

D.1.AR(24)

Annual Report

For the year ended 30 June 2024

EECA
TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY

Contents

- Foreword from our Board.....2**
- About us..... 4**
 - Our purpose - why we exist.....6
 - Our strategy - what we aim to achieve.....12
 - Our levers - what we do13
 - Our funding - where our money comes from 14
- Our delivery highlights 16**
- Our performance..... 20**
 - Introduction..... 22
 - Summary of results26
 - Our progress on 'Productive and Low Emissions Business'28
 - Our progress on 'Efficient and Low Emissions Transport'36
 - Our progress on 'Energy Efficient Homes' 43
 - Our progress on 'Government Leadership'49
 - Our progress on 'Engaging Hearts and Minds'..... 53
 - Appendix 1 - Disclosure of judgements regarding changes to annual performance measures..... 56
 - Appendix 2 - Budget significant initiatives59
 - Appendix 3 - Appropriation funding 62
- Our organisation 64**
 - Our governance66
 - Our people and culture.....70
 - Our commitment to being a good employer 75
 - Our commitment to embracing Te Ao Māori..... 78
 - Our commitment to reducing our carbon footprint 79
- Our financial information..... 82**
 - Financial statements85
 - Notes to the financial statements90
- Independent Auditor’s Report114**
- Glossary 120**
 - Key terms120
 - Measurement units..... 121

Presented to the House of Representatives provided by Section 150(3) of the Crown Entities Act 2004



© Copyright

This document is protected by copyright owned by the Energy Efficiency and Conservation Authority (EECA). This copyright material is licenced for reuse under the Creative Commons Attribution (CC-BY) 4.0 New Zealand licence. In essence, you are free to copy, distribute and adapt the material, as long as you attribute it to EECA and abide by the other licence terms.

Terms outlined in this document are defined in the glossary on page 120-121.

Te whakataki mai i te Poari

Foreword from our Board

We are pleased to present the 2023/24 Annual Report for the Energy Efficiency and Conservation Authority (EECA) Te Tari Tiaki Pūngao.

We operated under two governments this year

As a Crown agent, EECA is ultimately governed by parliament. The change in government had a natural impact on our operations in 2023/24. Throughout this document we have clearly indicated the changes to our activities, with a summary of relevant Budget 2024 decisions on page 59.

Our programmes continued to deliver value for New Zealanders

In the first half of the reporting year, we successfully pivoted our operations to align with the incoming Government's direction. Our focus remained on delivering efficient, effective programmes that save energy and money, reduce emissions, and improve New Zealand's energy productivity and resilience.

We are pleased to report the significant impact that appliance energy efficiency and labelling regulation continues to have in New Zealand. This year, our regulations saved almost 1.6 PJ of energy – equivalent to the yearly energy use of 37,000 homes and \$39 million in national benefit.

We have been working hard to make sure New Zealanders can charge their efficient, low-emissions vehicles when and where they need to. We partnered with the private sector to support 118 new public electric vehicle chargers across the country this year. This includes 29 new fast-charging 'hubs' on key routes between major urban centres, which will increase the availability and convenience of charging on longer trips.

We are proud to say our Warmer Kiwi Homes programme exceeded expectations in 2023/24. We delivered above-target with over 29,600 efficient heating and insulation retrofits installed in low-income homes. These New Zealanders are not only using less energy and saving money on their power bills – they are living in warmer, drier and healthier homes.

Widespread use of innovative, energy efficient and renewable technologies is essential for the shift to a sustainable energy system – but first the market needs evidence that they can perform and achieve the benefits.

Our demonstration funds continued to support a range of exciting, highly replicable projects this year including a battery-electric drone sprayer, an electric limestone crusher, and battery-electric front-end loaders.

We remain committed to our education, coordination and motivation role as the authority on clean and clever energy use. We have been focused on delivering resources that give New Zealanders and businesses the power to make informed energy decisions. For example, we chartered new territory across 12 new public research and insights reports like the economics of home electrification and the role of smart technologies in managing electricity demand peaks.

In reflecting on the success of 2023/24, the Board would like to acknowledge departing leadership and governance members. We thank departed Chief Executive Andrew Caseley for his leadership and dedication to EECA's mission.

Andrew drove significant progress in clean and clever energy use over the past six years, and we wish him well in his future endeavours. In September 2023, we welcomed Dr Marcos Pelenur as the new Chief Executive. He has hit the ground running with a wealth of experience and passion. In June 2024, we also farewelled Deputy Board Chair Catherine Taylor. Catherine's insights and commitment helped shape our direction and success as an organisation and we wish her all the best.

We head into 2024/25 with a refreshed strategic direction

From 2024/25, we will be guided by a refreshed strategy which considers the evolving energy environment and the update in government priorities. At the heart of the strategy is our legislative purpose, reflected in three strategic objectives: energy efficiency first, empowering energy users, and accelerating renewable energy.

New Zealand has a unique opportunity to build an energy system that meets the needs of energy users while maintaining affordability, balancing reliability and resilience, increasing productivity, and achieving positive environmental outcomes. There is work to do and EECA is up for the challenges and opportunities that lie ahead.

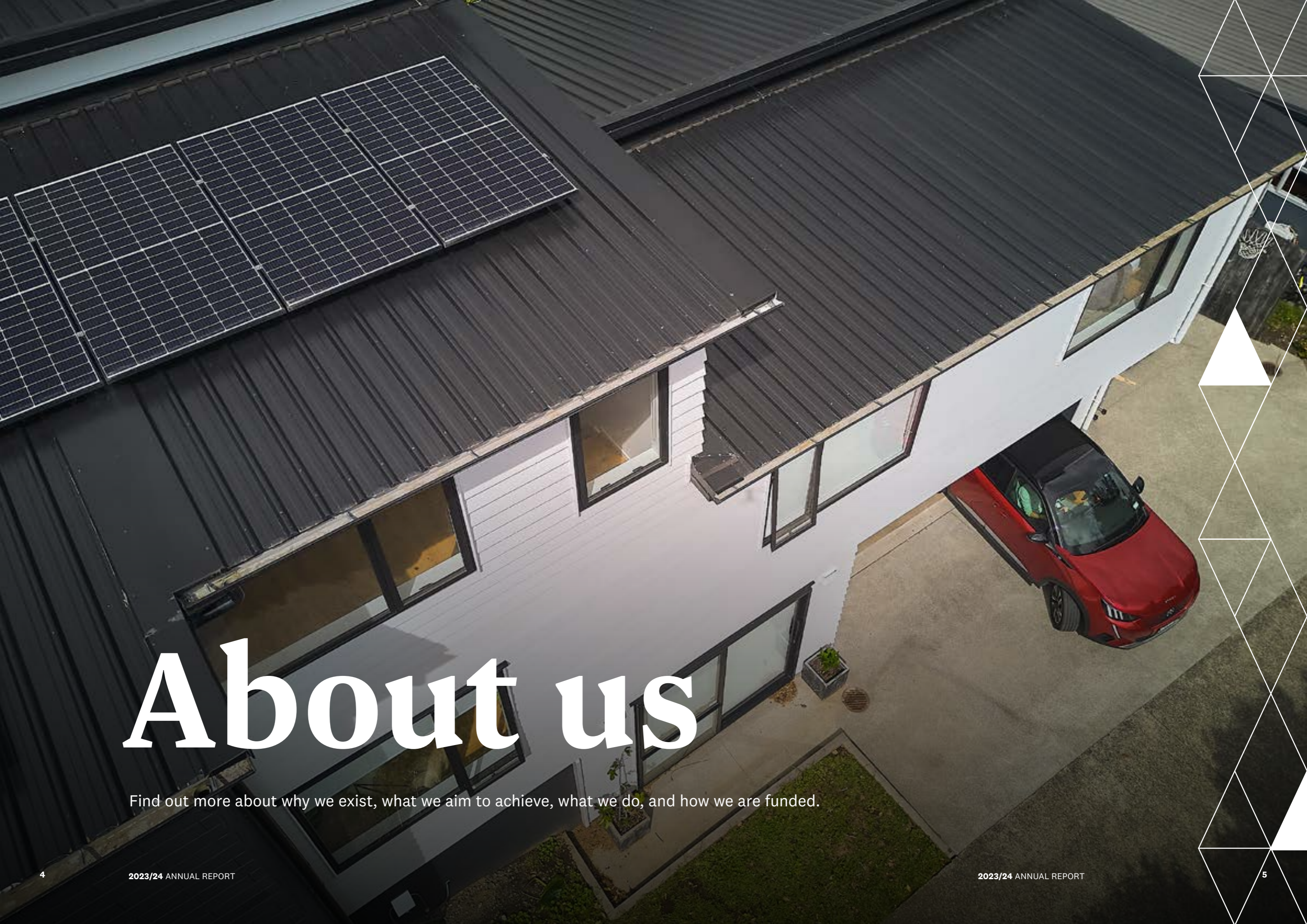
Ka nui taku mihi atu nei,



Elena Trout
Board Chair
on behalf of the Board
31 October 2024

Our focus remained on delivering efficient, effective programmes that save energy and money, reduce emissions, and improve New Zealand's energy productivity and resilience.

Elena Trout, Board Chair




About us

Find out more about why we exist, what we aim to achieve, what we do, and how we are funded.


Our purpose - why we exist

Our legislative function is to encourage, promote, and support energy efficiency, energy conservation, and the use of renewable sources of energy


The Energy Efficiency and Conservation Authority (EECA) was established under the Energy Efficiency and Conservation Act 2000. We are a Crown agent (a type of Crown entity) and part of New Zealand's public sector.




Energy comes from physical and chemical resources like the sun and fossil fuels. Energy is all around us. We use it to power our vehicles, to generate electricity for our homes, and to produce process heat for our businesses.



Energy efficiency is using less energy to perform a task, usually with the help of efficient technologies. For example, an efficient LED light bulb still lights up the room – but it uses less energy in doing so.



Energy conservation is changing our activities to reduce energy use. A simple example is turning off the lights when no one is in the room. The cheapest and most environmentally friendly source of energy is the energy we do not use.



Renewable sources of energy come from natural resources that can be replenished and will not run out, like solar, hydro, geothermal, biomass, wind, and marine. Energy sources like oil, gas, and coal (fossil fuels) will eventually run out, so they are non-renewable sources of energy. Non-renewable energy releases large amounts of harmful greenhouse gas emissions into the atmosphere when used, unlike 'clean' renewable energy sources which produce much less.

We are a delivery agency, a regulator, and an authority on energy use. We deliver programmes that mobilise New Zealanders to be world leaders in clean and clever energy use. We work with a wide range of stakeholders including industry, government, and everyday New Zealanders – because everyone uses energy.

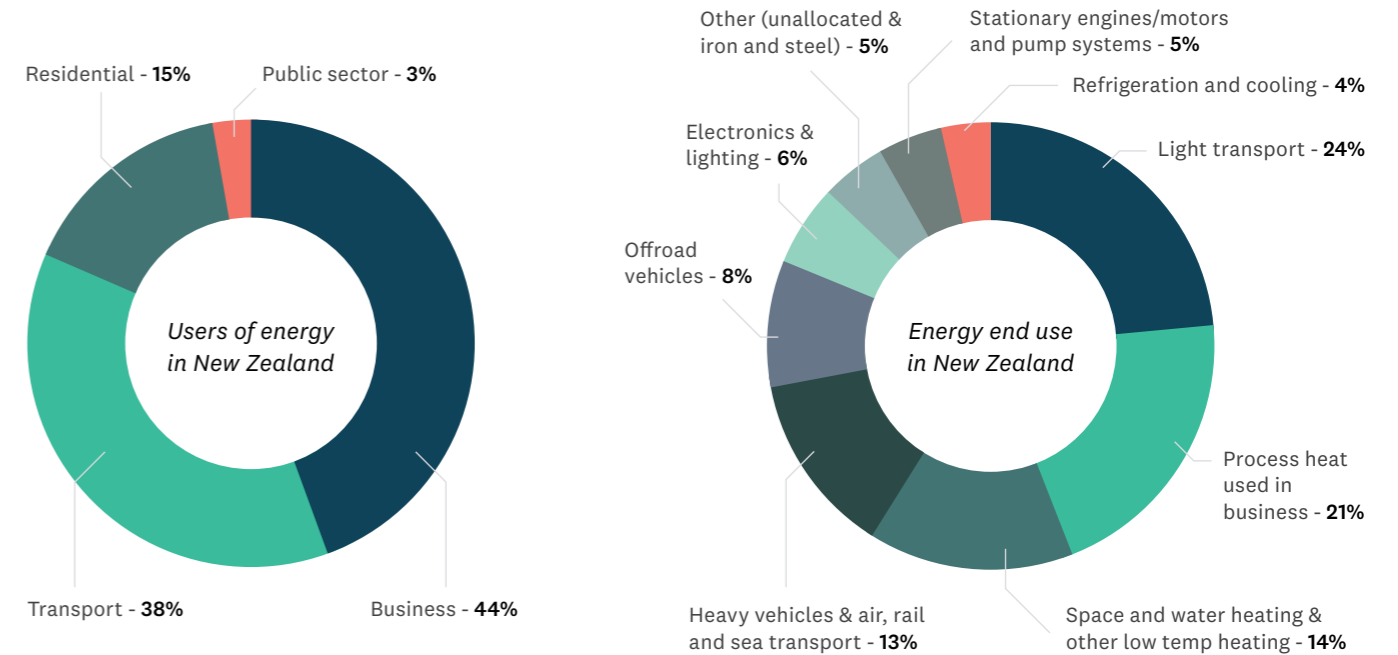
Our name in te reo Māori is 'Te Tari Tiaki Pūngao'. This translates to 'the Office that guards the energy'. This reflects our responsibility to promote sustainable energy use that supports the prosperity and wellbeing of current and future generations.

New Zealand has a great opportunity to use efficient and renewable energy

Energy powers our houses, our businesses, and our transport systems

We are all energy users – whether as individuals, whānau, small businesses, or large industrial companies. New Zealand's energy system must meet the needs of all different users.

The most common understanding of energy use is electricity. However, energy is used for much more than electricity. Energy powers the cars, freight trucks, buses and planes that help us move ourselves and goods around – the majority by fuels like petrol and diesel. We also use energy in our industrial sector, where fuels like coal and biomass help produce process heat.



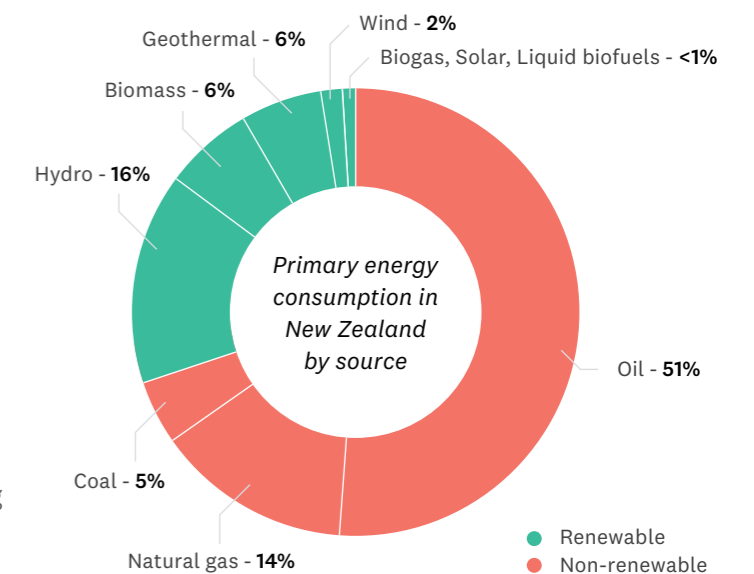
Source: 2022 data from EECA's Energy End Use Database (2024).

Only 30% of New Zealand's energy use is renewable

Energy sources are either renewable (can be replenished) or non-renewable (will eventually run out). While New Zealand's electricity system is powered by highly renewable energy sources, electricity is only part of the picture.

If we look at all energy consumed by users in New Zealand, only 30% comes from renewable energy sources. This means we still rely on non-renewable fossil fuels for 70% of our energy needs.

There are many benefits to shifting away from using non-renewable energy sources, but energy users need the right information and systems in place.



Source: 2022 data from the Ministry of Business, Innovation and Employment's (MBIE) Energy Balance Tables (2024) and Electricity Statistics (2024).

Clean and clever energy use will help with New Zealand's energy challenges

Energy efficiency, energy conservation and the use of renewable energy sources will help with some of the energy challenges New Zealand is facing.

Building a smart and efficient energy system that supports energy security, reliability, and resilience

It is an ongoing challenge to ensure New Zealanders have access to energy that is secure, reliable, and resilient. There needs to be enough energy available to meet the demand from users, the right infrastructure has to be in place to provide the energy where it is needed, and energy sources must be resilient to external forces like international availability and intermittent or extreme weather.

We know significant new renewable energy supply is needed to keep up with growth and reduce the use of fossil fuels. Energy efficiency and conservation are essential first steps to support this shift and make the best use of existing assets. Enabling energy users to implement energy conservation and efficiency measures reduces the amount of energy needed by households and businesses, and enabling access to smart energy management shifts energy use away from peak times. This helps lower new generation and infrastructure requirements and increases the reliability of New Zealand's energy supply. For example, EECA analysis shows that investment in electricity efficiency measures could deliver around 4,000 GWh of extra renewable electricity capacity at a lower price than investment in new renewable generation alone.

Clean and clever energy use unlocks significant economic, environmental, and social benefits. Enabling energy users to increase their energy efficiency, energy conservation and the use of renewable energy sources also reduces New Zealand's reliance on overseas energy imports, helping to increase our energy independence.

Supporting an affordable, economic, and productive energy system

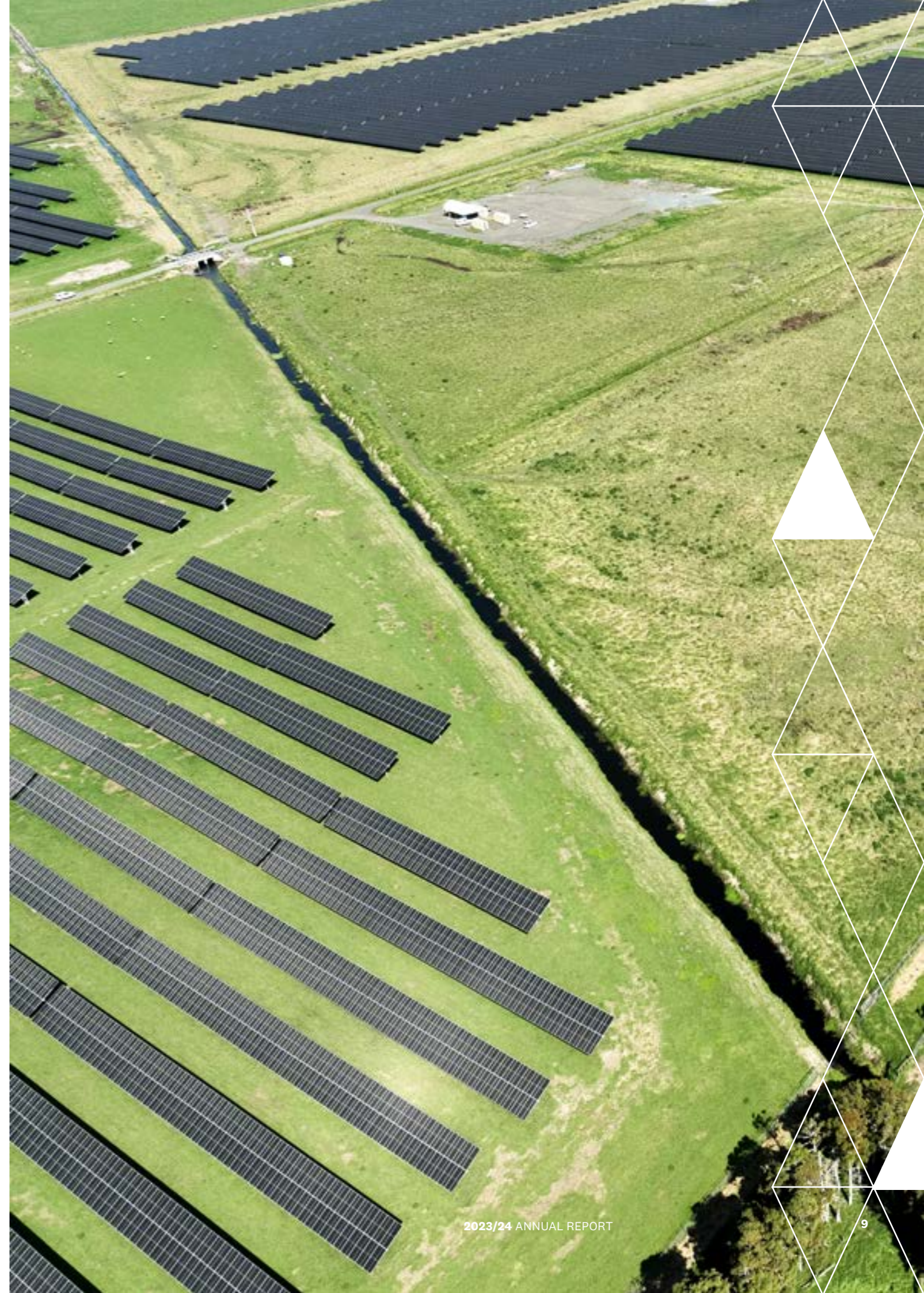
Energy users in New Zealand spend around \$27 billion¹ on energy each year. It is important that all users are empowered to maximise the value of their energy use. New Zealand's energy system can support our economy and productivity, while keeping energy affordable for users.

The cheapest form of energy is the energy we do not use. Energy efficiency measures provide an opportunity for people and businesses to reduce their energy use while still being able to produce the same output or service. This not only helps users save money on energy costs – it increases New Zealand's productivity too.

Energy users also need to be empowered to make the most of our increasingly flexible, distributed, and responsive electricity system. Enabling access to smart products and services and demand-flexible systems gives people and businesses the opportunity to manage their own energy usage and respond to electricity prices in real time – offering significant cost savings and helping to offset or defer costly network upgrades. For example, EECA modelling shows that widespread use of smart charging technology could help manage the increased peak electricity demand that will come from private electric vehicles, potentially saving \$4 billion in grid infrastructure costs by 2050².

¹ This figure is estimated using energy consumption (GJ) and nominal annual average energy prices (NZ\$/GJ) for the year 2022. Energy consumption data for each sector and fuel type is based on the Ministry of Business, Innovation and Employment's (MBIE) *Energy Balance Table (2024)* and *Energy Overview (2024)*. The price data is from MBIE's *Energy Prices (2024)*. This is an approximate value estimated using available data and assumptions.

² *Residential Smart EV Chargers and Demand Flexibility*, EECA (2024).

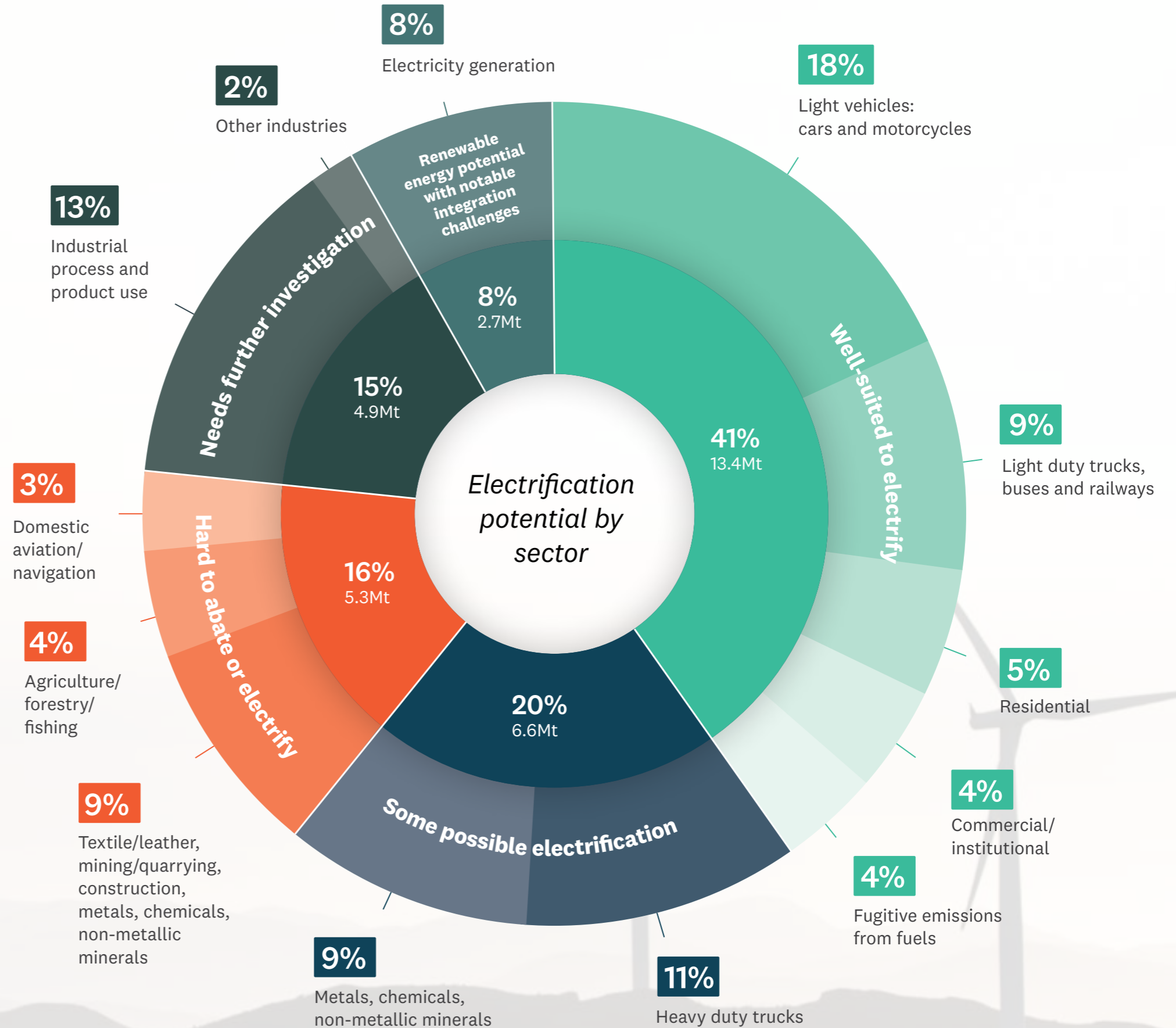


Enabling the lowest-cost transition to a sustainable, low-emissions energy system that supports our future generations

Energy use is responsible for over 40% of New Zealand's total greenhouse gas emissions. Non-renewable energy sources like oil, gas, and coal produce large quantities of greenhouse gas emissions when burned. We rely on these fossil fuels for over 70% of our energy needs. Enabling energy users to increase energy efficiency and conservation and switch to renewable, low-emissions energy sources is New Zealand's largest opportunity to reduce our energy-related emissions, particularly in the transport and business sectors.

Electrification will play a significant role in the transition away from fossil fuels. For much of New Zealand's energy needs, electrification is the most suitable (and cheapest) option to lower emissions. Around 40% of the energy, industrial process, and product emissions in New Zealand are well-suited to electrify, with a further 20% that may be suited to electrify. This is because many technologies like electric boilers, heat pumps, and electric vehicles are already or are soon expected to be cost competitive with fossil fuel alternatives. Where electrification is not suitable, there are alternative renewable fuel options such as biomass, biogas, and green hydrogen (if feasible and economic).

Reducing our energy-related emissions is particularly important for meeting our domestic and international emissions reduction commitments (with costly offshore credits required to make up any shortfalls) and reducing the negative impacts of emissions on our environment and health.



Source: The Ministry for the Environment's Interactive Emissions Tracker (2023) estimates the electrification potential for each sector based on 2022 CO₂-e emissions data (GWP100 excluding LULUCF and biogenic emissions). The potential is evaluated using criteria such as technological readiness, economic considerations, operational limitations, process compatibility, temperature requirements, and environmental impacts.

Our strategy - what we aim to achieve

The strategy we set in our Statement of Intent 2021–2025 guided our work for 2023/24. Our strategic focus areas help us concentrate our efforts where we can maximise outcomes for New Zealanders.

Note we have refreshed our strategy for 2024/25 onwards. The new strategy is outlined in our Statement of Intent 2024–2028 and Statement of Performance Expectations 2024/25. We will report against this new strategy for the first time in our Annual Report 2024/25.






Our mission

Mobilise New Zealanders to be world leaders in clean and clever energy use.




Our desired outcome

A sustainable energy system that supports the prosperity and wellbeing of current and future generations.

Our 2023/24 strategic focus areas

 <p>Productive and low-emissions business</p> <p>Motivate decision makers to accelerate the transition to a low-emissions economy.</p>	 <p>Efficient and low-emissions transport</p> <p>Switch to efficient low-emissions technologies and fuels to move people and goods.</p>	 <p>Energy efficient homes</p> <p>Optimise New Zealand's use of renewable energy at home.</p>	 <p>Government leadership</p> <p>Lead the transition to a low-emissions economy.</p>	 <p>Engage hearts and minds</p> <p>Create an enabling environment for systemic change, where clean and clever energy is expected and demanded.</p>
---	---	---	--	--

Our refreshed strategic objectives

 <p>Energy efficiency first</p> <p>Efficient energy use is the first option users adopt.</p>	 <p>Empower energy users</p> <p>Users are empowered to control their energy.</p>	 <p>Accelerate renewable energy</p> <p>Users transition to low-emissions energy.</p>
--	--	--

Our levers - what we do

Our levers are the tools we have available to deliver on our strategic objectives. We use a combination of these levers to overcome market barriers to clean and clever energy use, enabling it to happen faster and in a more coordinated way.

Regulation



Of products, processes, and systems.

Our regulations and standards mean New Zealanders have access to and are encouraged to use the best performing new products and technologies available internationally, including vehicles – for home, commercial and industrial use, saving money and energy.

Information and motivation



To promote clean and clever energy choices.

We provide evidenced-based information and motivation to New Zealanders and businesses to help them make informed clean and clever energy choices – lowering energy bills, improving productivity, and future-proofing for a clean and secure energy economy.

Targeted investment and support



To demonstrate and scale up energy efficient technologies and renewable energy use.

We use our expertise to facilitate and catalyse targeted investment and support that addresses significant, evidenced market barriers for the adoption of clean and clever energy technology. We are committed to investing in a way that is the best use of money and provides the best outcomes and value for energy users and the Government.

Our funding - where our money comes from

In 2023/24, we received \$239.1 million of funding. Over the course of the year, we spent \$212.5 million on our programmes and operations.

\$239.14m

Most of our funding comes from the Government and three energy-related levies.

GOVERNMENT	ELECTRICITY INDUSTRY LEVY	PETROLEUM OR ENGINE FUEL MONITORING LEVY	GAS SAFETY, MONITORING AND ENERGY EFFICIENCY LEVY	THIRD PARTY FUNDING	OTHER EARNINGS
\$211.39m	\$5.10m	\$13.5m	\$1.70m	\$1.18m	\$6.27m
From government taxes to achieve improvements in energy efficiency, energy conservation and use of renewable energy.	Paid by electricity industry participants who purchase electricity from the wholesale market.	Paid by fuel importers on petroleum or engine fuel sold who pass on the cost to consumers.	Paid by sellers of piped natural gas to gas retailers who pass on the cost to consumers.	Third-party funding to achieve energy efficiency and health benefits for households.	Income from our Crown loan fees and our investment income.



\$212.45m

Our funding is spent on activities under our five strategic focus areas.

PRODUCTIVE AND LOW-EMISSIONS BUSINESS	EFFICIENT AND LOW-EMISSIONS TRANSPORT	ENERGY EFFICIENT HOMES	GOVERNMENT LEADERSHIP	ENGAGE HEARTS AND MINDS
\$76.52m	\$21.64m	\$99.33m	\$13.12m	\$1.84m
Motivating business decision-makers to accelerate the transition to a low-emissions economy.	Switching to efficient and low-emissions technologies and fuels to move people and goods.	Optimising New Zealand's use of renewable energy at home.	Leading the transition to a low-emissions economy.	Creating an enabling environment for systemic change, where clean and clever energy is expected and demanded.





Our delivery highlights

Here are our key achievements in 2023/24 as we delivered programmes that mobilise New Zealanders to be world leaders in clean and clever energy use. This section is only a summary – detailed information about our performance is available in the *Our Performance* section from page 20.

This year, we are proud to say we delivered...

6

Region-specific reports with advice on energy decarbonisation opportunities and barriers to support a well-informed, coordinated approach.



1.1m

Tonnes of future annual emissions reductions from 25 industrial fuel switching and energy efficiency projects.



12

Innovative, energy efficient technologies that are yet to be widely deployed in New Zealand, including a battery-electric aerial spraying drone and an electric tractor.



7

Tailored energy decarbonisation pathways for energy-intensive business sectors including hotels, general manufacturing, and on-farm dairy.



69

New projects to support increased energy efficiency and renewable energy use in the public sector.



12

New research and insights pieces including a technical report on household electrification and education for businesses considering zero-emissions trucks.



1.75m

Visits to our websites where we share energy efficiency information for everyday New Zealanders. More than 50% of visitors met the criteria for meaningful engagement with the content.



29,626

Heating and insulation retrofits so Kiwis can enjoy the benefits of a warmer, healthier, and more energy efficient home.



1.59PJ

And \$39 million of energy savings through our regulation of appliance energy efficiency standards and labelling – equivalent to the yearly energy use of 37,000 homes.



118

New public electric vehicle (EV) chargers to boost New Zealand's charging network, including 29 new fast-charging 'hubs'. We have now supported more than 870 public EV chargers with over 1,000 charging points



43

Innovative transport projects to increase energy efficiency and renewable energy use in the transport sector.



Support for a 'smart' electricity grid system including a trial of New Zealand's first smart communication platform and an official list of approved smart EV chargers. 'Smartness' like this will lead to a more efficient and affordable energy system.

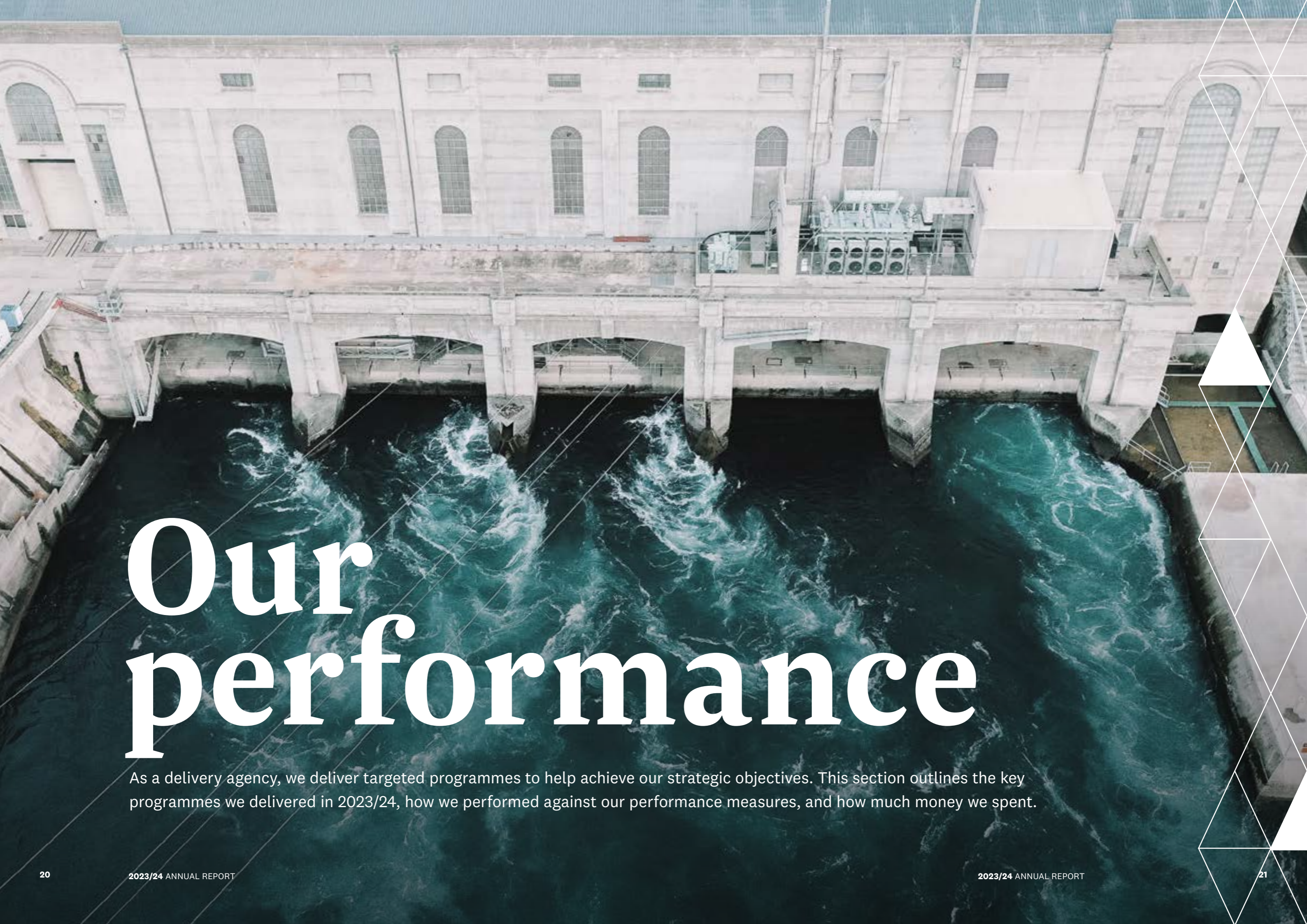


Partnerships with community organisations to support households in need. We'd like to give a special thanks to all the philanthropic organisations – especially Foundation North, Trust Horizon, and Otago Community Trust – for their contributions towards the success of our Warmer Kiwi Homes programme this year.



A 'Winter Energy Savings' campaign with practical tips on how to save money on winter power bills. The campaign delivered a \$3.06 return on investment.





Our performance

As a delivery agency, we deliver targeted programmes to help achieve our strategic objectives. This section outlines the key programmes we delivered in 2023/24, how we performed against our performance measures, and how much money we spent.

Understanding our performance

This section outlines the key programmes we delivered in 2023/24, how we performed against the performance measures we set, and how much money we spent.

How to read this section

There are five subsections that align with our strategic focus areas

We set out five strategic focus areas in our Statement of Intent 2021–2025. Our performance for 2023/24 is reported under each of the five strategic focus areas to help you understand the progress we are making under each.

There are three types of performance measures

Our performance measures are published in our Statement of Intent 2021–2025, our Statement of Performance Expectations 2023/24, and the Estimates of Appropriations 2023/24.

ANNUAL OUTPUT MEASURES FROM THE STATEMENT OF PERFORMANCE EXPECTATIONS (SPE)

These measures are presented in navy tables and track progress against the annual delivery targets in our SPE.

ANNUAL OUTPUT MEASURES FROM THE ESTIMATES OF APPROPRIATIONS

These measures are presented in light green tables and track progress against the annual delivery targets in the Estimates of Appropriations. Note some are the same as our SPE measures.

FOUR-YEAR OUTCOME MEASURES FROM THE STATEMENT OF INTENT (SOI)

These measures are presented in dark green tables and track progress against the four-year outcomes we outlined in our SOI.

There are three possible results for each performance measure

- ✔ Achieved
- ✘ Not achieved
- Ⓢ Impacted by the change in government priorities and funding

Note there was a change of government in November 2023. We have indicated where the update in government priorities/funding affected the result of a performance measure.

Statement of responsibility from the Board

The Board is responsible for the preparation of EECA's financial statements and the statement of performance. This includes the end-of-year performance information and judgements made in them. The Board is also responsible for establishing and maintaining a system of internal control to provide reasonable assurance about the integrity and reliability of financial and performance reporting.

In the Board's opinion, the following performance information and financial statements fairly reflect EECA's operations and financial position for the year ended 30 June 2024 and have been prepared in accordance with PBE Standards. Note the Board is responsible for any end-of-year performance information provided by the Crown under Section 19A of the Public Finance Act 1989 (whether or not that information is included in EECA's Annual Report).

Elena Trout, Board Chair, 31 October 2024

Andrew Knight, Board Member, 31 October 2024

Performance reporting standard PBE FRS 48

Statement of compliance

Our service performance information for the period of 1 July 2023 to 30 June 2024 has been prepared in accordance with Public Benefit Entity Standards.

Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48) outlines requirements for selecting and presenting service performance information so that it is appropriate and meaningful to users. The Our Performance section on pages 23–63 constitutes the service performance information presented in accordance with PBE FRS 48. Relevant contextual information can be found in the About Us section from pages 4–15.

Disclosure of judgements made for performance information

Under reporting standard PBE FRS 48, we must disclose the judgements that had the most significant effect on the selection, measurement, aggregation, and presentation of our performance information.

Judgements on the selection of performance information

We have discretion over the selection of our performance information. We selected key activities to report on in 2023/24 based on our assessment of where we expected to invest the most time and resources in the period (informed by budget information). This was further refined through discussions with staff and the Board. We consider the selected activities for reporting on provide an appropriate and meaningful account of our performance.

Selection process

In selecting performance measures for our key activities, we considered relevance, faithful representation, understandability, timeliness, comparability, and verifiability. We also considered the pervasive constraints of materiality, the cost-benefit, and the balance between the qualitative characteristics. Selection decisions were made in consultation with our Board, key management personnel, and service managers.

Changes to performance measures

In reviewing our performance measures against the required characteristics and constraints, we made a number of changes to improve their appropriateness and meaningfulness. Significant changes to performance measures for 2023/24 are outlined in Appendix One (starting on page 56). In our view, the performance measures selected for 2023/24 adequately inform users what we achieved during the year and the progress made towards achieving our strategic outcomes.

Judgements on the measurement, aggregation, and presentation of performance information

We have discretion over the measurement, aggregation, and presentation of our performance information. Significant disclosures are outlined below, and measure-specific disclosures are presented alongside each performance measure as 'notes to the measure'.

Greenhouse gas emissions disclosure

Some of our programmes and activities achieve reductions in greenhouse gas emissions. There is a level of inherent uncertainty in the measurement and reporting of greenhouse gas emissions. The scientific knowledge and methodologies to determine emissions factors and the processes to calculate or estimate quantities of greenhouse gas sources are still evolving, as are greenhouse gas reporting and assurance standards.

The emission factors included in the *Measuring Emissions: A guide for organisations* published by the Ministry for the Environment (MfE) have been used for the majority of our emissions reporting. Most commonly, the relevant emissions factor is applied to programme or project energy data to calculate emissions reductions. These emissions factors are periodically revised by MfE with changes to those factors occasionally being significant.

The measures listed below are most significantly impacted by the uncertainty disclosed above, with further greenhouse gas disclosure information provided alongside the measures where relevant:

- Estimated emissions reductions achieved by Government Investment in Decarbonising Industry (GIDI) 1.0 and GIDI 2.0 projects during the financial year
- Forecast emissions reductions expected to be achieved by GIDI 2.0 projects contracted to date during Emissions Budget Period One (2022-2025)
- Forecast emissions reductions expected to be achieved in Emissions Budget Period One (2022-2025) by GIDI projects contracted during the financial year
- Forecast emissions reductions expected to be achieved by GIDI 2.0 projects contracted to date during Emissions Budget Period Two (2026-2030)
- Forecast emissions reductions expected to be achieved Emissions Budget Period Two (2026-2030) by GIDI projects contracted during the financial year
- Energy and emissions saved by businesses as a result of purchasing new energy efficient appliances that are subject to Minimum Energy Performance Standards (MEPS) and Mandatory Energy Performance Labelling (MEPL)
- Avoided energy-related emissions resulting from EECA-funded business programmes
- Total energy and energy-related emissions addressed by completed Energy Transition Accelerator Programme opportunities assessments
- Transport emissions per person
- Energy and emissions saved by consumers as a result of purchasing new energy efficient appliances that are subject to MEPS and MEPL
- Estimated emissions reductions achieved by SSDF projects during the financial year.

Note there are two types of emissions reductions reported for our key emissions reduction projects:

1. ‘Expected’ emissions reductions – when each project was approved, we calculated an estimate of the emissions reductions the project was expected to achieve using the information supplied by the project recipient in their application.
2. ‘Actual’ emissions reductions – the project recipient provides us with an actual annual emissions reduction figure once the project has become fully operational and they have completed a satisfactory data collection and reporting period (this period is currently around 12-18 months but can be longer depending on the nature of the project and report production).

The impact of GIDI projects is enduring over multiple years so project emissions reductions are reported in several financial years. Actual annual emissions reduction data is reported where available, otherwise, the expected figure is reported.

To provide assurance over any significant ‘actual’ emissions reductions figures we report, we have implemented an abatement verification framework. The framework has criteria to determine whether an independent third party should review and confirm the reasonableness of the emissions reduction data provided by the project recipient. The requirements are based on the scale of the project:

Project scale	Requirement for independent review
Tier one projects (>5,000 tonnes per annum)	<ul style="list-style-type: none"> • REQUIRED if the energy and emissions data report was completed by the recipient business. • OPTIONAL if the energy and emissions data report was completed by a consultant that is independent to the recipient business.
Tier two projects (1,000 – 5,000 tonnes per annum)	<ul style="list-style-type: none"> • OPTIONAL depending on the scale and contribution to the overall reported result.
Tier three projects (<1,000 tonnes per annum)	<ul style="list-style-type: none"> • NOT REQUIRED because it is generally not material to our overall reported emissions reductions.

The outcome measure *avoided energy-related emissions resulting from EECA-funded business programmes* was first established in 2021. After the establishment of this measure, there was a shift in our approach to business energy-related emissions reductions. The focus shifted from a range of EECA business programmes to the new and more significant Government Investment in Decarbonising Industry (GIDI) Fund as the primary business emissions reduction programme. Consequently, EECA reporting on avoided emissions for this measure focused on the GIDI Fund as this programme represented the material business emissions reductions that EECA achieves. GIDI projects that have now been operational long enough to provide emissions reduction data, and this is represented in the result for 2023/24.

Surveys disclosure

Some of our performance measures relate to data collected from surveys. Our surveys are run by an independent research agency. We run two different surveys: a quarterly Business Monitor Survey of approximately 500 energy/transport decision makers within businesses, and a quarterly Consumer Monitor Survey of approximately 750 consumers. Businesses and consumers are asked a series of questions to ascertain information about their attitudes, behaviours and knowledge.

For reported results, rolling 12-month averages are used to smooth out short-term fluctuations and highlight longer-term trends or cycles.


Attitudes and behaviours are subject to external influences (such as economic conditions and external social and political events) so results for the relevant performance measures can be impacted by externalities outside of our control.

Budget significant initiatives disclosure

Reporting information on Budget significant initiatives supports the ability of New Zealanders to trace the difference that is being made with new investment of public funds announced at Budget. On page 60, we have provided a table to identify where you can find reporting information on significant EECA-related budget initiatives from the previous three Government Budgets (2021-2023).

Summary of our performance measure results

We are pleased to report another year of strong performance in 2023/24.

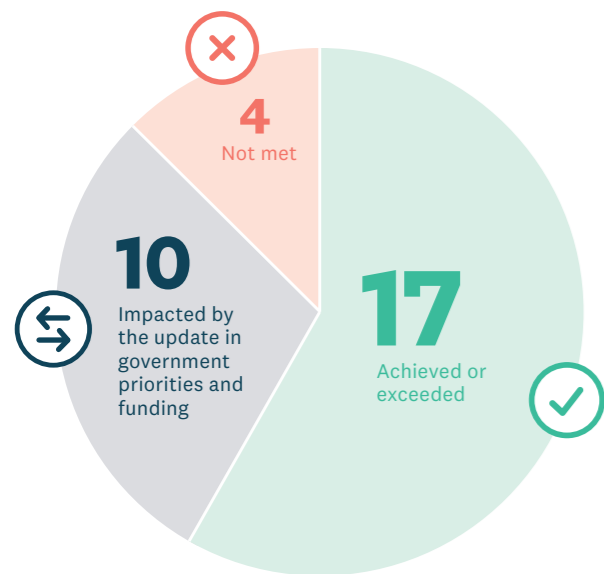
It is important to note we operated under two governments during 2023/24, with the update in government priorities naturally having an impact on our operations. Some of our programmes were paused during the pre- and post-election period to ensure alignment with the incoming Government's priorities, and some of our activities were subsequently scaled down or stopped. Where the update in government priorities had an impact on our activities and performance, we have clearly indicated this using the  symbol.

Annual output measures

Our annual output measures can be found in our Statement of Performance Expectations 2023/24 and the Estimates of Appropriations 2023/24. These measures seek a target result (e.g. 26,500 retrofits installed).

We achieved the target result for 17 out of 31 annual output measures in 2023/24. Ten out of the 14 measures we did not achieve were impacted by the update to government priorities/funding following the election. We provide detailed explanations alongside each measure we did not fully achieve.

Annual output measure results 2023/24

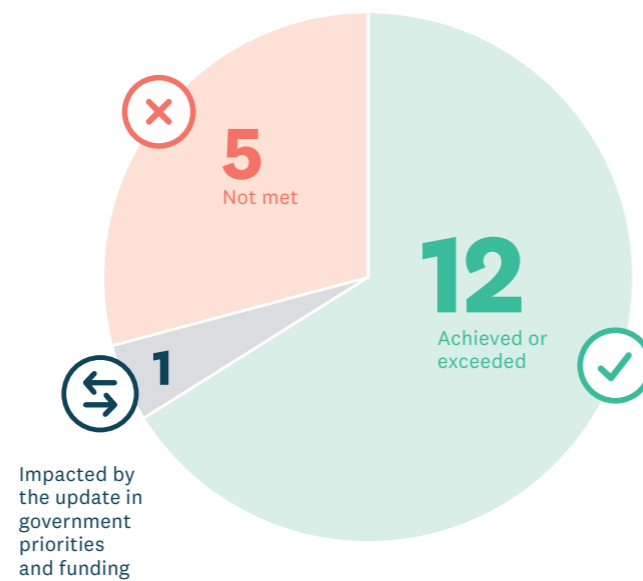


Four-year outcome measures

Our four-year outcomes measures can be found in our Statement of Intent 2021–2025. These measures seek a desired trend (i.e. an increase or decrease from the previous year).

We achieved the desired trend for 12 out of 18 four-year outcome measures in 2023/24. We provide detailed explanations alongside each measure we did not fully achieve.

Four-year outcome measure results 2023/24



Our progress on ‘Productive and Low Emissions Business’



‘Productive and Low Emissions Business’ is the first of our five strategic focus areas. The outcomes we seek in this area are:

- Businesses meet emissions reduction targets
- Businesses utilise low-emissions innovations and insights
- Businesses benefit from improved energy productivity.

In this section we outline the key activities we undertook in 2023/24 to make progress towards these outcomes. This includes the results for our performance measures and how much funding we spent.

Results for our annual output measures

Government Investment in Decarbonising Industry (GIDI) Fund

The GIDI Fund supported the reduction of energy-related emissions in industry with a focus on projects that would not have happened at speed or scale without government support. It was established in 2020 (GIDI 1.0) to support the COVID-19 response and recovery and later expanded in Budget 2022 (GIDI 2.0) to support a broader range of industrial projects. The fund then closed in December 2023. Over 120 projects were supported across the different GIDI funding streams. Once operational, these projects are expected to reduce New Zealand’s industrial emissions by an estimated 1.6 million tonnes per year.

Our GIDI performance measures are related to emissions reductions. When each GIDI project was approved, we calculated an estimate of the emissions reductions the project was expected to achieve annually using the information supplied by the project recipient in their application. The recipient business provides us with an actual annual emissions reduction figure once the project has become fully operational and completed a satisfactory data collection and reporting period (this period is currently around 12-18 months but can be longer depending on the nature of the project and report production). The impact of GIDI projects is enduring over multiple years so project emissions reductions are reported in several financial years. ‘Actual’ annual emissions reduction data is reported where available, otherwise, the ‘expected’ figure is used. To date, ‘actual’ data shows projects are achieving an average of 82% of their ‘expected’ annual emissions reductions.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result
Accelerate the transition	Estimated emissions reductions achieved by GIDI 1.0 and GIDI 2.0 projects during the financial year.	Target: N/A (new measure) Result: 23,026 tonnes of CO₂e	Target: 210,000 tonnes of CO₂e Result: 189,531 tonnes of CO₂e Operational GIDI 1.0 and GIDI 2.0 projects are estimated to have achieved 189,531 tonnes of emissions reductions between 1 July 2023 and 30 June 2024. The shortfall was largely driven by project delays, which pushed back the operational dates and emissions reductions. Delays were most commonly caused by supply chain issues and equipment design challenges.

Notes to the measure:

- Operational GIDI projects are in scope for this measure. A GIDI project is considered operational once we have received confirmation of the operational date from the recipient business.
- The calculation method is to multiply each project’s daily emissions reduction figure by the number of days that it was operational between 1 July 2023 and 30 June 2024. The daily emissions reduction figure is the annual emissions reduction figure divided by 365.
- Note the reported figure is made up of 38,054 tonnes of ‘actual’ emissions reductions data and 151,476 tonnes of ‘expected’ emissions reduction data (see definitions on page 24).

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result
Accelerate the transition	Forecast emissions reductions expected to be achieved by GIDI 2.0 projects contracted to date during Emissions Budget Period One (2022-2025)	Target: N/A (new measure) Result: 116,275 tonnes of CO₂e	Target: 170,000 tonnes of CO₂e Result: 160,854 tonnes of CO₂e Contracted GIDI 2.0 projects are forecast to deliver 160,854 tonnes of emissions reductions during Emissions Budget Period One (1 January 2022 – 31 December 2025). As a result of the update in government priorities/funding, the GIDI Fund was closed to future projects in December 2023. Future funding was returned to the Crown and this measure became not applicable.
Notes to the measure:			
<ul style="list-style-type: none"> • All GIDI 2.0 projects contracted prior to 30 June 2024 are in scope for this measure. A project is considered contracted when there is a signed unconditional agreement between EECA and a recipient business. • The calculation method is to multiply each project’s daily emissions reduction figure by the number of days that it is forecast to be operational during Emissions Budget Period One (between 1 January 2022 and 31 December 2025). The daily emissions reduction figure is the annual emissions reduction figure divided by 365. The number of operational days is calculated using the project’s operational date as supplied by the recipient business (the actual operational date if it is already operational or the forecast operational date if is not yet operational). 			
Accelerate the transition	Forecast emissions reductions expected to be achieved by GIDI 2.0 projects contracted to date during Emissions Budget Period Two (2026-2030)	Target: N/A (new measure) Result: 545,404 tonnes of CO₂e	Target: 5,000,000 tonnes of CO₂e Result: 3,535,659 tonnes of CO₂e Contracted GIDI 2.0 projects are forecast to deliver 3,535,659 tonnes of emissions reductions during Emissions Budget Period Two (1 January 2026 – 31 December 2030). As a result of the update in government priorities/funding, the GIDI Fund was closed to future projects in December 2023. Future funding was returned to the Crown and this measure became not applicable.
Notes to the measure:			
<ul style="list-style-type: none"> • All GIDI 2.0 projects contracted prior to 30 June 2024 are in scope for this measure. A project is considered contracted when there is a signed unconditional agreement between EECA and a recipient business. • The calculation method is to multiply each project’s daily emissions reduction figure by the number of days that it is forecast to be operational during Emissions Budget Period Two (between 1 January 2026 and 31 December 2030). The daily emissions reduction figure is the annual emissions reduction figure divided by 365. The number of operational days is calculated using the project’s operational date as supplied by the recipient business (the actual operational date if it is already operational or the forecast operational date if is not yet operational). 			

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
Accelerate the transition	Estimated annual emissions reductions delivered by completed GIDI projects.	Target: 100,000 tonnes of CO₂e Result: 113,866 tonnes of CO₂e	Target: 100,000 tonnes of CO₂e Result: 273,095 tonnes of CO₂e Operational GIDI projects are estimated to achieve 273,095 of emissions reductions annually.	✓
Notes to the measure:				
<ul style="list-style-type: none"> Operational GIDI projects are in scope for this measure. A GIDI project is considered operational once we have received confirmation of the operational date from the recipient business. The calculation method is to sum each operational project's annual emissions reduction figure. Note the reported figure is made up of 40,440 tonnes of 'actual' emissions reductions data and 232,655 tonnes of 'expected' emissions reduction data (see definitions on page 24). All 'actual' emissions have been verified by an independent third party. 				
Accelerate the transition	Forecast emissions reductions expected to be achieved in Emissions Budget Period One (2022-2025) by GIDI projects contracted during the financial year.	Target: N/A (new measure) Result: 116,275 tonnes of CO₂e	Target: 45,000 tonnes of CO₂e Result: 72,280 tonnes of CO₂e GIDI projects contracted during the year are forecast to deliver 72,800 tonnes of emissions reductions during Emissions Budget Period One (2022-2025).	✓
Notes to the measure:				
<ul style="list-style-type: none"> All GIDI 2.0 projects contracted between 1 July 2023 and 30 June 2024 are in scope for this measure. A project is considered contracted when there is a signed unconditional agreement between EECA and a recipient business. The calculation method is to multiply each project's daily emissions reduction figure by the number of days that it is forecast to be operational during Emissions Budget Period One (between 1 January 2022 and 31 December 2025). The daily emissions reduction figure is the annual emissions reduction figure divided by 365. The number of operational days is calculated using the project's operational date as supplied by the recipient business (the actual operational date if it is already operational or the forecast operational date if is not yet operational). 				
Accelerate the transition	Forecast emissions reductions expected to be achieved Emissions Budget Period Two (2026-2030) by GIDI projects contracted during the financial year.	Target: N/A (new measure) Result: 545,404 tonnes of CO₂e	Target: 4,500,000 tonnes of CO₂e Result: 3,066,909 tonnes of CO₂e GIDI projects contracted during the year are forecast to deliver 3,066,909 tonnes of emissions reductions during Emissions Budget Period Two (2026-2030). As a result of the update in government priorities/funding, the GIDI Fund was closed to future projects in December 2023. Future funding was returned to the Crown and this measure became not applicable.	⊖
Notes to the measure:				
<ul style="list-style-type: none"> All GIDI 2.0 projects contracted between 1 July 2023 and 30 June 2024 are in scope for this measure. A project is considered contracted when there is a signed unconditional agreement between EECA and a recipient business. The calculation method is to multiply each project's daily emissions reduction figure by the number of days that it is forecast to be operational during Emissions Budget Period Two (between 1 January 2026 and 31 December 2030). The daily emissions reduction figure is the annual emissions reduction figure divided by 365. The number of operational days is calculated using the project's operational date supplied by the recipient business (the actual operational date if it is already operational or the forecast operational date if is not yet operational). 				

Equipment Energy Efficiency (E3) Programme

The E3 programme improves the electricity efficiency of products and appliances available for sale in New Zealand through the regulation of their energy efficiency:

- We develop and administer Minimum Energy Performance Standards (MEPS) which require products to meet minimum energy efficiency standards to be sold in New Zealand
- We enforce Mandatory Energy Performance Labelling (MEPL) to help businesses compare the energy efficiency and running costs of different products when deciding what to buy.

These regulations save businesses money, reduce energy use and demand on the power grid, and cut related emissions. To support this work, we undertake compliance activities to ensure suppliers are meeting the requirements. Since 2002, over 98 million products have been sold under our regulation programme.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result	
Accelerate the transition	Energy use saved annually by businesses as a result of purchasing new energy efficient appliances subject to Minimum Energy Performance Standards (MEPS) and Mandatory Energy Performance Labelling (MEPL).	Target: 0.50 PJ Result: 0.82 PJ	Target: 0.80 PJ Result: 0.73 PJ The energy savings equate to the yearly energy use of over 17,000 homes, more than 22,000 tonnes of emissions reductions, and \$18 million in national benefit. While this is a significant savings achievement, it is slightly below target due to the rate of sales being lower than expected during the reporting period. Sales are influenced by economic conditions, consumer sentiment, and lingering supply issues.	✗
Notes to the measure:				
<ul style="list-style-type: none"> This is also an Estimates of Appropriations performance measure. Emissions reductions are calculated using the energy savings by applying emissions factors from the Ministry for the Environment. The energy savings figure is the difference between a calculated baseline energy consumption of the commercial products included in the E3 programme (which assumes the E3 programme had not existed) and the products' energy consumption from sales data and registration information collected by EECA. By August of the reporting year, product manufacturers and importers are required to submit this sales data for the period of 1 April to 31 March as per section 9[3] of the Energy Efficiency Regulations 2002. Therefore, the savings reported for 2023/24 relate to the latest available sales period of 1 April 2022 to 31 March 2023. The target increase from 2022/23 to 2023/24 reflects the increasing trend we had been seeing in energy savings. 				

Technology Demonstration Fund

Before widespread adoption of clean and clever technologies and processes can take place, the market needs evidence that they can perform and achieve the potential benefits. The Technology Demonstration Fund supports the early adoption of proven energy efficient and renewable technologies or innovative process improvement opportunities that are yet to be widely deployed in New Zealand.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result	
Investigate new opportunities	Number of technologies co-funded during the financial year (and number of strategically targeted technologies).	<p>Target: N/A (new measure)</p> <p>Result: 9 technologies (and 3 highly replicable technologies)</p>	<p>Target: 6 technologies (including 3 strategically targeted technologies)</p> <p>Result: 12 technologies (including 5 strategically targeted technologies).</p> <p>The five strategically targeted technologies in 2023/24 were:</p> <ul style="list-style-type: none"> Autonomous electric machinery for transportation (viticulture) An industrial microwave for heating/drying (manufacturing) A battery electric aerial spraying drone (indoor cropping) An anaerobic wastewater biogas digestion system (brewing) An electric tractor (agriculture). <p>The exceeded result reflects the quality, type and high number of project applications received during the year.</p>	✓
<p>Notes to the measure:</p> <ul style="list-style-type: none"> A technology is defined as strategically targeted if it has significant further replication potential or offers a major step change in technology in the current market (or EECA's relevant programmes). 				

Other Business Engagement Programmes

Our suite of Business Engagement Programmes is primarily focused on overcoming barriers to businesses understanding and managing their energy use effectively. We help businesses to increase their energy efficiency and use of renewable energy through the provision of information, capability, or technical solutions for their business processes.

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
Accelerate the transition	Percentage of business co-funding committed to projects that increase business energy efficiency and the use of renewable energy, and reduce emissions.	<p>Target: 95%</p> <p>Result: 86%</p>	<p>Target: 95%</p> <p>Result: 100%</p> <p>We committed the full Business Engagement budget to energy efficient and renewable business projects.</p>	✓
<p>Notes to the measure:</p> <ul style="list-style-type: none"> A co-funding amount is committed through a signed unconditional agreement between EECA and a project recipient. This measure is limited to business co-funding agreements signed between 1 July 2023 and 30 June 2024. 				

Infrastructure Reference Group 'Shovel-Ready' Projects

To support the response and recovery from COVID-19, the Government funded over 200 'Shovel-Ready' infrastructure projects. EECA was given delivery oversight of four of these projects:

- Invercargill Decarbonisation Contestable Fund
- Minimum Viable Hydrogen Refuelling Network
- Northland Home Energy Retrofit Project
- Otago Home Energy Retrofit Project.

The four projects relate to three different strategic focus areas, so the performance information and funding is split out across the relevant focus areas (refer to the *Efficient and Low Emissions Transport* section for the Minimum Viable Hydrogen Refuelling Network project and the *Energy Efficient Homes* section for the Home Energy Retrofit Projects). Note the data is combined and reported as a single measure result in the *Summary of Results* section.

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
N/A	Percentage of projects agreed by relevant Ministers that are funded and delivered as per the agreed contract.	<p>Target: 100%</p> <p>Result: 100%</p>	<p>Target: 100%</p> <p>Result: 100%</p> <p>All projects are operating within their agreed contractual obligations with funding delivered accordingly, including the business-related Invercargill Decarbonisation Contestable Fund project.</p>	✓
N/A	Grant funding delivered to energy sector projects that support the rebuild of the economy following agreement by relevant Ministers and as per the agreed contract	<p>Target: Achieved</p> <p>Result: Achieved</p> <p>with \$0.32 million paid out</p>	<p>Target: Achieved</p> <p>Result: Achieved</p> <p>\$1.46 million of grant funding was paid out to the Invercargill Decarbonisation Contestable Fund project in 2023/24.</p>	
N/A	Processes and procedures are developed to support infrastructure projects.	<p>Target: Achieved</p> <p>Result: Achieved</p>	<p>Target: Achieved</p> <p>Result: Achieved</p> <p>Processes and procedures are in place for each of the four infrastructure projects EECA oversees. This includes an EECA project manager for each project, monthly project meetings, and monthly and quarterly project reporting.</p>	
<p>Notes to the measure:</p> <ul style="list-style-type: none"> Processes and procedures have been defined as regular project management and reporting. 				

Results for our four-year outcome measures

Strategic outcome	Outcome measure (SOI)	Target	2022/23 result	2023/24 result	
Businesses meet emissions reduction targets	Avoided energy-related emissions resulting from EECA-funded business programmes	Increase from previous year	GIDI: 0 tonnes of CO₂e	GIDI: 40,385 tonnes of CO₂e	✓
<p>After the establishment of this measure, there was a shift in our approach to business energy-related emissions reductions. The focus shifted from a range of EECA business programmes to the Government Investment in Decarbonising Industry (GIDI) Fund as the primary business emissions reduction programme. The results reflect this shift, showing the GIDI projects that have now been operational long enough to provide energy-related emissions reduction data. The non-GIDI business programmes are insignificant to the result this year.</p> <p>Notes to the measure:</p> <ul style="list-style-type: none"> Avoided energy-related emissions is defined as emissions reductions that are based on actual project data (available approximately 12-18 months after the project is operational but can be longer depending on the nature of the project and report production). Emissions factors are used by businesses to calculate the emissions reductions. Emissions factors are sourced from <i>Measuring Emissions: A guide for organisations</i> published by the Ministry for the Environment. 					

Strategic outcome	Four-year outcome measure (SOI)	Target	2020/21 (baseline)	2021/22 result	2022/23 result	2023/24 result	
Businesses utilise low-emissions innovations and insights	Total energy and energy-related emissions addressed by completed Energy Transition Accelerator Programme opportunities assessments.	Increase from previous year	2,640 GWh and 740,000 tonnes CO₂e total	5,829 GWh and 2,412,604 tonnes CO₂e total	8,011 GWh and 2,773,659 tonnes CO₂e total	12,126 GWh and 2,785,318 tonnes CO₂e total	✓
<p>Notes to the measure:</p> <ul style="list-style-type: none"> An Energy Transition Accelerator opportunities assessment identifies opportunities that an organisation could implement to reduce its energy and energy-related emissions. The "total energy and energy-related emissions addressed" in this measure refers to the sum of the energy and energy-related emissions that would be expected to be reduced if all opportunities identified in opportunities assessments were implemented. Emissions reductions are calculated by the third-party providers who complete the opportunities report using Ministry for the Environment emissions factors. 							
Businesses benefit from improved energy productivity	Energy savings per annum from improvements in the electricity efficiency of commercial products through the Minimum Energy Performance Standards (MEPS) and Mandatory Energy Performance Labelling (MEPL) programmes ³ .	Increase from previous year	0.51 PJ	0.70 PJ	0.82 PJ	0.73 PJ	✗
<p>Notes to the measure:</p> <ul style="list-style-type: none"> The energy savings figure is the difference between a calculated baseline energy consumption of the commercial products included in the E3 programme (which assumes the E3 programme had not existed) and the products' energy consumption from sales data and registration information collected by EECA. By August of the reporting year, product manufacturers and importers are required to submit this sales data for the period of 1 April to 31 March as per section 9[3] of the Energy Efficiency Regulations 2002. Therefore, the savings reported for 2023/24 relate to the latest available sales period of 1 April 2022 to 31 March 2023. The decline in energy savings per annum in 2023/24 is due to the rate of sales being lower than expected during the reporting period. Sales are influenced by economic conditions, consumer sentiment, and lingering supply issues. 							

How much our activities cost

	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Operating revenue			
Energy Efficiency and Conservation			
Crown funding	18,031	16,411	16,546
Electricity levy funding	3,283	3,258	3,459
Gas levy funding	1,418	1,421	1,292
	22,732	21,090	21,297
Accelerating Energy Efficiency and Fuel Switching in Industry (GIDI 1.0)	14,522	12,828	22,635
Accelerating Energy Efficiency and Fuel Switching in Industry 2023-2027 (GIDI 2.0)	42,256	70,568	2,045
	79,510	104,486	45,977
Other revenue	1,473	710	1,370
Total operating revenue	80,983	105,196	47,347
Operating Expenses			
Financial and industry support expenses	62,267	89,817	28,535
Other operating expenses	14,257	15,011	13,562
Total operating expenses	76,524	104,828	42,097
Surplus/deficit	4,459	368	5,250

Our progress on ‘Efficient and Low Emissions Transport’

‘Efficient and Low Emissions Transport’ is the second of our five strategic focus areas. The outcomes we seek in this area are:


- New Zealand adopts low-emissions transport technologies and fuels
- Government establishes low-emissions transport policies and initiatives
- New Zealanders choose low-emissions mobility options.


In this section we outline the key activities we undertook in 2023/24 to make progress towards these outcomes. This includes the results for our performance measures and how much funding we spent.

Results for our annual output measures

Low Emission Transport Fund (LETF)


The LETF drives the demonstration and adoption of efficient and low-emissions transport technologies, fuels and infrastructure. We focus on projects related to moving people or goods – primarily on roads, but also off-road and in the marine sectors.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result	
Demonstrate low-emissions technologies	Number of highly replicable low-emission transport projects co-funded during the financial year.	Target: N/A (new measure) Result: 17 highly replicable projects	Target: 10 highly replicable projects Result: 15 highly replicable projects Projects include developing low-cost electric marine conversion kits, electrifying a diesel mobile port crane, and testing an electric loader. The exceeded result reflects the quality, type and high number of project applications received during the year.	
Notes to the measure:				
<ul style="list-style-type: none"> • A low-emissions transport project is defined as highly replicable if it creates new knowledge and learnings that can help address market failures and knowledge barriers to investment. 				

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
Scale infrastructure	Percentage of transport co-funding committed to projects that support the demonstration and adoption of low-emissions transport infrastructure, technologies, and fuels.	Target: 95% Result: 93.6%	Target: 95% Result: 100% We committed the full Low Emission Transport Fund budget to 43 new low-emissions transport projects.	
Notes to the measure:				
<ul style="list-style-type: none"> • A co-funding amount is committed through a signed unconditional agreement between EECA and a project recipient. 				


Low Emissions Heavy Vehicle Fund (LEHVF)

We received funding in Budget 2023 to establish a new programme from 2023/24 that will accelerate the adoption of low emissions heavy vehicles in New Zealand.

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
Demonstrate low-emissions technologies	A programme is established to provide grants to support organisations in purchasing low emissions heavy vehicles or to convert heavy vehicles to low emissions technology.	Target: N/A (new measure) Result: N/A (new activity)	Target: By 30 June 2024 Result: Not achieved This measure was impacted by the change of government during 2023/24. Additional time was required to align the programme design with the updated government priorities. The programme will launch in early 2024/25.	
Notes to the measure:				
<ul style="list-style-type: none"> • A programme is considered established once it has launched in the market. 				

Freight Decarbonisation Programme

We received funding in Budget 2022 to establish a new programme from 2023/24 to demonstrate low-emissions freight technologies, fuels, services, infrastructure, innovations, and business models. Funding for the programme was returned to the Crown through Budget 2024.

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
Demonstrate low-emissions technologies	Amount of freight decarbonisation funding committed to low-emissions freight and supply chain demonstration projects.	Target: N/A (new measure) Result: N/A (new activity)	Target: \$14 million Result: \$0 This measure was impacted by the change of government during 2023/24. Funding for this initiative was returned to the Crown through in line with the updated government priorities/funding.	
Notes to the measure:				
<ul style="list-style-type: none"> • A co-funding amount is committed through a signed unconditional agreement between EECA and a project recipient. 				

Public Electric Vehicle (EV) Charging

New Zealanders and businesses will not make the switch to efficient, low-emissions vehicles if they do not have confidence that they can charge them when and where they need to. We maximise private sector investment to help accelerate the roll-out of a comprehensive, nationwide network of public EV charging infrastructure, supporting the electrification of transport and futureproofing New Zealand's charging network for increased demand. We have supported more than 870 public EV chargers with over 1,000 charging points across the country and there are now public chargers at least every 75km on most of the state highway network.

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result
Scale infrastructure	A programme to provide funding support for the development of a network of electric vehicle outlets accessible by the public is established and deployed.	Target: N/A Result: N/A (new activity)	Target: By 30 June 2024 Result: Achieved in October 2023 EECA received funding in Budget 2023 to establish a funding programme from 2023/24 to support the development of New Zealand's public charging network. The programme was established and deployed with the first round of funding open for applications from 10 October 2023.

Notes to the measure:

- A programme is considered established once it has launched in the market.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result
Scale infrastructure	Number of public journey charging hubs co-funded during the financial year.	Target: 1 hub Result: 3 hubs	Target: 10 hubs Result: 29 hubs The charging hubs provide multiple high-powered charging heads in highly visible locations on or adjacent to the highway network, with proximity to customer services (such as food and bathrooms). Together, the 29 hubs will provide an additional 212 public charging points to New Zealand's public charging network. The exceeded result reflects the additional resourcing redirected to the programme during the year to support urban charging and the incoming Government's objective to deliver 10,000 EV charging points.

Notes to the measure:

- A public journey charging hub is considered co-funded when an unconditional agreement is signed between EECA and a project recipient.

Scale infrastructure	Number of rural community chargers co-funded during the financial year.	Target: N/A (new measure) Result: N/A (new activity)	Target: 150 rural chargers Result: 0 rural chargers As part of the previous Government's savings exercise in August 2023, \$15.0 million of funding EECA had ring-fenced for rural charging was returned to the centre. Due to demand from industry, we then prioritised urban charging activity (like the hubs in the measure above).
----------------------	---	---	--

Notes to the measure:

- A rural community charger is considered co-funded when an unconditional agreement is signed between EECA and a project recipient.

Infrastructure Reference Group 'Shovel-Ready' Projects

To support the response and recovery from COVID-19, the Government funded over 200 'Shovel-Ready' infrastructure projects. EECA was given delivery oversight of four of these projects:

- Invercargill Decarbonisation Contestable Fund
- Minimum Viable Hydrogen Refuelling Network
- Northland Home Energy Retrofit Project
- Otago Home Energy Retrofit Project.

The four projects relate to three different strategic focus areas, so the performance information and funding is split out across the relevant focus areas (refer to the *Productive and Low Emissions Business* section for the Invercargill Decarbonisation Contestable Fund and the *Energy Efficient Homes* section for the Home Energy Retrofit Projects). Note the data is combined and reported as a single measure result in the *Summary of Results* section.

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result
N/A	Percentage of projects agreed by relevant Ministers that are funded and delivered as per the agreed contract.	Target: 100% Result: 100%	Target: 100% Result: 100% All projects are operating within their agreed contractual obligations with funding delivered accordingly, including the transport-related Minimum Viable Hydrogen Refuelling Network project.
N/A	Grant funding delivered to energy sector projects that support the rebuild of the economy following agreement by relevant Ministers and as per the agreed contract.	Target: Achieved Result: N/A (no payment milestones yet)	Target: Achieved Result: Achieved \$2.06 million of grant funding was paid out to the Minimum Viable Hydrogen Refuelling Network project in 2023/24.
N/A	Funding is loaned to energy sector projects that support the rebuild of the economy following agreement by relevant Ministers and as per the agreed contract.	Target: Achieved Result: Achieved with \$2.16 million paid out	Target: Achieved Result: Achieved \$5.60 million of funding was loaned to the Minimum Viable Hydrogen Refuelling Network project in 2023/24. Note EECA is acting as an agent and the loan is recognised under the Ministry of Business, Innovation and Employment's (MBIE) accounts.
N/A	Processes and procedures are developed to support infrastructure projects.	Target: Achieved Result: Achieved	Target: Achieved Result: Achieved Processes and procedures are in place for each of the four infrastructure projects EECA oversees. This includes an EECA project manager for each project, monthly project meetings, and monthly and quarterly project reporting.

Notes to the measure:

- Processes and procedures have been defined as regular project management and reporting.

Results for our four-year outcome measures

Strategic outcome	Four-year outcome measure (SOI)	Target	2020/21 (baseline)	2021/22 result	2022/23 result	2023/24 result	
New Zealand adopts low-emissions transport technologies and fuels	Number of low-emissions vehicles in the light fleet.	Increase from previous year	20,584 electric vehicles 6,771 plug-in hybrid vehicles	33,262 electric vehicles 10,823 plug-in hybrid vehicles	54,981 electric vehicles 20,453 plug-in hybrid vehicles	77,160 electric vehicles 31,683 plug-in hybrid vehicles	✓ ↗
	Notes to the measure:						
	<ul style="list-style-type: none"> Data is sourced from the Ministry of Transport's Fleet Statistics <i>Monthly Motor Vehicle Fleet</i> table as at March 2024 (this ensures alignment with the baseline, which used the latest available data from March). The significant increase reflects the strong focus on promoting and enabling light low-emissions vehicles across government. 						
New Zealand adopts low-emissions transport technologies and fuels	Number of low-emissions vehicles in the heavy fleet (i.e. freight, buses, ferries).	Increase from previous year	183 electric vehicles ³ 2 plug-in hybrid vehicles ⁴	327 electric vehicles 2 plug-in hybrid vehicles	439 electric vehicles 2 plug-in hybrid vehicles	650 electric vehicles 2 plug-in hybrid vehicles	✓ ↗
	Notes to the measure:						
	<ul style="list-style-type: none"> Data is sourced from the Ministry of Transport's Fleet Statistics <i>Monthly Motor Vehicle Fleet</i> table as at March 2024 (this ensures alignment with the baseline which used the latest data from March). The significant increase reflects the strong focus on promoting heavy low-emissions vehicles across government during the year. 						
New Zealand adopts low-emissions transport technologies and fuels	Carbon intensity of vehicles entering the light fleet.	Decrease from previous year.	188.24 gCO ₂ e/km ⁵	184.44 gCO ₂ e/km	150.67 gCO ₂ e/km	141.71 gCO ₂ e/km	✓ ↘
	Notes to the measure:						
	<ul style="list-style-type: none"> Data is sourced from the Ministry of Transport's Fleet Statistics Quarterly Fleet Stats, Table 1e: Light registrations by average tailpipe CO₂. We calculate the average carbon intensity for the financial year. The significant decrease reflects the strong focus on promoting and enabling light low-emissions vehicles across government during the year. 						
Government establishes low-emissions transport policies and initiatives	Low-emissions transport policies and initiatives established by the Government.	Qualitative measure.				Achieved	✓
This year, EECA was involved in the development of several low-emissions transport policies and initiatives. Of note:							
<ul style="list-style-type: none"> New Zealand Energy Strategy Low Emissions Heavy Vehicle Fund Low Emissions Transport Fund Supercharging EV Infrastructure. 							
Notes to the measure:							
<ul style="list-style-type: none"> This measure was originally intended to be quantitative, however, the scope of the data is too broad to provide a meaningful count of the low-emissions policies and initiatives established by the Government. We have revised the measure to a qualitative description of some of the major low-emissions policies and initiatives established during the financial year that EECA was involved with. 							

³ The baseline figure in our Statement of Intent 2021-25 was 203 electric vehicles. In error, we included hybrid vehicles. The figure has been amended.

⁴ The baseline figure in our Statement of Intent 2021-25 was 33 plug-in hybrid vehicles. In error, we included non-plug-in hybrid vehicles. The figure has been amended.

⁵ The baseline figure in our Statement of Intent 2021-25 was 169.9 gCO₂e. The source for this data is the Ministry of Transport and it has since updated its methodology. The figure has been amended and the new methodology has been adopted in following years.

Strategic outcome	Four-year outcome measure (SOI)	Target	2020/21 (baseline)	2021/22 result	2022/23 result	2023/24 result	
New Zealanders choose low-emissions	Transport emissions per person	Decrease from baseline	3.27 tCO ₂ e per person	2.58 tCO ₂ e per person	2.71 tCO ₂ e per person	2.65 tCO ₂ e per person	✓ ↘
Notes to the measure:							
<ul style="list-style-type: none"> Transport emissions data is sourced from the Ministry for the Environment's Greenhouse Gas Inventory – the official annual report of all anthropogenic emissions and removals of greenhouse gases (GHGs) in New Zealand. We have extracted 2022 category 1.A.3 transport emissions data (the latest data available in the inventory). Population data is sourced from Statistics New Zealand as at December 2022 to align with the above inventory data. The baseline result is an average of the data from 2000 to 2018 (the latest year available). It was calculated this way because there was a high level of fluctuation observed year-on-year, which could be smoothed out with an average. This is also the reason the desired trend is a decrease from the baseline (as opposed to a decrease from the previous year): we determined that the historic fluctuations meant it was unreasonable to expect the result to be able to decrease year-on-year. There is a level of inherent uncertainty in reporting greenhouse gas emissions. The scientific knowledge and methodologies to determine emissions factors and the processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards. The full disclosure on the New Zealand Greenhouse emissions, including inventory uncertainties, methodologies and assumptions used in the calculation, are included in the latest inventory report: New Zealand's Greenhouse Gas Inventory 1990–2022 (Ministry for the Environment). Emissions estimates across the entire time series are, at certain points in time, recalculated due to improvements introduced to the inventory. 							

How much our activities cost

	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Operating revenue			
Energy Efficiency and Conservation			
Crown funding	25,059	16,796	13,018
Petroleum levy funding	13,500	13,500	10,500
	38,559	30,296	23,518
Grants scheme for investment in infrastructure projects (IRG)	2,056	4,000	-
Low Emission Transport Fund Freight Decarbonisation Grants	-	1,000	-
Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028	574	28,000	-
	41,189	63,296	23,518
Other revenue	2,203	375	982
Total operating revenue	43,392	63,671	24,500
Operating Expenses			
Financial and industry support expenses	15,650	49,268	9,244
Other operating expenses	5,990	6,170	4,891
Total operating expenses	21,640	55,438	14,135
Surplus/deficit	21,752	8,233	10,365

Our progress on 'Energy Efficient Homes'



'Energy Efficient Homes' is the third of our five strategic focus areas. The outcomes we seek in this area are:

- New Zealanders live in energy efficient homes that are warm, dry, and healthy
- New Zealand households benefit from an efficient, well-integrated and resilient renewable energy system.

In this section we outline the key activities we undertook in 2023/24 to make progress towards these outcomes. This includes the results for our performance measures and how much funding we spent.

Results for our annual output measures

Warmer Kiwi Homes Programme

The Warmer Kiwi Homes Programme supports low-income households to access home energy efficiency improvements that achieve energy savings and other major co-benefits like improved health outcomes. Our contracted providers retrofit ceiling and underfloor insulation, heat pumps, and efficient wood or pellet burners, and we regularly audit samples of the installations to check they meet our required standards. To date, the programme has delivered almost 150,000 retrofits. Investing in insulation and heating not only increases the energy efficiency of the home – Kiwi families enjoy the benefits of living in a warm, dry, and healthy home, and it saves New Zealand money in the long run. According to an independent evaluation⁶, every dollar spent on the programme unlocks \$4.36 of wellbeing and energy benefits.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result	
Improve existing homes	Number of insulation or heating retrofits installed in qualifying homes.	Target: 26,500 retrofits Result: 25,556 retrofits	Target: 26,500 retrofits Result: 29,626 retrofits were installed (18,842 insulation retrofits and 10,784 heating retrofits).	✓
		Notes to the measure: <ul style="list-style-type: none"> • This is also an Estimates of Appropriations performance measure. • Low-income homeowner eligibility is determined by meeting one of three criteria: health referral, deprivation index or community services card. The applicant must also be an owner occupier of a house built before 2008. • There can be a delay of several weeks between an installation occurring and when the documentation and claim is submitted by service providers and accepted through our system. We run the report of installs around 2 months after 30 June to allow time for the installs to be captured in the system. This is a different approach to previous years where we accrued installs at 30 June based on estimated install information from service providers. It allows for a more accurate result to be reported. We have restated the 2022/23 comparative result from 25,074 to 25,556 to align with this approach. 		

⁶ Evaluation of the Warmer Kiwis Homes Programme: Full Report including Cost Benefit Analysis, Motu (2022).

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result	
Improve existing homes	Percentage of sampled retrofits that comply with the installation quality standard.	Target: 95% Result: 98.5%	Target: 95% Result: 96.9% of sampled retrofits complied with the insulation or heating installation standard (94.7% for insulation installs and 99.1% for heating installs).	✓
Notes to the measure:				
<ul style="list-style-type: none"> This is also an Estimates of Appropriations performance measure. Audits are completed by an independent auditor. They audit a percentage (~5%) of the total number of retrofits during the financial year. Audits are based on individual Service Provider risk ratings; those with historical compliance issues will be audited at a higher rate than those that have consistently demonstrated high quality work. A four-stage auditing criteria applies for heat pump and insulation retrofits where each audited retrofit receives a pass, conditional pass, fail, or critical fail result. A pass or a conditional pass result counts as compliance. Both fail results count as non-compliance. Wood and pellet burner retrofits are excluded from auditing as their installations are controlled by the Building Consent process – they must be installed to the building code to receive a Code of Compliance. 				
Improve existing homes	Number of hot water efficiency retrofits installed during the financial year	Target: N/A (new measure) Result: N/A (new initiative)	Target: 400 retrofits Result: 0 retrofits This measure was impacted by the change of government during 2023/24. Funding for this initiative was returned to the Crown in line with the updated government priorities/funding.	⚡

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
Improve existing homes	A grant programme to support household access to efficient lighting is established and deployed.	Target: N/A (new measure) Result: N/A (new initiative)	Target: Achieved Result: Not achieved This measure was impacted by the change of government during 2023/24. Funding for this initiative was returned to the Crown in line with the updated government priorities/funding.	⚡
Notes to the measure:				
<ul style="list-style-type: none"> A programme is considered established once it has launched in the market. 				
Improve existing homes	A programme to provide grants for home repairs, additional low cost energy efficiency measures and community outreach has been established and deployed	Target: N/A (new measure) Result: N/A (new initiative)	Target: By 30 June 2024 Result: Not achieved This measure was impacted by the change of government during 2023/24. Funding for this initiative was returned to the Crown in line with the updated government priorities/funding.	⚡
Notes to the measure:				
<ul style="list-style-type: none"> A programme is considered established once it has launched in the market. 				

Equipment Energy Efficiency (E3) Programme

The E3 programme improves the electricity efficiency of products and appliances available for sale in New Zealand through the regulation of their energy efficiency:

- We develop and administer Minimum Energy Performance Standards (MEPS) which require products to meet minimum energy efficiency standards to be sold in New Zealand
- We enforce Mandatory Energy Performance Labelling (MEPL) to help businesses compare the energy efficiency and running costs of different products when deciding what to buy.

These regulations save consumers money, reduce energy use and demand on the power grid, and cut related emissions. To support this work, we undertake compliance activities to ensure suppliers are meeting the requirements. Since 2002, over 98 million products have been sold under our regulation programme.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result	
Maintain and extend regulatory activities	Energy use saved annually by consumers as a result of purchasing new energy efficient appliances subject to MEPS and MEPL.	Target: 0.70 PJ Result: 0.93 PJ	Target: 0.90 PJ Result: 0.86 PJ The energy savings equate to the yearly energy use of over 20,000 homes, more than 26,000 tonnes of emissions reductions, and \$21 million in national benefit. While this is a significant savings achievement, it is slightly below target due to the rate of sales being lower than expected during the reporting period. Sales are influenced by economic conditions, consumer sentiment, and lingering supply issues.	✗
Notes to the measure:				
<ul style="list-style-type: none"> This is also an Estimates of Appropriations performance measure. The energy savings figure is the difference between a calculated baseline energy consumption of the residential products included in the E3 programme (which assumes the E3 programme had not existed) and the products' energy consumption from sales data and registration information collected by EECA. By August of the reporting year, product manufacturers and importers are required to submit this sales data for the period of 1 April to 31 March as per section 9[3] of the Energy Efficiency Regulations 2002. Therefore, the savings reported for 2023/24 relate to the latest available sales period of 1 April 2022 to 31 March 2023. The target increase from 2022/23 to 2023/24 reflects the increasing trend we had been seeing in energy savings. 				

Infrastructure Reference Group ‘Shovel-Ready’ Projects

The E3 programme improves the electricity efficiency of products and appliances available for sale in New Zealand through the regulation of their energy efficiency:

- Invercargill Decarbonisation Contestable Fund
- Minimum Viable Hydrogen Refuelling Network
- Northland Home Energy Retrofit Project
- Otago Home Energy Retrofit Project.

The four projects relate to three different strategic focus areas, so the performance information and funding is split out across the relevant focus areas (refer to the *Productive and Low Emissions Business* section for the Invercargill Decarbonisation Contestable Fund and the *Efficient and Low Emissions Transport* section for the Minimum Viable Hydrogen Refuelling Network). Note the data is combined and reported as a single measure result in the *Summary of Results* section.

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
N/A	Percentage of projects agreed by relevant Ministers that are funded and delivered as per the agreed contract.	Target: 100% Result: 100%	Target: 100% Result: 100% All projects are operating within their agreed contractual obligations with funding delivered accordingly, including the Northland and Otago Home Energy Retrofit projects.	✓
N/A	Grant funding delivered to energy sector projects that support the rebuild of the economy following agreement by relevant Ministers and as per the agreed contract.	Target: Achieved Result: Achieved with \$0.85 million and \$0.54 million paid out to the Northland and Otago Home Energy Retrofit projects respectively	Target: Achieved Result: Achieved \$1.70 million and \$1.48 million of grant funding was paid out to the Northland and Otago Home Energy Retrofit projects respectively in 2023/24.	✓
N/A	Processes and procedures are developed to support infrastructure projects.	Target: Achieved Result: Achieved	Target: Achieved Result: Achieved Processes and procedures are in place for each of the four infrastructure projects EECA oversees. This includes an EECA project manager for each project, monthly project meetings, and monthly and quarterly project reporting.	✓
Notes to the measure:				
<ul style="list-style-type: none"> • Processes and procedures have been defined as regular project management and reporting. 				

Results for our four-year outcome measures

Strategic outcome	Four-year outcome measure (SOI)	Target	2020/21 (baseline)	2021/22 result	2022/23 result	2023/24 result	
New Zealanders live in energy efficient homes that are warm, dry, and healthy	Energy use of residential appliances per capita.	Decrease from previous year	1.60 PJ / 100,000 people	1.60 PJ / 100,000 people	1.63 PJ / 100,000 people	1.60 PJ / 100,000 people	✓
Notes to the measure:							
<ul style="list-style-type: none"> • Energy use data for this measure is sourced from EECA's Energy End Use Database which incorporates the latest 2022 energy use data from the Ministry of Business, Innovation and Employment's (MBIE). • MBIE updated its data in 2023 to reallocate petrol and diesel for recreational marine into the residential sector, and retrospectively applied this to previous years. As such, the baseline for 2020/21 and the result for 2021/22 have been updated (from 1.28 PJ to 1.60 PJ). • Population data is sourced from Statistics New Zealand as at December 2022 to align with the above data. 							
	Total number of insulation and heating retrofits installed in homes through the Warmer Kiwi Homes programme.	Increase from previous year	65,901 retrofits	92,069 retrofits	117,625 retrofits	147,251 retrofits	✓
Notes to the measure:							
<ul style="list-style-type: none"> • We upgraded the system we use to track Warmer Kiwi Homes retrofits in 2023. The sophisticated system is fully operational and provides a more accurate record of historical retrofits. As such, we have restated the results for previous years from 63,803 in 2020/21, 95,009 in 2021/22, and 118,462 in 2022/23. • The significantly increased result reflects the continued support by government during the year for insulation and heating retrofits. In particular, the eligibility criteria extension in August 2023 (i.e. the inclusion of households in areas within 'deprivation index' level 7). 							
New Zealand households benefit from an efficient, well-integrated, and resilient renewable energy system	Energy savings per annum from improvements in the electricity efficiency of household products through Minimum Energy Performance Standards (MEPS) and Mandatory Energy Performance Labelling (MEPL).	Increase from previous year	0.71 PJ	0.86 PJ	0.93 PJ	0.86 PJ	✗
Notes to the measure:							
<ul style="list-style-type: none"> • The energy savings figure is the difference between a calculated baseline energy consumption of the residential products included in the E3 programme (which assumes the E3 programme had not existed) and the products' energy consumption from sales data and registration information collected by EECA. By August of the reporting year, product manufacturers and importers are required to submit this sales data for the period of 1 April to 31 March as per section 9[3] of the Energy Efficiency Regulations 2002. Therefore, the savings reported for 2023/24 relate to the latest available sales period of 1 April 2022 to 31 March 2023. • The decline in energy savings per annum in 2023/24 is due to the rate of sales being lower than expected during the reporting period. Sales are influenced by economic conditions, consumer sentiment, and lingering supply issues. 							

How much our activities cost

	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Operating revenue			
Energy Efficiency and Conservation			
Crown funding	997	3,674	989
Electricity levy funding	1,484	1,554	1,671
Gas levy funding	140	152	143
	2,621	5,380	2,803
Investment in Infrastructure Projects	3,173	2,000	1,390
Grant scheme for Warm, Dry Homes	84,646	68,000	64,389
Implementation of Grant Scheme for Warm, Dry Homes	4,373	5,118	-
Grant scheme for Warm, Dry and Energy Efficient Homes 2023-2028	531	15,871	4,921
Implementation of grant scheme for Warm, Dry and Energy Efficient Homes 2023-2028	-	3,549	-
Support for Household Access to Efficient Lighting 2023-2028	-	1,300	-
	95,344	101,218	73,503
Other revenue	2,012	2,252	2,192
Total operating revenue	97,356	103,470	75,695
Operating Expenses			
Financial and industry support expenses	89,530	88,721	67,235
Other operating expenses	9,802	15,079	10,654
Total operating expenses	99,332	103,800	77,889
Surplus/deficit	(1,976)	(330)	(2,194)

Our progress on 'Government Leadership'



'Government Leadership' is the fourth of our five strategic focus areas. The outcomes we seek in this area are:

- Government agencies transition to a low-emissions economy
- New Zealand benefits from low-emissions transition lessons
- Government agencies collaborate on low-emissions policies and initiatives.

In this section we outline the key activities we undertook in 2023/24 to make progress towards these outcomes. This includes the results for our performance measures and how much funding we spent.

Results for our annual output measures

State Sector Decarbonisation Fund (SSDF)

The SSDF helps state sector agencies to overcome barriers to energy efficient and renewable projects that reduce carbon emissions. The fund supports the Carbon Neutral Government Programme (CNGP), which aims to make public sector organisations carbon neutral from 2025. Over 125 projects have been supported to date including fossil-fuelled boiler replacements, fleet transitions, energy efficient chillers, and LED lighting.

Our SSDF performance measure is related to emissions reductions. When each SSDF project was approved, we calculated an estimate of the emissions reductions the project was expected to achieve annually using the information supplied by the project recipient in their application. The recipient organisation provides us with an actual annual emissions reduction figure once the project has become fully operational and completed a satisfactory data collection and reporting period (approximately 12 months). 'Actual' annual emissions reduction data is reported where available, otherwise, the 'expected' figure is used.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result
Take direct action	Estimated emissions reductions achieved by SSDF projects during the financial year.	Target: N/A (new measure) Result: 4,300 tonnes of CO₂e	Target: 25,000 tonnes of CO₂e Result: 31,600 tonnes of CO₂e SSDF projects are estimated to have achieved 31,600 tonnes of emissions reductions during the financial year. This includes: <ul style="list-style-type: none"> • 37 fleet transition projects • 19 lighting upgrade projects • 17 boiler replacements • 10 chiller replacements • 2 energy efficiency projects • 1 solar project.
			<p>Notes to the measure:</p> <ul style="list-style-type: none"> • Operational SSDF projects are in scope for this measure. An SSDF project is considered operational once we have received confirmation from the recipient organisation. Some 'umbrella' projects have been funded through SSDF, comprising of multiple sub-projects. The School Coal Boiler Replacement Programme is an example of an umbrella project, with each individual school boiler being a sub-project. When sub-projects are commissioned, they count towards this measure. • The calculation method is to multiply each project's daily emissions reduction figure by the number of days that it was operational between 1 July 2023 and 30 June 2024. The daily emissions reduction figure is the annual emissions reduction figure divided by 365. • Note the reported figure is made up of 932 tonnes of 'actual' emissions reductions data and 30,668 tonnes of 'expected' emissions reduction data (see definitions on page 24).

In addition to the State Sector Decarbonisation Fund, EECA supports the CNGP through support for battery electric vehicle leasing, fleet optimisation plans, charging assessments, and fleet audits. During 2023/24, we supported the leasing of 416 battery electric vehicles (to replace 493 petrol/diesel vehicles), the installation of 534 electric vehicle chargers, and the completion of two charging assessments and a fleet optimisation study.

Crown Loans Scheme

Under the Crown Loans Scheme, we offer zero-interest loans to public sector organisations to fully or partially fund projects that increase energy efficiency and or the use of renewable energy.

Strategic priority action	Annual output measure (Estimates of Appropriations)	2022/23 result	2023/24 result	
Take direct action	Amount of Crown Loan funding paid out during the financial year.	Target: \$2.0 million Result: \$3.3 million	Target: \$2.0 million Result: \$2.0 million of Crown Loan funding was paid out to 25 projects.	✓
Notes to the measure: <ul style="list-style-type: none"> This is also an Estimates of Appropriations performance measure. 				

Results for our four-year outcome measures

Strategic outcome	Four-year outcome measure (SOI)	Target	2020/21 (baseline)	2021/22 result	2022/23 result	2023/24 result					
Government agencies transition to a low-emissions economy	Energy-related emissions tracked by the Carbon Neutral Government Programme (CNGP).	Decrease from previous year	Tranche 1 agencies:				347,184.6 tonnes of CO ₂ e ⁷	Data unavailable	282,932.6 tonnes of CO ₂ e	296,012.6 tonnes of CO ₂ e	✗
			The result for 2022/23 was likely impacted by COVID-19 lockdowns (data would have been gathered between 2021 and 2022). While the result for 2023/24 is a slight increase from 2022/23, it still represents a significant decrease from the baseline.								
			Tranche 2 agencies:				53,586.9 tonnes of CO ₂ e	Data unavailable	Data unavailable	48,112.3 tonnes of CO ₂ e	✓
Notes to the measure: <ul style="list-style-type: none"> Emissions data is supplied by the Ministry for the Environment, who leads the Carbon Neutral Government Programme. EECA then analyses the data to exclude any emissions that are not related to energy use. Under the Carbon Neutral Government Programme, Tranche 1 agencies (government departments, departmental agencies, and the non-public service departments in the executive branch) are required to submit their emissions data in December each year, starting from December 2022. Tranche 2 agencies (Crown agents) are required to submit their emissions data from December 2023. As a result of these timeframes, data was not available for 2021/22 and only Tranche 1 data is available for 2022/23. When agencies submitted their first year of emissions reporting, they were also required to submit a base year of emissions data for comparison. This base year data has been aggregated to provide the baseline result. 											

⁷ This figure has been updated from 353,893.9 tCO₂e due to agency baseline recalculations.

Strategic outcome	Four-year outcome measure (SOI)	Target	2020/21 (baseline)	2021/22 result	2022/23 result	2023/24 result	
New Zealand benefits from low-emissions transition lessons	Percentage of businesses that know how to find information to support them to reduce their energy-related emissions.	Increase from previous year	32%	44%	39%	43%	✓
Notes to the measure: <ul style="list-style-type: none"> Data is sourced from EECA's quarterly Business Monitor Survey of approximately 500 energy/transport decision makers within businesses (conducted by an independent research agency). The survey asks: <i>How much do you agree/disagree that you know where to access information about how to reduce your business's carbon emissions?</i> 'Agree' or 'strongly agree' responses are included. The result is a 12-month rolling average of the quarterly survey responses. Rolling averages are used to smooth out short-term fluctuations and highlight longer-term trends or cycles. 							
Government agencies collaborate on low-emissions policies and initiatives	Multi-agency low-emissions government policies and initiatives developed.	Qualitative measure.	Achieved				✓
We collaborated with other government agencies on several policies and initiatives this year, including the: <ul style="list-style-type: none"> New Zealand Energy Strategy Second Emissions Reduction Plan (ERP2) Electric Vehicle Charging Taskforce Energy Efficiency and Conservation Amendment Bill. 							
Notes to the measure: <ul style="list-style-type: none"> This measure was originally intended to be quantitative, however, the scope of the data is too broad to provide a meaningful count of the number of low-emissions government policies and initiatives. We have revised the measure to a qualitative description of the major cross-agency initiatives EECA was involved in during the financial year. 							

How much our activities cost

	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Operating revenue			
Energy Efficiency and Conservation			
Crown funding	10,437	18,347	16,037
Electricity levy funding	333	288	170
Gas levy funding	142	127	65
	10,912	18,762	16,272
Grants scheme for investment in infrastructure projects (IRG)	1,371	895	320
	12,283	19,657	16,592
Other revenue	1,766	661	1,274
Total operating revenue	14,049	20,318	17,866
Operating Expenses			
Financial and industry support expenses	10,213	24,730	7,183
Other operating expenses	2,909	3,434	3,207
Total operating expenses	13,122	28,164	10,390
Surplus/deficit	927	(7,846)	7,476
Non-departmental capital expenses			
Crown Energy Efficiency	3,334	2,000	3,334
Total capital funding	3,334	2,000	3,334

Our progress on 'Engaging Hearts and Minds'



'Engaging Hearts and Minds' is our fifth and final strategic focus area. The outcomes we seek in this area are:

- New Zealanders change their climate-related attitudes and behaviours
- Businesses change their attitudes and behaviours to reduce emissions
- Government's low-emissions policies and regulations are bold and credible.

In this section we outline the key activities we undertook in 2023/24 to make progress towards these outcomes. This includes the results for our performance measures and how much funding we spent.

Results for our annual output measures

Public Marketing and Communications

We have a key role to play in delivering information as an authority on energy efficiency, energy conservation, and the use of renewable energy. We provide evidenced-based information and tools and influence system settings to enable New Zealanders and businesses to make informed choices and maximise the value of their energy use. This helps lower energy bills, improve productivity, and future-proof for a clean energy economy. We track our progress in this area through quarterly independent surveys of approximately 500 energy/transport decision makers within businesses and 750 consumers.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result
Inspire long-term behavioural shifts	Number of visits to EECA websites during the financial year.	Target: N/A (new measure) Result: 1.46 million visits	Target: 1.50 million visits Result: 1.75 million visits This total is made up of 775,805 visits to the EECA website (www.eeca.govt.nz) and 976,727 visits to the Gen Less website (www.genless.govt.nz). More than 50% of visitors met the criteria for meaningful engagement with the content.
Inspire long-term behavioural shifts	Percentage of businesses actively seeking to reduce the impact of their energy use and transport choices.	Target: 37% Result: 35%	Target: 39% Result: 34% In line with the updated government priorities, we did not have targeted information campaign activity in the market for the second half of the year. We believe economic conditions were also a key driver for this result. Businesses have been experiencing heightened economic pressures and retreated from activities that are not core to their operations. This often includes energy and emissions reduction actions and investments.

Notes to the measure:

- The quarterly Business Monitor Survey asks: *Which of the following actions has your business taken in order to reduce your impact on climate change?* Responses that reduce the impact of energy use and transport choices are included.
- The result is a 12-month rolling average of the quarterly survey responses. Rolling averages are used to smooth out short-term fluctuations and highlight longer-term trends or cycles.

Strategic priority action	Annual output measure (SPE)	2022/23 result	2023/24 result	
Inspire long-term behavioural shifts	Percentage of individuals actively seeking to reduce the impact of their energy use and transport choices.	Target: N/A (new measure) Result: 49%	Target: 51% Result: 46% In line with the updated government priorities, we did not have targeted information campaign activity in the market for the second half of the year. We believe cost of living pressures was also a key driver for this result. These pressures impact consumers' perceived ability to take action.	⊖
Notes to the measure:				
<ul style="list-style-type: none"> The quarterly Consumer Monitor Survey asks: <i>Which of the following actions have you taken in order to reduce your impact on climate change?</i> Responses that reduce the impact of energy use and transport choices are included. The result is a 12-month rolling average of the quarterly survey responses. Rolling averages are used to smooth out short-term fluctuations and highlight longer-term trends or cycles. 				

Results for our four-year outcome measures

Strategic outcome	Four-year outcome measure (SOI)	Target	2020/21 (baseline)	2021/22 result	2022/23 result	2023/24 result	
New Zealanders change their climate-related attitudes and behaviours	Percentage of people who agree we need to make changes to our energy use to address climate change, even if it means a change to our current lifestyle.	Increase from previous year	72%	71%	69%	67%	⊖
We believe cost-of-living challenges have had an impact on consumers' perceived ability to change their energy use to address related emissions. This is evident in the survey, with half of the respondents saying they will not act unless there is a cost saving.							
Notes to the measure:							
<ul style="list-style-type: none"> The quarterly Consumer Monitor Survey asks: <i>How much do you agree or disagree that: We need to make changes to our energy use to address climate change, even if it means a change to our current lifestyle.</i> 'Agree' or 'strongly agree' responses are included. The result is a 12-month rolling average of the quarterly survey responses. Rolling averages are used to smooth out short-term fluctuations and highlight longer-term trends or cycles. 							
Businesses change their attitudes and behaviours to reduce emissions	Percentage of businesses actively seeking to reduce the impact of their energy use and transport choices.	Increase from previous year	33%	37%	35%	34%	⊕
In line with the updated government priorities, we did not have targeted information campaign activity in the market for the second half of the year. We believe economic conditions were also a key driver for this result. Businesses have been experiencing heightened economic pressures and retreated from activities that are not core to their operations. This often includes energy and emissions reduction actions and investments.							
Notes to the measure:							
<ul style="list-style-type: none"> The quarterly Business Monitor Survey asks: <i>Which of the following actions has your business taken in order to reduce your impact on climate change?</i> Responses that reduce the impact of energy use and transport choices are included. The result is a 12-month rolling average of the quarterly survey responses. Rolling averages are used to smooth out short-term fluctuations and highlight longer-term trends or cycles. 							

Strategic outcome	Four-year outcome measure (SOI)	Target	2020/21 (baseline)	2021/22 result	2022/23 result	2023/24 result	
Government's low-emissions policies are bold and credible	New Zealand progresses towards meeting its 2030 carbon targets.	Decrease from previous year	58,582 ktCO₂e	55,465 ktCO₂e	55,746 ktCO₂e	56,034 ktCO₂e	⊖
While the result is still a significant decrease from the baseline, New Zealand's overall emissions profile increased for 2023/24.							
Notes to the measure:							
<ul style="list-style-type: none"> New Zealand's 2030 target is <i>net emissions will be 50 per cent below 2005 gross emissions for the period 01 January 2021 to 31 December 2030</i>. This target is New Zealand's first Nationally Determined Contribution (NDC) under the Paris Agreement. This requires a net annual emissions decrease towards 41,333 ktCO₂e. Emissions data is sourced from the Ministry for the Environment's Greenhouse Gas Inventory – the official annual report of all anthropogenic emissions and removals of greenhouse gases (GHGs) in New Zealand. We have extracted 2022 emissions data from the <i>times series emissions data by category</i> (the latest data available in the inventory). There is a level of inherent uncertainty in reporting greenhouse gas emissions. The scientific knowledge and methodologies to determine emissions factors and the processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards. The full disclosure on the New Zealand Greenhouse emissions, including inventory uncertainties, methodologies and assumptions used in the calculation, are included in the latest inventory report: New Zealand's Greenhouse Gas Inventory 1990–2022 (Ministry for the Environment). Emissions estimates across the entire time series are, at certain points in time, recalculated due to improvements introduced to the inventory. 							

How much our activities cost

	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Operating revenue			
Energy Efficiency and Conservation			
Crown funding	3,361	3,407	2,968
Other revenue	1	22	212
Total operating revenue	3,362	3,429	3,180
Operating Expenses			
Other operating expenses	1,837	3,429	2,677
Total operating expenses	1,837	3,429	2,677
Surplus/deficit	1,525	-	503

Appendix 1 - Disclosure of judgements regarding changes to annual performance measures

In selecting performance measures for our key activities in 2023/24, we considered the required characteristics of relevance, faithful representation, understandability, timeliness, comparability, and verifiability. We also considered the pervasive constraints of materiality, cost-benefit, and the balance between qualitative characteristics.

Following a review of our annual performance measures, we made some changes to improve their appropriateness and meaningfulness for 2023/24. We also received funding for new activities in Budget 2023, which required new measures. The table below has further detail on the changes made.

Significant change	Measure for 2022/23	Measure for 2023/24	Rationale for change
Removed measure	SPE measure: Amount of Government Investment in Decarbonising Industry (GIDI) funding committed to projects Target: \$100 million.		Funding committed is not the most relevant aspect of the GIDI Fund's performance.
Removed measure	SPE measure: Amount of emissions savings delivered in 2023/24 from GIDI funding committed in 2022/23 Target: 175,000 tonnes of CO ₂ e		The measure does not meet the characteristic of understandability.
Removed measure	SPE measure: Amount of emissions reductions delivered by completed GIDI projects completed in 2022/23 Target: 110,000 tonnes of CO ₂ e		The measure does not meet the characteristic of understandability.
New measure		SPE measure: Estimated emissions reductions achieved by GIDI 1.0 and GIDI 2.0 projects during the financial year Target: 210,000 tonnes of CO ₂ e	The new measure is more understandable and recognises the estimated nature of some of the emissions reduction data.
New measure		SPE measure: Forecast emissions reductions expected to be achieved by GIDI 2.0 projects contracted to date during Emissions Budget Period One (2022-2025) Target: 170,000 tonnes of CO ₂ e	Delivering future emissions reductions is an important aspect of the GIDI Fund's performance.
New measure		SPE measure: Forecast emissions reductions expected to be achieved by GIDI 2.0 projects contracted to date during Emissions Budget Period Two (2026-2030) Target: 5,000,000 tonnes of CO ₂ e	Delivering future emissions reductions is an important aspect of the GIDI Fund's performance.
Removed measure	SPE measure: Number of Regional Energy Transition Accelerator (RETA) roadmaps completed Target: 6 roadmaps		The measure was removed to ensure a concise measurement framework focused on the most significant areas of activity.

Significant change	Measure for 2022/23	Measure for 2023/24	Rationale for change
Removed measure	SPE measure: Number of product classes that have a test programme completed to assess performance against Minimum Energy Performance Standards (MEPS) Target: Three product classes		The measure was removed to ensure a concise measurement framework focused on the most significant areas of activity.
Removed measure	SPE measure: Number of priority sectors for which a targeted energy decarbonisation resource is released Target: Five sectors		The measure was removed to ensure a concise measurement framework focused on the most significant areas of activity.
Removed measure	SPE measure: Percentage of the Low Emission Transport Fund (LETF) co-funding budget that is committed to projects Target: 95%		Funding committed is not the most relevant aspect of the LETF's performance.
Removed measure	SPE measure: Percentage of the LETF co-funding budget committed to public charging infrastructure projects Target: 40%		Funding committed is not the most relevant aspect of the LETF's performance.
New measure		SPE measure: Number of highly-replicable low-emission transport projects co-funded during the year Target: 10 projects	Funding highly replicable projects is a key aspect of the LETF's performance.
New measure		Estimates measure: A programme to provide funding support for the development of a network of electric vehicle charging outlets accessible by the public is established and deployed Target: By 30 June 2024	Funding for the programme was introduced in Budget 2023.
New measure		SPE measure: Number of rural community chargers co-funded during the financial year Target: 150 rural chargers	
New measure		Estimates measure: A programme to provide grants to support organisations in purchasing low emissions heavy vehicles or to convert heavy vehicles to low emissions technology Target: By 30 June 2024	
Removed measure	SPE measure: Number of Publicly Available Specifications (PAS) published Target: Two PAS		The measure was removed to ensure a concise measurement framework focused on the most significant areas of activity.
New measure		Estimates measure: A programme to provide grants for home repairs, additional low-cost energy efficiency measures and community outreach has been established and deployed Target: By 30 June 2024	Funding for the programme was introduced in Budget 2023.
New measure		Estimates measure: A grant programme to support household access to Efficient Lighting is established and deployed Target: Achieved by 30 June 2024	Funding for the programme was introduced in Budget 2023.

Significant change	Measure for 2022/23	Measure for 2023/24	Rationale for change
New measure		SPE measure: Number of hot water efficiency retrofits installed during the financial year Target: 400 retrofits	Funding for hot water efficiency retrofits was introduced in Budget 2023.
Removed measure	SPE measure: Percentage of unallocated state sector Decarbonisation Fund (SSDF) funding committed to state sector decarbonisation projects Target: 100%		SSDF funding was fully allocated so the measure became irrelevant. Milestone completion is not the most relevant aspect of the SSDF's performance.
New measure		SPE measure: Estimated emissions reductions achieved by SSDF projects during the financial year Target: 25,000 tonnes of CO ₂ e	Delivering emissions reductions is an important aspect of the SSDF's performance.
Removed measure	SPE measure: Number of communications delivered that integrate insights from completed EECA-supported low-emissions projects Target: 6 communications		The measure was removed to ensure a concise measurement framework focused on the most significant areas of activity.
Removed measure	SPE measure: Percentage of surveyed individuals and businesses who are aware of the Gen Less brand Target: 24% of individuals and 35% of businesses		Awareness of Gen Less was high so the strategic focus shifted to engagement with content.
New measure		SPE measure: Number of visits to the EECA websites Target: 1.5 million visits	Engagement with content is an important aspect of performance for our information provision activities.
Removed measure	SPE measure: At least 42% of individuals understand that the use of petrol and diesel-powered vehicles is one of the biggest contributors to New Zealand's energy-related emissions Target: 24%		Understanding was high so the strategic focus shifted to related action.
		SPE measure: Percentage of individuals actively seeking to reduce the impact of their energy use and transport choices Target: 51%	Achieving action is an important aspect of our information provision activities.

Appendix 2 - Budget significant initiatives

We provide information on significant EECA-related budget decisions and initiatives to increase traceability of funding announced in Government Budgets through to what has been delivered and achieved with the funding.

Budget 2024 decisions and impacts in 2023/24

The table below outlines EECA-related funding decisions in Budget 2024 by the new Government. While the funding decisions were mostly applicable from 2024/25 onwards, they still had an impact on our operations in 2023/24.

Budget year	Appropriation	Budget initiative	Description	Impact in 2023/24
Budget 2024	Accelerating Energy Efficiency and Fuel Switching in Industry 2022 - 2027	Return Funding - Government Investment in Decarbonising Industry Fund	Returning \$507 million of future grant funding for the Government Investment in Decarbonising Industry (GIDI) Fund from 2024/25 to 2026/27 and close the fund to future projects.	The GIDI fund closed to new projects.
	Grant Scheme for Warm, Dry, and Energy Efficient Homes 2023-2028	Return of Funding for the Energy Efficiency and Conservation Authority	Returning \$85.1 million of future grant funding for the Warmer Kiwi Homes programme from 2024/25 to 2026/27 to discontinue some new elements added in Budget 2023 (hot water heating, low-cost energy efficiency measures, and community outreach outreach).	The new Warmer Kiwi Homes elements were discontinued.
	Support for Household Access to Efficient Lighting 2023-2028	Return of Funding for the Energy Efficiency and Conservation Authority	Returning \$15 million of future grant funding for the Warmer Kiwi Homes programme across 2024/25, 2025/26 and 2026/27 to discontinue the efficient lighting element added in Budget 2023.	The new Warmer Kiwi Homes element was discontinued.
	Implementation of the Grant Scheme for Warm, Dry Homes	Return of Funding for the Energy Efficiency and Conservation Authority	Returning \$3 million of future operating funding for the Warmer Kiwi Homes programme across 2024/25, 2025/26 and 2026/27 in relation to the discontinued elements outlined above.	No impact in 2023/24.
	Energy Efficiency and Conservation	Return of Funding for the Energy Efficiency and Conservation Authority	Returning \$61.4 million of EECA baseline funding across 2024/25, 2025/26, 2026/27 and 2027/28 as part of the Budget 2024 baseline reduction exercise.	No impact in 2023/24.

Location of performance information for previous Budget significant initiatives

The table below shows the location of performance information for significant EECA-related initiatives funded in the last three Budgets under the previous Government.

Budget year	Appropriation	Budget initiative	Description	Location of performance information
Budget 2023	Grant Scheme for Warm, Dry, and Energy Efficient Homes 2023-2028	Warmer Kiwi Homes Programme - Extension and Expansion	Adding \$350 million of grant funding from 2023/2024 to 2026/27 to extend the Warmer Kiwi Homes insulation and heating programme and introduce new elements including basic home repairs, hot water heating, low-cost energy efficiency measures, and community outreach.	Page 43 – 44
	Support for Household Access to Efficient Lighting 2023 - 2028	Warmer Kiwi Homes Programme - Extension and Expansion	Introducing \$16.3 million of grant funding from 2023/2024 to 2026/27 to support household access to efficient LED lighting.	Page 43 – 44
	Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028	Electric Vehicle Charging Infrastructure - Funding to Expand Immediate Investments, and Inform Future Investments	Introducing \$95 million of grant funding from 2023/24 to 2025/26 to support the development of a network of public electric vehicle charging outlets accessible by the public.	Page 38
	Clean Heavy Vehicles Grants 2023-2028	Clean Heavy Vehicles Grants	Introducing \$27.7 million of grant funding from 2023/24 for the Low Emissions Heavy Vehicles Fund (LEHVF) to increase the use of low emissions heavy vehicles and infrastructure in New Zealand.	Page 37
Budget 2022	Accelerating Energy Efficiency and Fuel Switching in Industry MYA 2022 - 2027	Funding further decarbonisation of process heat and implementation of supporting policies	Introducing \$808.4 million of grant funding from 2022/23 to 2027/28 to expand the Government Investment in Industry (GIDI) Fund.	Page 28 – 30
	Grant Scheme for Warm, Dry Homes 2022-2027	Extending the Warmer Kiwi Homes programme	Adding \$68 million of grant funding for 2023/24 to extend the Warmer Kiwi Homes insulation and heating programme.	Page 43 – 44
	Low Emission Transport Fund Freight Decarbonisation Grants 2022 - 2027	Decarbonising Freight Transport - Resourcing and Seed Funding	Introducing \$14 million of grant funding from 2023/24 to 2025/26 to support freight decarbonisation under the Low Emission Transport Fund.	Page 37

Budget year	Appropriation	Budget initiative	Description	Location of performance information
Budget 2021	Grant Scheme for Warm, Dry Homes 2022-2027	Extending the Warmer Kiwi Homes Programme	Adding \$115 million of grant funding for 2021/22 and 2022/23 to extend the Warmer Kiwi Homes insulation and heating programme.	Page 43 – 44
	Energy Efficiency and Conservation Authority	Scaling up EECA's Energy and Decarbonisation support for Business	Increasing EECA's annual baseline funding to scale up support for business energy efficiency and decarbonisation (phased to \$4 million annually).	Page 32
	Energy Efficiency and Conservation Authority	Expanding the Scope and Size of Funding for Low Emission Transport Technologies and Fuels	Increasing EECA's annual baseline funding to support to expand the Low Emission Transport Fund (phased to \$12.5 million annually).	Page 36
	Energy Efficiency and Conservation Authority	Implementing the Carbon Neutral Government Programme	Increasing EECA's annual baseline funding to support the implementation of the Carbon Neutral Government Programme (CNGP) (phased to \$11.2 million annually).	Page 50

Appendix 3 – Appropriation funding

We provide information on significant EECA-related budget decisions and initiatives to increase traceability of funding announced in Government Budgets through to what has been delivered and achieved with the funding.

	Estimates \$000	Supplementary Estimates \$000	Actual \$000	Difference vs Supplementary Estimates \$000
Energy Efficiency and Conservation (Annual appropriation)				
Energy Efficiency and Conservation	58,635	59,385	57,885	1,500
Electricity levy funding	5,100	5,300	5,300	-
Gas levy funding	1,700	1,500	1,700	-
Petroleum levy funding	13,500	10,500	13,500	-
Total appropriation	78,935	79,685	78,185	1,500
Implementation of the Grant Scheme for Warm, Dry Homes 2022-2027 (MYA)				
Crown Revenue - earlier years	2,385	2,385	2,385	-
Crown Revenue - year ended 30 June 2024	5,118	5,118	4,373	745
Remaining appropriation	-	-	745	(745)
Total appropriation	7,503	7,503	7,503	-
Implementation of the Grant Scheme for Warm, Dry, and Energy Efficient Homes (2023-2028 MYA)				
Crown Revenue - earlier years	-	-	-	-
Crown Revenue - year ended 30 June 2024	3,549	3,549	-	3,549
Remaining appropriation	28,288	25,288	28,837	(3,549)
Total appropriation	31,837	28,837	28,837	-
Grant Scheme for Warm Dry Homes 2022-2027 (Multi- year appropriation)				
Crown Revenue - earlier years	47,355	30,709	30,709	-
Crown Revenue - year ended 30 June 2024	68,000	84,646	84,646	-
Remaining appropriation	-	-	-	-
Total appropriation	115,355	115,355	115,355	-
Grant Scheme for Warm, Dry, and Energy Efficient Homes (2023-2028 MYA)				
Crown Revenue - earlier years	-	-	-	-
Crown Revenue - year ended 30 June 2024	15,871	15,871	531	15,340
Remaining appropriation	334,109	249,000	264,340	(15,340)
Total appropriation	349,980	264,871	264,871	-
Accelerating Energy Efficiency and Fuel Switching in Industry 2021-2025 (Multi- year appropriation)				
Crown Revenue - earlier years	69,000	33,519	33,519	-
Crown Revenue - year ended 30 June 2024	-	13,000	14,522	(1,522)
Remaining appropriation	-	22,481	20,959	1,522
Total appropriation	69,000	69,000	69,000	-

	Estimates \$000	Supplementary Estimates \$000	Actual \$000	Difference vs Supplementary Estimates \$000
Accelerating Energy Efficiency and Fuel Switching in Industry 2022-2027 (Multi- year appropriation)				
Crown Revenue - earlier years	80,434	2,045	2,045	-
Crown Revenue - year ended 30 June 2024	149,045	80,568	42,256	38,312
Remaining appropriation	603,947	243,813	282,125	(38,312)
Total appropriation	833,426	326,426	326,426	-
Implementation of the Grant Scheme for Warm, Dry Homes 2022-2027 (MYA)				
Crown Revenue - earlier years	2,385	2,385	2,385	-
Crown Revenue - year ended 30 June 2024	5,118	5,118	4,373	745
Remaining appropriation	-	-	745	(745)
Total appropriation	7,503	7,503	7,503	-
Investment in Infrastructure Projects (Multi category appropriation) - Grants Scheme				
Crown Revenue - year ended 30 June 2024	4,990	34,583	6,600	27,983
Total appropriation	4,990	34,583	6,600	27,983
Low Emission Transport Fund Freight Decarbonisation Grants (2022 - 2027)				
Crown Revenue - earlier years	-	-	-	-
Crown Revenue - year ended 30 June 2024	1,000	1,000	-	1,000
Remaining appropriation	14,000	-	-	-
Total appropriation	15,000	1,000	-	1,000
Support for Household Access to Efficient Lighting (2023 - 2028)				
Crown Revenue - earlier years	-	-	-	-
Crown Revenue - year ended 30 June 2024	1,300	1,300	-	1,300
Remaining appropriation	15,000	-	-	-
Total appropriation	16,300	1,300	-	1,300
Public Electric Vehicle Charging Hubs and Infrastructure (2023-2028)				
Crown Revenue - earlier years	-	-	-	-
Crown Revenue - year ended 30 June 2024	28,000	13,000	574	12,426
Remaining appropriation	82,000	82,000	94,426	12,426
Total appropriation	110,000	95,000	95,000	-
Clean Heavy Vehicles Grants (2023-2028)				
Crown Revenue - earlier years	-	-	-	-
Crown Revenue - year ended 30 June 2024	-	9,250	-	9,250
Remaining appropriation	-	18,500	27,750	(9,250)
Total appropriation	-	27,750	27,750	-
Energy and Resources: Crown Energy Efficiency (Capital Appropriation)				
Crown Revenue - year ended 30 June 2024	2,000	2,000	2,000	-



Our organisation

Find out more about our governance structure, our people and culture, and our wider commitments.

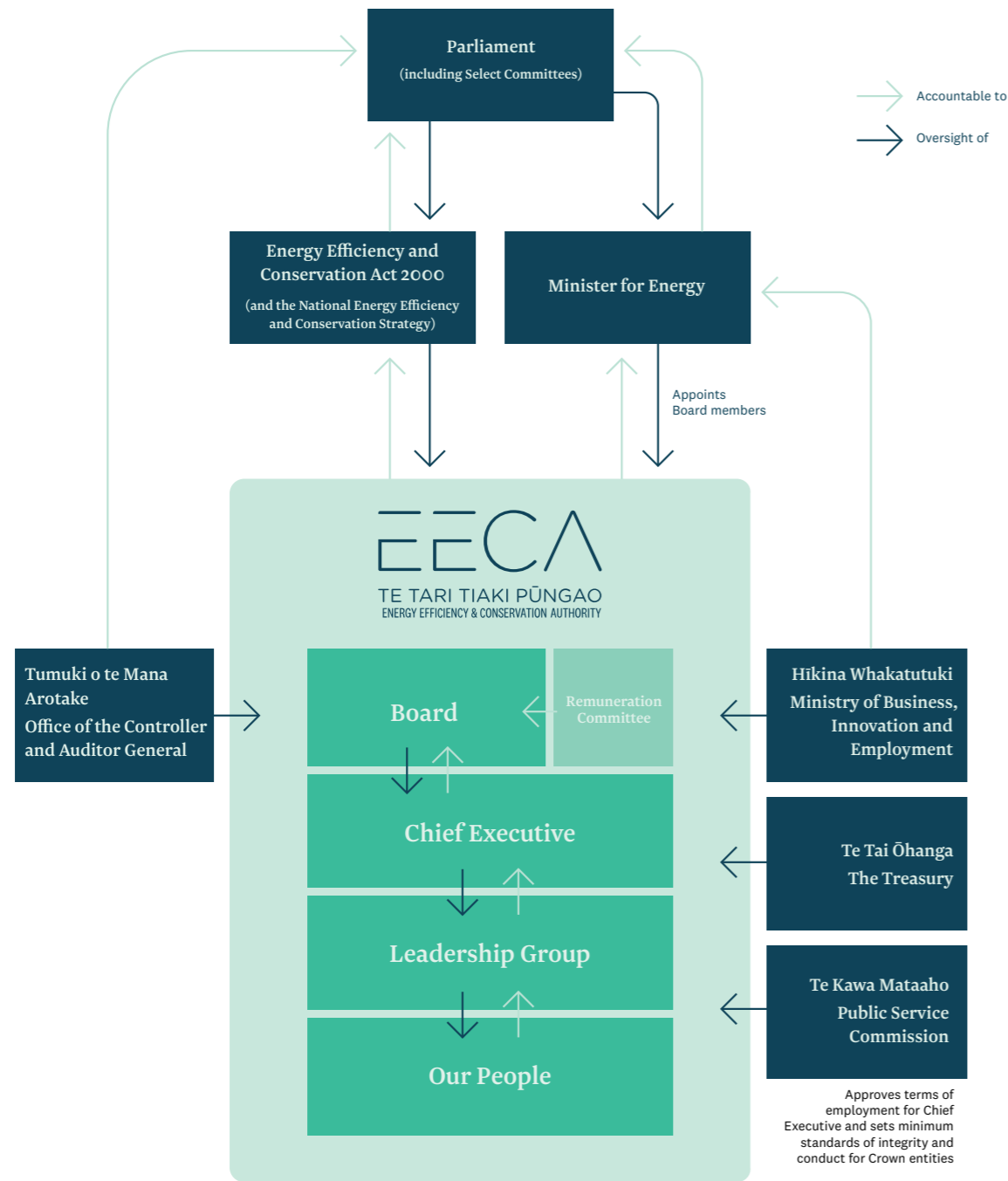
Our governance

We are committed to good governance and continue to seek best practice.

Governance framework

As a Crown Agent we are governed by parliament with the support of other governance structures like a Board and Chief Executive

Our governance structure is best explained in the diagram below:



A Board of up to eight members oversees our work

Each Board member is appointed by the Minister for Energy (Minister) for up to three years. The Minister has the power to reappoint a Board member or shorten a Board member's term.

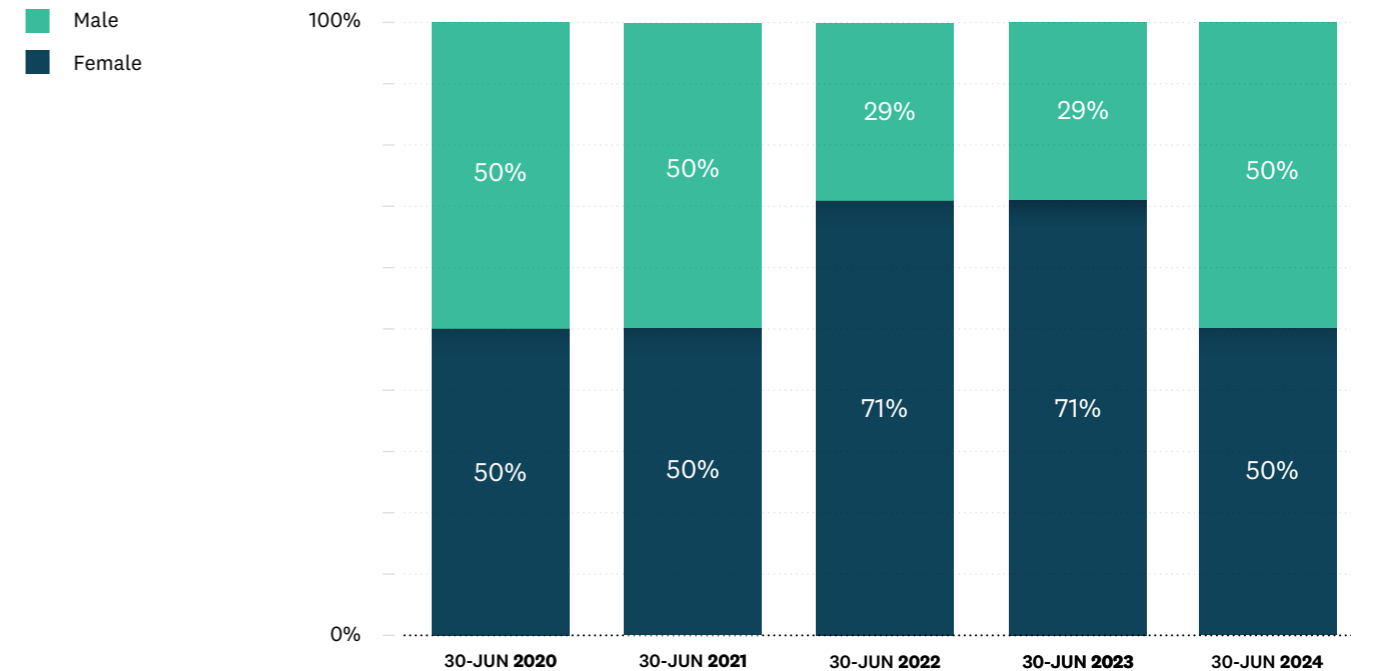
The Board has the authority to exercise EECA's statutory powers and perform its functions and may only act for the purpose of performing EECA's statutory functions. Board members are accountable to the Minister for the performance of their duties. The Board's governance role is largely determined by the provisions of the following legislation:

- Crown Entities Act 2004
- Energy Efficiency and Conservation Act 2000
- Public Service Act 2020
- Public Finance Act 1989
- Health and Safety at Work Act 2015
- Climate Change Response (Zero Carbon) Amendment Act 2019.

Our Board has met or exceeded the Government target of 50% female representation for the last five years

We believe boards should be distinguished by diversity of thought and capability. Strong, diverse, and balanced governance brings breadth of perspective, better decision-making, and creates stronger resilience and higher performing organisations.

following graph shows our Board's gender diversity was 50% female and 50% male at 30 June 2024, meeting the government target for female representation⁸.



⁸ <https://www.beehive.govt.nz/release/women-continue-make-over-50-cent-public-sector-boards> (last accessed 31 July 2024).

Board members are remunerated at a rate approved by the Minister for Energy

The following table shows the remuneration (under the Cabinet Fees Framework⁹) and attendance at scheduled Board and Committee meetings during 2023/24.

Board members	Appointed	EECA Board meeting attendance ¹⁰	Remuneration Committee ¹¹ attendance	Remuneration 2023/24	Remuneration 2022/2023
Elena Trout (Chair)	September 2019	10/11	3/3	\$54,000	\$33,500
Catherine Taylor (Deputy Chair)	February 2017	10/11	3/3	\$33,750	\$20,938
Albert Brantley	July 2021	8/11	2/3	\$27,000	\$16,750
Christopher Boyle	July 2023	10/11	N/A	\$27,000	N/A
Judi Jones	July 2023	10/11	N/A	\$27,000	N/A
Andrew Knight	July 2023	11/11	N/A	\$27,000	N/A
Karen Sherry	February 2017	10/11	N/A	\$27,000	\$16,750
Dr Daniel Tulloch	July 2023	11/11	N/A	\$27,000	N/A
Norman Smith	September 2019 (term ended July 2023)	N/A	N/A	\$2,250	\$16,750
Dr Linda Wright	September 2019 (term ended July 2023)	N/A	N/A	\$2,250	\$16,750
Loretta Lovell	July 2021 (resigned June 2023)	N/A	N/A	N/A	\$16,750
Total				\$254,250	\$138,188

We have taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of liability or costs of Board members and employees.

During the year ended 30 June 2024, four board members received compensation or other benefits in relation to cessation totalling \$583 (compared to \$0 for the year ended 30 June 2023).

Board members are required to make disclosures of interest

The Board's policy and practice for managing conflicts of interest are covered by our Board Governance Manual. This manual is based on good practice guidelines, aligned with relevant legislation from the Crown Entities Act 2004. Relevant sections of this act include:

- Section 63, which requires Board members who have interests in matters relating to the entity to disclose details of the interests as soon as practicable after becoming aware of them. The Board has a conflict-of-interest process under which Board members disclose their interests at least monthly.
- Section 66, which states a member who is interested in a matter relating to the entity is prohibited from acting with the Board on the matter. Nor can the member form part of a Board or committee quorum for any discussion or decision in relation to the matter.
- Section 68, which provides a process under which the Board Chair (or Deputy Chair or the Minister in certain circumstances) may, by prior written notice to the Board, permit a Board member to act on a matter in respect of which the member would otherwise be prohibited by Section 66. No such permissions were given during the 12 months ending 30 June 2024.

⁹ Cabinet Fees Framework, Circular CO (19) 1, effective from 1 July 2019.

¹⁰ Board member availability and meeting attendance can be impacted by sickness and scheduling. Only core meetings have been noted here (extraordinary meetings not included).

¹¹ Attendance at committee meetings is recorded for committee members only. If a Board member is not a member of a committee but attended a meeting as an observer, their attendance has not been noted here.

The Board is committed to continuous improvement

The Board critically evaluates its performance, processes, and procedures every year, in the interest of continuous improvement. The performance of individual Board members is also reviewed and evaluated annually by the Board Chair.

We provide ongoing support for continuous professional learning and development to all Board members. EECA also expects Board members to take responsibility for continuously improving their professional knowledge and skills, utilising and supplementing this support where required.

Governance processes

We comply with whole-of-government directions

Under the Crown Entities Act 2004, the Minister for the Public Service and the Minister of Finance may jointly direct Crown entities to support a whole of government approach by complying with specified requirements. We comply with these requirements.

Whole-of-government direction	Date applies from
ICT	19 June 2014
Property	1 July 2014
Procurement	1 February 2015
New Zealand Business Number	1 January 2018
Carbon Neutral Government Programme	27 March 2022

We answered over 100 requests for information from parliament and the public

Between 1 July 2023 and 30 June 2024, we provided answers to support 41 Written Parliamentary Questions and 4 Oral Parliamentary Questions.

During this time, we also completed 61 Official Information Act (OIA) requests:

Year ended	Total requests completed	Requests completed within legislated timeframe	Requests not completed within legislated timeframe
30 June 2024	61	60	1
30 June 2023	60	59	1
30 June 2022	30	26	4
30 June 2021	23	23	0
30 June 2020	9	9	0

We did not fully complete one OIA request within the legislated timeframe in 2023/24. We partially answered this request within the legislated timeframe, but some information was delivered to the requestor after the deadline of twenty working days.

We aim to meet all requests as soon as reasonably practical and within legislated deadlines. We will continue to focus on this in 2024/25.


Our people and culture

We want EECA to be a place where people are treated fairly and with respect, where uniqueness and contributions are valued and heard, and staff can feel that they belong. Working to embed a diverse and inclusive culture is an organisational priority. It is included as part of our strategy and behaviours.

We encourage four key behaviours at EECA

We place high value on a strong, behaviours-based culture to guide the way we operate and work together, and the decisions we make. Our four key behaviours help us build a highly engaged, committed workforce to mobilise New Zealanders to be world leaders in clean and clever energy use. These four behaviours are:


1



Open to the new

Changing New Zealand needs openness and understanding. To succeed, we welcome fresh thinking from others and create an environment where new perspectives are cherished.


2



Stand in others' shoes

To mobilise New Zealanders, we need to understand people. That means parking our pre-conceptions and getting to know them before we act.


3



Believe in “we” not “me”

Delivering on our mission will take collaboration. To get there, we need to work together in a positive and proactive way.

4



Deliver the goods

To be world leaders in clean and clever energy use, we need every individual at EECA to own their part of the challenge.

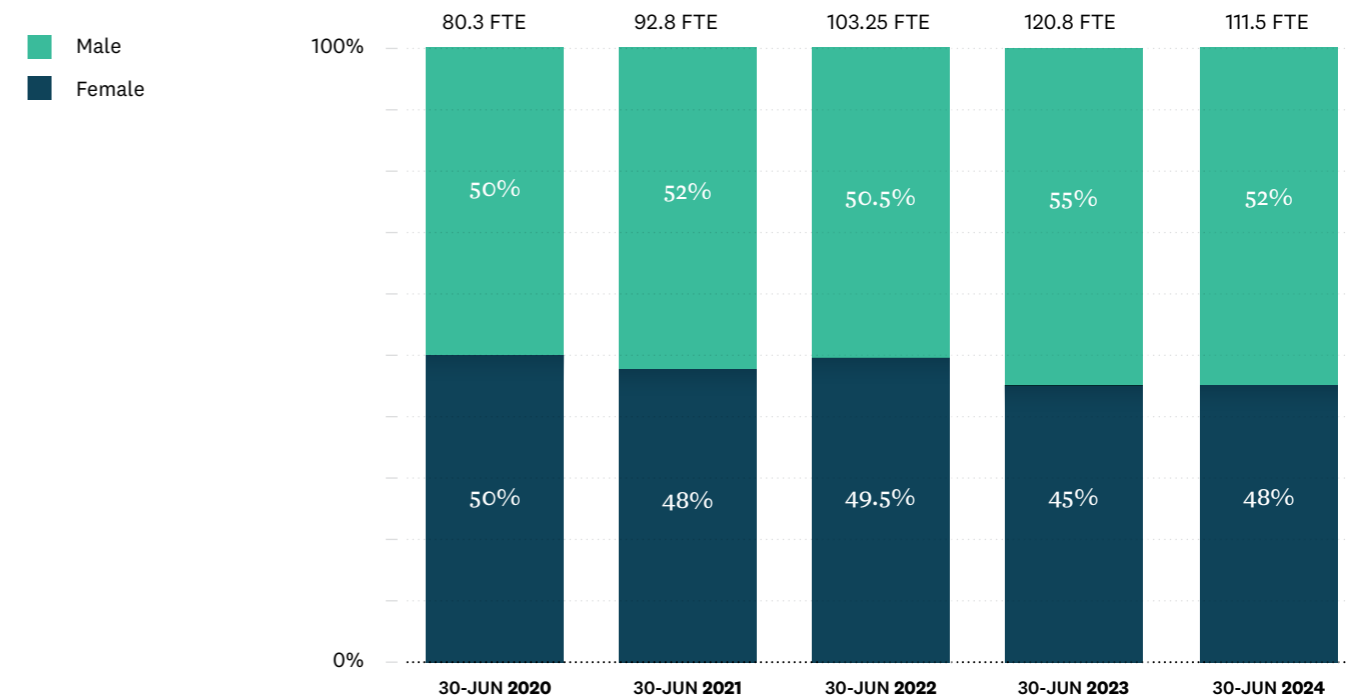
Our people by the numbers

We strive to be an organisation that is reflective of the diversity of New Zealand and have an inclusive culture that is welcoming for all people to work in. We want our success to be built upon the diverse knowledge, perspectives and backgrounds of our people.

At 30 June 2024, we had a workforce of 111.5 full-time equivalent (FTE) employees. This is a net decrease of 7.7% from 30 June 2023 (120.8 FTE). Our employee headcount was 113, including 21 Tier 1-3 managers.

Gender diversity

The following graph shows our workforce gender proportions¹² are 48% female and 52% male. Our female representation is marginally lower than the overall New Zealand workforce (50.5% female)¹³ and the overall New Zealand population (50.2% female)¹⁴.



At 30 June 2024, our gender proportions at leadership level (Tiers 1-3) were 38% female and 62% male. This means our female representation in leadership is lower than that of the wider public sector (55.9% of Tiers 1-3 leaders identifying as female¹⁵). It is important to note that this statistic only reflects our position at one point in time. With EECA being a relatively small agency, staff changes can impact percentages significantly. A number of staff departed shortly before 30 June 2024 as a result of a reorganisation process, with new hires commencing in July 2024 (including females in leadership positions).

¹² We provide our people with three options to choose to report their gender: male, female and gender diverse. None of our people formally chose the gender diverse option when updating their personal information within our human resources system.

¹³ Statistics New Zealand; <https://www.stats.govt.nz/information-releases/household-labour-force-survey-estimated-working-age-population-june-2024-quarter/> (accessed 18 July 2024).

¹⁴ Statistics New Zealand; <https://www.stats.govt.nz/information-releases/national-population-estimates-at-31-march-2024/> (accessed 18 July 2024).

¹⁵ Public Service Commission; <https://www.publicservice.govt.nz/research-and-data/workforce-data-diversity-and-inclusion/workforce-data-gender-representation-in-the-public-service/> (accessed 18 July 2024).

Cultural diversity

The following table shows our workforce ethnicity (based on self-reporting). Our people can choose to self-identify with more than one ethnic group, so the percentages shown are not necessarily representative of our FTE numbers.

Self-reported ethnicity	2020	2021	2022	2023	2024
Māori	4%	6%	8%	4%	3.5%
New Zealander of European descent	67%	63%	64%	66%	63.7%
Pacific peoples	4%	3%	3%	3%	3.5%
Asian	8%	13%	11%	13%	13.3%
Other ethnicities	17%	15%	14%	14%	16%

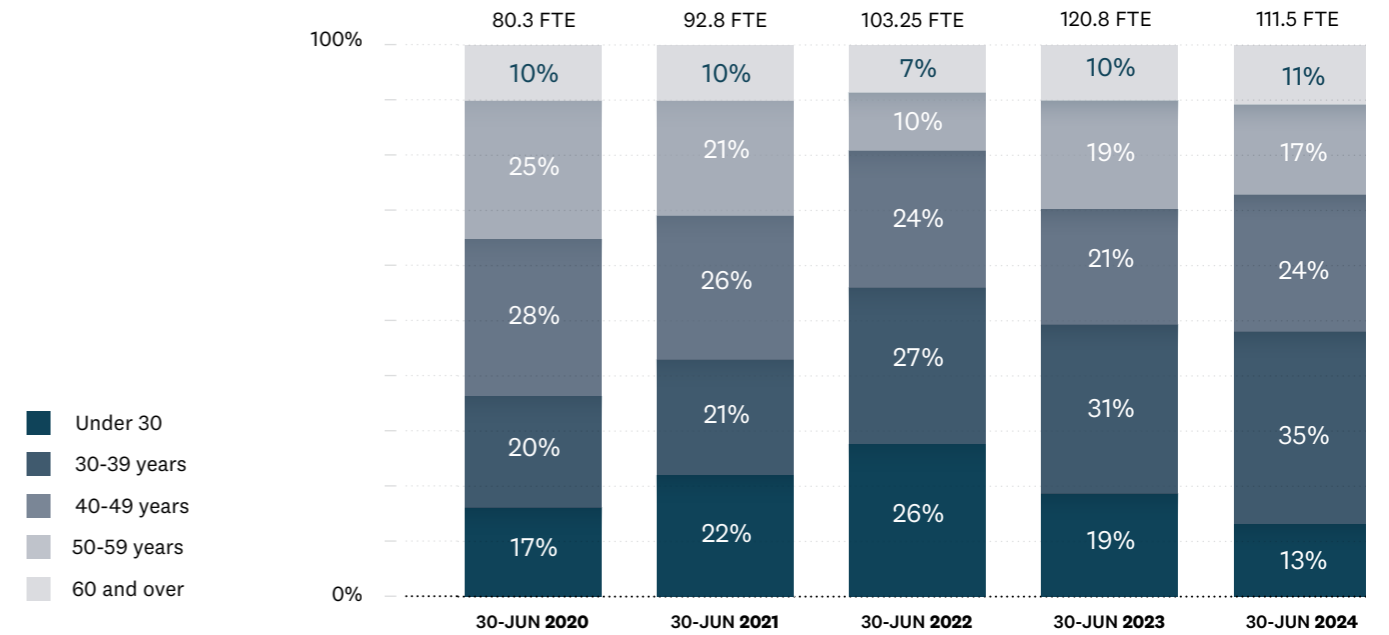
Tenure range

The following graph shows our workforce length of service at 30 June 2024 and the trend over the last five years:



Age range

The following graph shows our workforce age profile at 30 June 2024 and the trend over the last five years:



Key workplace indicators

The following 'indicators' are indirect measures of organisational health and wellbeing. At 30 June 2024:



Employee remuneration

The following table shows total remuneration paid or payable that is or exceeds \$100,000:

	2024 number	2023 number
\$100,000 - \$109,999	11	7
\$110,000 - \$119,999	10	14
\$120,000 - \$129,999	13	22
\$130,000 - \$139,999	17	1
\$140,000 - \$149,999	7	3
\$150,000 - \$159,999	4	5
\$160,000 - \$169,999	6	8
\$170,000 - \$179,999	10	2
\$180,000 - \$189,999	3	1
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	1	-
\$230,000 - \$239,999	-	1
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	3	2
\$270,000 - \$279,999	-	1
\$280,000 - \$289,999	1	-
\$380,000 - \$389,999	1	-
\$390,000 - \$399,999	1	1
Total employees	89	69

The table above includes payments made in relation to cessation.

Our commitment to being a good employer

We continue to make progress on the elements of being a 'good employer'

Ko te tangata kei te pūtake o ā mātau mahi katoa; people are at the centre of our work.

The Human Rights Commission provides Crown Entities with guidance on seven key elements that organisations should concentrate on to be a 'good employer'. At EECA, our focus is on ensuring we provide a safe and healthy work environment where our people are treated with equity and inclusivity. Our progress on each of these seven elements is outlined in the table below.

Good employer elements	What we delivered this year
Leadership, accountability, and culture	<ul style="list-style-type: none"> » EECA's key organisational behaviours are reinforced through our leader-led conversations to support our culture, along with a regular recognition programme to reward demonstration of these behaviours. » Our performance development cycle (through Delivery and Development Plans) enables the setting of clear objectives for our people each year, with regular feedback on progress. » The Wider Leadership Team (which was recently expanded to include senior team members) and the Staff Reference Group contribute to our leadership, accountability, and culture.
Recruitment, selection, and induction	<ul style="list-style-type: none"> » Robust recruitment and selection processes are used to attract a diverse range of applicants and to ensure consistent decision-making. » Effective onboarding takes place through standardised material and 30- and 60-day discussions.
Employee development, promotion and exit	<ul style="list-style-type: none"> » A performance development and remuneration framework is in place, with tools and resources to support our people and their leaders. » A range of training initiatives is available to employees. » Internal promotion opportunities are offered (when available), with roles and secondment opportunities advertised internally. » Reviews of employee turnover trends and reasons for exit are analysed to identify improvement opportunities.
Flexibility and work design	<ul style="list-style-type: none"> » Our working from home and flexible work arrangements policies align to our people's needs and organisational requirements.
Remuneration, recognition, and conditions	<ul style="list-style-type: none"> » We celebrate and reward our staff successes in a variety of ways. » Equitable job benchmarking and remuneration practices are standard practice. » Gender pay equity is monitored.
Harassment and bullying prevention	<ul style="list-style-type: none"> » The Employee Code of Conduct and relevant policies are always available to staff. » Two of our four key behaviours are "Believe in 'we' not 'me'", and "Stand in others' shoes", which set an expectation of a respectful and collaborative work environment.
Safe and healthy environment	<ul style="list-style-type: none"> » Employee involvement in the Health and Safety committee and related initiatives encourage engagement. » Effective management of key health, safety and wellbeing risks occurs through a structured approach to identification, control and monitoring. » A comprehensive wellbeing programme tailored to our environment occurs throughout the year, including: <ul style="list-style-type: none"> » Flu vaccinations » Employee Assistance Programme » Ergonomic workstation assessments and sit/stand desks across all our offices » Introduction of regular wellbeing and wellness webinars available to all staff.

We are improving our diversity and inclusion practices as guided by the public sector work programme ‘Papa Pounamu’

Papa Pounamu¹⁶ is a work programme that was established by the Public Service Commission in 2017. Its purpose is to bring together diversity and inclusion practices across the Public Service and support organisations to meet their diversity and inclusion obligations and goals. Overall, the work programme is committed to achieving better outcomes for all diversity groups.

Our activities under the five dimensions of the Papa Poumanu framework are outlined in the following table:

Papa Pounamu diversity and inclusion dimension	What we delivered this year
Cultural competence	<ul style="list-style-type: none"> » An organisation-wide programme was supported to upskill staff on Te Ao Māori » Te Reo language classes have been provided to staff, as well as company-wide Te Tiriti o Waitangi sessions » Our People and Capability Plan includes a Te Tiriti and Te Ao Māori pillar, including development initiatives
Addressing bias	<ul style="list-style-type: none"> » Recruitment practices and processes have a continuous improvement focus to identify further ways to attract a more diverse pool of candidates, as well ensuring gender balance on interview panels » Exit interviews include diversity, equity, and inclusion questions
Inclusive leadership	<ul style="list-style-type: none"> » Monthly wider leadership group meetings were held to enhance leadership across the organisation
Building relationships	<ul style="list-style-type: none"> » Cross-EECA virtual and project groups were commonly adopted, which included managers and staff at all levels » There was a continued focus on our EECA behaviours
Employee-led networks	<ul style="list-style-type: none"> » The Staff Reference Group met regularly with the Chief Executive » The Kakariki (Sustainability) Group was active in advocating cross-EECA initiatives » The Health and Safety Committee met quarterly with the Chief Executive » The Social Club led several activities that contributed to EECA's staff community » The Te Ao Māori Group welcomed new members and held regular meetings

¹⁶ <https://www.publicservice.govt.nz/guidance/papa-pounamu>

We continue to monitor and report on our gender pay gap as guided by the public sector work programme ‘Kia Toipoto’

A gender pay gap is a high-level indicator of the difference between the earnings of females and males. It compares the median hourly earnings in full-time and part-time work.

In June 2024 we published our first official pay equity plan in accordance with Kia Toipoto – the Public Service Commission’s Public Service Pay Gap Action Plan¹⁷. Our pay equity plan details the actions we intend to take to promote pay equity, and the key measures of success for these actions. The full plan is now publicly available on our website¹⁸.

Based on the median pay from our entire workforce, the overall gender pay gap at 30 June 2024 was 5.4% (calculated using the Statistics New Zealand methodology). This is a 2.2% decrease from 7.6% in 2023. Our gender pay gap reflects the fact that there is a greater number of females in lower pay-grade roles and a higher number of males in higher pay-grade roles. The following table shows each the gender pay gap according to pay-grade, comparing female and male salaries in more detail:

Pay grade	Gender pay gap at 30 June 2024	Gender pay gap in favour of
12	N/A	Single population
13	3.1%	Male
14	2.2%	Female
15	6.9%	Male
16	3.6%	Female
17	5.2%	Female
18	3.8%	Male
19	4.5%	Male
20	N/A	Nil population
21	N/A	Single population
25	N/A	Single population

When our pay gap is analysed in more detail (as above), we can see that the gaps fluctuate by grade and population size of grade. We use information such as trends, our workforce profile, payroll data, and recruitment statistics as indicators to track our ongoing progress. Looking at our information, we can see:

- We have a close gender ratio in our workforce, and a close gender ratio in third tier leadership roles
- We have representation of genders across the majority of our pay bands
- Recruitment statistics show a similar number of women and men being recruited to roles across the organisation
- From a recruitment and remuneration perspective, gender equity is kept top of mind.

The size of our workforce means we do not meet the threshold for producing ethnic pay gap statistics. Because of our small size, changes in our staffing (even if small) can have a significant impact on our pay profile statistics, meaning there is volatility in the figures from month to month.

¹⁷ <https://www.publicservice.govt.nz/system/public-service-people/pay-gaps-and-pay-equity/kia-toipoto>

¹⁸ https://www.eeca.govt.nz/assets/EECA-Resources/Corporate-documents/Pay_Equity_Action_Plan.pdf

Our commitment to embracing Te Ao Māori

We have a responsibility to uphold the principles of Te Tiriti o Waitangi

E mōhio ana mātau ko te Tiriti o Waitangi te tuhinga whai tikanga o te kāwanatanga, i noho pūmau ai tātau i te motu nei o Aotearoa. Ko ta mātau whāinga ko te tautoko i te Karauna i roto i ngā kaupapa whanaungatanga o te Tiriti kia pai ake ai te tuku i ā mātau ratonga mā ngā āhuatanga e tōkeke ai ngā putanga mō te Māori.

We recognise that the Treaty of Waitangi is a founding document of government in New Zealand and established the country as a nation. We aim to support the Crown in its Treaty of Waitangi relationships and deliver our services in ways that enable equitable outcomes for Māori.

We have a responsibility to ensure Māori interests and rights are considered when designing and implementing our programmes.

In recognition of our commitment, we launched a Te Ao Māori programme in September 2021 and placed a renewed focus on improving our Te Ao Māori capability. This is a long-term commitment to ensure we continue building capability, as we work towards a long-term Māori engagement strategy.

We are making encouraging progress on our Te Ao Māori programme

In 2023/24, we:

- » Produced a Tikanga toolkit for staff. This toolkit contains resources like pronunciation guides and suitable karakia to increase staff knowledge and confidence
- » Engaged with Māori communities and Iwi groups on relevant programmes. This includes our Warmer Kiwi Homes programme and our business partnerships projects
- » Included a te reo Māori foreword in our Regional Energy Transition Accelerator (RETA) Report for the Northland region, signifying the importance of Te Ao Māori to Te Tai Tokerau.
- » Introduced a regular internal newsletter with updates on the programme. This keeps the working group accountable for progress and keeps the rest of the organisation engaged
- » Assigned a Māori Data Sovereignty role in our Data Governance Forum. This role will ensure Te Ao Māori is considered in the group's initiatives
- » Continued with our learning and development initiatives, such as providing basic Te Reo Māori lessons for staff, and celebrating Te Wiki o Te Reo Māori in our workplace.

We will continue on our cultural capability journey next year

In 2024/25, we will:

- » Refresh our medium to long-term plan for the direction of our internal Te Ao Māori programme
- » Apply a Te Ao Māori lens to our research and insights pieces where relevant
- » Continue with our learning and development programme for staff
- » Actively look for further opportunities to implement Te Reo, Tikanga Māori and Mātauranga Māori in our communications and ways of working.

Our commitment to reducing our carbon footprint

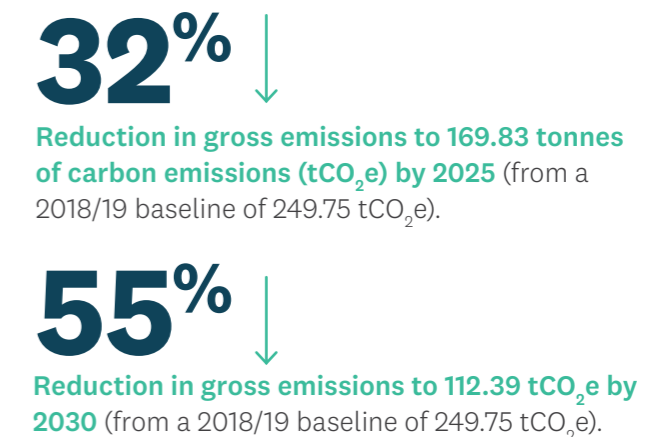


We have a responsibility to 'walk the talk' on emissions reductions

We are publicly committed to:

- Measuring, managing and reducing our carbon emissions as a Toitū carbon reduce member¹⁹
- Setting an emissions reduction target and reporting on our emissions profile as a signatory of the Climate Leaders Coalition of New Zealand²⁰
- Reporting on our emissions and plans to achieve our reduction targets as a Crown Agency under the Carbon Neutral Government Programme.²¹

Our emissions reduction targets are:



We set these targets in 2018 using the Science Based Target Setting tool²² recommended by Toitū. We include emissions from Scope 1 – 3.

The Ministry for the Environment revises its calculations for emissions factors every year. In line with best practice, we update our historic results to reflect these revisions. As a result, the figures we report in this section may vary slightly from what has been reported in previous years.

¹⁹ EECA is proudly a Toitū carbonreduce organisation, which means we are measuring, managing, and reducing our emissions according to the International Organisation for Standardisation (ISO) 14064-1:2018 (www.iso.org/standard/66453.html) and Toitū requirements. Toitū carbonreduce certification is accredited by the Joint Accreditation System of Australia and New Zealand (JAS ANZ) and under ISO 14065 (www.iso.org/standard/74257.html). A copy of our Toitū carbonreduce certification disclosure can be viewed on the Toitū website.

²⁰ www.climateleaderscoalition.org.nz (last accessed 31 July 2024).

²¹ www.environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/carbon-neutral-government-programme/ (last accessed 31 July 2024).

²² www.sciencebasedtargets.org/step-by-step-process#communicate (last accessed 31 July 2024).

Our gross emissions decreased by 36% in 2023/24 and we are on track to meet our emissions reduction targets

Our gross emissions totalled 120.49 tCO₂e in 2023/24, which we offset with carbon credits in line with our usual practice.

This result is 36% reduction from last year (188.46 tCO₂e) and a 51% reduction from our baseline in 2018/19 (249.75 tCO₂e). It puts us well below our upcoming 2025 emissions reduction target of 169.83 tCO₂e. We are also in a good position to meet our 2030 emissions reduction target, provided we continue to make further progress on reducing our largest sources of emissions.

Since we started measuring and reporting on our footprint in 2007/08, our annual emissions have decreased by 68%. The following graph shows the trend in our carbon emissions over the last 17 years:

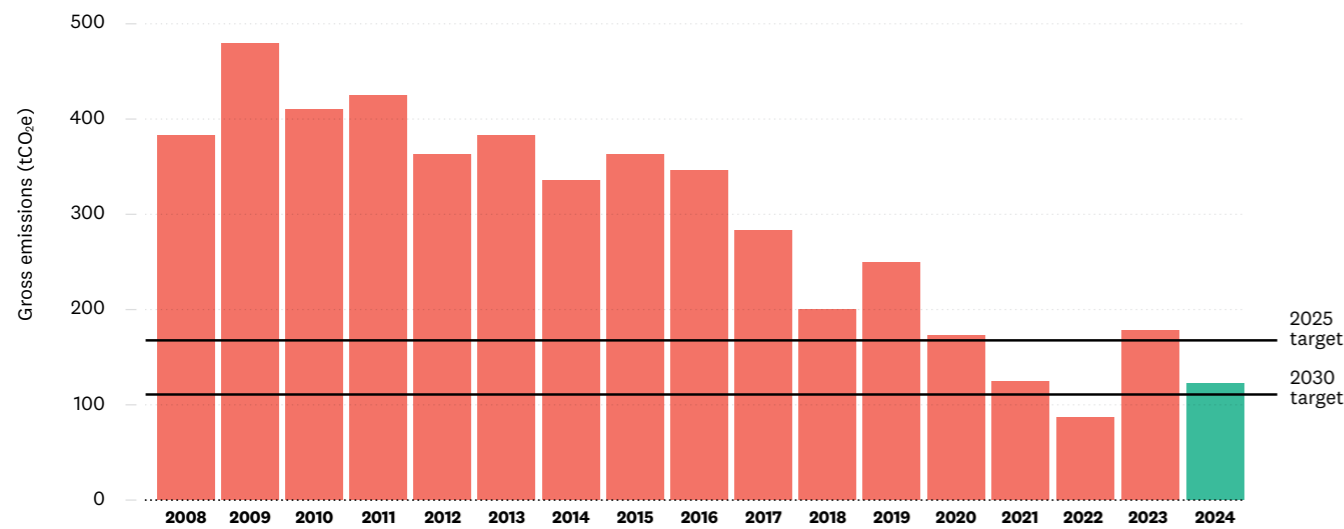


Table 1: Gross emissions profile by scope

Category	Scope	Base year (2018/19)	Last year (2022/23) tCO ₂ e	This year (2023/24)
Direct emissions	Scope 1	4.85	0.00	0.00
Indirect emissions from imported energy	Scope 2	12.77	9.70	12.64
Indirect emissions from transportation	Scope 3	231.85	166.30	95.38
Indirect emissions from products used by organisation	Scope 3	5.14	12.46	12.47
Indirect emissions associated with the use of products from the organisation	Scope 3	0.00	0.00	0.00
Indirect emissions from other sources	Scope 3	0.00	0.00	0.00
Total (may not add due to rounding)		249.75	188.46	120.49

Our largest sources of emissions are travel and office electricity

We operate from three offices located in Auckland, Wellington, and Christchurch. At times, we need to travel between these locations and other places around New Zealand to deliver on our organisation's purpose and fulfil our obligations. Air travel is responsible for over half of our carbon footprint. The second largest source is office electricity use, which makes up 10% of our carbon footprint.

Table 2: Gross emissions profile by sources

Source	Base year (2018/19)	Last year (2022/23) tCO ₂ e	This year (2023/24) tCO ₂ e	Percentage of total (2023/24)
Air travel	217.79	146.62	75.81	63%
Electricity	12.77	9.69	12.61	10%
Rental and private vehicles	6.05	7.58	8.63	7%
Wastewater	3.94	5.60	5.61	5%
Waste	0.86	5.02	5.45	5%
Accommodation	3.63	4.83	4.97	4%
Staff working from home	0.09	4.78	4.26	4%
Taxi travel	4.29	2.50	1.70	1%
Transmission and distribution losses	0.00	1.40	0.93	1%
Water supply	0.33	0.44	0.50	0%
Total (may not add due to rounding)	249.75	188.46	120.49	100%

Table 3: Emissions intensity by FTE and revenue

Emissions intensity	Base year (2018/19)	Last year (2022/23)	This year (2023/24)
FTE (gross tCO ₂ e / unit)	3.23	1.63	0.98
FTE (gross mandatory tCO ₂ e / unit)	3.12	1.46	0.82
Operating revenue (gross tCO ₂ e / \$Millions)	5.11	1.12	0.50
Operating revenue (gross mandatory tCO ₂ e / \$Millions)	4.95	1.00	0.42

We are focused on limiting air travel to reduce our emissions

We are pleased to report our air travel emissions decreased by 49% in the last year. While this is a great achievement, we know we need to keep targeting this area to reduce our future carbon footprint.

We want to keep each other accountable for the collective action that is needed to meet our emissions targets. In July 2022, we implemented an air travel emissions budget initiative that has been instrumental in reducing our air travel emissions. Each team within EECA is assigned an air travel emissions budget based on financial allocations to encourage mindfulness and a reduction in air travel emissions. Each month, the air travel emissions data is presented to our Leadership Team. We will continue with this budget system in 2024/25 and explore other initiatives to support it.



Our financial information

The financial statements report actual results against budget information in our 2023/24 Statement of Performance Expectations.

Financial contents

Financial statements

Statement of comprehensive revenue and expense	85
Statement of financial position	86
Statement of changes in equity	87
Statement of cash flows	88

Notes to the financial statements

1. Statement of accounting policies	90
2. Revenue	92
3. Personnel costs	93
4. Other expenses	94
5. Cash and cash equivalents	95
6. Receivables	95
7. Investments	96
8. Crown loan debtors	97
9. Crown loan creditors	98
10. Property, plant and equipment	99
11. Intangible assets	101
12. Payables and deferred revenue	103
13. Employee entitlements	103
14. Provisions	105
15. Equity	106
16. Financial and industry support expenditure	107
17. Contingencies	108
18. Related party transactions	108
19. Financial instruments	109
20. Events after the balance date	111
21. Explanation of major variances against budget	111

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2024

	Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
Revenue				
Funding from the Crown	2	231,686	292,064	162,558
Interest revenue		5,781	2,000	3,575
Other revenue	2	1,674	2,020	2,455
Total revenue		239,141	296,084	168,588
Expenditure				
Personnel costs	3	18,217	19,596	15,325
Financial and industry support	16	177,660	252,536	112,197
Depreciation and amortisation expense	10, 11	31	32	266
Other expenses	4	16,546	23,495	19,400
Total expenditure		212,454	295,659	147,188
Surplus/(deficit)		26,687	425	21,400
Total comprehensive revenue and expense		26,687	425	21,400

See note 21 - Explanation of major variances against budget.
The accompanying notes form part of these financial statements

Statement of financial position as at 30 June 2024

	Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
Assets				
Current assets				
Cash and cash equivalents	5	29,858	31,264	35,712
Receivables	6	5,927	300	6,610
Investments	7	70,815	50,000	35,182
Prepayments		600	569	556
Crown loan debtors	8	2,077	1,851	2,123
Total current assets		109,277	83,984	80,183
Non-current assets				
Crown loan debtors	8	4,013	3,792	4,284
Property, plant and equipment	10	126	77	77
Intangibles	11	-	-	-
Total non-current assets		4,139	3,869	4,361
Total assets		113,416	87,853	84,544
Liabilities				
Current liabilities				
Payables and deferred revenue	12	21,291	24,264	19,008
Employee entitlements	13	1,384	1,305	1,090
Crown loan creditors	9	2,077	1,851	2,123
Lease incentives		69	69	69
Provisions	14	54	117	79
Total current liabilities		24,875	27,606	22,369
Non-current liabilities				
Crown loan creditors	9	4,013	3,792	4,284
Employee entitlements	13	121	124	102
Lease incentives		138	138	207
Total non-current liabilities		4,272	4,054	4,593
Total liabilities		29,147	31,660	26,962
Net assets		84,269	56,193	57,582
Equity				
Contributed capital	15	545	545	545
Accumulated surplus/(deficit)	15	83,724	55,648	57,037
Total equity		84,269	56,193	57,582

See note 21 - Explanation of major variances against budget.
The accompanying notes form part of these financial statements

Statement of changes in equity for the year ended 30 June 2024

	Notes	Actual 2024 \$000	Budget 2023 \$000	Actual 2023 \$000
Balance at 1 July				
Total comprehensive revenue and expense for the year		26,687	425	21,400
Distributions from retained earnings		-	-	(12,909)
Balance at 30 June	15	84,269	56,193	57,582

See note 21 - Explanation of major variances against budget.
The accompanying notes form part of these financial statements

Statement of cash flows for the year ended 30 June 2024

Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
Cash flows from operating activities			
Receipts from the Crown	233,269	292,064	147,801
Interest received	5,147	2,000	3,457
Receipts from other revenue	1,664	2,020	2,352
GST (net)	2,906	-	(666)
Financial and industry support payments	(179,743)	(243,401)	(111,386)
Payments to suppliers	(16,114)	(23,138)	(20,033)
Payments to employees	(17,904)	(19,256)	(15,101)
Net cash flows from operating activities	29,225	10,289	6,424
Cash flows from investing activities			
Receipts from sale or maturity of investments	110,000	100,000	98,000
Receipts from the Crown - loan funding	2,000	2,000	3,334
Loan repayments received	2,274	2,862	2,229
Purchase of property, plant, and equipment	(80)	(40)	(9)
Acquisition of investments	(144,999)	(100,000)	(104,000)
Payments to the Crown - loan repayments	(2,274)	(2,000)	(2,229)
Loans provided	(2,000)	(2,862)	(3,334)
Net cash flows from investing activities	(35,079)	(40)	(6,009)
Cash flows from financing activities			
Distributions to government	-	-	(12,909)
Net cash flows from financing activities	-	-	(12,909)
Net increase/(decrease) in cash and cash equivalents	(5,854)	10,249	(12,494)
Cash and cash equivalents at the beginning of the year	35,712	21,015	48,206
Cash and cash equivalents at the end of the year	29,858	31,264	35,712

Investments acquisition and maturity have been presented separately, as the maturity period for term deposits exceeds 90 days.

Distributions to government represent funding transferred to Crown Infrastructure Partners (CIP) in relation to the Electric Ferry Project, which was novated to CIP to manage on 29 August 2022.

See note 21 - Explanation of major variances against budget.

The accompanying notes form part of these financial statements

Reconciliation of net surplus or (deficit) to net cash flow from operating activities

	2024 \$000	2023 \$000
Surplus/(deficit) for the year	26,687	21,400
Add/(less) non-cash items		
Depreciation and amortisation expense	31	266
Total non-cash items	31	266
Add/(less) movements in working capital items		
(Increase)/decrease in receivables	49	(4,426)
(Increase)/decrease in prepayments	(44)	(160)
Increase/(decrease) in payables and deferred revenue	2,214	(10,860)
Increase/(decrease) in provisions	(25)	(20)
Increase/(decrease) in employee entitlements	313	224
Net movement in working capital items	2,507	(15,242)
Net cash flows from operating activities	29,225	6,424

Notes to the financial statements for the year ended 30 June 2024

1. Statement of accounting policies

Reporting entity

The Energy Efficiency and Conservation Authority (EECA) is a Crown entity as defined in the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing EECA's operations includes the Crown Entities Act 2004 and the Energy Efficiency and Conservation Act 2000. EECA's ultimate parent is the New Zealand Crown.

EECA's primary objective is to provide services to the New Zealand public. EECA implements New Zealand Government strategies for energy efficiency, conservation and renewable energy in both the private and public sectors. EECA does not operate to make a financial return.

EECA has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for EECA are for the year ended 30 June 2024, and the Board approved them for issue on 31 October 2024.

Basis of preparation

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

Statement of compliance

The financial statements and service performance information of EECA have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

EECA is a Tier 1 entity and the financial statements have been prepared in accordance with and comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

New or amended standards adopted

2022 Omnibus Amendment to PBE Standards, issued June 2022

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting periods starting 1 January 2023. EECA has adopted the revised PBE standards, and the adoption did not result in any significant impact on EECA's financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments issued but not yet effective and not early adopted are:

Amendments to PBE IPSAS 1 - Disclosure of Fees for Audit Firms' Services

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 30 June 2025. This amendment is not expected to have a significant impact.

Summary of significant accounting policies

Significant accounting policies are included in the notes that they relate to and are highlighted with a green background.

Significant accounting policies that do not relate to a specific note are outlined below.

Goods and services tax (GST)

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables 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 a net operating cash flow in the Statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

EECA is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures were prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Cost allocation

EECA has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributable to an output. Indirect costs are costs that cannot be attributed to a specific output in an economically feasible manner.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers, and related activity or usage information.

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

Critical accounting estimates and assumptions

In preparing these financial statements EECA has made estimates and assumptions about the future. These estimates and assumptions might differ from the subsequent actual results. None of the estimates and assumptions made are regarded as being significant.

Critical judgements in applying accounting policies

Management has exercised its judgement in applying accounting policies. None of the judgements exercised are critical.

Comparatives

As part of a review of the presentation of the financial report, we may change the presentation if it provides information that is more relevant to users of the financial report, and the revised structure is likely to continue. When making such changes in presentation, the comparative amounts will be reclassified to match current year classifications, and the reasons for the reclassifications are provided in the relevant notes.

2. Revenue

Accounting policy

Funding from the Crown

EECA is primarily funded from the Crown. This funding is restricted in its use for the purpose of EECA meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder.

EECA considers that there are no conditions attached to the funding, and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period that the funding relates to.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Funding from Third Parties

Funding from Third Parties is recognised as revenue at the point of entitlement, unless there is an obligation to return the funds if the conditions of the funding are not met.

If there is such an obligation, the funding is initially recorded as revenue in advance and subsequently recognised as revenue when the conditions of the funding are met.

Provision of services

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date.

Interest revenue

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

Breakdown of other revenue and further information

	2024 \$000	2023 \$000
Discount on loan (note 8)	461	557
Revenue from Services to Other Agencies	19	403
Other revenue	14	39
Third party funding	1,180	1,456
Total other revenue	1,674	2,455

3. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

	2024 \$000	2023 \$000
Salaries and wages (including annual leave and other entitlements)	17,162	14,361
Defined contribution plan employer contributions	463	410
Professional development	266	265
Other employment - related costs	326	289
Total personnel costs	18,217	15,325

4. Other expenses

Breakdown of other expenses and further information

	2024 \$000	2023 \$000
Fees to Audit New Zealand for audit of financial statements	95	79
Board members' fees	254	138
Rental and operating lease costs	1,144	1,138
Contract services	4,806	4,604
Marketing services	5,941	7,973
Website development and maintenance expenses	332	300
ICT software licensing, configuration and customisation costs	2,539	3,505
Discount on loan (note 8)	461	557
Other expenses	974	1,106
Total other operating expenses	16,546	19,400

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.

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2024 \$000	2023 \$000
Not later than one year	1,079	1,214
Later than one year and not later than five years	2,018	3,089
Later than five years	-	-
Total non-cancellable operating leases	3,097	4,303

The non-cancellable operating lease commitments consist of contractual amounts due for leased office equipment and premises. EECA leases offices in Auckland, Wellington and Christchurch. The Wellington lease expires on 30 June 2027 with the right to renew for a further term of six years. The Auckland lease expires on 28 June 2027 with the right to renew twice for a further term of three years each. The Christchurch lease expires on 01 March 2026 with the right to renew for a further term of three years.

There are no restrictions placed on EECA by any of its leasing arrangements.

5. Cash and cash equivalents

Accounting policy

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

Breakdown of cash and cash equivalents and further information

	2024 \$000	2023 \$000
Cash at bank and on hand	29,858	35,712
Total cash and cash equivalents	29,858	35,712

Although 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.

6. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). EECA applies the simplified ECL model of recognising lifetime ECLs for short-term receivables.

In measuring ECLs, short-term receivables from the sale of goods and services have been grouped and assessed on number of days past due. The most significant receivables due at balance date are from the Crown for appropriations not yet received, with the remaining balance of receivables due from schools and other government agencies. These are guaranteed amounts, are all current and are therefore low risk. EECA has therefore assessed that the allowance for expected credit losses is nil.

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 or the receivable being more than one year overdue.

Breakdown of receivables and further information

	2024 \$000	2023 \$000
Receivables (gross)	5,927	6,610
Less: Allowance for expected credit losses	-	-
Total receivables	5,927	6,610
Receivables		
<i>Receivables comprises:</i>		
Receivables from the sale of goods and services (exchange transactions)	13	72
Goods and services tax receivable from the Crown (non-exchange transactions)	-	2,906
Receivables from Crown Funding (non-exchange transactions)	5,914	3,632
	5,927	6,610

7. 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.

Breakdown of investments and further information

	2024 \$000	2023 \$000
Current portion		
Term deposits	70,815	35,182
Total current portion	70,815	35,182
Total investments	70,815	35,182

EECA considers that 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 long-term AA- to AA investment grade credit ratings, which indicates that 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.

8. Crown loan debtors

Accounting policy

Loans are initially recorded at fair value, being the notional value of the loans at date of acquisition or origination less the discount necessary to take account of the time value of money calculated at an interest rate applicable to the creditworthiness of the debtor. Thereafter, interest is recognised in accordance with the effective interest rate method such that the discount will be amortised at the interest rate applicable to the date of acquisition or origination.

Breakdown of crown loan debtors and further information

	2024 \$000	2023 \$000
Face value of the loans	6,596	6,870
Discount to be amortised	(506)	(463)
Carrying amount	6,090	6,407
Current (< 12 months)	2,077	2,123
Non-current (> 12 months)	4,013	4,284
Carrying amount	6,090	6,407

Movements in the carrying amount of the loans during the year as follows:

	2024 \$000	2023 \$000
Current portion		
Balance at 1 July	6,407	5,476
Face value of new loans granted during the year	2,000	3,334
Fair value adjustment on initial recognition recognised as an expense	(42)	(174)
Loans cancelled and amended during the year	-	(38)
Loans repaid during the year	(2,275)	(2,191)
Balance at 30 June	6,090	6,407

EECA, on behalf of the Crown, approves and administers loans to third parties to undertake specific energy efficiency projects. The loans are interest free and repayable at periods ranging from three to five years.

All such borrowers are public sector entities, including health boards, territorial authorities, schools and tertiary institutions. On this basis EECA has assessed that no impairment of these crown loan debtors is necessary.

9. Crown loan creditors

	2024 \$000	2023 \$000
Face value of the loans owed to the Crown	6,596	6,870
Discount to be amortised	(506)	(463)
Carrying amount	6,090	6,407
Current (< 12 months)	2,077	2,123
Non-current (> 12 months)	4,013	4,284
Carrying amount	6,090	6,407

EECA draws down funds from the Crown as loans which are approved and paid out to third parties. Repayments are received from third parties on a quarterly basis, and these are in turn repaid to the Crown.

The Crown Loan creditors balance reflect the balance of funds owing to the Crown in relation to these loans.

10. Property, plant and equipment

Accounting policy

Property, plant and equipment consists of the following asset classes: office equipment, furniture and fittings, computer equipment, and leasehold improvements.

All asset classes are measured at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Asset	Useful life	Depreciation
Office equipment	3 years	33.33%
Furniture and fittings	6 years	17.50%
Computer equipment	3 to 5 years	21%-33.33%
Leasehold improvements	2.5 to 8 years	12.50%-40%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Impairment of property, plant and equipment

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

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount that 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.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach for measuring value in use depends on the nature of the impairment and availability of information.

If an asset's 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.

Breakdown of property, plant and equipment and further information

Movements for each class of property, plant and equipment are as follows:

	Office equipment \$000	Furniture and fittings \$000	Computer equipment \$000	Leasehold improvements \$000	Total \$000
Cost					
Balance at 1 July 2022	30	77	232	291	630
Additions	-	-	9	-	9
Disposals	-	-	-	-	-
Balance at 30 June/1 July 2023	30	77	241	291	639
Additions	-	6	55	19	80
Disposals	-	-	-	-	-
Balance at 30 June 2024	30	83	296	310	719
Accumulated depreciation and impairment losses					
Balance at 1 July 2022	25	76	196	213	510
Depreciation expense	3	1	32	16	52
Elimination on disposal	-	-	-	-	-
Balance at 30 June/1 July 2023	28	77	228	229	562
Depreciation expense	2	1	6	22	31
Elimination on disposals	-	-	-	-	-
Balance at 30 June 2024	30	78	234	251	593
Carrying amounts					
At 1 July 2022	5	1	36	78	120
At 30 June/1 July 2023	2	-	13	62	77
At 30 June 2024	-	5	62	59	126

Restrictions

There are no restrictions on EECA's tangible assets, nor are any tangible assets pledged as security for liabilities.

11. Intangible assets

Accounting policy

Software acquisition and development

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

Costs that are directly associated with developing software for internal use are recognised as an intangible asset where this results in an asset controlled by EECA. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Where software is provided under a Software-as-a-service (SaaS) arrangement, costs of configuration and customisation are recognised as an intangible asset only if the activities create an intangible asset that EECA controls and asset recognition criteria are met. Costs, including ongoing fees for use of software, that do not result in an intangible asset or a software finance lease are expensed as a service contract as incurred. However, where fees represent payment for future services to be received, EECA recognises these as a prepayment and expenses these as subsequent services are received.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with the developing and maintaining of EECA's website are expensed 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 useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Asset	Useful life	Depreciation
Acquired computer software	2 to 3 years	50%-33.33%

Impairment of intangible assets

Refer to the policy for impairment of property, plant, and equipment in Note 10. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

Movements for each class of intangible assets are as follows:

	Acquired software \$000	WIP \$000	Total \$000
Cost			
Balance at 1 July 2022	3,221	-	3,221
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June/1 July 2023	3,221	-	3,221
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2024	3,221	-	3,221
Accumulated depreciation and impairment losses			
Balance at 1 July 2022	3,007	-	3,007
Amortisation expense	214	-	214
Elimination on disposal	-	-	-
Balance at 30 June/1 July 2023	3,221	-	3,221
Amortisation expense	-	-	-
Elimination on disposals	-	-	-
Balance at 30 June 2024	3,221	-	3,221
Carrying amounts			
At 1 July 2022	214	-	214
At 30 June/1 July 2023	-	-	-
At 30 June 2024	-	-	-

Restrictions

There are no restrictions over the title of EECA's intangible assets, nor are any intangible assets pledged as security for liabilities.

12. Payables and deferred revenue

Accounting policy

Short-term payables are recorded at the amount payable.

Breakdown of payables and deferred revenue

	2024 \$000	2023 \$000
Payables and deferred revenue under exchange transactions		
Accrued expenses	1,847	1,738
Other	12	477
Total payables under exchange transactions	1,859	2,215
Payables under non-exchange transactions		
Taxes payable (GST, PAYE, FBT, ACC Levy)	609	235
Accrued expenses - financial & industry support	9,075	11,158
Appropriation received in advance - repayable to the Crown	9,134	5,269
Revenue in advance from third parties subject to conditions	614	131
Total payables under non-exchange transactions	19,432	16,793
Total payables and deferred revenue	21,291	19,008

13. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in 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.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are not expected to be settled before 12 months after the end of the reporting period that the employees provide the related service in, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Breakdown of employee information and further information

	2024 \$000	2023 \$000
Current portion		
Accrued salaries and wages	531	431
Annual leave	827	629
Long service leave	26	30
Total current portion	1,384	1,090
Non-current portion		
Long service leave	121	102
Total non-current portion	121	102
Total employee entitlements	1,505	1,192

Measuring long service leave obligations

Measuring the long service leave obligations depends on several factors that are determined on an actuarial basis using several assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand Government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and obtaining advice from an independent actuary. A weighted average discount rate of 4.86% (2023: 4.34%) and an inflation factor of 4% in year 1, 2% in year 2 onwards (2023: 2.92%) was used.

If the discount rate and salary inflation factor were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service leave liability would be:

Assumptions	Value of long service leave (\$)
Base Assumptions	146,881
Discount Rate plus 1.0% p.a.	138,642
Discount Rate minus 1.0% p.a.	156,277
Salary Increase Rate plus 1.0% p.a.	156,444
Salary Increase Rate minus 1.0% p.a.	138,363

14. Provisions

Accounting policy

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 of the amount of the obligation can be made.

Breakdown of provisions and further information

	2024 \$000	2023 \$000
Current portion		
Quality assurance audits	54	79
Total current portion	54	79
Total provisions	54	79

Movements for each class of expenditure are as follows:

	Quality assurance audits \$000	Total \$000
Balance at 1 July 2022	99	99
Additional provisions made	79	79
Amounts used	(99)	(99)
Balance at 30 June/1 July 2023	79	79
Additional provisions made	54	54
Amounts used	(79)	(79)
Balance at 30 June 2024	54	54

15. Equity

Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- contributed capital; and
- accumulated surplus/(deficit).

A significant proportion of the accumulated surplus is the result of revenue received that has been committed in the form of financial and industry support expenditure to be incurred in future years.

Breakdown of equity and further information

	2024 \$000	2023 \$000
Contributed capital		
Balance at 1 July	545	545
Balance at 30 June	545	545
Accumulated surplus/(deficit)		
Balance at 1 July	57,037	48,546
Surplus/(deficit) for the year	26,687	21,400
Transfer of funding *	-	(12,909)
Balance at 30 June	83,724	57,037
Total equity	84,269	57,582

* Funding transferred to Crown Infrastructure Partners (CIP) in relation to the Electric Ferry Project, which was novated to CIP to manage on 29 August 2022.

Capital management

EECA's capital is its equity, which comprises accumulated funds. Equity is represented by net assets.

EECA is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions on borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives.

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

EECA manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that EECA effectively achieves its objectives and purpose, while remaining a going concern.

16. Financial and industry support expenditure

Accounting policy

EECA provides financial and industry support to enable energy efficiency and conservation initiatives, including training and building industry capability, to be undertaken. EECA becomes obliged to make a payment against contracts when prescribed activities are undertaken. Financial and industry support is accrued on the basis of the amount of work completed.

Breakdown of financial and industry support expenditure and further information

	2024 \$000	2023 \$000
Productive and low-emissions business	62,267	28,535
Efficient and low-emissions transport	15,650	9,244
Government leadership	10,213	7,183
Energy efficient homes	89,530	67,235
Total financial and industry support expenditure	177,660	112,197

17. Contingencies

Contingent liabilities

EECA has a contingent liability relating to an employee redundancy payment. The legal obligation will arise if there is no further ongoing employment at the end of a fixed-term role in June 2025. The redundancy payment will be \$26,693 (2023: \$nil).

Contingent assets

EECA has no contingent assets (2023: \$nil).

18. Related party transactions

EECA 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 favourable than those that it is reasonable to expect EECA would have adopted in dealing with the party at arm's 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.

EECA has no other related party transactions that are required to be disclosed this year.

Key management personnel compensation

	2024	2023
Board members		
Remuneration	\$254,833	\$138,188
Full time equivalent members	1.2	1.0
Leadership team		
Remuneration	\$1,978,550	\$1,683,475
Full-time equivalent members	6.0	6.0
Total key management personnel remuneration	\$2,233,383	\$1,821,663
Total full-time equivalent personnel	7.2	7.0

The full-time equivalent for Board members has been determined based on the Cabinet Fees Framework outlined in Cabinet Office Circular (CO (22) 2).

An additional member joined the leadership team partway through the 2023 financial year. Two leadership team members exited EECA and received redundancy payments during 2024. This increased remuneration expenditure for the 2024 year.

19. Financial instruments

19A. Financial instrument categories

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

	2024 \$000	2023 \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	29,858	35,712
Receivables	5,927	3,704
Investments	70,815	35,182
Crown loan debtors	6,090	6,407
Total financial assets measured at amortised cost	112,690	81,005
Financial liabilities measured at amortised cost		
Payables	10,934	13,373
Crown loan creditors	6,090	6,407
Total financial liabilities measured at amortised cost	17,024	19,780

19B. Financial instrument risks

EECA's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. EECA has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow it to enter into transactions that are speculative in nature.

Cash and investments

These comprise cash and cash equivalents and term deposits maturing within 12 months.

Credit risk

Credit risk arises in that the organisations with which surplus monies are invested may default on repayment. The maximum credit risk of held-to-maturity investments is \$100,673,053 (2023: \$70,893,765).

Market risk

Cash flow interest rate risk

EECA is subject to interest rate risk in that cash and cash equivalents are invested in term deposits with maturity dates of less than one year. It is possible that current market interest rates will rise causing the fair value of the investments to fall.

In accordance with the investment policy determined by the Board, surplus monies are invested with the following objectives:

- to ensure that the statutory requirements for investment are met
- to ensure that credit risk is minimised so far as is possible; and
- to ensure that liquid funds are available as and when necessary.

It is a statutory requirement that surplus monies are held in certain prescribed institutions, being registered banks and other highly credit-rated organisations.

All held-to-maturity monies are held with Westpac Banking Corporation Limited (Westpac), Kiwibank Limited and ASB Bank Limited. Standard and Poors has assessed Westpac and ASB as having an AA-credit rating. Fitch has assessed Kiwibank as having an AA rating.

Liquidity risk

As the primary objective of the investment programme is to ensure monies are available to meet operational needs, investments are made with terms of less than one year. Because interest rates are re-priced in the short term there is minimal loss of value when interest rates change.

EECA manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Receivables

The only receivables outstanding are those due in the short term less than 90 days from the date of acquisition. There is considered to be minimal credit risk attached to these receivables.

Crown loans

Crown loans are the residual sums due from a variety of organisations to whom interest free loans have been made to achieve energy efficiency and conservation measures.

Credit risk

All such borrowers are public sector entities, including health boards, territorial authorities, schools and tertiary institutions. As the emphasis on the lending programme is on energy efficiency objectives, credit risk is not regarded as a priority. Accordingly, no security is taken.

Market risk

Fair value interest rate risk

The fair value of the loans as at 30 June 2024 was \$6,117,454. This compares with the carrying value of the loans of \$6,090,252.

Sensitivity analysis

If interest rates were 10 basis points higher, the fair value of the loans would be lower by \$396.

As the amounts receivable under Crown loan debtors are equal to the amounts payable to the Crown under Crown loan creditors, then the effective fair value interest rate risk is \$nil.

Payables

Payables fall due in the short term. As the cash and cash equivalents are also available in the short term, no liquidity risk arises.

20. Events after the balance date

There were no significant events after the balance date.

21. Explanation of major variances against budget

Explanations for major variances from EECA's budgeted figures in the Statement of Performance Expectations are as follows:

Statement of comprehensible revenue and expense

Funding from the Crown

Crown Funding was \$60.38 million lower than budgeted due to funding not drawn down for the Government Investment in Decarbonising Industry (GIDI), Warmer Kiwi Homes (WKH), Infrastructure Reference Group (IRG) and EV Charging appropriations. The Financial and Industry support note explanation below outlines the major reasons for this. Funding for these programmes has been redeployed to be available in future years. In addition, some budgeted programmes were cancelled as part of the Governments fiscal sustainability plan, with associated funding being returned to the Crown.

Interest revenue

Interest Revenue was \$3.78 million higher than budgeted due to a combination of high cash holdings and high interest rates.

Financial and industry support

Financial and industry support costs were \$74.88 million lower than budget. This was primarily due to:

- Government Investment in Decarbonising Industry (GIDI) costs were \$26.62 million lower than the budget due to changes in the timing of contract milestones and closure of the programme.
- The EV charging programme budget was initially based on the appropriation profile, however delays whilst the programme was on hold, a reduction in funding and subsequent changes to the design of the programme have resulted in an underspend of \$27.5 million.
- Expenditure across the Business, Transport and Government Leadership programmes was \$17.26 million lower than budget.
- The LED lighting (\$1.3 million) and Freight Decarbonisation (\$1 million) programmes have now been closed.

Other expenses

Other expenses were \$6.95m under budget primarily due to the closure of a number of programmes. In addition, there were delays in activity across other programmes due to uncertainty around future funding and an organisational restructure.

Statement of financial position

Receivables

Receivables of \$5.63 million is a Crown Debtor for funding due but not yet received.

Investments

Investments were \$20.82 million more than budgeted due to lower expenditure than anticipated on existing commitments.

Payables

Payables and deferred revenue are \$2.97 million lower than budgeted due to lower year-end accruals across all programmes as a result of a move to weekly payment runs.

Statement of cash flows

Receipts from the Crown

Receipts from the Crown is \$58.8 million lower than budget due to a lower amount of funding drawn down as a result of underspends across multiple programmes during the year and the closure of some programmes.

Interest received

An increase in interest received is due to higher cash holdings and high interest rates as detailed above under explanation of Statement of comprehensive revenue and expense variances.

Financial and industry support payments

A decrease of financial and industry support cost payments reflects the decrease in costs as detailed above under explanation of Statement of comprehensive revenue and expense variances.

Sale and purchase of investments

Sale and acquisition of investments were higher than budgeted due lower expenditure across programmes which resulted in funds being reinvested.

Independent Auditor's Report

To the readers of the Energy Efficiency and Conservation Authority's financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of the Energy Efficiency and Conservation Authority (the Authority). The Auditor-General has appointed me, John Whittal, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the Authority on his behalf.

Opinion

We have audited:

- the financial statements of the Authority on pages 84 to 113, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information which reports against the Authority's statement of performance expectations and appropriations for the year ended 30 June 2024 on pages 23 to 63.

In our opinion:

- the financial statements of the Authority:
 - 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 Reporting Standards;
- the Authority's performance information for the year ended 30 June 2024:
 - presents fairly, in all material respects, 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

Independent Auditor's Report

- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
- presents fairly, in all material respects, for the appropriations:
 - what has been achieved with the appropriations; and
 - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure appropriated or forecast to be incurred; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to inherent uncertainties in the measurement of greenhouse gas emissions. 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 we explain our independence.

Emphasis of matter - Inherent uncertainties in the measurement of greenhouse gas emissions

The Authority has chosen to include performance measures related to greenhouse gas emissions reductions. Without modifying our opinion, and considering the public interest in climate change related information, we draw attention to page 23 and 24 of the annual report, which outlines the inherent uncertainties in reported greenhouse gas emissions. Quantifying greenhouse gas emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of greenhouse gas sources are still evolving, as are greenhouse gas reporting and assurance standards.

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Authority for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it 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 Board is responsible on behalf of the Authority for assessing the Authority’s ability to continue as a going concern. The Board 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 Authority, or there is no realistic alternative but to do so.

The Board’s responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

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 Authority’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 Authority's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the performance information which reports against the Authority's statement of performance expectations and appropriations.
- 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 Authority'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 Authority 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 Board 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 Board is responsible for the other information. The other information comprises the information included on pages 1 to 22, 64 to 83 and 114 to 123, 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 Authority 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 (including International Independence Standards) (New Zealand) (PES 1) 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 Authority.



John Whittal
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Glossary

Keywords

Appropriation – a sum of money allocated by the Government for a particular use.

Biomass – organic matter used for bioenergy production (such as wood or organic waste).

Co-funding – where two or more parties contribute to the cost of a project. For EECA, the government co-funding we contribute is usually up to 50% of the total project cost.

Decarbonisation – reducing the amount of carbon emissions produced, with the ultimate aim of eliminating it.

Demand flexibility – two-way communication between smart devices and flexible service providers.

Distributed flexibility – a ‘smart grid’ system that enables electricity supply and demand to be balanced, through connected/interoperable technologies.

Electrification – the conversion of a machine or system, where the use of fossil fuels is substituted with the use of electrical power.

Electric vehicle (EV) – electric vehicles have an electric motor powered by a battery charged by connecting to an external source of electricity. Battery electric vehicles (BEVs) are powered only by the battery, while plug-in hybrid electric vehicles (PHEVs) have one engine powered by a battery and another fuelled generally using petrol or diesel.

Electricity levy – EECA receives an allocation of Electricity Industry Levy funding to carry out initiatives in accordance with our statutory functions.

Emissions – greenhouse gas emissions. Energy-related emissions are greenhouse gas emissions produced as a result of using energy.

Emissions factor – a coefficient that describes the rate at which a given activity releases greenhouse gases into the atmosphere.

Energy – the capacity of a physical system to perform work. Energy can be derived from physical or chemical resources, such as the sun or fossil fuels. We need energy for everything from manufacturing and electricity generation right through to powering our vehicles and homes.

Energy efficiency – reducing energy used to provide products and services.

Energy-related emissions – the greenhouse gas emissions that result from burning or producing fossil fuels (such as petrol, diesel, gas, and coal).

Fossil fuels – includes coal, natural gas, LPG, crude oil, fuels derived from crude oil (including petrol and diesel).

Gas levy – EECA receives an allocation of Gas Safety, Monitoring and Energy Efficiency (GMSEE) Levy funding to carry out initiatives in accordance with our statutory functions.

Greenhouse gases – these include carbon dioxide, methane and nitrous oxide which contribute to climate change. In the energy sector, the burning of fossil fuels (oil, coal, gas) for heat, transport or electricity generation creates greenhouse gas emissions.

Low-emissions economy – an economy based on low-carbon energy sources and therefore produces minimal greenhouse gas emissions into the atmosphere, specifically carbon dioxide.

Low-emissions vehicle (LEV) – LEVs use our renewable electricity advantage to significantly reduce greenhouse gas emissions. LEVs include battery electric vehicles, plug-in hybrid vehicles and hydrogen fuel cell vehicles (if the hydrogen is produced using renewable electricity).

Partnership – a contractual agreement between an organisation and EECA.

Petroleum levy – EECA receives an allocation of Petroleum or Energy Fuel Monitoring (PEFM) Levy funding to carry out initiatives in accordance with our statutory functions.

Process heat – energy used for commercial and industrial processes, manufacturing, and heating. It generally involves the use of coal, gas, wood, or electricity.

Public sector – the public sector comprises four sectors: public service, state services, state sector and the public sector. It includes both central and local government organisations.

Renewable energy – energy produced from hydro, geothermal, biomass, wind, solar and marine sources.

Retrofit – an installation of heating or insulation into an existing home (via Warmer Kiwi Homes).

Smart technology – a technology is considered ‘smart’ if it can have two-way communication with the electricity grid and react to demand and pricing signals (dialling energy use up or down in line with user preferences).

Service provider – an organisation contracted by EECA to provide a service.

State sector – includes the core public service, within which the state services sit.

Sustainable energy – energy that serves present needs without compromising the ability of future generations to meet their needs. It includes renewable energy and energy efficiency.

Energy and emissions measurement units and context of scale²³

Unit used in this document	Definition	Example
PJ	Petajoule - the unit most often used to measure energy production and use on a national scale in New Zealand. Energy savings are valued using the marginal cost of electricity supply. One PJ is equivalent to a quadrillion joules (10 ¹⁵).	New Zealand households use a total of 82.11 PJ of energy per year (excluding transport).
GWh	Gigawatt hour - a watt hour is a measure of electrical energy equivalent to a power consumption of one watt for one hour. One GWh is equivalent to one billion watt hours, one million kilowatt hours, and 3,600 joules.	Annually, the Manapōuri hydro power station supplies 4,500 GWh of electricity and New Zealand households use 22,808 GWh of energy (from all fuel types).
kWh	Kilowatt hour - a watt hour is a measure of electrical energy equivalent to a power consumption of one watt for one hour. One kWh is equivalent to 1,000 watt hours.	The average New Zealand household uses 11,544 kWh of energy per year.

Unit used in this document	Definition	Emissions produced by an average New Zealand household	Emissions produced by one light passenger vehicle in New Zealand	Emissions produced by New Zealand's light passenger vehicle fleet
ktCO ₂ e	Kilotonnes of carbon equivalent emissions - a unit used to indicate the global warming potential of greenhouse gases, using carbon dioxide (CO ₂) as a reference gas. One kilotonne of CO ₂ e is equivalent to 1000 tonnes of CO ₂ e.	0.0014 ktCO₂e	0.0018 ktCO₂e	6,085 ktCO₂e
tCO ₂ e	Tonnes of carbon equivalent emissions - a unit used to indicate the global warming potential of greenhouse gases, using carbon dioxide (CO ₂) as a reference gas. One tonne of CO ₂ e is equivalent to 1000 kilograms of CO ₂ e.	1.42 tCO₂e	1.77 tCO₂e	6,085,300 tCO₂e
kgCO ₂ e	Kilograms of carbon equivalent emissions - a unit used to indicate the global warming potential of greenhouse gases, using carbon dioxide (CO ₂) as a reference gas. One kilogram of CO ₂ e is equivalent to 1000 grams of CO ₂ e (gCO ₂ e).	1,421 kgCO₂e	1,765 kgCO₂e	6,085,300,000 kgCO₂e

²³Data sources: Household Estimates by Tenure, Statistics New Zealand (2024); Energy Balance Tables, Ministry of Business, Innovation and Employment (2024); Measuring Emissions - A Guide for Organisations, Ministry for the Environment (2024); Tailpipe Emissions Data, Ministry of Transport (2024); Annual Fleet Stat Data, Ministry of Transport (2024).



E E C A
TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY

GEN
LESS