D.1.SPE(25)

Statement of Performance Expectations

1 July 2025 – 30 June 2026

EECA
TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY

Contents

Presented to the House of Representatives pursuant to section 149 of the Crown Entities Act 2004.

Te whakataki mai i te Poari
Foreword from the Board

The energy landscape is evolving. Energy security and affordability are critical as we navigate increasing energy demand, growing renewable energy, volatile energy markets and pricing, and preparing for extreme weather events and disasters.

Energy efficiency is the foundation of energy security and affordability. The need for smarter, more efficient energy use has never been greater. This Statement of Performance Expectations 2025/26 outlines our commitment as the Energy Efficiency and Conservation Authority Te Tari Tiaki Pūngao to helping New Zealand achieve a secure, resilient, and affordable energy system that supports a competitive, productive economy.

Our activities help keep the lights on and energy bills down while supporting economic growth. In this document you will find our refreshed work programme for the year ahead and the measurable outcomes we will deliver. Each programme targets specific market barriers that are slowing New Zealand's progress towards an efficient, smart and renewable energy system.

Effective and efficient delivery of programmes will continue to be a core focus in 2025/26. We are committed to spending public money responsibly on activities that improve outcomes for New Zealanders. We will ensure that our organisation maintains the right size to match the nature and level of activities we are funded for.

New Zealand has an exciting opportunity to lead in energy efficiency and renewable energy on the global stage. We look forward to working alongside consumers and the private sector to achieve an energy system that is not only fit for today's needs but also those of the future.

Statement of responsibility

This Statement of Performance Expectations for 1 July 2025 to 30 June 2026 has been prepared in accordance with the Crown Entities Act 2004. In signing this statement, we acknowledge our responsibility for the information contained in this document and confirm EECA's systems and processes provide reasonable assurance about the integrity and reliability of its prospective operations and financial statements.

Signed on behalf of the Board

Elena Trout
Board Chair
24 June 2025

Judi Jones
Board Member
24 June 2025

EECA Board, June 2025. Left to right: Judi Jones, John Carnegie, Vijay Goel, Christopher Boyle, Elena Trout (Chair), Dr Daniel Tulloch, and Andrew Knight.

About us

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

Our purpose – why we exist

Performing our legislative function

The Energy Efficiency and Conservation Authority (EECA) was established as a Crown Agent under the Energy Efficiency and Conservation Act 2000. A Crown Agent is a type of Crown Entity.

Under the Act, our function is to encourage, promote and support energy efficiency, energy conservation, and the use of renewable sources of energy:

Energy comes from physical and chemical resources like the sun and fossil fuels. We use energy to power our homes, vehicles, and businesses.

Energy efficiency is using less energy to perform the same 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 reducing energy use if it is not needed. For example, turning the lights off when no one is in the room. The cheapest and cleanest 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.

As an operational government agency, we deliver programmes that help achieve our legislative function, support the energy priorities of the government, and create value for government investment. We also act as the regulator for energy efficiency in New Zealand and an authority on energy use.

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

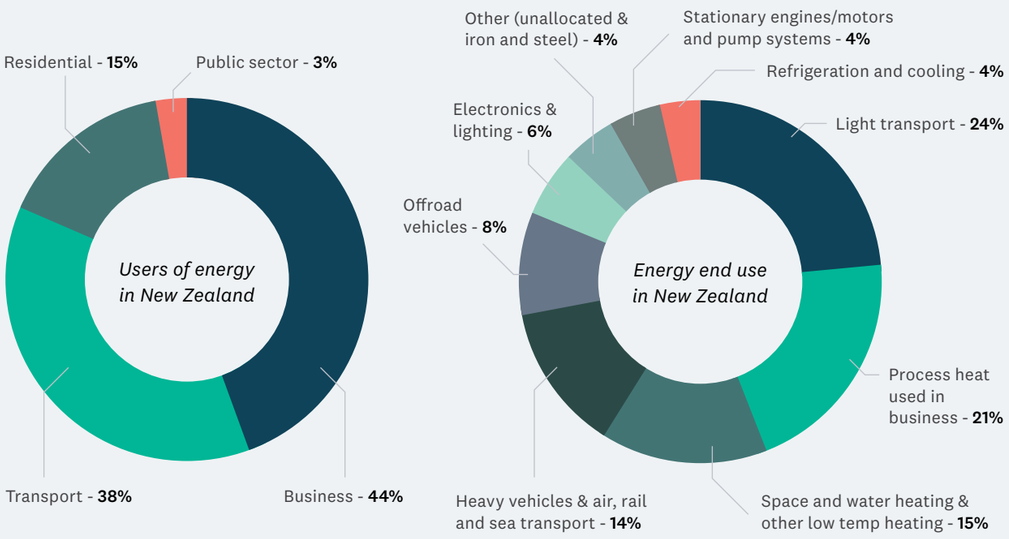
Supporting the Government's energy priorities

The Government has set two key priorities for New Zealand's energy system: energy security and resilience, and energy affordability and economic growth. This section explains how clean and clever energy use supports these priorities.

A smart, efficient energy system that supports energy security and resilience

Everyone in New Zealand uses energy – whether as individuals, whānau, businesses, or large companies. The most common understanding of energy use is at home, where electricity powers many of our appliances and devices. However, New Zealand's wider energy system is complex, and it can be challenging for the average user to understand. Most energy use happens in the transport and business sectors where energy is needed to power vehicles, run equipment, and produce heat for industrial processes.

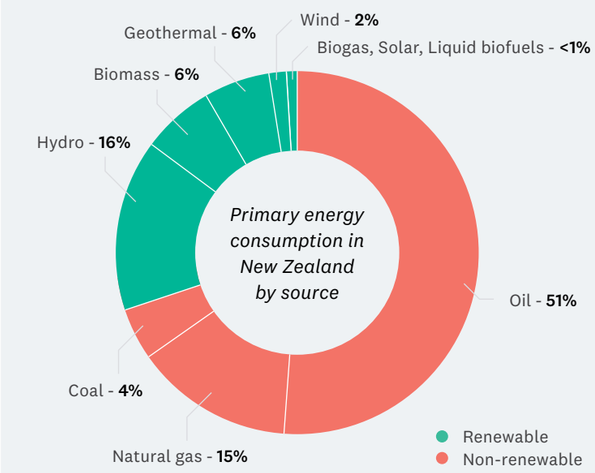
The Government is committed to ensuring all energy users across New Zealand have access to secure and reliable energy when they need it. This is particularly important in the face of energy challenges like growing electrification and overall energy demand, more intermittent energy generation from renewables, and extreme weather events and disasters.



Source: 2023 data from EECA's Energy End Use Database (2025).

How does clean and clever energy use support energy security and resilience?

- A smarter, more efficient energy system is essential to New Zealand's energy security and economic growth. Energy efficiency is a simple, cost-effective way to reduce energy demand and make the most of our existing resources and infrastructure. New Zealand has made a pledge to help double global energy efficiency improvements by 2030. Smart technologies and systems are also crucial. With the ability to respond to energy signals in real time, they offer opportunities to manage and shift energy demand, including during peak periods.
- Local energy sources are abundant in our country, including renewables like hydro, solar, wind, hydro, and biomass. Renewables are an important part of our energy mix. They can help support our energy reliability and climate resilience – while giving us a competitive advantage and lowering our emissions. The Government has committed to doubling renewable energy in New Zealand by 2050. While our electricity system is already highly renewable, we still rely on non-renewable sources for over 70% of our energy needs. With a range of local renewable energy options, New Zealand is well-positioned to unlock the benefits of increased renewable energy use.



Source: 2023 data from the Ministry of Business, Innovation and Employment's (MBIE) Energy Balance Tables (2025) and Electricity Statistics (2025).

An affordable, economic, and productive energy system

The Government is committed to ensuring New Zealanders have access to affordable, reliable energy at internationally competitive prices.

In the coming years, energy demand is forecast to increase significantly, and energy prices are expected to rise and become more volatile. For example, Transpower's Accelerated Electrification scenario forecasts electricity demand as high as 68% above current levels by 2050 to meet base growth as well as growth from the electrification of vehicles and process heat.[1] Tens of billions of dollars of new infrastructure investment could be required.[2] Energy must remain affordable.

1 *Whakamana I te Mauri Hiko – Monitoring Report October 2024*, Transpower (2024).
2 *Climate Change In New Zealand | The Future Is Electric*, Boston Consulting Group (2022).

How does clean and clever energy use support energy affordability and economic growth?

- Energy efficiency is a critical first step to improve energy affordability. When you use less energy, you pay for less energy. Efficient technologies and measures directly unlock savings on energy bills, increase business productivity, and lower demand on our energy systems.
- The energy system is evolving. New smart products and systems allow consumers to manage their own energy usage and respond to energy prices in real time. Consumers are increasingly able to manage and shift their energy use to off-peak times when it is cheapest, unlocking savings on their energy bills and reducing the need for costly energy infrastructure investment. 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 2050.[3]
- We are also seeing innovation in renewable fuels like green hydrogen, biomass, and biogas – particularly for activities that are less suited to electrification. Increasing New Zealand's use of renewable energy systems will leave us less exposed to global energy price fluctuations and increase our competition in the local energy market, resulting in lower rates for consumers. Furthermore, uptake of distributed energy resources (like solar photovoltaics, fixed storage batteries, and on-site bioenergy systems) is changing the predominantly one-way nature of our energy system, creating opportunities for consumers to generate and manage their own energy.

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

Our strategy - what we aim to achieve

The strategy we set in our Statement of Intent 2024–2028 guides the work we do. It helps us focus our efforts in areas that will deliver on our legislative function, support the Government's priorities for the energy system, and create value for money.

Our mission

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

Our strategic focus areas

Energy efficiency first

Efficient energy use is the first option users adopt.

Empower energy users

Users are empowered to control their energy.

Accelerate renewable energy

Users transition to low-emissions energy.

The outcomes we seek

- + Users accept and adopt energy efficient products and practices.
- + Proven energy efficient technologies are identified and widely available.
- + Users understand, manage, and conserve their energy use.
- + Users get value from responsive and flexible energy systems.
- + Users plan for and adopt low-emission energy and technologies.
- + Fuel options for energy transition are identified and widely available.

Our levers - what we do

Our levers are the tools we have available to overcome market barriers to an efficient, secure and affordable energy system that supports our economic growth – enabling it to happen faster and in a more coordinated way.

Regulation

Of products, processes, and systems.

Regulation is an important tool to guide the market to have a stronger focus on clean and clever energy use. Our regulations and standards give New Zealanders and businesses access to the most energy-efficient products and technologies available internationally – helping them make purchasing decisions that will save money on their energy bills and lower the demand on our energy systems.

Information and motivation

To promote clean and clever energy choices.

A lack of information and motivation is a common barrier to consumers making smart energy choices. Our evidenced-based information and tools give New Zealanders and businesses the awareness and confidence they need to make clean and clever energy choices and investments – lowering their energy bills, improving business productivity, and creating benefits for the wider energy system.

Targeted investment and support

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

We use our expertise to deliver targeted investment and support where there are significant and evidenced market barriers to the adoption of clean and clever energy technologies and fuels. We are committed to investing in a way that provides value for money and delivers strong outcomes for New Zealanders.

Our funding - where our money comes from

EECA is funded from government appropriations within Vote Business, Science, and Innovation. Some of our programmes are funded by specific appropriations. The others are funded by our baseline appropriation, which includes some funding recovered from energy levies. The 'What we will deliver' section of this document provides more information on each programme we deliver with these appropriations, including the specific costs and how we will assess performance.

Funding appropriation	Description
Grant Scheme for Warm, Dry, and Energy Efficient Homes 2023-2028	This appropriation is specific funding for grants under the Warmer Kiwi Homes programme. It delivers insulation and efficient heating retrofits to improve the thermal performance of dwellings occupied by low-income owners. It also delivers basic home repairs and measures that enable insulation and heating retrofits to happen.
Implementation of the Grant Scheme for Warm, Dry, and Energy Efficient Homes 2023-2028	This appropriation is specific funding for implementation costs associated with delivering the Warmer Kiwi Homes programme.
Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028	This appropriation is specific funding for the Public Electric Vehicle Charging Programme. Note the programme has been refreshed and transferred to the National Infrastructure Funding and Financing Limited (NIFFCo) for future projects. Funding under this appropriation relates to existing project contracts and milestone payments, which EECA is responsible for managing.
Clean Heavy Vehicles Grants 2023-2028	This appropriation is specific funding for the Low Emissions Heavy Vehicle Fund. It aims to achieve increased use of low emissions heavy vehicles and infrastructure by supporting early adopters to overcome the barriers to uptake.
Investment in Infrastructure Projects	This appropriation is specific funding for the energy-related 'Shovel-Ready' infrastructure projects approved by the Government in 2020 and allocated to EECA to oversee. Four projects received dedicated funding from the Government's COVID-19 Response and Recovery Fund, which is closed. The remaining funding is to deliver the final milestones of the fourth project.

Accelerating Energy Efficiency and Fuel Switching in Industry 2022-2027	This appropriation is specific funding for the Government Investment in Decarbonising Industry (GIDI) Fund, which aimed to reduce energy and carbon emissions from industrial and commercial processes. Note the programme closed in December 2023. Funding under this appropriation relates to existing project contracts and milestone payments, which EECA is responsible for managing.
Assisting Households in Energy Hardship	This appropriation is specific funding for the Supporting Energy Education in Communities (SEEC) Fund. It aims to provide targeted households with tailored energy advice and tools to help generate energy cost savings and lift them out of energy hardship.
Community Renewable Energy 2025-2028	This appropriation is specific funding for the Community Renewable Energy Fund (CREF). It aims to overcome barriers to the adoption of renewable energy systems like solar in communities to help increase resilience in the event of a disaster or severe weather event and reduce day-to-day energy costs.
Energy Efficiency and Conservation	This baseline appropriation funds all other EECA programmes that achieve improvements in energy efficiency, energy conservation, and the use of renewable energy. The Government recovers some of the funding in this appropriation through three energy levies: the Electricity Industry Levy, the Gas Safety, Monitoring and Energy Efficiency Levy, and the Petroleum or Engine Fuel Monitoring Levy. Following public consultation, the Minister for Energy decides how much funding EECA receives from the energy levies each year. In 2025/26, EECA will receive $23.259 million from the levies.

What we will deliver in 2025/26

This section outlines the programmes we will run in 2025/26 to deliver on the strategic objectives set out in our Statement of Intent 2024–2028 and the Government's energy priorities. It includes how much we plan to spend on each programme and targets for our performance.

About this section

This section outlines the programmes we will deliver in 2025/26, including performance targets and how much we plan to spend. We report on our targets and spending to the Minister for Energy each quarter and publish the results in our Annual Report at the end of the year.

It is important that our programmes make progress towards the strategy we set in our Statement of Intent 2024–2028. We have structured this section by the three focus areas we set in our strategy, so it is easy to see how each of our programmes contributes. See page 7 for more information about our strategy.

- Energy efficiency first
- Empower energy users
- Accelerate renewable energy

We also need to make sure our programmes deliver on the Government's priorities for New Zealand's energy system. Throughout this section, we have used symbols to indicate how each programme aligns with the two energy priorities set by the Minister for Energy. See pages 4-6 for more information about the Government's energy priorities.

- Security of supply and resilience
- Affordability and economic growth

Judgements made in the selection of performance measures and targets

The Public Benefit Entity Financial Reporting Standard (PBE FRS 48) Service Performance Reporting Standard sets requirements for selecting and presenting service performance information (i.e. performance targets), so it is appropriate and meaningful to readers.

PBE FRS 48 requires us to disclose the key judgements made in preparing our service performance information. In selecting performance measures for 2025/26, we made the following judgements about what information to present:

- We consider that the selected activities to report on are the most appropriate and meaningful information for readers when assessing the work we do to achieve our objectives. The activities align with EECA management's assessment of where we expect to invest the most time and resources in the period (based on budget information).
- In our view, the selected performance measures will meet the expectations of our stakeholders and related government entities. They will also adequately inform users of the progress made against achieving the outcomes presented in our Statement of Intent 2024–2028.
- The 80% emissions reduction targets in this document reflect the technical nature of the projects and the reliance on assumptions in estimating emissions reductions. Scope changes, changes in energy demand, operational changes, variation in the carbon intensity of the grid, and technical or design challenges can result in differences between projected and actual outcomes. Setting the target at 80% provides a realistic benchmark that recognises the uncertainties while still driving strong emissions reduction performance.

We have also applied judgements in the measurement and presentation of performance information. Significant judgements and assumptions about performance measures and results will be disclosed in the Annual Report 2025/26.

Energy efficiency first

Efficient energy use is the first option users adopt.

The outcomes we seek

- Users accept and adopt energy efficient products and practices.
- Proven energy efficient technologies are identified and widely available.

Why energy efficiency first?

Energy efficiency is using less energy to perform the same task or service, usually with the help of efficient technologies and measures. For example, an efficient heat pump warms the room – but it uses less energy in doing so.

Energy efficiency plays a critical role in ensuring energy affordability, security, and resilience in New Zealand. Using energy efficiently helps households and businesses lower their energy consumption, directly reducing their energy bills and improving business productivity. It also reduces overall energy demand, helping to free up capacity in our energy supply systems and offset or defer investment in costly energy infrastructure.

As one of the easiest ways to make savings across all types of energy, efficiency measures are an essential 'first step' for households and businesses. However, in many cases people are not aware of or able to access these opportunities, or the market does not prioritise energy efficiency as much as it could. The programmes below help address these barriers.

Programmes and measures of performance

Standards and Regulations Programme

Regulation is an important tool to guide the market towards a stronger focus on energy efficiency. The Standards and Regulations Programme develops guidance and enforces requirements that allow households and businesses to save on their energy costs while reducing overall energy demand for the benefit of the wider system. Collaborating with Australia means we share some of the costs of regulation, making it easier and cheaper for both countries.

- Minimum Energy Performance Standards (MEPS) require energy-using products to meet minimum energy efficiency standards in order to be sold in New Zealand. Since 2002, more than 102 million regulated products have been sold, saving businesses and consumers over 108 PJ of energy use – equivalent to the yearly energy use of around 2.5 million homes and $2.6 billion in national benefit.
- Labelling regulations give consumers easy-to-understand energy performance information at the point of sale so they can make smarter choices when buying a new product or vehicle. We do this through Mandatory Energy Performance Labelling (MEPL) – the 'energy star' efficiency rating labels – and Vehicle Emissions and Energy Economy Labelling (VEEEL).
- Voluntary guidance, such as Publicly Available Specifications (PAS) and product whitelists, provides a source of best practice information to help the market overcome knowledge barriers to the adoption of smart, energy efficient technologies and systems.

We are also preparing to implement changes to our regulatory legislation expected to come into effect in late 2026. The amendments will make it easier to update and introduce regulations for energy-using products and systems, helping to unlock further energy savings and keep pace internationally. They will also allow 'smartness' regulation. Smartness is the capability of products and systems to adjust their energy consumption in response to external signals (demand response), for example, electric vehicle chargers and home energy management systems.

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
1. Energy saved annually by consumers and businesses as a result of purchasing new energy efficient appliances subject to MEPS/MEPL	At least 1.50 PJ	1.53 PJ	At least 1.20 PJ
2. Number of product classes tested to assess performance against regulatory requirements (MEPS/ MEPL)	At least 3 product classes	3 product classes	At least 3 product classes

Notes to the measures:

- **Measure 1** – The energy savings figure is the difference between a calculated baseline energy consumption of the products subject to MEPS/MEPL (assuming the regulatory programme did not exist) and the products' energy consumption from sales data and registration information collected by EECA. By August each year, product manufacturers and importers are required to submit sales data to EECA for the period of 1 April to 31 March as per section 9[3] of the Energy Efficiency Regulations 2002. Therefore, the energy savings reported for 2025/26 relates to the latest available sales period of 1 April 2024 to 31 March 2025. The decreased energy savings target for 2025/26 reflects the current New Zealand regulatory and economic context. Energy savings are calculated from sold products, which decreases in tough economic conditions. Energy savings also steadily decline without regular updates to New Zealand's energy efficiency regulations, which will become easier following the amendments outlined above.
- **Measure 2** – Performance testing is undertaken by an independent accredited laboratory. A product unit is considered completed at the conclusion of Stage One testing (Stage Two testing is only triggered if non-compliance is detected).

Warmer Kiwi Homes Programme

Targeted government investment helps to bridge the financial gaps that prevent households from adopting energy efficient technologies and practices. The Warmer Kiwi Homes programme enables low-income households to access insulation and efficient heating technologies that help reduce their power bills and achieve other major co-benefits like improved health outcomes.

- The programme contributes to the cost of retrofitting ceiling and underfloor insultation, heat pumps, and efficient wood or pellet burners in low-income homes. It has successfully reached a significant portion of eligible households across New Zealand. Since 2018, our contracted service providers have completed over 160,000 installs. The remaining pool of eligible homes has become smaller and harder to reach. We work with targeted community organisations to help us identify and engage with these households.
- In early 2025, the programme began offering low-cost 'enabling measures' to help remove some of the common barriers that prevent insulation and efficient heating from being installed or the full benefits from being delivered to the home. Our service providers create access to underfloor and attic spaces, repair minor roof and underfloor leaks, repair or upgrade earthing systems, and install downlights that allow for better insultation coverage.
- Insulation and heating retrofits do not just increase energy efficiency. Kiwi families get to enjoy the benefits of living in a warm, dry, and healthy home and New Zealand saves money in the long run. According to an independent evaluation, every dollar spent on the programme unlocks $4.36 of wellbeing and energy benefits.[4]

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
3. Number of insulation and heating retrofits installed	At least 26,500 retrofits	23,500 retrofits	At least 23,000 retrofits
4. Percentage of sampled insulation and heating retrofits that comply with the installation standard	At least 95%	98%	At least 95%

Notes to the measures:

- **Measure 3** – The lower retrofit target for 2025/26 reflects the decreasing demand for heating retrofits, influenced by a diminishing pool of eligible households and low levels of disposable income to meet the required recipient contribution.
- **Measure 4** – Audits are completed by an independent auditor who assesses a sample (approximately ~5%) of the total number of insulation and heating retrofits completed. Wood and pellet burner retrofits are excluded from auditing as these installations are controlled by the building consent process and must be installed to the building code to receive a code of compliance.

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

Empower energy users

Users are empowered to control their energy.

The outcomes we seek

- Users understand, manage and conserve their energy use.
- Users get value from responsive and flexible energy systems.

Why empower energy users?

Everyone uses energy – whether as individuals, whānau, businesses, or large companies. As New Zealand's energy system gets smarter, there is a growing number of new and innovative ways for energy users to manage their energy use and make savings – as active consumers and as producers of energy. All energy users should have access to and be well-informed about these opportunities.

With the help of smart technologies and systems, consumers are increasingly able to flexibly shift when they use energy to match when it is most available and cheapest. Studies suggest a more flexible electricity system could save New Zealand around $10 billion by 2050, mainly from delaying or avoiding network investments and enabling consumers to cut electricity costs by up to 50%.[5] Distributed energy resources (like solar photovoltaics, fixed storage batteries and on-site bioenergy systems) are also allowing consumers to generate and manage their own energy.

Smart energy use is particularly critical in the face of growing energy demand, electrification, and extreme weather events or disasters. Pressures on our energy systems can threaten the reliability of our energy supply. A smart, responsive energy system with empowered users will help New Zealand manage fluctuations in supply and demand, support the effective integration of renewable energy, and improve our energy security and resilience.

A lack of awareness, knowledge, and market coordination is slowing progress towards a smart energy system. The programmes below play an important role in overcoming these barriers with the right information, tools, and settings.

Programmes and measures of performance

Distributed Flexibility Programme

Demand flexibility is the ability for consumers to adjust their energy usage in response to supply conditions like price changes or grid needs. New Zealand lacks real-world examples of demand flexibility as a cost-effective alternative to expanding the electricity grid with more infrastructure. Without practical demonstrations, large-scale adoption remains slow. The new Distributed Flexibility Programme aims to provide the evidence needed to drive adoption and demonstrate the potential to reduce infrastructure investment, lower electricity costs, and improve grid efficiency.

- In partnership with Electricity Distribution Businesses (EDBs), we will deliver targeted regional pilot projects that will generate data about the value of demand flexibility, including the scale and availability of flexible demand on typical residential networks.
- The projects will see smart technologies installed in homes, such as thermostats for hot water cylinders, electric vehicle chargers that are responsive to grid signals, and smart inverters for solar systems. The technologies will allow households to shift their energy use to off-peak times or export excess generation when it is most valuable. Participating homes will be financially rewarded for making their 'flexible' demand available to EDBs.

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
5. Percentage of industry support contracts managed in accordance with agreed terms and conditions	New measure	N/A (new activity)	100%

Community Renewable Energy Fund (CREF)

Financial and coordination barriers are slowing the adoption of renewable energy systems like solar in communities and schools. The Community Renewable Energy Fund enables renewable energy systems to be installed on community buildings and schools to help increase resilience in the event of a disaster or severe weather event and reduce day-to-day energy costs.

- The programme installs solar photovoltaic (PV) and battery systems on targeted community buildings like marae, places of worship, and community halls. From this year, the fund will also have a strong focus on schools. Suitable community buildings are identified and prioritised in collaboration with government agencies, local authorities, Civil Defence Emergency Management, and community and Māori organisations involved in emergency planning and energy resilience.
- The solar PV and battery systems provide locally generated renewable energy that can be used in emergency events and day-to-day, lowering energy costs and increasing energy resilience. To date, over 200 community resilience sites have been supported, including in North Island areas affected by the severe weather events in 2023.

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
6. Number of community sites supported	New measure	95 sites	At least 80 sites

Notes to the measure:

- **Measure 6** – The fund was transferred to EECA in early 2025 from the Ministry of Business, Innovation and Employment (MBIE). Previous performance measures and targets were combined with MBIE's Public and Māori Housing Fund, so there is no comparable target for 2024/25.

5 *Climate Change In New Zealand | The Future Is Electric*, Boston Consulting Group (2022).

Supporting Energy Education in Communities (SEEC) Programme

A lack of knowledge and tools prevents New Zealanders struggling with energy hardship from making savings on their energy bills. The Supporting Energy Education in Communities Programme provides targeted households with tailored energy advice and resources to help generate energy cost savings and lift them out of energy hardship.

- The programme supports existing community education organisations that people trust. Through these organisations, households in energy hardship can access personalised, specialist advice about how to use energy efficiently, alongside some low-cost energy-saving equipment. From this year, the programme will focus on supporting fewer, more impactful community partners to capture more households and deliver stronger value for money. It will also help generate leads for the Warmer Kiwi Homes Programme (described in the previous section).
- To date, the programme has reached more than 34,000 households across New Zealand and delivered over 55,000 low-cost energy-saving devices. According to an independent evaluation, every dollar spent on the programme returns $2.21 in benefits.[6]

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
7. Number of households that receive in-home energy advice	New measure	5,500 households	At least 1,500 households

Notes to the measure:

- **Measure 7** – The fund was transferred to EECA in early 2025 from the Ministry of Business, Innovation and Employment (MBIE). The fund was previously exempt from performance measures due to its size. The decreased household target reflects the reduction in the available funding for 2025/26.

Practical Consumer Information Programme

A lack of awareness and evidence-based information is a common barrier to consumers making smart energy choices that save money, increase productivity, and benefit New Zealand's wider energy system. The Practical Consumer Information Programme gives New Zealanders and businesses access to practical energy-saving advice, research and tools to help them use energy more efficiently and save on their energy bills.

- Our energy savings campaigns share practical tips and advice to help Kiwis save money on their power bills and reduce pressure on New Zealand's energy systems. This is particularly important in winter when residential energy needs and bills increase to help keep our homes warm and dry. In 2023, our savings tips campaign delivered a $3.06 return for every dollar of government investment.
- We also provide year-round resources, tools and research on our websites that make it easy for New Zealanders and businesses to access the latest evidence and advice on how to use energy efficiently and make the most of smart and renewable technologies and fuels. Our websites have received over 1.5 million visits in the last year alone, with more than 50% of visitors meeting the criteria for meaningful engagement with the content.

6 *Evaluation of the Support for Energy Education in Communities programme*, Martin Jenkins (2024).

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
8. Individuals' knowledge of ways to increase their energy efficiency	Knowledge is higher in individuals that are aware of EECA or have engaged with EECA	Achieved – knowledge is 12% higher	Knowledge is higher in individuals that are aware of EECA or have engaged with EECA
9. Businesses' knowledge of ways to increase their energy efficiency	Knowledge is higher in businesses that are aware of EECA or have engaged with EECA	Achieved – knowledge is 14% higher	Knowledge is higher in businesses that are aware of EECA or have engaged with EECA
10. Return on investment for significant information provision activities	At least $1 of benefit for each dollar invested	More than $1 of benefit for each dollar invested	More than $1 of benefit for each dollar invested
11. Number of visits to EECA websites	At least 1.5 million visits	1.5 million visits	At least 1.5 million visits
12. Number of research and insights publications and tools produced	At least 15 publications	15 publications	At least 15 publications and tools

Notes to the measures:

- **Measures 8 and 9** – Data is sourced from surveys run by EECA every six months.
- **Measure 10** – Significant information provision activities are those with over $1 million of government investment. The quantified value of the activity is divided by the cost of the activity to determine the return on investment.
- **Measure 11** – EECA's websites are www.EECA.govt.nz and www.genless.govt.nz.
- **Measure 12** – The measure has been broadened for 2025/26 to include tools as this is a key area of market need.

Accelerate renewable energy

Users transition to low-emissions energy.

The outcomes we seek

- Users plan for and adopt low-emissions energy and technologies.
- Fuel options for energy transition are identified and widely available.

Why accelerate renewable energy?

Renewable sources of energy come from natural resources that can be replenished and will not run out – like solar, hydro, biomass, wind, and marine.

Greater use of renewable energy will improve New Zealand's energy security, resilience and affordability. Heavy reliance on imported fossil fuels can expose us to price fluctuations and supply disruptions. Renewable energy is often abundant and less vulnerable to external factors, helping our energy supply and prices to be more secure and stable.

With diverse renewable energy options, our country is well-positioned to leverage a highly renewable energy system that will not only help with our energy challenges but also give us a competitive advantage and lower our emissions. While our electricity system is already powered by significant renewable energy sources, electricity is only part of the picture. Only 30% of all energy consumed in New Zealand is renewable, with our transport and business sectors particularly reliant on fossil fuels. We know the renewable potential is there and the programmes below target the coordination, information, and financial gaps that are slowing market uptake.

Programmes and measures of performance

Low Emissions Heavy Vehicle Fund (LEHVF)

High upfront costs and the unknown total cost of ownership are barriers to businesses purchasing zero and low-emissions heavy vehicles. To address this, the Low Emissions Heavy Vehicle Fund contributes to the purchase or conversion cost for low or zero-emissions heavy vehicles, allowing businesses to reduce their day-to-day operating costs and increase their business productivity.

- Working with approved suppliers and converters, the programme offers up to 25% of the cost of new zero and low-emissions heavy vehicles and up to 25% of the cost to convert existing higher-emitting heavy vehicles to be powered by low-emissions technology.
- By offsetting the upfront costs, the programme enables businesses to increase their productivity with vehicles that are cheaper to operate. It also provides market signals to manufacturers to encourage future supply.

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
13. Number of low-emissions heavy vehicles ordered	At least 50 vehicles	30 vehicles	At least 50 vehicles

Legacy Programmes

Legacy programmes are closed to new initiatives but still have active projects. We are contractually obliged to manage these projects and make payments when delivery milestones are met.

Government Investment in Decarbonising Industry (GIDI) Fund – closed to new projects

The Government Investment in Decarbonising Industry Fund is a closed programme that supported the reduction of energy-related emissions in industry with a focus on multi-year projects that would not have happened at speed or scale without government support. Over 120 projects were supported which are expected to reduce New Zealand's industrial emissions by an estimated 1.6 million tonnes per year.

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
14. Expected annual emissions reductions versus actual annual emissions reductions for GIDI Fund projects completed during the financial year	At least 80% of expected reductions achieved	86% of expected reductions achieved	At least 80% of expected reductions achieved

Notes to the measure:

- **Measure 14** – Emissions reductions are measured in tonnes of carbon dioxide equivalent (tCO2e) as an average annual amount. For each project EECA contracted, the relevant emissions factors were used to calculate an 'expected' annual emissions reductions amount. The 'actual' achieved annual emissions reductions are confirmed once the project is fully operational and a satisfactory data collection and reporting period has taken place (approximately 12-18 months but can be longer depending on the nature of the project and the reporting). Once satisfactory 'actual' savings information is available to EECA, a project is considered completed and included for reporting. For contextual purposes the following will be included:
  - Aggregate actual and expected emissions reductions for all projects completed during the financial year.
  - Aggregate total fund actual and expected emissions reductions.

State Sector Decarbonisation Fund (SSDF) – closed to new projects

The State Sector Decarbonisation Fund[7] is a closed programme that supported multi-year energy efficiency and renewable projects to reduce carbon emissions in the state sector. Over 125 projects were supported including fossil-fuelled boiler replacements, fleet transitions, energy efficient chillers, and LED lighting.

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
15. Expected annual emissions reductions versus actual annual emissions reductions for SSDF projects completed during the financial year	At least 80% of expected reductions achieved	92% of expected reductions achieved	At least 80% of expected reductions achieved

Notes to the measure:

- **Measure 15** – Emissions reductions are measured in tonnes of carbon dioxide equivalent (tCO2e) as an average annual amount. For each project EECA contracted, the relevant emissions factors were used to calculate an 'expected' annual emissions reductions amount. The 'actual' achieved annual emissions reductions are confirmed once the project is fully operational and a satisfactory data collection and reporting period has taken place (approximately 12-18 months but can be longer depending on the nature of the project and the reporting). Once satisfactory 'actual' savings information is available to EECA, a project is considered completed and included for reporting. For contextual purposes the following will be included:
    - Aggregate actual and expected emissions reductions for all projects completed during the financial year.
    - Aggregate total fund actual and expected emissions reductions.

Public Electric Vehicle (EV) Charging Programme – transferred to another agency

The Government's Public Electric Vehicle Charging Programme has supported more than 1,300 public charging points to date, with chargers now found at least every 75km on most of the state highway network. The programme has been refreshed and transferred to the National Infrastructure Funding and Financing Limited (NIFFCo) for future projects. EECA is responsible for managing the delivery and payment of existing project contracts.

Other legacy programmes – closed to new projects

We refreshed our work programme for 2025/26 to better support energy security and affordability, respond to changing market conditions, and deliver even greater value for government investment. As a result, some other EECA programmes are no longer open to new projects. This includes the Low Emission Transport Fund (LETF), the Technology Demonstration Fund, the Regional Energy Transition Accelerator (RETA) Programme, and business and public sector engagement programmes. We are committed to managing existing project contracts to completion.

7 Note SSDF funding is managed externally to EECA (including by the Ministry of Business, Innovation and Employment), so it does not appear in any of our financial statements.

Programmes that relate to multiple focus areas

The following programme relates to all our strategic focus areas. It is a new programme that replaces a number of smaller funds EECA previously administered, with a stronger focus on market needs and energy security and affordability. By delivering fewer targeted programmes at scale, we can achieve stronger impact and value for money.

Technology and Fuel Enabler Programme

Most of New Zealand's energy use happens in the business and transport sectors. There are significant national opportunities to increase the use of efficient and renewable technologies and fuels that can improve business productivity and support New Zealand's energy security and resilience. The Technology and Fuel Enabler Programme works with the market to identify and develop solutions to overcome targeted barriers to accessing and adopting of these technologies and fuels, particularly for nascent markets. In 2025/26, the programme will focus on opportunities in solar and storage, biomass and biogas, and alleviating gas supply risks (including high temperature heat pump technology).

- The programme has a strong focus on addressing information asymmetries and coordination failures through non-financial solutions such as advice, tools, resources, and stakeholder coordination.
- In situations where barriers cannot be addressed by non-financial solutions, targeted funding and financing mechanisms can be deployed, with a preference for cost recovery and partnering with the private finance sector. Examples include loans, energy savings guarantees, and grants (in limited situations).

Performance measure	2024/25 target	2024/25 estimated result	2025/26 target
16. Percentage of industry support contracts managed in accordance with agreed terms and conditions	New measure	N/A (new activity)	100%

Forecast revenue and programme expenses

	Budget 2025/26 $000[8]
OUTPUT CLASS: Supporting energy efficiency, energy conservation, and the use of renewable sources of energy	
Revenue	
Crown funding	256,827
Levy funding	23,259
Third-party funding[9]	1,420
Other funding	5,351
Total Revenue	**286,857**
Expenditure	
Standards and Regulations Programme	7,507
Warmer Kiwi Homes Programme	90,543
Distributed Flexibility Programme	5,481
Community Renewable Energy Fund (CREF)	11,461
Supporting Energy Education in Communities (SEEC) Programme	2,764
Practical Consumer Information Programme	8,269
Low Emissions Heavy Vehicle Fund (LEHVF)	3,370
Technology and Fuel Enabler Programme	18,661
Government Investment in Decarbonising Industry (GIDI) Fund (legacy programme)	109,101
Public Electric Vehicle (EV) Charging Programme (legacy programme)	4,905
Other legacy programme expenses (related to previously committed projects)[10]	36,407
Total expenditure	**298,469**
Net surplus/(deficit)	**(11,612)**

The forecast deficit for 2025/26 is a largely a result of prior year commitments, where funding was drawn down and recognised during prior financial years ($8.257 million). In addition to this, EECA is forecasting a $3.355 million operational deficit for 2025/26. The forecast deficit will be funded from EECA's reserves.

8 This table outlines budgeted expenditure only. It does not reflect additional contractual commitments EECA will enter into during 2025/26 where expenditure will take place in future years.

9 Third party funding is provided by community organisations to support households to receive insulation and heating retrofits through the Warmer Kiwi Homes Programme.

10 We refreshed our work programme for 2025/26 to better support energy security and affordability, respond to changing market conditions, and deliver value for government investment. As a result, some programmes are no longer open to new projects and are now referred to as legacy programmes. This includes the Low Emission Transport Fund (LETF), the Technology Demonstration Fund, the Regional Energy Transition Accelerator (RETA) Programme, and business and public sector engagement programmes.

Financial information

This section outlines our 2025/26 financial statements and statement of accounting policies.

Financial statements

Statement of forecast comprehensive revenue and expense

	Forecast 2024/25 $000	Budget 2025/26 $000
Revenue		
Funding from the Crown	287,072	280,086
Interest revenue	5,200	3,000
Other revenue	2,526	3,771
Total revenue	**294,798**	**286,857**
Expenditure		
Personnel	18,077	18,764
Financial and industry support	249,037	254,752
Depreciation and amortisation expense	39	266
Other expenses	24,763	24,687
Total expenditure	**291,916**	**298,469**
Net surplus/(deficit)	**2,882**	**(11,612)**
Other comprehensive revenue and expense	**-**	**-**
Total comprehensive revenue and expense	**2,882**	**(11,612)**

The accompanying notes form part of these financial statements.

The forecast deficit for 2025/26 is a largely a result of prior year commitments, where funding was drawn down and recognised during prior financial years ($8.257 million). In addition to this, EECA is forecasting a $3.355 million operational deficit for 2025/26. The forecast deficit will be funded from EECA's reserves.

Statement of forecast financial position

	Forecast 2024/25 $000	Budget 2025/26 $000
ASSETS		
Current assets		
Cash and cash equivalents	30,140	22,045
Receivables	2,550	2,550
Investments	70,000	60,000
Prepayments	753	792
Energy Savings Loans	-	505
Crown loan debtors	2,293	1,815
Total current assets	**105,736**	**87,707**
Non-current assets		
Crown loan debtors	3,609	1,893
Energy Savings Loans	-	3,440
Property, plant and equipment	102	1,836
Total non-current assets	**3,711**	**7,169**
Total assets	**109,447**	**94,876**
LIABILITIES		
Current liabilities		
Payables and deferred revenue	13,611	13,902
Employee entitlements	1,395	1,532
Crown loan creditors	2,293	1,815
Loan commitment liability	1,129	-
Lease incentives	69	69
Total non-current liabilities	**18,497**	**17,318**
Non-current liabilities		
Crown loan creditors	3,609	1,893
Employee entitlements	121	126
Lease incentives	69	-
Total non-current liabilities	**3,799**	**2,019**
Total liabilities	**22,296**	**19,337**
Net assets	**87,151**	**75,539**
EQUITY		
Reserves	87,151	75,539
Total equity	**87,151**	**75,539**

The accompanying notes form part of these financial statements.

Statement of forecast changes in equity

	Forecast 2024/25 $000	Budget 2025/26 $000
Opening equity	**84,269**	**87,151**
Total comprehensive revenue and expense	2,882	(11,612)
Closing equity	**87,151**	**75,539**
Analysis of closing equity		
Contributed capital	545	545
Accumulated surplus/(deficit)	86,606	74,994
	87,151	**75,539**

The accompanying notes form part of these financial statements.

A significant proportion of the accumulated surplus ($48.739 million) 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.

Statement of forecast cash flows

	Forecast 2024/25 $000	Budget 2025/26 $000
Cash flows from operating activities		
Receipts from the Crown	290,449	280,086
Interest received	5,200	3,000
Receipts from other revenue	2,526	2,536
Financial and industry support payments	(256,867)	(254,467)
Payments to suppliers	(23,760)	(23,628)
Payments to employees	(18,066)	(18,622)
Net cash flows from operating activities	**(518)**	**(11,095)**
Cash flows from investing activities		
Receipts from sale or maturity of investments	110,000	100,000
Receipts from the Crown - loan funding	2,000	-
Loan repayments received	2,188	2,194
Purchase of property, plant and equipment	(15)	(2,000)
Acquisition of investments	(109,185)	(90,000)
Payments to the Crown - loan repayments	(2,188)	(2,194)
Loans provided	(2,000)	(5,000)
Net cash flows from investing activities	**800**	**3,000**
Net increase/(decrease) in cash and cash equivalents	**282**	**(8,095)**
Cash and cash equivalents at the beginning of the year	29,858	30,140
Cash and cash equivalents at the end of the year	**30,140**	**22,045**

The accompanying notes form part of these financial statements.

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.

These prospective financial statements allow the Minister for Energy to consider our funding requirements and planned performance for 2025/26. Use of this information for other purposes may not be appropriate. Readers are cautioned that actual results are likely to vary from the information presented here and that the variations may be material.

The prospective financial statements were authorised for issue by the Board on 24 June 2025.

Basis of preparation

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

Statement of compliance

The prospective financial statements 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).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE FRS42 Prospective Financial Statements.

The prospective financial statements for the year ended 30 June 2026 will be used in the Annual Report as the budgeted figures.

Presentation currency and rounding

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

Significant assumptions

In preparing these prospective financial statements, EECA has made judgements, estimates and assumptions which may lead to differences between the prospective financial information and the actual financial results prepared in future reporting periods. EECA has undertaken a review of its financial models, and believes they are fit for purpose in assisting EECA in preparing prospective financial information. The prospective information for Energy Savings Loan is subject to significant management judgement relating to the timing and quantum of the financial assets and the interest rates used to arrive at the fair value of the financial assets and liabilities.

Significant accounting policies

Revenue

Funding from the Crown

EECA is primarily funded by 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.

Financial and industry support

EECA provides financial and industry support to enable energy efficiency and conservation initiatives, 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.

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.

Cash and cash equivalents

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

Receivables

Receivables are recorded at the amount due, less an allowance for expected credit losses. EECA applies the simplified ECL model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, receivables from the sale of goods and services have been grouped and assessed on number of days past due. Receivables from the sale of goods and services 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.

Investments

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.

Crown loans

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.

Energy savings loans

Loan commitment liability

The difference between the amount of the concessionary loan and the fair value on initial recognition is recognised as an expense. The fair value write-down is recognised on the date the loan commitment is irrevocable. Any transaction costs attributable to the issue of the loan are expensed immediately.

Financial assets

Loans subsequently issued are designated at fair value through surplus or deficit because the contractual cash flows are not solely payments of principal and interest. The difference between the amount of the loan and the fair value on initial recognition is recognised as an expense. Thereafter, interest is recognised to unwind the present value of the write-down over time.

They are subsequently measured at their fair value, and the difference is recognised in the surplus and deficit of the Statements of Comprehensive Revenue and Expense.

Property, plant and equipment

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:

Assets	Useful life	Depreciation rate
Office equipment	3 years	33.33%
Furniture and fittings	6 years	16.67%
Computer equipment	3 to 5 years	20%-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.

Intangibles

Intangible assets consist of software applications that have a finite useful life and are recorded at cost less accumulated amortisation and impairment.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with the development 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 that 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 have been estimated as follows:

Assets	Useful life	Amortisation rate
Acquired computer software	2 to 3 years	33.33%-50%

Impairment of property, plant and equipment and intangible assets

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.

Payables

Short-term payables are recorded at the amount payable.

Employee entitlements

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 accrued up to balance date and 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.

Equity

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.

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 an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of 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.

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.

Organisational information

This section outlines EECA's 2025/26 commitments to our people, Te Tiriti o Waitangi, and sustainability.

Our people

EECA wants highly capable people working on New Zealand's energy challenges

We want to continue attracting and retaining exceptional people who are proud to play a part in shaping New Zealand's energy system. Equally, we are committed to ensuring that our organisation maintains the right size to match the nature and level of activities we are funded for.

We have four key behaviours that we believe are critical to the way we work together to deliver results for energy users:

Open to the new

Stand in others' shoes

Believe in 'we' not 'me'

Deliver the goods

To develop this vision in 2025/26, we recently embarked on a journey to redefine the 'people experience' at EECA. This includes how we collaborate, how we attract the skills we need to continuously improve, and how we deliver on our objectives with impact. We completed an organisation-wide staff insights survey in March 2025 and plan to use insights from this survey to inform new focus areas and a capability framework.

Te Tiriti o Waitangi

We have a responsibility to act in accordance with 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.

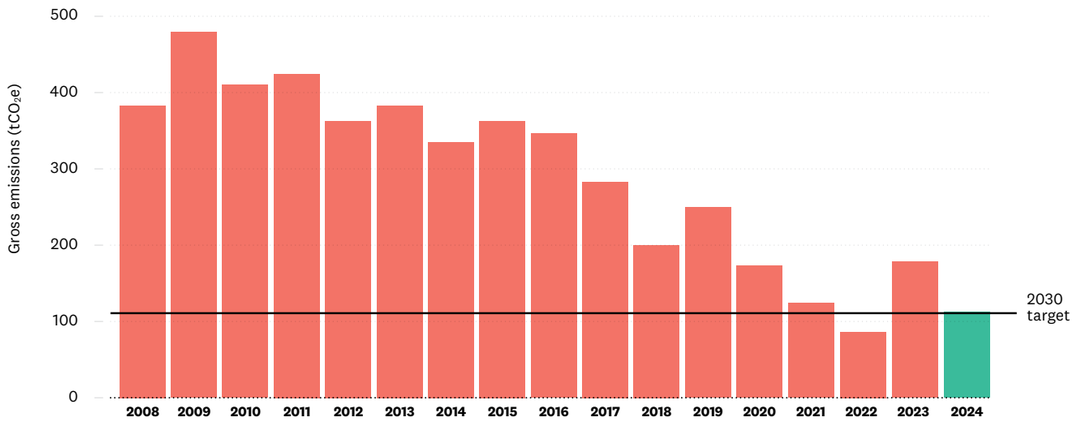
In line with this responsibility, we have an internal Te Ao Māori Working Group which has been in place since 2021. We will continue our journey in 2025/26 by:

- Supporting our staff to build on their Te Ao and Te Reo Māori capabilities.
- Creating a stakeholder map of Māori communities that we currently engage with, and those we would like to engage with, in relation to our work programmes.
- Agreeing on an approach to engage with these stakeholders in a more meaningful way.

Our carbon footprint

We are leading the charge by reducing our carbon emissions

As a small, office-based organisation, our emissions are not substantial. However, it is critical we hold ourselves to a high standard as an entity mandated to promote energy efficiency, energy conservation, and the use of renewable energy.



We have been measuring our carbon footprint since 2008. In 2018, we set a target for an absolute reduction of 55% in our Category 1, 2, 3 and 4 emissions, by 2029/30 compared to a 2018/19 baseline. As of the end of 2024, we are on track to achieve this target.

While we have already implemented several energy efficiency and emissions reduction initiatives in pursuit of this target, but we know there is still room for improvement. To make further progress in 2025/26, we will focus on two priority areas that have a big impact on our carbon emissions profile:

- Sustainable transport with a particular emphasis on air travel. This includes maintaining our travel policy, which sets carbon emissions budgets for staff by organisational group.
- Energy efficiency in the office. This relies on small but important energy-saving technologies, such as LED lighting and smart plugs.

Glossary

This section defines key terms and units used in this document.

Key terms

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

Carbon equivalent (CO_2e) – a measurement unit used to indicate the global warming potential of greenhouse gases, using, carbon dioxide (CO_2) as a reference gas.

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.

Electrification – the conversion of a machine or system to use electrical power.

Emissions – greenhouse gas emissions.

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.

Energy affordability – a consumer's ability to afford the cost of energy services, such as electricity and heating, without it disproportionately impacting their overall income and financial stability.

Energy conservation – reducing energy use if it is not needed. An example of this is turning the lights off when no one is in the room.

Energy efficiency – using a technology or tool that enables you to perform a task using less energy. An example of this is an efficient heat pump which still heats the room but uses less energy than traditional heaters.

Energy independence – an independent energy system produces sufficient energy without relying on imported energy to meet demand.

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

Energy reliability – a reliable energy system can consistently supply energy to its consumers including during unexpected conditions.

Energy resilience – a resilient energy system is able to easily and quickly recover from disruptive events, such as a natural disaster.

Energy security – a secure energy system can provide uninterrupted availability of energy at an affordable price.

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

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

Process heat – energy used for commercial and industrial processes, manufacturing and heating. For example, meat and dairy processors use steam from boilers to sanitise equipment and process raw products, such as turning milk into powder.

Renewable energy – energy produced from natural sources that replenish over time, like hydro, geothermal, biomass, wind, solar and marine sources.

Measurement units

Table One: Energy use measurement units and context of scale[11]

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 85.34 PJ of energy per year (excluding transport). Split by fuel type: • 49.44 PJ – electricity • 20.55 PJ – oil (e.g. petrol and diesel)[12] • 8.01 PJ – renewables • 7.20 PJ – natural gas • 0.13 PJ – coal
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 27,706 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 one thousand watt hours.	The average New Zealand household uses 11,785 kWh of energy per year.

11 Data sources: Household Estimates by Tenure, Statistics New Zealand (2024); Energy Balance Tables, Ministry of Business, Innovation and Employment (2023); Measuring Emissions - A Guide for Organisations, Ministry for the Environment (2024); internal vehicle fuel consumption data, Ministry of Transport (2023); and Future State Model VKT/vehicle numbers data, Ministry of Transport (2023).

12 Oil use in households primarily relates to recreational marine activities.

Table Two: Emissions measurement units and context of scale[13]

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
PJ	**Kilotonnes of carbon equivalent emissions** - a unit used to indicate the global warming potential of greenhouse gases, using carbon dioxide (CO2) as a reference gas. One kilotonne of CO2e is equivalent to 1000 tonnes of CO2e.	0.0016 $ktCO_2e$	0.0018 $ktCO_2e$	6,271 $ktCO_2e$
GWh	**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_2e is equivalent to 1000 kilograms of CO_2e.	1.65 tCO_2e	1.79 tCO_2e	6,271,276 tCO_2e
kWh	**Kilograms of carbon equivalent emissions** - a unit used to indicate the global warming potential of greenhouse gases, using carbon dioxide (CO2) as a reference gas. One kilogram of CO2e is equivalent to 1000 grams of CO_2e (gCO_2e).	1,648 $kgCO_2$	1,789 $kgCO_2e$	6,271,276,453 $kgCO_2e$

13 Data sources: Household Estimates by Tenure, Statistics New Zealand (2022); Energy Balance Tables, Ministry of Business, Innovation and Employment (2022); Measuring Emissions - A Guide for Organisations, Ministry for the Environment (2022); internal vehicle fuel consumption data, Ministry of Transport (2022); and Future State Model VKT/vehicle numbers data, Ministry of Transport (2022).

EECA
TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY

GEN LESS
LIVE MORE WITH LESS ENERGY