



**TE ARA
AHUNGA ORA**
Retirement Commission

**Te Tauākī Koronga mō ngā
Mahi kia Tutuki**
**Statement of Performance
Expectations**

FOR THE YEAR ENDING 30 JUNE 2025





TOITŪ



ISO 14064-1
ORGANISATION

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

Ngā Ihirangi

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



Te Tauākī haepapa

Statement of responsibility

This Statement of Performance Expectations (SPE) reflects the proposed performance targets and forecast financial information for Te Ara Ahunga Ora Retirement Commission. It is produced in accordance with s149E of the Crown Entities Act 2004.

This SPE covers a one-year period from 1 July 2024 to 30 June 2025 and should be read in conjunction with Te Ara Ahunga Ora Retirement Commission's Statement of Intent (SOI) 2023-2026.

Our Crown funding is received as a single appropriation – Commerce and Consumer Affairs: Retirement Commissioner.

The forecast financial statements and underlying assumptions in this document have been authorised by the Retirement Commissioner in her role under the Crown Entities Act 2004. It is not intended to update the forecast financial statements subsequent to presentation.



A handwritten signature in black ink, consisting of a stylized, cursive script that appears to read 'Jane Wrightson'.

Jane Wrightson

Mana Ahungarua
Retirement Commissioner

30 June 2024

The Retirement Commissioner's role was first established under the Retirement Income Act 1993 and continued under the New Zealand Superannuation and Retirement Income Act 2001 which sets out the Commissioner's functions, powers and duties. The Retirement Commissioner is appointed by the Minister of Commerce and Consumer Affairs and is an Autonomous Crown Entity under the Crown Entities Act 2004.

Tirohanga Whānui

Overview

What we do

Te Ara Ahunga Ora Retirement Commission is an autonomous Crown entity, focused on improving financial futures in Aotearoa New Zealand so people can enjoy a better retirement.

We are a small organisation with a broad mandate, taking a long-term and holistic view to retirement-related issues. Our main funding is from the Government and a small amount comes from delivering financial education programmes in workplaces and communities. Our monitoring agency is the Ministry of Business, Innovation and Employment (MBIE).

Our work is grouped into three focus areas aligned with our statutory responsibilities as set out in the New Zealand Superannuation and Retirement Income Act 2001 and the Retirement Villages Act 2003. These areas are:

Moniwhiwhi Ahungarua

Retirement Income

We provide research and analysis to the Government to help them make informed decisions about providing good standards of living for people as they age, now and in the future. We use this evidence to advocate for a stable retirement income system, encouraging informed debate on key issues and ensuring the voices of those disproportionately worse off are heard.

Papakāinga Ahungarua

Retirement Villages

We monitor the retirement village regulatory framework on behalf of the Government and report on trends. We identify issues and look for ways to tackle them through sector-wide and government collaboration.

We provide consumers with impartial and easy-to-understand information so they can make the best decisions for themselves on retirement village living.

Oranga Ahumoni

Financial Wellbeing

We lead the National Strategy for Financial Capability and encourage a joined-up approach with financial services sector partners to work together on financial wellbeing initiatives.

We provide financial information and education through Sorted to people of all ages to help them feel confident to make good decisions around money, so they arrive at retirement in the best possible financial position. We give particular focus to Māori, Pacific Peoples, women and young people, because for a number of reasons, outcomes for many in these cohorts are poorer.

Scope of appropriation

Te Ara Ahunga Ora has a single appropriation and output class: Retirement Services. As encapsulated in the three focus areas, our statutory responsibilities include:

- Improving financial capability
- Raising public understanding and reviewing effectiveness of retirement income policies, and
- Monitoring the retirement villages operating framework.

See also the Reporting Entity information in the Statement of Underlying Assumptions.



He mihi nā Te Mana Ahungarua

Introduction from the Retirement Commissioner

Pathway to a better retirement

At Te Ara Ahunga Ora Retirement Commission we aim to improve the financial futures of New Zealanders and advocate for a long-term stable and principled system, so a better retirement is enjoyed by all.

Te Ara Ahunga Ora translates to the ‘pathway to developing long-term wellbeing’, and when combined with the Retirement Commission, reflects the different journeys we take towards retirement and our core purpose.

But we know getting to a ‘better’ retirement is not easy. We’re living in tough times and New Zealanders face growing uncertainty. The economic climate, uncertain geopolitical environment and the changing needs of our population are putting pressure on our wallets and our wellbeing – and ultimately, this makes preparing for later life even tougher.

Our own consumer research shows that more than half of New Zealanders are struggling with their financial situation, and these numbers have been steadily increasing the last few years. Women, Māori and Pacific Peoples are being hit the hardest, with 59% of women saying they are in a difficult position financially (compared to 51% of men) and 59% of Māori and 75% of Pasifika also struggling.

Te huarahi ki te ahungarua pai ake

E whai ana mātou i Te Ara Ahunga Ora ki te whakapai ake i ngā anamata ahumoni o ngā tāngata o Aotearoa me te kōkiri i tētahi pūnaha mauroa tūwhena, mātāpono hoki, kia pārekareka ai te katoa i te ahungarua pai ake.

Ko te whakamāoritanga o Te Ara Ahunga Ora ko te ‘ara ki te whanake i te oranga mauroa’, otirā ina pahekotia ki te ingoa o te Kōmihana Ahungarua, ka whakaata tēnei i ngā huarahi rerekē o te ahungarua, me te kaupapa matua.

Engari kei te mārama mātou, ehara i te mahi māmā te whai i te ahungarua ‘pai ake’. E taumahatia ana tātou i Aotearoa nei, ā, tipu ana te ngākaurua. Kei te pēhia ō tātou pūkoro me te oranga e te ao ōhanga, te pāhekeheke o te taiao tōrangapū ā-whenua me te hurihanga o ngā matea o te taupori - ā, ka uua ake te whakarite mō te wā o te ahungarua.

E whakaatu ana hoki ā mātou ake rangahau kiritaki, he neke atu i te haurua ngā tāngata o Aotearoa e okeoke ana i te taha pūtea, ā, kei te piki haere ēnei tauranga. Ko ngā Wāhine, te Māori me ngā Iwi o Te Moana-nui-a-Kiwa kei te rongo i te taumaha, arā he 59% ngā wāhine e kī ana he uua te tūnga pūtea (taurite kite 51% o ngā tāne) me te 59% o te Māori, me te 75% o ngā iwi Pasifika e okeoke ana.

Tomorrow's retirees will look different from today's

Currently, NZ Super is the sole income for 40% of retirees, with another 20% only having a little more. When NZ Super was introduced, it was with the underlying assumption that those accessing it would be mortgage-free homeowners or have secure, affordable public housing. Now, the reality is very different with declining homeownership rates, more people needing to work longer because they have mortgages, are paying rent or haven't been able to save enough to retire.

Long-term the balance of homeownership is expected to shift to 60% homeowners and 40% paying rent. By 2048, this 40% will equate to up to 600,000 people. It's unclear how the decline in homeownership and higher housing costs will impact people's ability to save for retirement, either through KiwiSaver or as private savings. We do know NZ Super provides certainty of income despite the lack of certainty we have over how long we will live, and it enables people to focus on other areas of retirement living.

Our operating environment

We acknowledge the fiscal constraints faced by the Government, and the need to find savings in our operations despite not having an increase to our baseline since 2016.

We have taken a broad approach to find savings over the coming year to reduce work across Te Ara Ahunga Ora rather than stopping entire programmes so we can deliver our key statutory functions and responsibilities.

As a result, we are spending less on research and marketing of the Sorted brand. We will not create as much new content as we usually do. We'll shift some annual programmes to a biennial cycle, including hosting the conference for National Strategy for Financial Capability partners every two years, and undertaking the external evaluation of Sorted in Schools.

Overall, the savings identified carry some risks to the Retirement Commission's ability to carry out its current work programme and impact on the performance of frontline activity, such as the Sorted website, Sorted in Schools and other activities encouraging individual preparation for retirement.

Ka rerekē te āhua o te hunga ahungarua o āpōpō ki ō tēnei rā

I tēnei wā, ko te Penihana Kāwanatanga anake te moni a te 40% o te hunga ahungarua, ā, he 20% o rātou, he iti noa te pūtea āpiti. I te wā i tīmatahia te Penihana Kāwanatanga, ko te pōhēhē i taua wā, ka noho te hunga penihana hei kaipupuri whare mōkete-kore, kei te noho rānei ki ngā whare tūmatanui ngāwari te utu. Ināianei, he tino rerekē te āhuatanga, kua heke te hunga pupuri whare, he nui ake te hunga mahi roa na te mōkete, te utu rēti, kāore rānei i nui rawa te penapena mō te wā ahungarua.

Ko te matapae tauroa ka neke te hunga pupuri whare ki te 60%, ā, ka 40% te hunga e rēti ana. Hei te 2048, ka eke te 40% nei ki te 600,000 tāngata. He rehurehu tonu te pānga o te hekenga o te hunga pupuri whare me te nui ake o ngā utu whare i te āhei o te tangata ki te penapena mō te wā ahungarua, ahakoa mā te KiwiSaver, ngā penapena tūmataiti rānei. Ko te mea e mōhio ana mātou, he whiwhinga moni tūturu te Penihana Kāwanatanga ahakoa tē mōhio ki te roa o te wā ora o te tangata, otirā nā tēnei pūtea e āhei ai te tangata ki te aro ki ētahi atu mahi i te wā o te ahungarua.

Tō mātou taiao mahi

Kei te mōhio mātou ki ngā herenga ā-pūtea kei runga i te Kāwanatanga, ā, me te hiahia ki te penapena i ā mātou mahi, ahakoa kāore i piki ā mātou pūtea paepito mai i te tau 2016.

Kua whāia e mātou tētahi tikanga whānui ki te kimi wāhi penapena hei tēnei tau, hei whakaiti i ngā mahi puta noa i Te Ara Ahunga Ora, kua ko te haukotu i te katoa o tētahi hōtaka, kia pai tonu ai te kawae i ngā mahi me ngā haepapa matua.

Ko te hua o tēnei, he iti ake ngā whakapaunga ki ngā mahi rangahau me ngā whakatairanga i a Sorted. Kua kore e nui tā mātou waihanga kaupapa hou, pērā i mua. Ka nekehia ētahi o ngā hōtaka ā-tau, hei hōtaka ā-taurua, pēnei i te whakahaere i te hui taumata o Te Rautaki ā-Motu mō te Āheitanga Ahumoni i ia rua tau, me te whakahaere i te arotake ā-waho o Te Whai Hua, Kia Ora, Sorted in Schools.

Ina titiro whānui koe, he mōrearea kua tautohua i roto i ngā penapenatanga, ki te āhei a Te Ara Ahunga Ora ki te kawae i āna hōtaka mahi, otirā ka pā kinotia ngā kawenga mahi aroākapa, pēnei i te paetukutuku o Sorted, a Te Whai Hua, Kia Ora, me ētahi atu mahi e akiaki ana i te takatūtanga mō te ahungarua.

The year ahead

This Statement of Performance Expectations (SPE) outlines our objectives for 2024/25 and some of the key activities we will take. It aligns with our long-term vision and purpose and supports the Minister's Letter of Expectations. This is the second SPE aligned to our Statement of Intent 2023-2026.

We will continue to advise the Government on retirement income issues, giving particular focus this year to KiwiSaver through further research. Preparations will also begin to deliver the Review of Retirement Income Policies in 2025.

Despite operating with a leaner budget, we will continue providing young people with high-quality financial education through Te whai hua - kia ora, Sorted in Schools. Our resources are used in more than 70% of secondary schools and kura and we will be helping teachers make better use of these through more support and professional development opportunities.

As requested in the Minister's Letter of Expectations, we will investigate whether a coordinated sector approach to how financial education is rolled out across New Zealand schools is feasible. To do this effectively, we also need active support from the Minister of Education and her Ministry. As it stands there is no clear mandate to teach financial education in schools in what is already a busy curriculum, and there's generally a haphazard approach when it is used. This lack of clear leadership makes it challenging to have maximum impact in schools and the uptake varies from school to school and region to region. It's critical that all young people can access financial education and the most equitable solution is that this happens at school.

We will keep providing adults with independent and useful financial information and tools through the Sorted website which attracts more than two million visits annually and continue Sorted's workplace and community programmes.

It will be more important than ever to keep motivating the financial capability sector to work together to lift impact through our leadership of a new National Strategy for Financial Capability. I am delighted that the previous three-year strategy and action plan delivered such concrete results.¹ A new three-year action plan will outline activities for the industry to help New Zealanders grow their money and build resilience for the unexpected.

¹ TAAO-National-Strategy-Annual-report-22-23_3.pdf (retirement.govt.nz)

Te tau kei mua

Ka whakatakoto tēnei Tauākī whāinga mahi (SPE) i ō mātou whāinga mō te 2024/25 me ētahi o ā mātou mahi matua. Ka hāngai tēnei ki tō mātou matawhānui tauroa me te kaupapa, ā, ka tautoko hoki te Reta Kawataua a te Minita. Koinei te SPE tuarua e hāngai ana ki tā mātou Tauākī whakamunga 2023-2026.

Ka haere tonu ā mātou mahi tuku tohutohu ki te Kāwanatanga ki ngā take moni ahungarua, me te aro i tēnei tau ki te KiwiSaver, mā roto i ngā rangahau me ngā whakaritenga kia tīmataria te kawenga o te Arotake i ngā Turehere Moniwhiwhi Ahungarua hei te Tihema 2025.

Ahakoā ngā mahi me te pūtea iti ake, ka whakarato tonu mātou i ngā mātauranga ahumoni kounga nui ki ngā rangatahi mā roto i a Te Whai Hua-Kia Ora, Sorted in Schools. Whakamahia ai ā mātou rauemi i roto i ngā kura tuarua 70% o te motu, ā, ka āwhina tonu i ngā kaiako ki te whakamahi i ēnei rauemi mā te tautoko me ngā āheinga akoranga ngaio.

Ka tiroirohia e mātou mēnā he whaihua te whakahaere i tētahi tikanga ruruku rāngai-whānui ki te whakaputa i te mātauranga ahumoni puta noa i ngā kura o Aotearoa. I tēnei wā, kāore he tohutohu mārama ki te whakaako i te mātauranga ahumoni ki ngā kura, otirā kua pōkea kē te marautanga, ā, he hāpūpū hoki te huarahi whakaako i te wā ka whakamahia. Nā te kore e mārama o ngā tohutohu, he uaua te whaihua nui i roto i ngā kura, otirā he rerekē te kawenga o ia kura, o ia rohe hoki i ngā mahi. He mea waiwai hoki kia whai wāhi ngā rangatahi katoa ki te mātauranga ahumoni, ā, ko te whakautu tautika rawa, kia mahia tēnei i rō kura.

Ka haere tonu ā mātou mahi ki te whakarato i ngā mōhiohio ahumoni motuhake, whitake hoki ki ngā pākeke, me ngā taputapu hoki mā te paetukutuku o Sorted, e whakamanea ana i te rua miriona toronga i ia tau, ā, me te kawē tonu i ngā hōtaka wāhi mahi, ā-hapori hoki a Sorted.

Ka nui ake te hiranga ki te whakaohooho i te rāngai āheinga ahumoni kia mahitahi, hei hiki i te pānga o ngā mahi, mā roto i tō mātou hautūtanga o tētahi Rautaki ā-Motu hou mō te Āheinga Ahumoni. Nōku te hari nui i puta ai ngā hua ōkiko o te rautaki toru tau o mua me te mahere mahi hoki. Ka whakatakotoria e te mahere mahi toru tau hou i ngā mahi hei whai mā te ahumahi hei āwhina i a Aotearoa ki te whakarea i ā rātou moni, otirā kia manawaroa ake ki ngā take ohorere.

We will continue our responsibilities monitoring retirement villages complaints and disputes, ensuring fair and transparent practices and protecting the rights and interests of residents and operators. We look forward to the outcomes of the review of the Retirement Villages Act 2003 currently underway, and hope the changes take place within the first term of this Government.

As Retirement Commissioner, I will remain focused on advocating for principled long-term policy stability for KiwiSaver and NZ Super so current and future retirees enjoy a dignified retirement.

Our people

To achieve this work, we need to have a great team, armed with the right technology, systems and processes in place to be as efficient and effective as we can.

We are heading into the second year of our Rautaki Māori Strategy, enhancing our cultural capability journey as an organisation and helping us grow to better understand and honour our obligations around Te Tiriti o Waitangi.

It's another busy year ahead for our small but capable team. We look forward to working with our stakeholders, partners and customers to deliver on our annual operating plan and improve the financial futures of New Zealanders.

Ka haere tonu ā mātou mahi aroturuki i ngā amuamu me ngā tohe a ngā whare kaumātua, kia tōkeke, kia pūahoaho hoki ngā mahi, me te tiaki i ngā motika me ngā aronga o ngā kainoho me ngā kaiwhakahaere. E whakamānawatia ana e mātou ngā putanga o te arotake ki te ture Retirement Villages Act 2003, me te tūmanako anō ka mana ngā whakahoutanga hei te wāhanga tuatahi o tēnei Kāwanatanga.

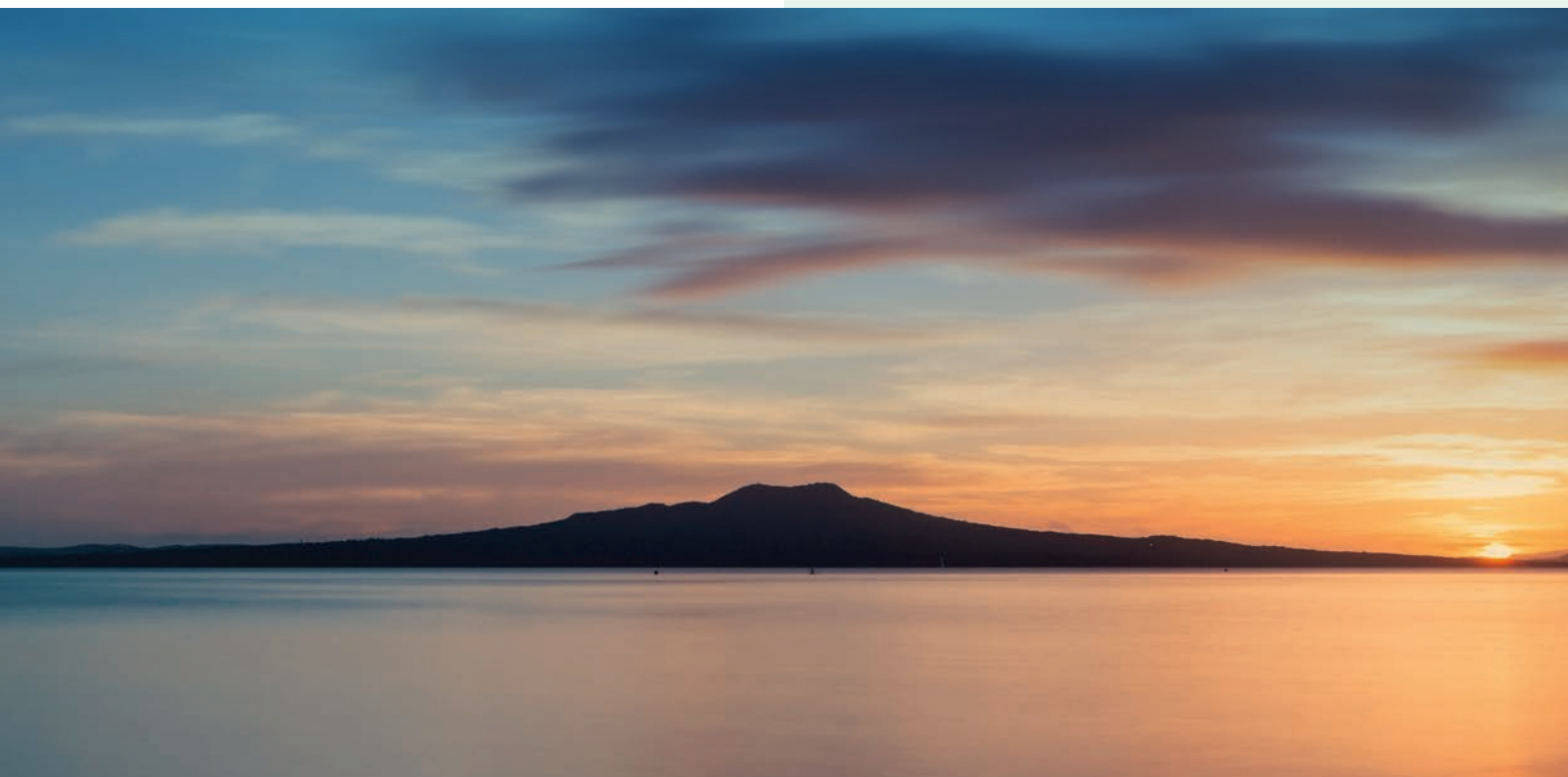
Hei Mana Ahungarua, ka mau tonu aro ki te kōkiri i tētahi turehere tauroa, ā-mātāpono, tūwhena hoki mō te KiwiSaver me te Penihana Kāwanatanga, kia hāneanea ai, kia rangatira ai te wā ahungarua, ināianei, i muri nei hoki.

Ā mātou kaimahi

E tutuki ai tēnei mahi, me pakari anō ngā kaimahi, e whiwhi ana i ngā hangarau, ngā pūnaha me ngā tukanga tōtika kia reretahi, kia whaihua hoki ngā mahi.

Ko te tau tuarua tēnei o tā mātou Rautaki Māori, e whakarākei ana i tō mātou huarahi āheinga ahurea hei rōpū whakahaere, ā, me te āwhina i a mātou kia mārāma pai ake ki Te Tiriti o Waitangi, otirā ki te whakatinana hoki i ō mātou takohanga.

He tau pakihi anō tēnei kei mua i tō mātou tira iti, tira pakari hoki. E harikoa ana mātou ki te mahi ngātahi me ō mātou kiripānga, ngā hoa rangapū me ngā kiritaki ki te whakatinana i tō mātou mahere whakahaere ā-tau me te whakapai ake i ngā anamata ahumoni o te iwi o Aotearoa.



He karapa ki te tau kei te tū mai

The year ahead at a glance

Our vision

A better retirement for all

This year we will -



Retirement Income

- Research priority policy areas, including relating to KiwiSaver.
- Begin preparations for the next triennial Review of Retirement Income Policies.
- Continue advocating for a long-term and principled retirement income system.



Retirement Villages

- Monitor complaints made to retirement villages and report on trends and formal complaints raised.
- Conduct an annual investigation relating to retirement villages.
- Continue advocating for a satisfactory conclusion to the Government's review of the retirement villages' legal framework.



Financial Wellbeing

- Launch the next National Strategy for Financial Capability and three-year industry action plan.
- Maintain brand awareness for Sorted and execute initiatives for Sorted priority audiences, including for Māori.
- Build stronger relationships with teachers using Sorted in Schools through more professional development opportunities and support.



Organisational Health and Capability

- Continue fostering a collaborative and inclusive culture where everyone's contribution is valued.
- Continue to roll out the Rautaki Māori Strategy and action plan.
- Provide technology, policies and processes that support our ability to collaborate and maintain a high level of security.

Tā mātou whakatutuki mahi

Our strategic framework

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



OUR VALUES



He arotahinga tāngata

Who we focus on







To help us focus on where best to target consumer-facing effort and resources we use an audience segmentation model based on our consumer research.

We target the 'exposed' group through Sorted – the social spenders, active budgeters and aspirational acquirers – because these segments are both in need of information and encouragement and also have the means to act. We give particular focus to Māori, Pacific Peoples, women and young people.

We also use these six segments in our policy work to focus activity, and to encourage National Strategy partners to focus and coordinate their work.

- Daily distressed: financially stretched, no savings, unable to plan ahead
- Social spenders: spend more than they earn, generous, spontaneous
- Active budgeters: conscientious spending, unlikely to own home, focus on family
- Aspirational acquirers: enjoys their money, less thought to saving, relatively high income
- Steady squirrelers: financially comfortable, cautious about both saving and spending
- Comfortable maintainers: good personal savings, fewer unproductive financial products

New Zealanders segmented

In difficulty	Exposed				Secure	
	Policy focus NZ Super, KiwiSaver, Saving				Policy focus Saving, Decumulation, Retirement Villages	
 Daily Distressed 12%	 Social Spenders 11%	 Active Budgeters 21%	 Aspirational Acquirers 10%	 Steady Squirrelers 37%	 Comfortable Maintainners 9%	
	Sorted focus					
Sector collaboration - National Strategy for Financial Capability partners						

Ko wai mātou e mahi tahi ana

Who we work with

Our mandate is broad, yet we are a small organisation. To maximise the impact of our work, we focus on collaborating, connecting and informing many different government agencies and other non-government organisations. We carefully align our work to avoid unnecessary duplication and improve effectiveness.

We work with various stakeholders, such as policymakers, regulators, industry, researchers, teachers and community groups, to improve the retirement income system, the retirement villages operating framework and the financial capability of New Zealanders. In recent years, this has included partnering with Inland Revenue, Te Puni Kōkiri and the Ministry for Pacific Peoples to deliver carefully targeted education programmes and resources. We also work closely with the Ministry for Social Development, MBIE, Treasury, Ministry of Housing and Urban Development and the Office for Seniors to share ideas and information and ensure we add, not duplicate efforts.

Through the National Strategy for Financial Capability we engage with more than 500 partners across the finance sector, including financial mentors, financial advisers, community organisations, iwi, educators, government agencies and the banking and insurance industries. This includes motivating the sector to work together to help New Zealanders grow their money and build resilience for the unexpected.



Te mahi ka mahia e mātou

What we will do

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.

We monitor our performance quarterly, and report on progress against these measures in our Annual Report. We aim to achieve all targets by 30 June 2025.

Strategic objective 1 Retirement Income

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

The table below sets out our annual objectives, and how we will measure progress towards achieving the longer-term outcomes identified in our Statement of Intent (SOI):




SOI outcome	Annual objective	Measures	2024/25 target	2023/24	Verification source
 Trusted information The Government has access to ongoing independent research and analysis on retirement matters	Research priority policy areas, including KiwiSaver, where public data may be limited	% of survey participants agree “research sets the standard for high quality analysis”	70% agree	New measure	Stakeholder survey
		Use research and analysis to explain key challenges facing people in retirement	Media coverage secured for all major studies	Achieve 5 mentions in major NZ media for each major study	Exceeded. At least 5 mentions in major media for the 3 major studies published
 Trusted information Informed debate around retirement issues	Be recognised subject matter experts on retirement issues	All research and analysis shared with relevant stakeholders and published on our website	Publish at least 3 pieces of research	Achieved. 3 pieces of research published	Our website and research completed
		Respondents agree Te Ara Ahunga Ora provides an independent and principled voice ²	70% agree	Achieved	Annual stakeholder survey
 Informed advocacy The Retirement Commission is seen as an independent and principled voice on retirement issues		Provide or initiate media commentary on key retirement issues	Achieve 5 pieces of major media coverage	Exceeded. At least 5 major media pieces published on key retirement issues	Internal media log and media monitoring coverage reports

² Reporting on survey will use a 5-point Likert scale and include overall agreement (combining agree and strongly agree).

Strategic objective 2 Retirement Villages

Retirement village residents and the industry operate within a competent and independent regulatory system.

The table below sets out our annual objectives, and how we will measure progress towards achieving the longer-term outcomes identified in our Statement of Intent (SOI):

SOI outcome	Annual objective	Measures	2024/25 target	2023/24 estimated actual	Verification source
 Trusted information 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	Achieved	Our website and complaints report
	Continue advocating for a conclusion to the Government's review of the retirement villages' legal framework	MHUD review is completed ³	Achieve	New Measure	Internal monitoring Correspondence Website
	Conduct an annual investigation relating to retirement villages	Investigation published and shared with stakeholders, including the Government	Achieve	Achieved	Our website and investigation report
 Trusted information Residents can access a fair and robust disputes process if they need to	Provide residents and their families with informal advice on options for dispute resolution	Te Ara Ahunga Ora provides multiple channels for residents and families to access impartial information and receive informal advice	Achieve	Achieved	Our website CRM
 Trusted information People weighing up retirement village living can access impartial information	Provide residents and their families with 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	Achieved	Our website CRM







³ To note that this measure sits outside of our control but we will continue providing support to MHUD in the form of personnel and information, along with advocating for the review to be completed and legislation updated.

Strategic objective 3 Financial Wellbeing

Financial wellbeing is improved by a successful National Strategy for Financial Capability and engaged and diverse audiences using Sorted.

The table below sets out our annual objectives, and how we will measure progress towards achieving the longer-term outcomes identified in our Statement of Intent (SOI):

SOI outcome	Annual objective	Measures	2024/25 target	2023/24 estimated actual	Verification source
 Collective impact 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 ³	Maintain > 85% agree	Achieved. 85% agree	National Strategy Annual Report Stakeholder survey
		Initiatives are developed for partners to engage and collaborate on	3 initiatives available	Achieved	Working group meeting notes
 Trusted information Sorted content helps improve financial wellbeing	Maintain Sorted brand awareness	Sorted brand awareness is stable	Maintain > 48% brand awareness average	Not achieved. Reached an average of 48% instead of 55% target	Sorted brand tracker
 Trusted information Sorted content helps improve financial wellbeing	Sorted users continue to find the content valuable ⁴	Users of Sorted content agree it is valuable ⁵	Maintain > 85% agree	Achieved	Internal and external evaluations
 Collective impact Financial Education is accessible to young people	Maintain percentage of secondary schools and kura using Sorted in Schools	Secondary schools and kura using Sorted in Schools maintained at >70%	Not applicable (FY25 not a review year)	Achieved	Biennial external evaluation Internal monitoring reports
	Secondary schools and kura teachers are trained to deliver Sorted in Schools	More than 200 teachers/kaiako have completed Sorted in Schools professional learning development (PLD) ⁶	Achieve	New measure	Internal and external monitoring reports
	Secure a MOU with Ministry of Education to coordinate a sector approach to better align financial education in schools	MOU secured Learning framework developed	Achieve	New measure	MOU

³ Reporting on survey will use a 5-point Likert scale and include overall agreement (combining agree and strongly agree).

⁴ Sorted users include website, teachers, and applicable community programme participants.

⁵ Sorted internal and external evaluations use a 6-point Likert scale. Reporting will include overall agreement (combining somewhat agree, agree and strongly agree). Sorted.org.nz evaluation uses a 5-point Likert scale.

⁶ PLD offered by Sorted in Schools include: face to face and remote planning and usage support, webinars, attendance to professional learning sessions and engagement in an external provider programme.




Strategic objective 4 Organisation Health and Capability

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.

Helping us achieve what we set out to do is a great team, where we have the right people, systems and processes in place to ensure we operate effectively as an organisation and deliver on our strategy.

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

The table below sets out our annual objectives, and how we will measure progress towards achieving the longer-term outcomes identified in our Statement of Intent (SOI):

SOI outcome	Annual objective	Measures	2024/25 target	2023/24 estimated actual	Verification source
 Great team Our workforce is safe, healthy and culturally competent	Our people are committed, motivated and proud to work for Te Ara Ahunga Ora	Employees are engaged and motivated	Our Engagement Index is at least 68%, including an eNPS above 10 ⁵	New measure	Internal survey
	Foster a collaborative and inclusive culture where everyone's contribution is valued	Employees agree they feel valued for the contribution they make	Maintain – 71% agree	Achieved	Internal Survey
	Workplace incidents are reported and addressed	All incidents reported have a noted action	Achieve	Achieved	Incidents register
	Cultural competency training improves employees' understanding of and responsibilities to Te Ao Māori	Employees agree their understanding of and responsibilities to Te Ao Māori has improved	Maintain – 100% agree	Achieved 100% agreed	Internal survey
 Great team 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	Employees agree they have the tools, technology and equipment to perform their job well	Maintain – 75% agree	Achieved	Internal survey
		Annual external penetration testing finds zero critical level severity findings	Achieve zero critical level security findings	Achieved	Report from external provider
 Great team Our strategic thinking and connections are expanded	Implement Rautaki Māori Strategy and Action Plan	Undertake 2024/2025 action plan	Achieve	Achieved	Māori Strategy and Action Plan

Tauākī matapae ahumoni

Forecast financial statements



Tauākī matapae whiwhinga whānui

Forecast statement of comprehensive income

For the year ending 30 June 2025

	2024/25 Budget	2023/24 Budget	2023/24 Estimate
Revenue			
Crown revenue	8,257,000	9,591,000	9,645,500
Other revenue	130,000	252,000	307,490
Total revenue	8,387,000	9,843,000	9,952,990
Expenditure			
Personnel	5,381,500	5,551,482	5,242,723
Depreciation & amortisation	306,000	320,000	320,000
Other operating expenses	3,490,224	5,151,250	5,013,919
Total expenditure	9,177,724	11,022,732	10,576,642
Total comprehensive revenue and expense	-790,724	-1,179,732	-623,652

Tauāki matapae tūnga ahumoni

Forecast statement of financial position

as at 30 June 2025

	2024/25 Budget	2023/24 Budget	2023/24 Estimate
Current assets			
Cash and cash equivalents	533,093	169,699	110,087
Investments	1,700,000	2,400,000	2,760,865
Debtors and other receivables	220,000	257,500	338,238
Prepayments	55,000	29,826	50,000
Total current assets	2,508,093	2,857,025	3,259,190
Non-current assets			
Property, plant & equipment	134,482	174,429	162,468
Intangible assets	392,884	428,783	447,550
Total non-current assets	527,366	603,212	610,018
Total assets	3,035,459	3,460,237	3,869,208
Current liabilities			
Creditors and other payables	259,949	377,164	286,398
Employee entitlements	365,000	352,674	345,000
Other liabilities	48,767	92,600	85,343
Total current liabilities	673,716	822,438	716,741
Net assets	2,361,743	2,637,799	3,152,467
Equity			
Taxpayer Funds	200,000	200,000	200,000
Accumulated Surplus	2,161,743	2,437,799	2,952,467
Total equity	2,361,743	2,637,799	3,152,467

Tauāki matapae huringa tūtanga

Forecast statement of changes in equity

For the year ending 30 June 2025

	2024/25 Budget	2023/24 Budget	2023/24 Estimate
Balance at 1 July	3,152,467	3,817,531	3,776,119
Total comprehensive revenue and expense for the year	-790,724	-1,179,732	-623,652
Balance at 30 June	2,361,743	2,637,799	3,152,467

Tauāki matapae kapewhiti

Forecast statement of cash flows

For the year ending 30 June 2025

	2024/25 Budget	2023/24 Budget	2023/24 Estimate
Cash flows from operating activities			
Cash was provided from:			
Receipts from the Crown	8,257,000	9,591,000	9,620,500
Receipts from other revenue	26,087	17,217	7,897
Interest received	166,238	200,000	241,000
	8,449,325	9,808,217	9,869,397
Cash was applied to:			
Payments to suppliers and employees	-8,916,299	-10,688,542	-10,260,539
Net GST (paid)/received	52,463	-4,808	43,589
	-8,863,836	-10,693,350	-10,216,950
Net cash from operating activities	-414,511	-885,133	-347,553
Cash flows from investing activities			
Cash was provided from:			
Term Investments	2,760,865	2,700,000	3,200,000
Receipts from sale of property, plant & equipment	0	0	0
	2,760,865	2,700,000	3,200,000
Cash was applied to:			
Funds transferred to investments	-1,700,000	-2,400,000	-2,760,865
Purchase of property, plant & equipment	-49,014	-35,185	-13,000
Purchase of intangible assets	-174,334	-233,297	-289,340
	-1,923,348	-2,668,482	-3,063,205
Net cash flows from investing activities	837,517	31,518	136,795
Net increase/ (decrease) in cash held	423,006	-853,615	-210,758
Cash and cash equivalents at 1 July	110,087	1,023,314	320,845
Cash and cash equivalents at 30 June	533,093	169,699	110,087
Represented By:			
Cash and Cash Equivalents	533,093	169,699	110,087
Cash held at the end of the year	533,093	169,699	110,087

Tauākī whakaaro tūāpapa

Statement of underlying assumptions

Significant assumption

The opening position of the forecast statements is based on unaudited results for 2023/24. The actual results for January to June 2024 are unavailable at the time of preparation; therefore, the balance as at 30 June 2024 has been estimated using January to June 2024 forecast figures.

Revenue from Crown Appropriations

Revenue from Crown Appropriations is consistent with the 2024/25 Estimates Appropriations.

Other assumptions

The accrual basis of accounting has been used in the preparation of these forecast financial statements.

The budget reflects a staffing level of around 38 FTEs to meet the work programme with additional contractors being used for short term projects as required. There is a risk that forecast events and the associated income and expenditure do not occur.

Nature of forecast financial statements

The forecast financial statements have been prepared as a best-efforts indication of Te Ara Ahunga Ora's future financial performance.

The forecast financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) accounting standards and comply with PBE FRS 42 Prospective Financial Statements.

In the application of PBE FRS 42, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of PBE FRS 42 that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, if applicable, in the relevant notes to the financial statements.

Actual financial results achieved for the period covered are likely to vary from the information presented, potentially in a material manner.

Reporting entity

Te Ara Ahunga Ora is the office of the Retirement Commissioner, an autonomous Crown Entity defined by the Crown Entities Act 2004. Te Ara Ahunga Ora is domiciled in New Zealand, and its ultimate parent is the New Zealand Crown. The Retirement Commissioner is appointed under the New Zealand Superannuation and Retirement Income Act 2001 and the Crown Entities Act 2004. The current Retirement Commissioner was appointed on 10 February 2020 for a term of three years and re-appointed in February 2023 for an additional three-year term.

Te Ara Ahunga Ora's role is set out in the New Zealand Superannuation and Retirement Income Act 2001, and the Retirement Villages Act 2003. Our statutory responsibilities include:

- Developing and promoting methods to improve New Zealand's retirement policy settings
- Monitoring the effects of retirement policies on retirees
- Conducting a three-yearly review of retirement policies
- Promoting education, and publishing information about financial matters
- Collecting and publishing information to fulfil our functions
- Monitoring the effectiveness of financial dispute resolution schemes, and
- Monitoring the effects of the retirement villages legislation.

Basis of preparation

Statement of compliance and measurement base

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

The forecast financial statements have been prepared on a historical-cost basis for a going concern in accordance with the Tier 2 Public Benefit Entities (PBE) Accounting Standards Reduced Disclosure Regime (PAS RDR). Te Ara Ahunga Ora qualifies for PAS RDR reporting as it is not publicly accountable and has expenses greater than \$2m but less than \$30m.

Presentation currency

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

Use of estimates and judgements

In preparing these forecast financial statements to conform with PBE FRS 42, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. Te Ara Ahunga Ora has made estimates and assumptions concerning the future, based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, if applicable, in the relevant notes to the financial statements.

Significant accounting policies

The following significant accounting policies, which materially affect the measurement of the forecast financial performance and financial position, have been applied.

Revenue

Crown revenue

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

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

Unlike previous years, Te Ara Ahunga Ora has not budgeted for significant other revenue from Crown entities to run various programmes and initiatives as these projects are not confirmed.

Other revenue

Te Ara Ahunga Ora receives other revenue from Crown and non-Crown entities to contribute towards the provision of services.

Interest revenue

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

Cash and cash equivalents

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

Statement of cash flows

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

Definitions of the terms used in the statement of cash flows

'Cash and cash equivalents' includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash, and includes at-call borrowings such as bank overdrafts, used by Te Ara Ahunga Ora as part of its day-to-day cash management.

'Operating activities' include all transactions and other events that are not investing or financing activities.

'Investing activities' are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

'Financing activities' are those activities relating to changes in equity of the entity.

Debtors and other receivables

Debtors and other receivables, comprising trade debtors, accrued interest and GST receivable are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Impairment of a receivable is established when there is objective evidence that we will not be able to collect amounts due according to the original terms of the receivable.

Property, plant and equipment and intangible assets

Property, plant and equipment

Property, plant and equipment asset classes consist of office equipment, furniture and fittings, computer equipment and leasehold improvements. Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and impairment losses.

Additions and disposals

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Te Ara Ahunga Ora and the cost of the item can be measured reliably. If an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

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 forecast Statement of Comprehensive Income.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Te Ara Ahunga Ora and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised as an expense in the forecast Statement of Comprehensive Revenue and Expenses as they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis on property, plant and equipment once in the location and condition necessary for its intended use so as to write off the cost or valuation of the property, plant and equipment over their expected useful life to their estimated residual value.

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

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



Intangible assets

Software acquisition

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

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

Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment.

Website development

Costs that are directly associated with interactive aspects of the Sorted websites are capitalised.

Costs associated with maintaining and advertising Te Ara Ahunga Ora's and Sorted websites are recognised as an expense in the forecast Statement of Comprehensive Incomes as incurred.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful life of the intangible asset. The following estimated useful lives and rates are used in the calculation of amortisation:

Software	2.5 years	40.0%
Websites	2.5 years	40.0%

Impairment

Property, plant and equipment and intangible assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Goods and services tax

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

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

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Creditors and other payables

Creditors and other payables, comprising trade creditors and other accounts payable, are recognised when Te Ara Ahunga Ora becomes obliged to make future payments resulting from the purchase of goods and services.

Employee benefits

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

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

Superannuation schemes

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

Operating leases

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

Cost allocation policy

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

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

He mahere tāngata

Directory

Our team (as at May 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

Ciaran Lymer – 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 (parental cover)

Rachel Beckett – Stakeholder Lead

Natalie Palmer – Stakeholder Specialist

Ana Tu’inukuafe – Stakeholder Specialist

Erin Thompson *Ngāti Rangiwewehi,
Ngāi Tāmanuhiri , Ngāti 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 – Product and Marketing
Lead

Natasha Lavulavu – Marketing
Specialist

Katie Houlihan – Marketing Specialist

Mike Crozier – Graphic Designer

Jason Gambitsis – Digital Assets Lead

Dikshi Bhutani – CRM & Analytics
Specialist

Laura Lock – Digital Channels Specialist

Devon Connelly – Marketing
Administrator

Te Ara Ahunga Ora Retirement Commission

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