/24 year a one year extension of the initial term was executed, giving a final expiry date of 31 October 2031.

Operating lease commitments include a photocopier lease of an estimated \$7,482 per annum which expires on 9 October 2024.

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

The Commission has entered into a memorandum of understanding (MOU) with Te Puni Kōkiri in which they co-share the premises and pay an annual rent including proportionate costs per month. The lease expires after September 2025. The MOU includes a two-month break clause, therefore only the two month period is included in the above table. Effective 1 July 2024, the Commission has reduced this lease from two desk spaces to one desk space, resulting in a lower operating lease commitment at the end of 2023/24.

The Commission entered into a 12-month lease of two desks in Hamilton which commenced January 2024.

On 1 April 2023 the Commission entered into a contract to lease a premise in Wellington for a term of 4 years.

#### Lease Incentives

As part of the agreement to lease its Auckland offices, 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.

## Note 8 – Cash and Cash Equivalents

### Accounting Policy

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

### Breakdown of Cash and Cash Equivalents

	Actual 2023/24	Actual 2022/23
Cheque & Savings Account	\$728,197	\$320,845
<b>Total Cash and Cash Equivalents</b>	<b>\$728,197</b>	<b>\$320,845</b>

While cash and cash equivalents at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.



## Note 9 – Receivables

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

Receivables	Actual 2023/24	Actual 2022/23
<b>Receivables from the sale of goods and services (exchange transactions)</b>		
Aged receivables	\$56	\$54,718
Accrued interest	\$74,125	\$22,238
Debtor accrual	\$0	\$0
<b>Total Receivables</b>	<b>\$74,181</b>	<b>\$76,956</b>

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

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

Aged Receivables Past Due Days	Actual 2023/24	Actual 2022/23
Current	\$56	\$54,085
< 6 months	\$0	\$633
6 months - 1 year	\$0	\$0
1 - 2 years	\$0	\$0
> 2 years	\$0	\$0
Estimates of Losses	\$0	\$0
Impaired Credit Loss	\$0	\$0
<b>Total Aged Debtors</b>	<b>\$56</b>	<b>\$54,718</b>

All receivables greater than six months in age are considered to be past due. The Commission has assessed that no credit loss allowance is required for 2023/24 (2022/23: \$nil) under PBE IPSAS 41.

## Note 10 – Term Investments

### Accounting policy

#### Bank term deposits

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

#### Term deposits

The Commission considers there has not been a significant increase in credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments. No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for credit losses is trivial. The carrying amounts of term deposits with maturities of 12 months or less approximate their fair value.

# Property, Plant & Equipment and Intangible Assets

## Note 11 – Property, Plant & Equipment

### Accounting policy

Property, plant, and equipment consists of five asset classes (Leasehold Improvement, Furniture and Fittings, Office equipment, Computer Equipment and Telecommunications), which are all measured at cost less accumulated depreciation and impairment losses.

### Additions

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

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

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

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to 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.

### Disposals/Capitalisation

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue & Expenses.

### Depreciation

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

Telecommunications	3.3 years	30%
Furniture & Fittings	3.3- 11.8 years	8.5% – 30.0%
Computer Equipment	1.33 – 5.8 years	17.5% – 75.42%
Office Equipment	2.8 – 10.4 years	9.6% – 36.0%
Leasehold Improvements	2.58- 5 years	20.0% – 38.71%

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

## Impairment of Property, Plant & Equipment

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

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

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

## Critical accounting estimates and assumptions

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

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed and adjusted if applicable. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Commission. An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The Commission minimises the risk of this estimation uncertainty by:

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

The Commission has not made significant changes to past assumptions concerning useful lives and residual values.

Property, Plant & Equipment	Leasehold Improvements	Furniture & Fittings	Computer Equipment	Telecommunications	Office Equipment	Total
<b>Gross Carrying Amount</b>						
Balance at 1 July 2022	\$224,495	\$162,950	\$264,695	\$22,318	\$69,410	\$743,868
Additions	\$2,333	\$5,583	\$13,255	\$0	\$2,026	\$23,197
Disposals	(\$9,679)	\$0	(\$23,233)	\$0	(\$1,614)	(\$34,527)
<b>Balance at 30 June 2023</b>	<b>\$217,149</b>	<b>\$168,533</b>	<b>\$254,717</b>	<b>\$22,318</b>	<b>\$69,822</b>	<b>\$732,539</b>
Additions	\$0	\$0	\$0	\$0	\$0	\$0
Disposals	\$0	\$0	(\$1,811)	\$0	\$0	(\$1,811)
<b>Balance at 30 June 2024</b>	<b>\$217,149</b>	<b>\$168,533</b>	<b>\$252,906</b>	<b>\$22,318</b>	<b>\$69,822</b>	<b>\$730,728</b>
<b>Accumulated Depreciation</b>						
Balance at 1 July 2022	\$72,452	\$46,099	\$202,776	\$10,057	\$69,293	\$400,677
Depreciation Expense	\$46,323	\$16,530	\$40,118	\$6,695	\$220	\$109,887
Elimination on Disposal	(\$5,646)	\$0	(\$23,233)	\$0	(\$1,614)	(\$30,493)
<b>Balance at 30 June 2023</b>	<b>\$113,130</b>	<b>\$62,629</b>	<b>\$219,661</b>	<b>\$16,752</b>	<b>\$67,899</b>	<b>\$480,071</b>
Depreciation Expense	\$44,581	\$16,649	\$28,459	\$4,815	\$608	\$95,112
Elimination on Disposal	\$0	\$0	(\$1,811)	\$0	\$0	(\$1,811)
<b>Balance at 30 June 2024</b>	<b>\$157,711</b>	<b>\$79,278</b>	<b>\$246,309</b>	<b>\$21,567</b>	<b>\$68,507</b>	<b>\$573,372</b>
<b>Carrying Amount</b>						
<b>At 30 June 2022</b>	<b>\$152,043</b>	<b>\$116,851</b>	<b>\$61,919</b>	<b>\$12,261</b>	<b>\$117</b>	<b>\$343,191</b>
<b>At 30 June 2023</b>	<b>\$104,019</b>	<b>\$105,904</b>	<b>\$35,056</b>	<b>\$5,566</b>	<b>\$1,923</b>	<b>\$252,468</b>
<b>At 30 June 2024</b>	<b>\$59,438</b>	<b>\$89,255</b>	<b>\$6,597</b>	<b>\$751</b>	<b>\$1,315</b>	<b>\$157,356</b>

## Capital Commitments

There are no property plant and equipment capital commitments at 30 June 2024 (2022/23: \$Nil).

## Note 12 – Intangible Assets

### Accounting policy

#### Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

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

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

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

### Amortisation

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

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

Websites	2.5 years	40%
Software	2.5 years	40%

### Impairment of Intangible Assets

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

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

## Critical accounting estimates and assumptions

### Estimating useful lives of software assets

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

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

### Breakdown of intangible assets and further information

Intangible Assets	Websites	Computer Software	Capital work in progress	Total
<b>Gross Carrying Amount</b>				
Balance at 1 July 2022	\$1,560,837	\$38,974	\$0	\$1,599,811
Additions	\$209,837	\$0	\$31,815	\$241,652
Disposals	(\$50,370)	\$0	\$0	(\$50,370)
<b>Balance at 30 June 2023</b>	<b>\$1,720,304</b>	<b>\$38,974</b>	<b>\$31,815</b>	<b>\$1,791,093</b>
Additions	\$253,594	\$0	\$20,350	\$273,944
Disposals/capitalisation	(\$148,958)	\$0	(\$31,815)	(\$180,773)
<b>Balance at 30 June 2024</b>	<b>\$1,824,940</b>	<b>\$38,974</b>	<b>\$20,350</b>	<b>\$1,884,264</b>
<b>Accumulated Depreciation</b>				
Balance at 1 July 2022	\$1,239,800	\$36,196	\$0	\$1,275,996
Amortisation Expense	\$187,479	\$2,778	\$0	\$190,257
Elimination on Disposal	(\$50,370)	\$0	\$0	(\$50,370)
<b>Balance at 30 June 2023</b>	<b>\$1,376,909</b>	<b>\$38,974</b>	<b>\$0</b>	<b>\$1,415,883</b>
Amortisation Expense	\$235,880	\$0	\$0	\$235,880
Elimination on Disposal	(\$148,958)	\$0	\$0	(\$148,958)
<b>Balance at 30 June 2024</b>	<b>\$1,463,831</b>	<b>\$38,974</b>	<b>\$0</b>	<b>\$1,502,805</b>
<b>Carrying Amount</b>				
<b>At 30 June 2022</b>	<b>\$321,037</b>	<b>\$2,778</b>	<b>\$0</b>	<b>\$323,815</b>
<b>At 30 June 2023</b>	<b>\$343,395</b>	<b>\$0</b>	<b>\$31,815</b>	<b>\$375,210</b>
<b>At 30 June 2024</b>	<b>\$361,109</b>	<b>\$0</b>	<b>\$20,350</b>	<b>\$381,459</b>

## Capital Commitments

At 30 June 2024 the Commission has \$77,345.26 of intangible capital commitments which relate to work in progress at year end, these are contracted to be completed in FY24 (2022/23: \$30,650). \$51,907.76 relates to a calculator tool for our Sorted website. \$25,437.50 relates to a rebuild of our Retirement Villages Complaint Management portal.

## Note 13 – Creditors and Other Payables

### Amortised cost financial liabilities

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

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

#### Breakdown of payables

	Actual 2023/24	Actual 2022/23
<b>Payables under exchange transactions</b>		
Accrued Expenses and Other Payables	\$57,072	\$60,278
Trade Creditors	\$361,462	\$226,104
<i>Total payables under exchange transactions</i>	<b>\$418,534</b>	<b>\$286,382</b>
<b>Total payables</b>	<b>\$418,534</b>	<b>\$286,382</b>

In line with PBE IPSAS 41, Accrued expenses and Other Payables and Trade Creditors have been classified as exchange transactions.

## Note 14 – Employee Entitlements

### Accounting policy

#### Short-term employee entitlements

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

#### Presentation of employee entitlements

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

Breakdown of Employee Entitlements	Actual 2023/24	Actual 2022/23
<b>Current portion</b>		
Accrued Salaries and Wages	\$95,493	\$93,515
Accrued Annual Leave	\$259,723	\$249,146
<i>Total current portion</i>	<b>\$355,216</b>	<b>\$342,661</b>
<b>Total Employee Entitlements</b>	<b>\$355,216</b>	<b>\$342,661</b>

## Note 15 – Contingencies

There are no contingent assets or liabilities at reporting date (2022/23: \$Nil)

## Note 16 – Related Parties Transactions

The Commission is controlled by the Crown.

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

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favorable than those that it is reasonable to expect the Commission would have adopted in dealing with the party at arms length in the same circumstances.

Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

## Related Party Transactions Required to be Disclosed

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

## Key Management Personnel Compensation

Key management personnel include the Retirement Commissioner and five members of the Executive Leadership Team (Prior to January 2023, Retirement Commissioner and six members).

Key Management Personnel	Actual 2023/24	Actual 2022/23
Remuneration	\$1,266,017	\$1,385,699
Contributions to defined contribution plans	\$73,044	\$79,576
Full-Time Equivalent Staff	5.71	6.17



## Note 17 – Financial Instruments

### Financial Instrument Categories

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

Financial Assets and Liabilities	Actual 2023/24	Actual 2022/23
<b>Financial Assets measured at amortised cost</b>		
Cash and Cash Equivalents	\$728,197	\$320,845
Term Investments	\$2,760,865	\$3,200,000
Receivables	\$74,181	\$76,956
<b>Total Loans and Receivables</b>	<b>\$3,563,243</b>	<b>\$3,597,801</b>
<b>Financial Liabilities measured at amortised costs</b>		
Creditors and Other Payables	\$418,534	\$286,382
<b>Total Financial Liabilities</b>	<b>\$418,534</b>	<b>\$286,382</b>

The Commission has access to business credit card facilities of up to \$100,000 with Westpac Bank. At 2023/24 \$25,000 of this facility is in use. We also have a Payroll Credit line of \$39,000 (unused in both 2022/23 and 2023/24).

## Note 18 – Events after Balance Date

There were no significant events after the balance date.

## Note 19 – Explanation of Major Variances (+/- \$25,000) against Budget

### Statement of Comprehensive Revenue & Expenses

Explanation of major variances from the Commission's budgeted figures in the Statement of Performance Expectations are as follows:

The Commission posted a deficit of \$343,626 against a budgeted deficit of \$1,179,732 for the year ended 30 June 2024. We deliberately began reducing expenditure once the Government signalled that funding reductions were required. This meant we ran a smaller deficit than originally planned, in order to slow the pace at which we deplete our cash reserves, and assisted us in reducing the impact on our organisation's outputs.

- Revenue from interest is \$92,399 more than budgeted due to term investments having balances and interest rate returns higher than anticipated.
- Other Exchange Revenue is \$61,308 more than budgeted due to funding agreements with Te Puni Kokiri and Inland Revenue which were secured post budgeting.
- Personnel Costs are \$370,483 less than budgeted due to turnover, not filling two roles that became vacant, and spending less on employee professional development than budgeted.

**Other operating costs, Financial Capability Activities and other expenses were \$302,193 less than budgeted. Major variances within other operating costs are detailed below.**

- Education (Schools) is \$27,381 higher than budgeted due to spend on an education campaign with Inland Revenue which wasn't known at time of budgeting. This expenditure has also resulted in an increase in revenue compared to budget.
- National Strategy for Financial Capability is \$71,957 less than budgeted due to not spending on external consultants for industry outreach work, and not running a National Strategy specific social media campaign as originally budgeted.
- Pacific Pathways to Homeownership is \$87,396 less than budgeted due to additional delivery taking place later in 2024 than planned.
- Māori Development is \$136,058 less than budgeted due a focus on reducing our expenditure on consultants and staff cultural capability training being conducted internally.
- Variances between the Budget figures presented in the Financial Statements and the Forecast figures in the 2023/24 Statement of Performance Expectations are due to different classifications.

## Statement of Financial Position

Overall Cash and Cash Equivalents and Term Investments are \$919,363 higher than budgeted. The main driver was a deficit of \$343,626 against a budgeted deficit of \$1,179,732.

- Intangible Assets are \$47,324 higher than budgeted, due to more investment in website assets than originally budgeted in order to ensure our website assets are secure and relevant.
- Creditors and other Payables is \$41,370 higher than budgeted due to invoices received after year end for work completed before 30 June.
- Revenue received in advance is \$42,957 higher than budgeted due to a project with Inland Revenue that was not contracted at time of budgeting.

## Statement of Cash Flows

Cash provided from term deposits is \$1,200,000 less than budgeted due to funds remaining invested in term deposits throughout the year.

# He Mahere Tāngata

## Directory

### Our team (as at October 2024)

#### Jane Wrightson

Retirement Commissioner

#### Nick Thomson

Chief Operating Officer

Gemma Fulton – Finance Lead

Shristi Singh – Assistant Accountant

Nick Beard – Business Lead

Rebecca Jenner – Performance  
Accountability Specialist

Sian Jones – Business Administrator

Susie Sims – People Lead

#### Dr Patrick Nolan

Director, Policy and Research

Dr Jo Gamble – Research Lead

Ben King – Financial Research  
Specialist

Dr Michelle Reyers – Policy Lead

Tristan Fluerty – Retirement  
Villages Specialist

Dr Jordan King – Policy Specialist

#### Anika Forsman

Director, Stakeholder and Communications

Tom Hartmann – Personal Finance Lead

Elizabeth O'Halloran – Communications Lead

Philippa Prentice – Communications  
Specialist

Kate Hannah – Stakeholder Lead

Ana Tu'inukuafe – Stakeholder Specialist

Natalie Palmer – Stakeholder Specialist

#### Erin Thompson

*Ngāti Rangiwewehi, Ngāi Tāmanuhiri,  
Ngaati Tiipa*

Kaihautū / Director, Māori and Learning

Yasmin Frazer – Learning Lead

Claire Bailey – Learning Specialist

Su Min Ahn – Learning Specialist

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

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

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

Lexia Hansen – Māori and Learning  
Administrator

#### Vanessa Morris

Director, Marketing

Penny Lockwood – Marketing and  
Content Lead

Natasha Lavulavu – Marketing Specialist

Katie Houlihan – Marketing Specialist

Mike Crozier – Graphic Designer

Jason Gambitsis – Digital Assets Lead

Dikshi Bhutani – CRM and  
Analytics Specialist

Morgan Martin – Digital Channels Specialist

Devon Connelly – Marketing Administrator



## Te Ara Ahunga Ora Retirement Commission

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[retirement.govt.nz](http://retirement.govt.nz) [sorted.org.nz](http://sorted.org.nz) [sortedinschools.org.nz](http://sortedinschools.org.nz)



