

Statement of Performance Expectations

1 July 2024 – 30 June 2025

EECA

TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY





Front cover image: Clutha River, Clyde,
Otago, New Zealand
Credit: Rachel Mataira.

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



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Te whakataki mai i te Poari Foreword from the Board

We are pleased to present the 2024/25 Statement of Performance Expectations for the Energy Efficiency and Conservation Authority (EECA) Te Tari Tiaki Pūngao. This will be the first year of delivery against the strategic intentions we set in our Statement of Intent for 2024 – 2028.

At the heart of our refreshed strategic direction is EECA’s legislative purpose to encourage, promote, and support energy efficiency, energy conservation, and the use of renewable sources of energy. While our mission remains – to mobilise New Zealanders to be world leaders in clean and clever energy use – the new strategic intentions reflect the changing landscape of energy use in New Zealand and the Government’s priorities.

While working to achieve these strategic objectives, effective and efficient delivery of programmes will continue to be a core focus. We are committed to spending public money responsibly on activities that improve outcomes for New Zealanders. We will ensure that the organisation maintains the right size to match the nature and level of activities we are funded for.

We look forward to another year of using our regulation, information and motivation, and targeted investment and support levers across the energy system to deliver improved outcomes for energy users and our environment.

“**At the heart of our refreshed strategic direction is EECA’s legislative purpose to encourage, promote, and support energy efficiency, energy conservation, and the use of renewable sources of energy.**”

Statement of responsibility

This Statement of Performance Expectations for 1 July 2024 to 30 June 2025 has been prepared in accordance with the Crown Entities Act 2004 and has been agreed with the Minister for Energy, the Minister responsible for overseeing and managing the Crown’s interests in EECA. 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
27 June 2024

Catherine Taylor
Deputy Chair
27 June 2024



EECA Board as at June 2024 (left to right): Albert Brantley, Karen Sherry, Catherine Taylor (Deputy Chair), Christopher Boyle, Elena Trout (Chair), Dr Daniel Tulloch, Judi Jones, and Andrew Knight.

A row of photovoltaic solar panels is mounted on a rocky mountain ridge. The panels are dark and rectangular, arranged in a single line. In the background, a vast mountain range stretches across the horizon under a blue sky with scattered white clouds. The mountains are rugged and appear to be made of light-colored rock or sandstone. The foreground shows some sparse, dry vegetation on the ridge.

About Us

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

Photovoltaic solar panels in Mount Aspiring National Park with Mt Aspiring in distance, Southern Alps, New Zealand.
Credit: Patrik Stedrak.

Our purpose – why we exist

Legislative purpose

The Energy Efficiency and Conservation Authority (EECA) is a Crown entity, established under the Energy Efficiency and Conservation Act 2000 (the Act).

As set out in the Act, EECA exists 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. 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.



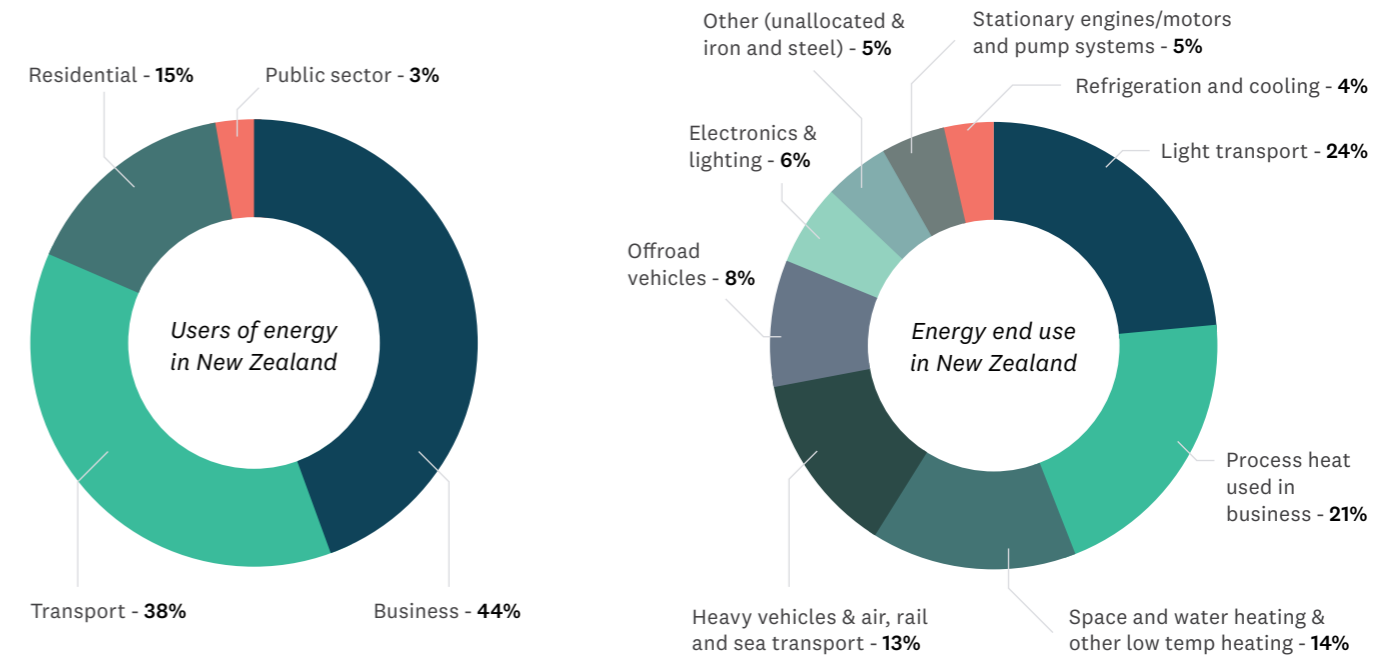
EECA is a delivery agency, a regulator, and an authority on energy use. We deliver programmes that mobilise New Zealanders to be world leaders in clean and clever energy use. We work with a wide range of stakeholders, including industry, government, and everyday New Zealanders – because everyone uses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

Energy in New Zealand

What we use energy for

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 users.

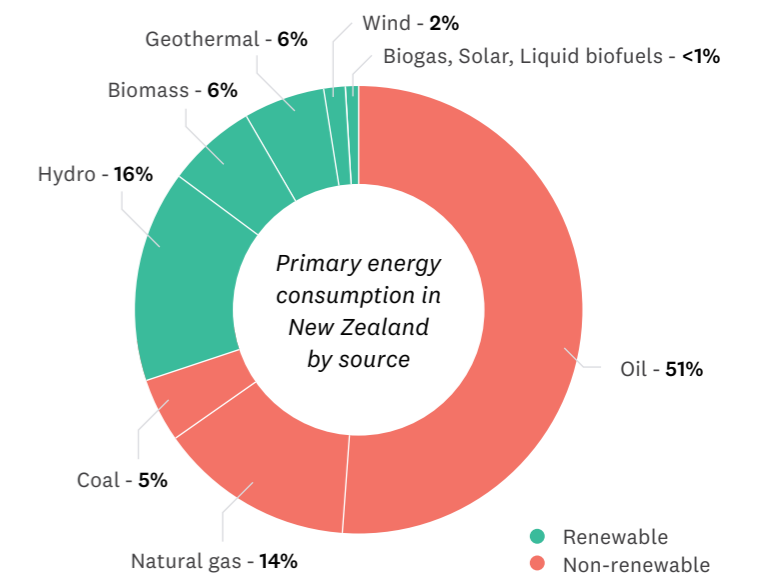
The most common understanding of energy use is electricity. However, energy is used for much more than that. Energy powers the cars, freight trucks, buses and planes that help us move ourselves and goods around – the majority by fuels like petrol and diesel. We also use energy in our industrial sector,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



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

Where our energy comes from

In New Zealand, our energy comes from a range of sources. These 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 non-renewable energy sources, but energy users need the right information and systems in place to enable this.



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

The case for clean and clever energy use

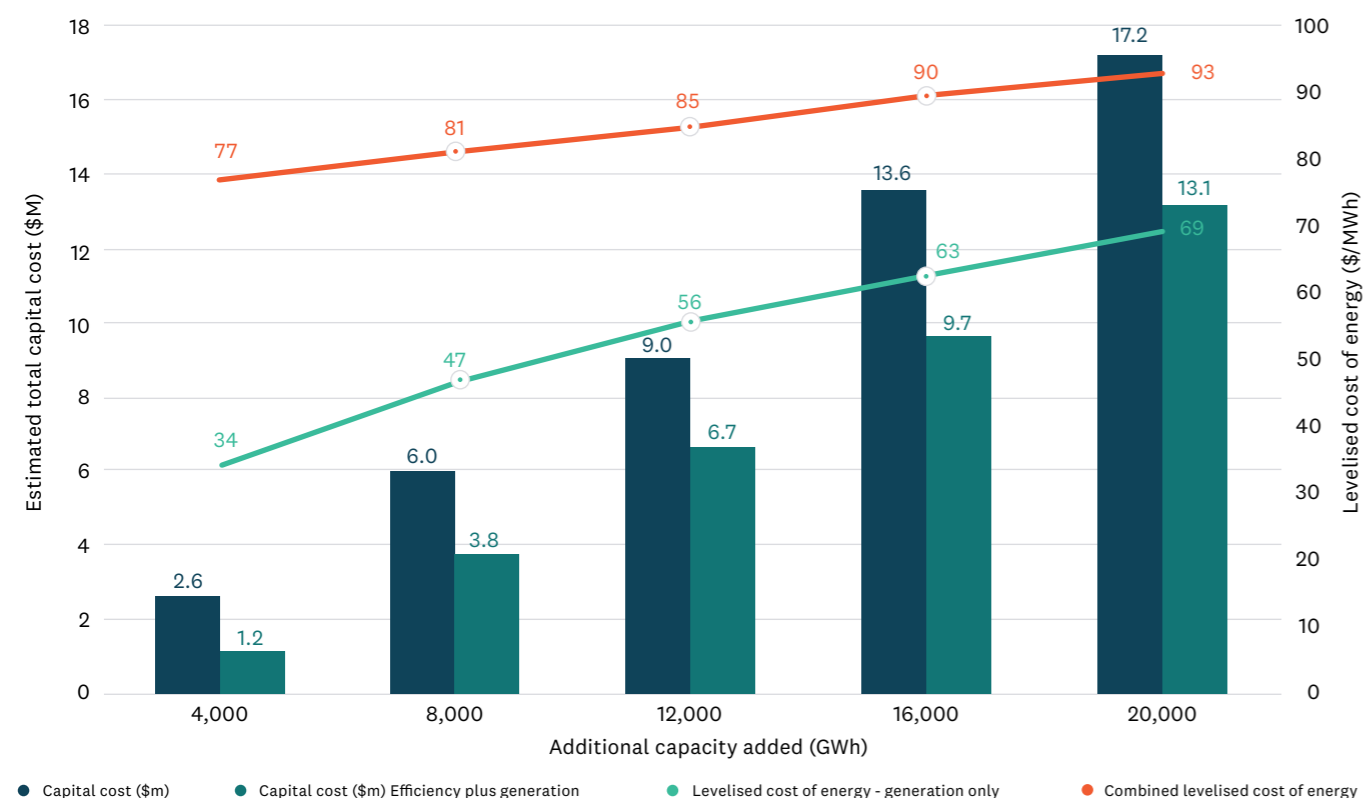
Energy efficiency, energy conservation and the use of renewable energy sources will help with the energy challenges New Zealand is facing – while unlocking significant economic, environmental, and social benefits.

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:

Costs of additional electricity capacity



Source: Estimates are based on the Ministry of Business, Innovation and Employment’s (MBIE) Levelised Cost of Electricity (LCOE, 2021) with adjustments for inflation to present day and EECA’s New Zealand Energy Scenarios TIMES-NZ 2.0 (2021) with costs updated based on data from EECA programmes. The graph presents both capital costs and the levelised cost of energy across various generation capacities measured in gigawatt-hours (GWh). Capital costs (in million NZD) are shown for new renewable energy generation and new renewable energy generation with efficiency. The levelised costs of energy, both for generation only and generation with efficiency, are expressed in NZD per megawatt-hour (MWh).

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.

Helping build 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.

Renewable energy offers significant economic benefits too. Reducing our dependence on fossil fuels makes us more resilient to their price fluctuations and supports our nation’s ‘clean, green’ export image which drives up the value of our goods overseas.



Image: Transmission Lines through Arthur’s Pass, Canterbury, New Zealand. Credit: Miles Holden

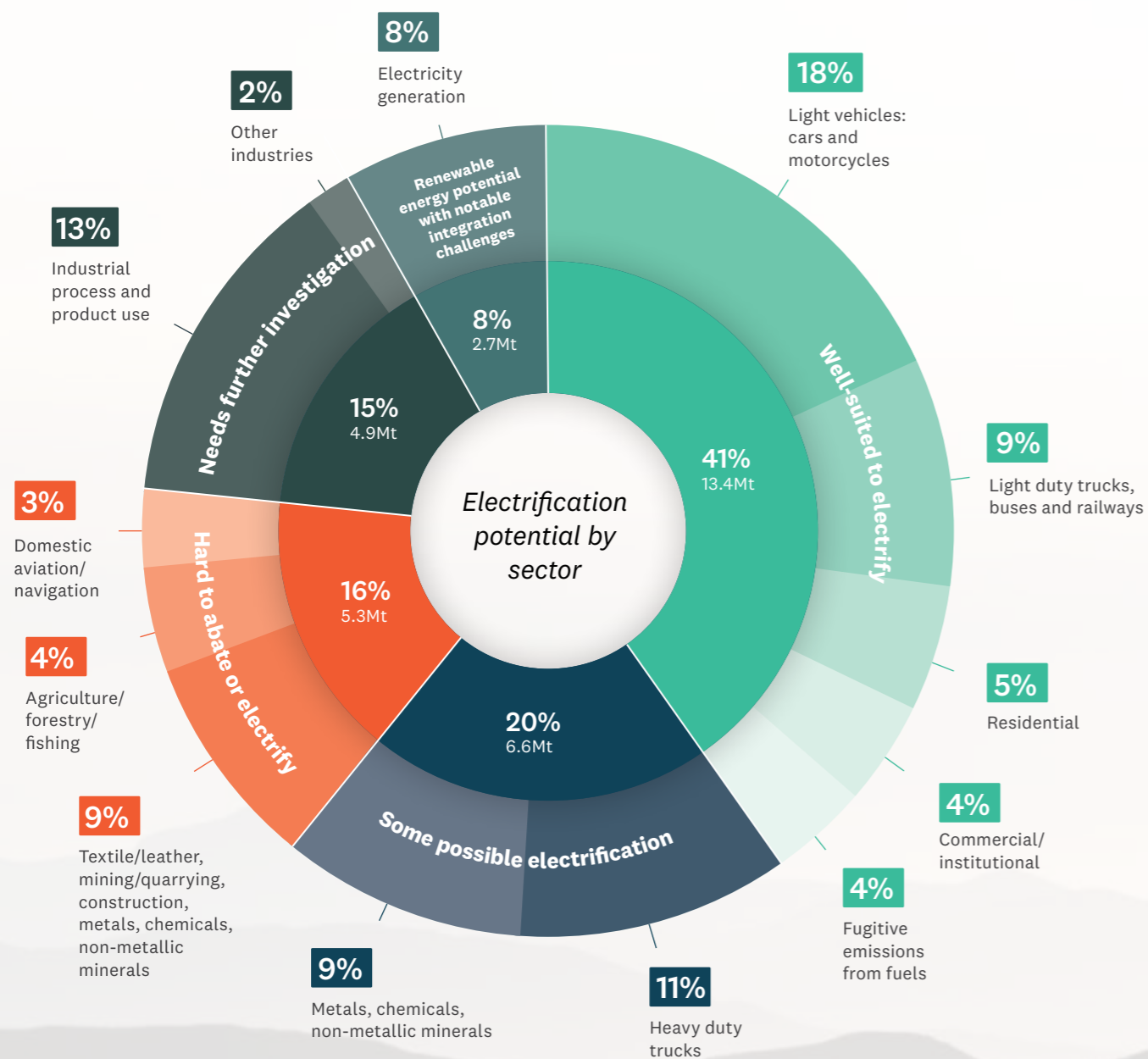
¹ This figure is estimated using energy consumption (GJ) and nominal annual average energy prices (NZ\$/GJ) for the year 2022. Energy consumption data for each sector and fuel type is based on the Ministry of Business, Innovation and Employment’s (MBIE) Energy Balance Table (2024) and Energy Overview (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

New Zealand is well-positioned to transition to a sustainable 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.”

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, energy users need to be supported to use alternative renewable fuels such as biomass, biogas, and green hydrogen (if feasible and economic).

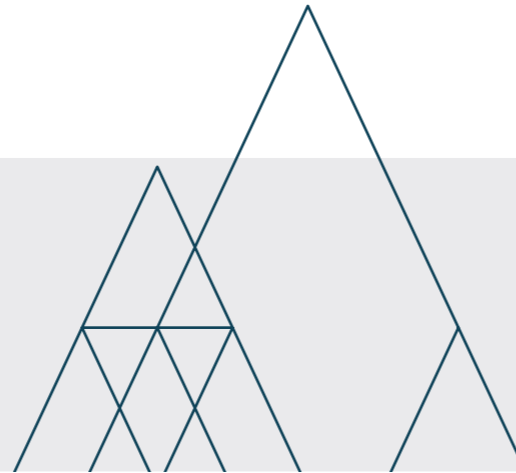
Reducing our energy-related emissions is particularly important for meeting our domestic and international emissions reduction commitments (with costly offshore credits required to make up any shortfalls) and reducing the negative impacts of emissions on our environment and health.

Source for chart on pg 9: 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.

Windmills in Makara, South Island, New Zealand. Credit: Rachel Mataira.

Our strategy summary - what we aim to achieve

Our strategy guides the work we do and helps us focus our efforts in areas that will maximise positive outcomes for New Zealanders.



Our mission

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

Focus areas



Energy efficiency first

Efficient energy use is the first option users adopt.

Outcomes

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



Empower energy users

Users are empowered to control their energy.

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



Accelerate renewable energy

Users transition to low-emissions energy.

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

Energy users save energy, money and reduce emissions.
Energy productivity and resilience improves.

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

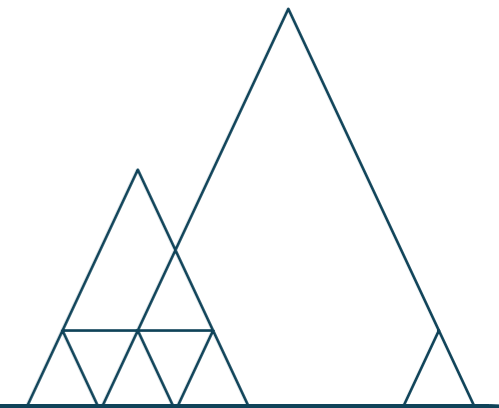


To demonstrate and scale up energy efficient technologies and renewable energy use.

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 contribution - the wider impacts of our work

Our work programme for 2024/25 aligns with the Government’s priorities and is consistent with the expectations set out by the Minister for Energy’s 2024/25 Letter of Expectations and the Minister of Finance’s Enduring Letter of Expectations for Statutory Crown Entities. The work we do also contributes to wider domestic and international goals.



Our role

EECA’s purpose

To encourage, promote, and support energy efficiency, energy conservation and the use of renewable energy.

EECA’s mission

To mobilise New Zealanders to be world leaders in clean and clever energy.

The Government’s objectives

A stronger, more productive economy.

Build a stronger, more productive economy that lifts real incomes and increases opportunities for New Zealanders.

Efficient, effective, and responsible public services.

Deliver more efficient, effective, and responsive public services to all who need and use them.

Public spending discipline.

Get the government’s books back in order and restore discipline to public spending.

Our strategic objectives and outcomes

Energy efficiency first

Efficient energy use is the first option users adopt.

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

Empower energy users

Users are empowered to control their energy.

- Users understand, manage, and conserve their energy use.
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Accelerate renewable energy

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Our activities in 2024/2025

Regulation

- See pages **20-23**

Information and motivation

- See pages **24-27**

Targeted investment and support

- See pages **28-34**

Our contribution to the Sustainable Development Goals

Affordable and clean energy



Responsible consumption and production



Industry, innovation, and infrastructure



Good health and wellbeing



Climate action



Our contribution to the Living Standards Framework

Environmental amenity



Income, consumption, and wealth



Knowledge and skills



Housing



Health



Work, care, and volunteering



Our funding - where our money comes from

We are primarily funded by the Crown under the following Energy and Resources appropriations within Vote Business, Science, and Innovation. The ‘What we will deliver in 2024/25’ section of this Statement of Performance Expectations provides more information on what is intended to be achieved with these appropriations, the expected costs, and how performance will be assessed.

Energy Efficiency and Conservation

This appropriation is intended to achieve improvements in energy efficiency, energy conservation and the use of renewable energy.

The Crown recovers the cost of some of this funding through three levies: the Electricity Industry Levy, the Gas Safety, Monitoring and Energy Efficiency Levy, and the Petroleum or Engine Fuel Monitoring Levy. Prior to EECA making the annual levy funding request to the Minister for Energy, we consult with stakeholder groups representing those affected by the levies on our proposed level of funding. The outcome of this consultation is reported to the Minister at the time the appropriation request is submitted.

Grant Scheme for Warm, Dry, and Energy Efficient Homes 2023-2028

This appropriation is for Warmer Kiwi Homes programme for retrofits to improve the thermal performance of dwellings occupied by low-income owners including insulation and heating and basic home repairs to allow for these retrofits.

Implementation of the Grant Scheme for Warm, Dry, and Energy Efficient Homes 2023-2028

This appropriation is for the implementation of the Warmer Kiwi Homes programme.

Accelerating Energy Efficiency and Fuel Switching in Industry 2021-2025

This appropriation is for Government Investment in Decarbonising Industry (GIDI) Fund energy efficiency and fuel switching projects that reduce carbon emissions from industrial processes, including electricity network connections (GIDI 1.0 – the first three funding rounds). Note the GIDI Fund closed in December 2023 and this appropriation is related to the completion of existing projects.

Accelerating Energy Efficiency and Fuel Switching in Industry 2022-2027

This appropriation is for Government Investment in Decarbonising Industry (GIDI) Fund projects that reduce or enable the reduction of energy use and/or carbon emissions from industrial and commercial processes through energy efficiency, fuel switching, energy supply or other decarbonisation approaches (GIDI 2.0 – the expanded fund). Note the GIDI Fund closed in December 2023 and this appropriation is related to the completion of existing projects.

Crown Energy Efficiency

This appropriation is for loans to assist public sector agencies in implementing energy efficiency and carbon emission reducing projects.

Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028

This appropriation is for a nationwide network of public electric vehicle charging hubs, with multiple fast electric vehicle chargers.

Clean Heavy Vehicles Grants 2023-2028

This appropriation is for the Low Emission Heavy Vehicles Fund which is intended to achieve the 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 for the implementation of the projects EECA is overseeing as part of the \$3 billion ‘shovel-ready’ infrastructure programme, which was part of the Government’s economic response to COVID-19.

What we will deliver in 2024/25

This section outlines the activities EECA will undertake in 2024/25 to deliver on the strategic objectives in our Statement of Intent 2024-2028, including the forecast cost and how success will be measured.

About this section

Structure

As a delivery agency, EECA uses three levers to make progress against the strategic objectives outlined in our Statement of Intent 2024-2028:

Regulation

Of products, processes, and systems.

Information and motivation

To promote clean and clever energy choices.

Targeted investment and support

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

This section is structured by our three levers. Under each lever, we outline the key programmes we will deliver in 2024/25, the link to our strategic focus areas and outcomes, the forecast cost, and how we will measure success.

Performance measurement

EECA's 2024/25 Annual Report will report back against each measure of success in this document to enable the public, Parliament, Government, and the Ministry of Business, Innovation and Employment (MBIE) to track progress against the commitments we have made.

Judgements made in the selection of performance measures

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

PBE FRS 48 requires the disclosure of the judgements used in preparing service performance information. In selecting performance measures for 2024/25, EECA made the following judgements about what information to present:

- We consider that the selected key activities to report on are the most appropriate and meaningful information for users when assessing the work we do to achieve our objectives. These align with management's assessment of where the entity expects to invest the most time and resources in the period (based on budget information).
- In our view, the performance measures selected for the Statement of Performance Expectations 2024/25 document will meet the expectations of EECA's stakeholders and related government entities.
- We expect the selected performance measures will adequately inform users of the progress made against achieving the outcomes presented in our Statement of Intent 2024-2028.

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 2024/25.

Regulation



Regulating energy-related products, processes, and systems.

Why regulation?

We develop and administer regulations and performance standards that give energy users access to and encourage them to use the most efficient new energy-using products, technologies, and systems available internationally – helping save energy and money.

Activities in 2024/25

Regulations

We administer and enforce legislated efficiency regulations that reduce energy use, save consumers and businesses money, lower demand on the electricity grid, and cut energy-related emissions. Our Minimum Energy Performance Standards (MEPS) require products to meet certain energy efficiency standards in order to be sold on the New Zealand market, keeping inefficient appliances out of the country. We also help consumers and businesses make informed decisions when buying a new appliance or vehicle through the enforcement of Mandatory Energy Performance Labelling (MEPL) – the “energy star” rating you might see on your appliances at home – and Vehicle Emissions and Energy Economy Labelling (VEEEL). Since 2002, over 98 million products have been sold under our regulation programme. This has saved businesses and consumers over 94 PJ of energy (equivalent to the yearly energy use of around 2.2 million homes). The benefits of these energy savings equate to an estimated \$2.3 billion of national benefit and 3.5 million tonnes of avoided carbon emissions.

The link to our strategic objectives:

Energy efficiency first		Empower energy users		Accelerate renewable energy	
Users accept and adopt energy efficient products and practices.	Proven and compliant 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.
✓	✓	✓		✓	

Performance specifications

We work with industry to develop performance specifications, agreed test standards, and best practice guidance for energy using products and systems to help fill information gaps and pull the market in the right direction. Since 2021, we have developed six Publicly Available Specifications in conjunction with Standards New Zealand. These documents provide the public with best practice guidance and a technical specification for the energy performance of different technologies. To date, they have been downloaded over 9,500 times. We also contribute to the development of standards and have representatives on 28 national and international standards committees.

The link to our strategic objectives:

Energy efficiency first		Empower energy users		Accelerate renewable energy	
Users accept and adopt energy efficient products and practices.	Proven and compliant 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.
✓	✓	✓	✓		

How success will be measured

Performance measure	2023/24 target	2023/24 estimated result	2024/25 target
1. Number of product classes regulated for Minimum Energy Performance Standards (MEPS), Mandatory Energy Performance Labelling (MEPL), and Vehicle Emissions and Energy Economy Labelling (VEEEL)	New measure	21 product classes	At least 21 product classes
2. Number of product classes tested to assess performance against regulatory requirements (MEPS/MEPL)	New measure	3 product classes	At least 3 product classes
3. Number of retail and vehicle dealer inspections undertaken by EECA Compliance Officers to assess compliance with mandatory labelling requirements	New measure	100 inspections	At least 100 inspections
4. Energy saved annually by consumers and businesses as a result of purchasing new energy efficient appliances subject to MEPS/MEPL	1.70 PJ	1.59 PJ	At least 1.50 PJ (equivalent to the yearly energy use of 35,000 homes)

Notes to the measures:

- Measure 1: Product classes are specified in the Energy Efficiency (Energy Using Products) Regulations 2002 and the Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007.
- Measure 2: Performance testing is undertaken by an independent accredited laboratory. A product class test programme is considered completed at the conclusion of Stage One testing (Stage Two testing is only triggered if non-compliance is detected).
- Measure 3: Regular market surveys are completed by an independent party, with further targeted compliance inspections completed by EECA Compliance Officers.
- Measure 4: The energy savings figure is the difference between a calculated baseline energy consumption of the products included in the Minimum Energy Performance Standards (MEPS) and Mandatory Energy Performance Labelling (MEPL) programme (which assumes the programme had not existed) and the products' energy consumption from sales data and registration information collected by EECA. Sales data is collected from New Zealand importers and manufacturers and relates to the 12-month period ending 31 March in the previous financial year (due to the timing of the data collection process) as per section 9[3] of the Energy Efficiency (Energy Using Products) Regulations 2002. The decreased target for 2024/25 reflects a more realistic and relevant rate of activity given the current New Zealand consumer economic context. Energy savings are influenced by the rate of sales of products (which can be affected by factors like economic conditions and consumer sentiment) and the rate of energy savings diminish without regular updates to New Zealand's energy efficiency regulations.

Forecast financials

	Budget 2024/25 \$000
Operating revenue	
Energy Efficiency and Conservation	
Funding from the Crown	3,130
Electricity Levy Funding	2,995
Gas Levy funding	274
	6,399
Other revenue	66
Total operating revenue	6,465
Total operating expenses	6,608
Surplus/(deficit)	(143)

Information and motivation



Promoting clean and clever energy choices.

Why information and motivation?

We have a key education and motivation role to play 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 – lowering energy bills, improving productivity, and future-proofing for a clean energy economy.

Activities in 2024/25

Research, insights, and information resources

It is important the transition to a highly efficient, renewable energy system is informed by the latest evidence and analysis, and energy users have access to the right information to help them make clean and clever energy decisions. We undertake research and deliver insights pieces, information resources, and tools to the market, including the success stories of early adopters. These enable people and businesses to overcome information barriers to implementing efficient and renewable technologies and practices, and provides evidence to help inform government policy. We host our research, insights, and information resources primarily on our websites, which have received over 1.5 million visits in the last year alone (with more than 50% of visitors meaningfully engaging with the content).

The link to our strategic objectives:

Energy efficiency first		Empower energy users		Accelerate renewable energy	
Users accept and adopt energy efficient products and practices.	Proven and compliant 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.
✓	✓	✓		✓	

User engagement and coordination

New Zealand's transition to a highly efficient, renewable energy system needs to happen in a user-focused and coordinated way. We know that energy users need to understand their energy use before they can manage it efficiently, reduce costs, and make the switch to renewable energy sources. We work with organisations to help them understand their energy use and identify specific opportunities to implement energy efficiency measures and use renewable energy sources. We also engage and educate at targeted group levels to maximise coordination and the reach of our expertise, including by sector, by region, and mass market. For example, in the last two years we have supported 12 sectors with bespoke decarbonisation pathways and eight regions with specific energy transition reports.

The link to our strategic objectives:

Energy efficiency first		Empower energy users		Accelerate renewable energy	
Users accept and adopt energy efficient products and practices.	Proven and compliant 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.
✓		✓		✓	✓

Distributed flexibility

Demand response and demand flexibility are ways of changing when and how consumers use electricity. They can be used to reduce and shift peak demand on the electricity grid and are important tools to optimise renewable energy consumption and reduce consumer costs. It enables better use of the existing grid, improving security of supply, and defers the need to build additional infrastructure to meet demand peaks. We support users across the spectrum from residential to large industrial to ensure they understand and can manage their own power use. The use of smart energy-using technology that respond to signals to change their consumption will be key. We play a role in providing information and standards to educate and encourage the use of smart products and demonstrate and regulate when necessary. Our early work in this area has focused on smart electric vehicle (EV) charging technology, where we have delivered user guidance and an approved list of smart chargers. Our modelling shows widespread use of smart EV chargers could save \$4 billion in grid infrastructure costs by 2050.

The link to our strategic objectives:

Energy efficiency first		Empower energy users		Accelerate renewable energy	
Users accept and adopt energy efficient products and practices.	Proven and compliant 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.
✓		✓	✓		✓

How success will be measured

Performance measure	2023/24 target	2023/24 estimated result	2024/25 target
5. Businesses' knowledge of ways to increase their energy efficiency and use of renewable energy	New measure	Baseline to be established	Knowledge is higher in businesses that are aware of EECA or have engaged with EECA
6. Individuals' knowledge of ways to increase their energy efficiency and use of renewable energy	New measure	Baseline to be established	Knowledge is higher in individuals that are aware of EECA or have engaged with EECA
7. Return on investment for significant information provision activities	New measure	\$3.06 of benefit for each dollar invested	At least \$1 of benefit for each dollar invested
8. Number of visits to EECA websites	1.5 million visits	1.5 million visits	At least 1.5 million visits
9. Number of research and insights publications produced	New measure	16 publications	At least 15 publications
10. Number of sector decarbonisation pathways produced	New measure	5 pathways	At least 6 pathways
11. Number of regional energy transition accelerator reports produced	New measure	7 reports	At least 7 reports
12. Number of in-home retrofit demonstrations completed on existing residential technologies to enable smart two-way communication with the electricity grid	New measure	N/A (new activity)	At least 100 in-home demonstrations
13. Number of in-home demonstrations completed to test improvements in energy efficiency performance for heat pump water heaters in residential situations	New measure	N/A (new activity)	At least 50 in-home demonstrations

Notes to the measures:

- Measures 5 and 6: Data is sourced from surveys run by EECA. The baseline will be established in the first six months of the financial year to enable a comparison.
- Measure 7: The quantified value of the activity is divided by the cost of the activity to determine the return on investment.
- Measure 8: EECA's current websites are www.EECA.govt.nz and www.genless.govt.nz.

Forecast financials

	Budget 2024/25 \$000
Operating revenue	
Energy Efficiency and Conservation	
Funding from the Crown	20,629
Electricity Levy Funding	1,464
Gas Levy funding	896
Petroleum Levy funding	1,101
	24,090
Other revenue	246
Total operating revenue	24,336
Total operating expenses	24,616
Surplus/(deficit)	(280)

Targeted investment and support



Demonstrating and scaling up energy efficient technologies and renewable energy use.

Why targeted investment and support?

When there are significant and evidenced market barriers to the adoption of clean and clever energy use and technologies, we use our expertise to target investment and support where it is needed to overcome them. Targeted government investment and support in partnership with the private sector helps lower the risk of clean and clever energy use for first movers so energy efficient, low-emissions options become financially viable and happen faster. Our support models aim to leverage maximum private sector investment.

Activities in 2024/25

Residential energy efficiency

We support low-income households to access home energy efficiency improvements that achieve energy savings and other major co-benefits like improved health outcomes. Through our Warmer Kiwi Homes programme, we work with contracted providers who retrofit ceiling and underfloor insulation, heat pumps, and efficient wood or pellet burners. To date, the programme has delivered 150,000 retrofits. This year, we will also be supporting basic home repairs that will allow for the subsequent retrofitting of insulation and heating retrofits, and improving targeting of households with the greatest needs. 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 evaluation³, every dollar spent on the programme unlocks \$4.36 of wellbeing and energy benefits.

The link to our strategic objectives:

Energy efficiency first		Empower energy users		Accelerate renewable energy	
Users accept and adopt energy efficient products and practices.	Proven and compliant 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.
✓	✓			✓	

³ Evaluation of the Warmer Kiwis Homes Programme: Full Report including Cost Benefit Analysis, Motu (2022).

Demonstration and diffusion of technology and innovation

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. We use co-funding and loan models to overcome barriers to the demonstration and diffusion of efficient, renewable technologies and processes that are yet to be widely deployed in New Zealand to support wider uptake in the market. Our interventions maximise private sector investment and enable New Zealand to unlock the energy and cost savings, emissions reductions, and productivity benefits sooner than otherwise would have happened. We target areas where we know there is significant potential for uptake, for example:

- In the transport sector – where our Low Emission Transport Fund (LETF) has supported over 160 projects that have enabled the demonstration and adoption of innovative, efficient and low-emissions vehicles and technologies. From 2024/25, a new Low Emissions Heavy Vehicle Fund (LEHVF) will help accelerate the uptake of low-emissions heavy vehicles in New Zealand.
- In the business sector – where our Technology Demonstration Fund has supported more than 100 projects to enable the early adoption of efficient and renewable technologies, and our Government Investment in Decarbonising Industry (GIDI) Fund has accelerated the diffusion of technologies that have unlocked an estimated 1.4 million tonnes of annual emissions reductions (note the fund closed to new projects in 2023).
- In the State sector – where our State Sector Decarbonisation Fund (SSDF) has accelerated the diffusion of efficient and renewable technologies in 126 different projects; our Carbon Neutral Government Programme (CNGP) funding has supported the leasing of over 360 low-emissions electric vehicles; and our Crown Loans Scheme has supported over 200 agencies (including 160+ schools) to install lighting upgrades and other energy efficiency projects.

The link to our strategic objectives:

Energy efficiency first		Empower energy users		Accelerate renewable energy	
Users accept and adopt energy efficient products and practices.	Proven and compliant 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.
✓	✓			✓	

Public charging infrastructure

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 electric vehicle (EV) charging infrastructure, supporting the electrification of transport and futureproofing New Zealand's charging network for increased demand. We have supported over 1,000 new public charging points across the country and there are now public chargers at least every 75km on most of the state highway network.

The link to our strategic objectives

Energy efficiency first		Empower energy users		Accelerate renewable energy	
Users accept and adopt energy efficient products and practices.	Proven and compliant 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.
✓	✓	✓		✓	

How success will be measured

Performance measure	2023/24 target	2023/24 estimated result	2024/25 target
14. Number of insulation and heating retrofits installed	26,500 retrofits	29,000 retrofits	At least 26,500 retrofits
15. Percentage of sampled insulation and heating retrofits that comply with the installation standard	95%	95%	At least 95%
16. Percentage of insulation and heating recipients who report their home is easier/quicker to heat	New measure	52%	At least 50%
17. Number of homes that have basic home repairs completed	New measure	N/A (new activity)	At least 1,300 homes
18. Number of low-emissions heavy vehicles ordered	New measure	N/A (new activity)	At least 50 vehicles
19. Total number of public charging points in New Zealand	New measure	1,314 charging points	At least 1,800 charging points
20. Number of highly-replicable energy projects supported	New measure	17 projects	At least 15 projects
21. Number of Government Investment in Decarbonising Industry (GIDI) Fund projects that become operational during the financial year	New measure	46 projects	At least 28 projects
22. Expected annual emissions reductions versus actual annual emissions reductions for GIDI Fund projects completed during the financial year	New measure	58%	At least 80% of expected reductions achieved

Performance measure	2023/24 target	2023/24 estimated result	2024/25 target
23. Number of State Sector Decarbonisation Fund (SSDF) projects that become operational during the financial year	New measure	77 projects	At least 85 projects
24. Expected annual emissions reductions versus actual annual emissions reductions for SSDF projects completed during the financial year	New measure	96%	At least 80% of expected reductions achieved
25. Number of Carbon Neutral Government Programme (CNGP) projects that become operational during the financial year	New measure	10 projects	At least 14 projects
26. Amount of loan funding provided under the Crown Loans Scheme	\$2.0 million	\$2.0 million	At least \$2.0 million
<p>Notes to the measures:</p> <ul style="list-style-type: none"> Measure 14: 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 EECA's system. EECA collects accrual information from Service Providers for retrofits that have or will be completed on or before the end of the financial year (30 June) that will not be in the system by the end of the financial year, which will be included in the reported result Measure 15: 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 the 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. Measure 16: Data is sourced from EECA's post-installation recipient survey. Measure 19: Data is sourced from EECA's EV Charger Tool which combines information from EV Roam and charge point operators. A single public charger can have multiple charging points, so the number of public charging points is equivalent to the number of vehicles that can be simultaneously charged. This measure captures chargers delivered by EECA co-funding but also those that EECA has supported in other ways, such as with modelling, data, or information. Measure 20: A highly replicable project is one determined by EECA to have significant further replication potential in the market. Measures 21, 23 and 25: A project is considered operational once EECA has received formal confirmation from the recipient organisation. Note the targets are based on project delivery forecasts. Some 'umbrella' projects have been funded through SSDF (measure 23), comprising of multiple individual projects. Each individual project is counted as such for reporting purposes. Measures 22 and 24: 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 and record an 'expected' emissions reductions amount. The 'actual' achieved emissions reductions are confirmed once the project is fully operational and a satisfactory data collection and reporting period has taken place (~12 months). A project is 'completed' and included for reporting against this measure once satisfactory 'actual' savings information is available to EECA. The scope of this measure is limited to projects completed during the financial year. Note the 2023/24 estimate for measure 22 is based on one GIDI project – the only project that has met the above criteria to date. The under achievement of abatement for that project is due to lower than expected production. 			

Forecast financials

	Budget 2024/25 \$000
Operating revenue	
Energy Efficiency and Conservation	
Funding from the Crown	19,526
Electricity Levy Funding	642
Gas Levy funding	529
Petroleum Levy funding	12,399
	33,096
Investment in Infrastructure Projects ('Shovel-Ready' Projects)	3,944
Accelerating Energy Efficiency and Fuel Switching in Industry 2021-2025 (GIDI 1.0)	7,733
Accelerating Energy Efficiency and Fuel Switching in Industry 2022-2027 (GIDI 2.0)	110,158
Grant Scheme for Warm, Dry and Energy Efficient Homes 2023-2028 (Warmer Kiwi Homes)	83,000
Implementation of Grant Scheme for Warm, Dry and Energy Efficient Homes 2023-2028 (Warmer Kiwi Homes)	8,496
Clean Heavy Vehicles Grants 2023-2028 (Low Emissions Heavy Vehicle Fund)	2,000
Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028	13,389
	228,720
Other revenue	4,938
Total operating revenue	266,754
Total operating expenses	269,240
Surplus/(deficit)	(2,486)

The net deficit position reflects a timing difference between commitments being made and expenditure being incurred.





Financial information

This section outlines our 2024/25 financial statements and statement of accounting policies.



Financial statements

Statement of forecast comprehensive revenue and expense

	Forecast 2023/24 \$000	Budget 2024/25 \$000
Revenue		
Funding from the Crown	269,735	292,305
Interest revenue	5,000	3,000
Other revenue	2,150	2,250
Total revenue	276,885	297,555
Expenditure		
Personnel	17,593	16,037
Financial and industry support	214,997	258,408
Other operating expenses	19,826	25,722
Depreciation and amortisation expense	50	297
Total expenditure	252,466	300,464
Net surplus/(deficit)	24,419	(2,909)
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	24,419	(2,909)

The accompanying notes form part of these financial statements.

Statement of forecast financial position

	Forecast 2023/24 \$000	Budget 2024/25 \$000
Assets		
Current assets		
Cash and cash equivalents	28,978	29,486
Receivables	2,550	2,550
Investments	70,000	70,000
Prepayments	535	718
Crown loan debtors	2,124	2,287
Total current assets	104,187	105,041
Non-current assets		
Crown loan debtors	3,927	3,265
Property, plant and equipment	378	581
Total non-current assets	4,305	3,846
Total assets	108,492	108,887
Liabilities		
Current liabilities		
Payables	18,786	22,730
Employee entitlements	1,236	1,172
Crown loan creditors	2,124	2,287
Lease incentives	69	69
Provisions	90	94
Total current liabilities	22,305	26,352
Non-current liabilities		
Crown loan creditors	3,927	3,265
Employee entitlements	121	109
Lease incentives	138	69
Total non-current liabilities	4,186	3,443
Total liabilities	26,491	29,795
Net assets	82,001	79,092
Equity		
Reserves	82,001	79,092
Total equity	82,001	79,092

The accompanying notes form part of these financial statements.

Statement of forecast changes in equity

	Forecast 2023/24 \$000	Budget 2024/25 \$000
Opening equity	57,582	82,001
Total comprehensive revenue and expense	24,419	(2,909)
Closing equity	82,001	79,092
Analysis of closing equity		
Financial & industry support commitments	51,644	49,640
Accumulated reserves	30,357	29,452
	82,001	79,092

The accompanying notes form part of these financial statements.

Statement of forecast cash flows

	Forecast 2023/24 \$000	Budget 2024/25 \$000
Cash flows from operating activities		
Receipts from the Crown	273,795	292,305
Receipts from other revenue	2,150	2,250
Interest received	5,000	3,000
Payments to employees	(17,428)	(16,113)
Payments to suppliers	(19,424)	(25,498)
Financial and industry support payments	(215,658)	(254,936)
Net cash flows from operating activities	28,435	1,008
Cash flows from investing activities		
Receipts from sale of investments	110,000	100,000
Receipts from the Crown - loan funding	2,000	2,000
Loan repayments received	2,356	2,499
Purchase of property, plant and equipment	(351)	(500)
Purchase of investments	(144,818)	(100,000)
Payments to the Crown - loan repayments	(2,000)	(2,000)
Loans provided	(2,356)	(2,499)
Net cash flows from investing activities	(35,169)	(500)
Net increase/(decrease) in cash and cash equivalents	(6,734)	508
Cash and cash equivalents at the beginning of the year	35,712	28,978
Cash and cash equivalents at the end of the year	28,978	29,486

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 2024/25. 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 27 June 2024.

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 2025 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 concerning the future. These judgements, estimates and assumptions may differ from actual results. None of the judgements, estimates and assumptions made are regarded as being significant.

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. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

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

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 using the effective interest method.

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. The value of work yet to be completed under the contract is reported as commitments.

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 evenly over the term of the lease as a reduction in rental expense.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost. Cash and cash equivalents includes cash on hand, and other short-term highly liquid investments with original maturities of three months or less.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for any expected credit losses using the simplified approach.

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.

Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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.

Property, plant and equipment

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

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
Computer equipment	3 to 5 years	33% to 21%
Office equipment	2.5 to 3 years	40% to 33%
Furniture and fittings	6 years	17.50%

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.

Costs associated with the development and maintenance of EECA's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The useful lives and associated amortisation rates have been estimated as follows:

Assets	Useful life	Depreciation rate
Acquired computer software	2 to 3 years	33.33% to 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.

Non-cash-generating assets

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue and Expense.

Payables

Short-term payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service 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 due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave, are calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff based on years of service, years to entitlement, the likelihood that staff 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 is classified as a current liability. All other employee entitlements are classified as a non-current liability.

Provisions

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

Equity

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

- financial and industry support
- accumulated reserves.

Financial and industry support reflects revenue received for commitments for which the respective expenditure will be incurred in future years.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of trade debtors and trade creditors, which are stated with GST included. Where GST is not recoverable as an input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of 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 those costs that cannot be identified in an economically feasible manner with a specific output.

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

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 2024/25 commitments to our people, Te Tiriti o Waitangi, and sustainability.

Our workplace

We are committed to making EECA a great place to work so we can continue to attract and retain good people who are proud to be part of our mission. We will ensure that our organisation maintains the right size to match the nature and level of activities we are funded for.

Our behaviours

EECA has chosen four key organisational behaviours to foster a positive work environment that enables us to deliver on our strategic objectives and outcomes:



Open to the new



Stand in others' shoes



Believe in 'we' not 'me'



Deliver the goods

Our people and capability plan

We have a long-term People and Capability Plan in place to ensure we continuously improve our workplace. The vision is to attract and grow our people to bring innovative solutions to New Zealand's clean and clever energy challenges. Through this plan, we aim to make progress on three focus areas:

- Developing our people – in 2024/25 we will continue to provide good quality training and development to staff and build up leadership skills across the organisation.
- Embedding Te Ao Māori into how we operate – in 2024/25, we will support our staff-led Te Ao Māori working group to implement new initiatives and develop a fit-for-purpose approach to Māori engagement.
- Living our behaviours – in 2024/25, we will focus on encouraging and recognising our four behaviours in our staff to further embed them into our workplace culture.

Te Tiriti o Waitangi

EECA is committed to upholding the principles of the Treaty of Waitangi. In 2021, we set up an internal Te Ao Māori Working Group to place a renewed focus on our Te Ao Māori capabilities, and we will continue this journey in 2024/25 by focusing on:

- Supporting new and existing staff with Te Ao Māori training and development initiatives
- Actively seeking opportunities to implement Te Reo, Tikanga Māori and Mātauranga Māori in our communications and ways of working
- Having meaningful engagement with Māori communities in relation to our work programmes, where relevant.

E mōhio ana mātau ko te Tiriti o Waitangi te tuinga 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.

Our carbon footprint

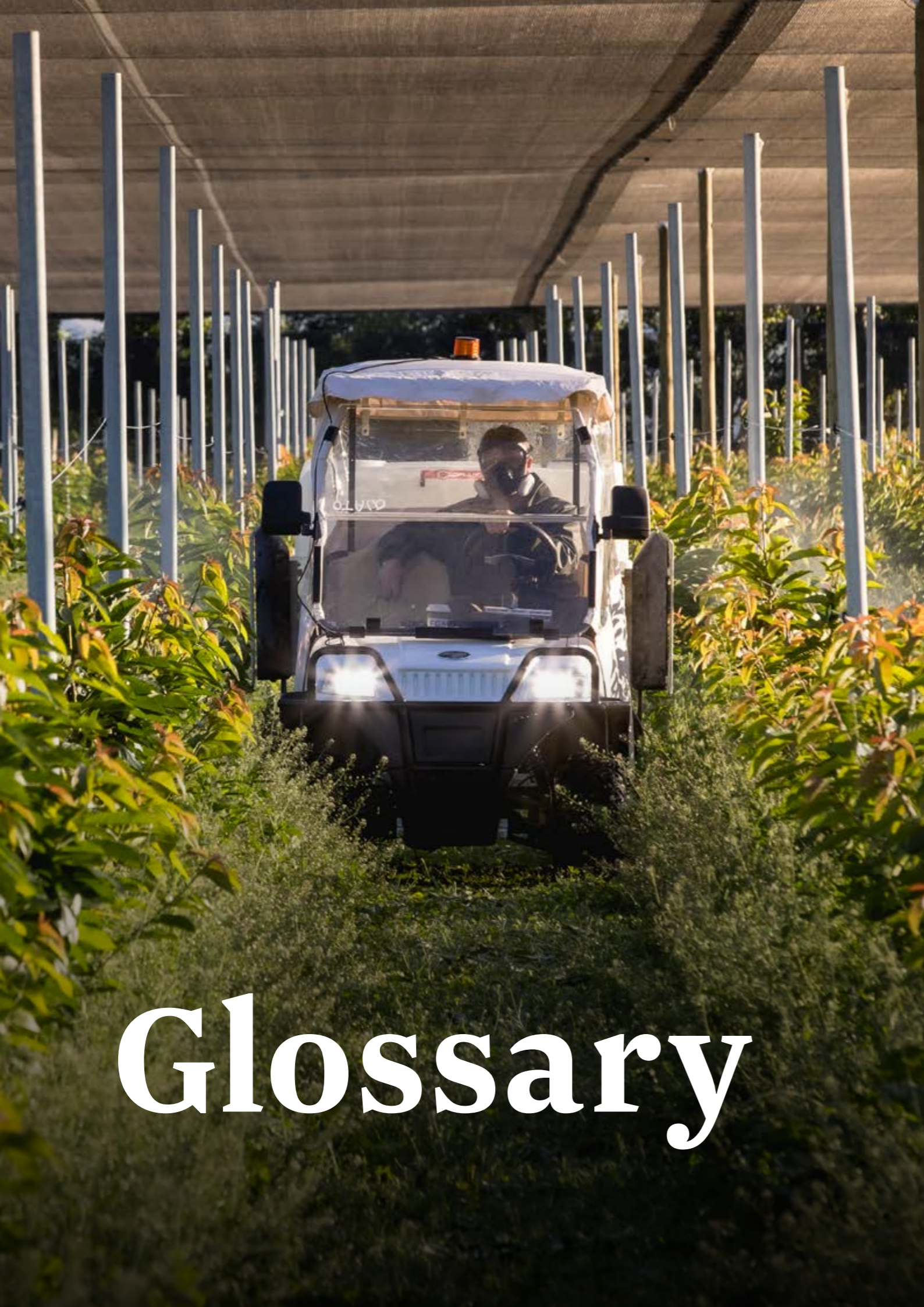
EECA is committed to being a leader in organisational sustainability and reducing our carbon footprint. While we have already implemented several energy efficiency and emissions reduction initiatives at EECA, we know there is still room for improvement.

In 2018, we made a commitment to sustainability by setting the following science-based targets to reduce our gross emissions:

- A 32% reduction from a 2018/19 baseline to 166.5 tCO₂e by 2025.
- A 55% reduction from a 2018/19 baseline to 110.0 tCO₂e by 2030.

We are currently on track to achieve these targets. To make further progress in 2024/25, we will:

- Implement a sustainable travel policy for staff, with guidance on air and road travel, to reduce our travel-related emissions.
- Design a sustainable procurement framework to pro-actively target our indirect emissions.
- Develop an energy usage plan to identify areas we can improve on to reduce our office electricity use and associated emissions.



Glossary

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

Carbon equivalent (CO₂e) – a measurement unit used to indicate the global warming potential of greenhouse gases, using carbon dioxide (CO₂) as a reference gas.

Electric vehicle – electric vehicles (EVs) 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, where the use of fossil fuels is substituted with the use of 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. We need energy for everything from manufacturing and electricity generation right through to powering our vehicles.

Energy conservation – an effort to reduce energy consumption by changing your activities. 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 using Light-Emitting Diode (LED) lighting to light your room, which uses less energy than traditional incandescent lighting.

Energy independence – an independent energy system produces sufficient energy, meaning that it does not need to rely on overseas imports 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, withstanding against unexpected conditions. For example, electricity generation can switch to hydro when solar availability is low, avoiding a supply disruption.

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 sources at an affordable price.

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

Greenhouse gases – these include CO₂, 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. It generally involves the use of coal, gas, wood or electricity.

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

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

Transition – abbreviation for the transition to a low-emissions economy.

Vote Business, Science and Innovation – the Government's budget is broken up into buckets of money called Votes. Vote Business, Science and Innovation is one of those buckets.

Glossary

Measurement units

Table One: Energy use measurement units and context of scale⁴

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). Split by fuel type: » 46.90 PJ – electricity » 7.78 PJ – renewables » 6.79 PJ – natural gas » 20.49 PJ – oil (e.g. petrol and diesel) » 0.15 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 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 one thousand watt hours.	The average New Zealand household uses 11,544 kWh of energy per year.

⁴Data 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).

Table Two: Emissions measurement units and context of scale⁵

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
ktCO₂e	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.	0.0015 ktCO ₂ e	0.0018 ktCO ₂ e	6,085 ktCO ₂ e
tCO₂e	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.	1.47 tCO ₂ e	1.77 tCO ₂ e	6,085,300 tCO ₂ e
kgCO₂e	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).	1,474 kgCO ₂	1,765 kgCO ₂ e	6,085,300,000 kgCO ₂ e

⁵Data 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).

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