

# Statement of Performance Expectations

2022/23

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

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## **Ngā mihi nui ki a tātou**

**Nau mai ki te komihana o He Pou a Rangi. Kua eke ki tō mātou tau tuawhā mai i tōna oroko tīmata, ā, ko tā mātou mahi he whakarite kupu akiaki me te mea nei he motuhake, he whai mana hoki ki te Kāwanatanga hei ārahi a Aotearoa e eke ai te āhuarangi pakari me te itinga o te tukunga hauwaro, ā, haere ake nei.**

Welcome to He Pou a Rangi Climate Change Commission (the Commission). We are in our fourth year since being established and our job is to provide independent, evidence-based advice to Government to help Aotearoa New Zealand transition to a climate-resilient and low emissions future.

### **Statement of Performance Expectations 2022/23**

Date: June 2022

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# TE TIROHANGA MATUA – The Commission at a glance

- The Commission was established by an amendment to **the Climate Change Response Act 2002 (CCRA 2002)**, called the Climate Change Response (Zero Carbon) Amendment Act 2019.
- We are an **independent Crown entity** set up to provide expert, evidence-based advice to successive governments to help Aotearoa New Zealand transition to a climate-resilient and low emissions future.
- We uphold the Treaty Partnership and give specific consideration to impacts for Māori. As an organisation we endeavour to build **meaningful and respectful relationships with Iwi/Māori**.
- We monitor and review the **government's progress** towards its emissions reduction and adaptation goals.
- Our **independence** means we can provide impartial advice.
- We work to **deliverables and timeframes** set out in **the Climate Change Response Act 2002 (CCRA 2002)**.
- This includes providing advice on the preparation of **emissions budgets** and **emissions reduction plans**; monitoring progress towards meeting emissions budgets, emissions reduction plans and the 2050 target; periodically reviewing the **2050 emissions reduction target**; preparing national climate change **risk assessments**; monitoring and reporting on how **national adaptation plans** are implemented and their effectiveness; advising on settings for the **Emissions Trading Scheme** and reporting on progress on primary sector climate change commitments.
- From time to time, the Minister of Climate Change will ask us for advice on **specific topics**. We provide **other independent advice** on matters we believe will impact on the ability of Aotearoa New Zealand to meet its climate change goals.
- We are a small team dedicated to ensuring we can pass a better Aotearoa New Zealand on to future generations. We have a **range of expertise**, including economics, communications and engagement, public policy, land and resource management, Māori sector, climate science, strategy, behavioural sciences, forestry, agriculture, transport, waste and energy. We are supported by a Board of Commissioners from varying fields.
- The CCRA 2002 requires us to draw from the **best available evidence and analysis** and think broadly about the impacts of climate change and the implications for Aotearoa New Zealand over time. In doing so, we take a **systems view** so we understand what our advice will mean for central and local government, for individuals and households, for business sectors and communities, for Iwi/Māori, and for our economy and our environment now and into the future.
- We are committed to taking an **inclusive approach**, working collaboratively with others so we can grow consensus and inspire action to change.

See the **Glossary** for an explanation of terms used in this document.

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# TE TAUĀKĪ HAEPAPA

## - Statement of Responsibility

**This document constitutes  
our Statement of Performance  
Expectations (SPE) as required under  
the Crown Entities Act 2004.**

The descriptions of our purpose, role and functions are consistent with the Climate Change Response Act 2002.

This SPE covers a one-year period from 1 July 2022 to 30 June 2023 and should be read in conjunction with the Commission's Statement of Intent (SOI) 2020 - 2024.

The Board is responsible for the content of this SPE, which comprises the reportable outputs and the Prospective Financial Statements for the year, including the assumptions on which they are based, and for the judgements used in preparing them.

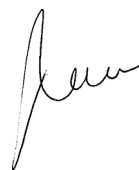
Our performance measures are grounded in the lived experiences of the Commission, the Commission's long-term strategy and the Commission's outputs framework and performance framework.

This SPE has been prepared in accordance with the relevant provisions of the Crown Entities Act.

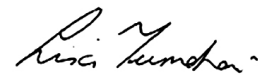
The Prospective Financial Statements have been prepared in accordance with generally accepted accounting practice in Aotearoa New Zealand.

In accordance with the Crown Entities Act, the Commission has consulted with the Minister in the preparation of this SPE.

Signed by:



Dr Rod Carr, Chair  
16 June 2022



Lisa Tumahai, Deputy Chair  
16 June 2022

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## Te karere a te tumu

### Ko te tuatoru tēnei o ngā Tauākī o Ngā Tūmanako Mahi mā te komihana āhuarangi o He Pou a Rangī.

Kua tuku kē te Komihana i ētahi o ngā tino amohangature o roto i a 2021/22, e ākina ai a Aotearoa te āhuarangi toa, te āhuarangi pakari me te itinga o te tukuwaro, ā, haere ake nei.

E rua ā mātou kupu akiaki motuhake, whai mana hoki i whakahoua ki ngā tohutohu a te Kāwanatanga mō te utu tukuwaro ki te ahuhenua. He mea hirahira ēnei kupu akiaki e rua – kua mārāma katoa nei mātou, ko tā te utu tukuwaro ki te ahuhenua tētahi tino wāhanga ki ngā tūtohu whakaheke tukuwaro a te Kāwanatanga. Ka noho mātou hei whenua tuatahi ki te whai utu tukuwaro ki te ahuhenua, ā, ko te ao katoa ka titiro mai ki tōna āhua me ōna nekehanga. He mana kei ā mātou mahi i Aotearoa nei.

Ka tuku hoki mātou i ētahi kupu akiaki mō te tawhā me tāhū o ngā utu ki ngā waeine kei te Kaupapa Hokohoko Tukunga (NZ ETS) hei te Hūrae, ā, ka noho tēnei hei tuatahitanga ki ngā kupu akiaki mō te tau, hei tuku iho ki ngā karere ā tau, ā, ki ngā tūtohunga anō hoki.

Kua timata ā mātou mahi whakatika āhuarangi. Ahakoa ko ētahi o ā mātou mahi whakatikatika āhuarangi tuatahi mō te 2024 me te 2026, me moata ā mātou mahi whakahoahoa me te whakarite kōrero taunaki. E whai wheako ana i ngā pānga o te whakatika āhuarangi – ā, e mōhio ana i te tōmuri mai o ngā whakatau, kua waiho whāiti rawa mai i ngā kōwhiringa e taea nei e Aotearoa te mahi whakawhiti tika atu ki te ora.

Nā te Kāwanatanga anō i tuku i te mahere whakaheke tukuwaro tuatahi i te marama o Mei. Ahakoa he kaupapa whakahirahira te takahinga a Aotearoa i te huarahi kia whakaheke i ōna mahi tukuwaro me te whai wāhi hoki ki ngā mahi a te ao – kua kore e oti te mahi whakatika āhuarangi i konei.

Inā rā te urunga o te Mahere Whakaheke Tukuwaro tuatahi, kua mana tō mātou tūranga arotake. Ko tā mātou he aro ki ngā kauneke a te Kāwanatanga ki te tutuki i tōna tahua whakaheke tukuwaro tuatahi (2022-2025), ka mutu, ko te tirohia mehemea kei te tika tōna tutuki i te ahunga 2050. I raro i ngā mahi arotake i te mahere whakaheke tukuwaro, ka tirohia te tuhinga whai mana e tohutohu ana i tā te Kāwanatanga tutuki i te ora. Mēnā rā me panohi te ahunga – i konei mātou tohutohu ai.

Kei te Komihana tonu te mahi nui ki te whakahoahoa i ngā hapū me ngā hapori Māori, ā, i te putanga o Ināia tonu nei, ko tā te mahere whakahoahoa a te rōpū Rautaki Māori he aro ki te whakamōhio i ngā hunga Māori nei i te āhua o ngā mahi a te Komihana e whai mai nei. Ko te āheinga nui ko te whai ko ngā tikanga Māori ki ēnei o ngā mahi anga whakamua, ka mutu, ko te whai whakaaro ki ngā whakataunga tautika me te whakawhiti tika hei oranga mō te iwi Maori, i tēnei tūranga arotake o tātou.

I te tau 2022 ka tūwhera te Komihana i tōna rōpū taupua a Pou Herenga a Māori. Ko te tikanga o tēnei Pou Taupua he tohutohu i te whakatūwheratanga i tētahi Pou Herenga tūturu hei tautoko, hei whakakaha hoki i te Poari a te Komihana - mā roto tonu mai i ngā tikanga Māori me Te Tiriti o Waitangi, ka mutu, ko ōna tohutohu katoa. Ko tā te Pou Herenga taupua nei he tuku kupu akiaki ki te Komihana mō te tūpono o te whiunga ki te iwi Māori.

I te Tahua Pūtea 22 i whakawhiwhingia mātou ki te \$15.22m mō te whā tau te roa. Ko tā tēnei he ākina i te wāhanga tātai me te tutuki i te mahere nui a te Komihana kei te 3-4 tau e tū mai nei, me ngā tutukihanga ā ture e iwa hei te Tīhema 2024. Ahakoa nei te pai o tēnei pikinga pūtea, me ngana tonu ki te whai whakaaro ki ngā ahunga hei tutuki i tā te ture e kī nei. Ā, nā runga anō i te korenga o ngā pūkenga me ngā utu hei tutuki i ētahi atu tono mō te kupu akiaki.

I te tau kua hori, he rite tonu te mahi a te Komihana ki te tutuki tika mai nei i ngā whāinga ahakoa te pakeke o ngā mahi i ētahi wā - inā rā ngā piki, ngā heke me ngā taimahatanga o te mate Kowheori-19. Ko te aronga tonu ko te manaaki i ngā kaimahi me te mauri o te katoa, ā, kia whai ko te āwhina e tika ana ki a rātou, ā, haere ake nei. Kua whakataha ētahi tino mahi ki te tau ōhanga 2022/23 me ngā pūtea kua tukuna ki tēnei tau.

He mihi tēnei ki a koutou kua roa nei e hōmai ana i ā koutou mātauranga me ā koutou kōrero tohutohu ki a mātou, ā, hei ārahi i ā mātou mahere mahi. Nā ā koutou mahi mō Ināia tonu nei, te noho tonu mai ki ā mātou whakawhitinga kōrero ā ipurangi, me ā koutou tautoko i ngā hunga-tāpui, mei kore ake koutou, kua kore ā tātou whakatutukinga.

I ngā tau tata nei kua kitea te torohaki mai, ā, ko te pikinga o ngā mahi āhuarangi kei te whai mana, kei te whai take hoki. Ko te mea hoki kāore he take o te noho noa - mō nāia tonu nei te mahi, ā, me haere tonu i tā tātou haere ki te tutuki i ngā whāinga ahunga roa, whakakōtahi i te iwi mō te āhuarangi te take.



Dr Rod Carr, Chair  
16 June 2022

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## Chair's Message

### **This is He Pou a Rangi Climate Change Commission's third Statement of Performance Expectations.**

The Commission has delivered on some important legislated milestones during 2021/22, helping Aotearoa New Zealand move towards a thriving, climate-resilient and low emissions future.

We have developed two pieces of independent, evidence-based advice to feed into Government's decisions on pricing agricultural emissions. Both these pieces of advice are significant – we have been clear that pricing agricultural emissions is a key part of achieving the emissions reduction targets set by the Government. We will be the first country to design agricultural emissions pricing, and globally all eyes will be on what that looks like and how it works. Our actions here in Aotearoa matter.

We will also be providing advice on limits and price control settings for units in the New Zealand Emissions Trading Scheme (NZ ETS) in July, and this becomes the first in what will be annual advice to feed into yearly updates to regulations.

Our work on climate adaptation has begun. Although our first pieces of adaptation work are not due until 2024 and 2026, we need to start work early to build our relationships and evidence base. We are already experiencing the impacts of climate change – and we know that delaying decisions will leave us with fewer choices for how we adapt across Aotearoa.

The Government released its first emissions reduction plan back in May. While this is an important step on the country's path to reducing its emissions and playing its part in the global effort to address climate change – the work doesn't stop there.

Now that the implementation of the first ERP is underway, our monitoring role has come into effect. We'll be monitoring the Government's progress towards meeting the first emissions budget (2022 – 2025), and assessing whether it is on track for meeting the 2050 target. As part of assessing the emissions reduction plan, we will be looking at the fine print of how the Government intends to achieve change. If more action or a different approach is needed – then we will be asking for it.



The Commission continues to build ongoing partnerships with Iwi and Māori-collectives, and since the release of Ināia tonu nei, the Rautaki Māori teams' partnership plan has focussed on ensuring Māori-collectives are informed about the next phase of the Commission's work plan. This will provide the opportunity for Iwi/Māori perspectives to inform our future deliverables, and contribute to informing how an equitable and just transition can be achieved for Iwi/Māori through our monitoring role.

In 2022 the Commission established the Interim Pou Herenga, a Māori advisory group. The Interim Pou Herenga will advise us on establishing a permanent Pou Herenga to support and augment the Commission's Board leadership, through the provision of Te Ao Māori and Te Tiriti o Waitangi/The Treaty of Waitangi expertise and guidance. The Interim Pou Herenga will also advise the Commission on potential impact for Iwi/Māori.

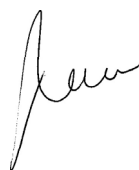
In Budget 22 we received an additional \$15.22m over four years. This will help us increase our analytical capacity and deliver on the Commission's significant programme of work over the coming 3-4 years, including nine statutory deliverables by December 2024. While the funding increase is acknowledged, we will still need to balance priorities to deliver on our legislative requirements and have no capacity to fulfil unfunded requests for additional advice.

Throughout this past year, the team at the Commission has delivered to its consistent high standard under often challenging circumstances - with the twists, turns and uncertainties associated with COVID-19. Our priority continues to be on preserving staff wellbeing and ensuring that everyone has the support they need as we navigate this next phase. Some essential work has been deferred into the 2022/23 financial year along with associated funding.

Thank you to those of you who have continued sharing your knowledge and expertise with us as we deliver our work programme. From your involvement in Ināia tonu nei, to continued participation in our online engagement, and the ongoing support from stakeholders - we couldn't have achieved what we have without you.

The last few years have seen a gathering momentum, with climate action becoming increasingly important and necessary. And there's no opportunity to press pause - the time for action is now, and we must keep going if we want to achieve our collective, long-term climate goals.

Signed by:



Dr Rod Carr, Chair  
16 June 2022

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# ANEI RĀ MĀTOU - Who we are

**Ko tā te komihana o He Pou a Rangi he tuku kupu akiaki, e motuhake nei, e whai mana nei ki te Kāwanatanga hei ārahi a Aotearoa ki te āhuarangi pakari me te itinga o te tukunga hauwaro, ā, haere ake nei. Tokowaru ā mātou Poukomihana, āpiti atu ko tētahi rōpū pukenga rau.**

**He Pou a Rangi Climate Change Commission provides independent, expert advice to government to help Aotearoa New Zealand transition to a climate-resilient and low emissions future. We are eight Commissioners and a team of highly skilled staff.**

## INGOA MĀORI - HE POU A RANGI

Hei whakarāpopoto ake, i takea mai te ingoa komihana i te whai pou ki a Ranginui. Ko tā te pou he hiki, he whakahonohono, he tiaki, ā, he whakawhirinaki hoki. Ki tā te Māori titiro, ko tā te pou nei he taki tūhono mai; he hiki ake, ā, he kake ake i tō te rangi i runga nei, manohi anō, he whakapiripiri, ā, he whakawhenua hoki i ngā mea e takoto ake nei. Ko tā te pou he whiria te Atua a Ranginui e tū nei, ā, he whiria te Atua a Papatūānuku e takoto nei.

At its simplest, He Pou a Rangi can be translated as *a pillar of the sky*. Pou can uphold, provide a point of connection, protect and provide stability. In a Te Ao Māori view, pou provide a two-way connection, upholding and uplifting what is above, but also connecting and grounding with what is below. Pou connect Ranginui, the sky father, to Papatūānuku, the earth mother.

E whakamana ana Te Komihana i tēnei hononga, me te mea nei, he haepapa whakaū i te kaupapa.

The Commission is honouring this connection and, in turn, has a duty of care for it.

Kāhore i te mau i a 'Te Pou', ā, kei te whakamahi kē i a 'He Pou' nātemea kei te mārara te Komihana he maha noa atu ngā pou, ngā ratonga hoki e mahi tahi ana mō te whakatikahanga o te āhuarangi me te whakawhitianga atu o Aotearoa ki te āhuarangi pakari me te itinga o te tukunga hauwaro ā haere ake nei.

The use of 'He' Pou rather than 'Te' Pou recognises that the Commission is one of many pou or organisations working together to address climate change and transition Aotearoa to a climate-resilient, low emissions future.

## TE PUTĀKE - Our purpose

Ko tā Te Ture Whakautu Hurirangi 2002 (CCRA 2002) e rua ōna tino take ki te Komihana:

The CCRA 2002 describes two key purposes for the Commission:

1. **kia whakarite kupu akiaki motuhake, whai mana hoki ki te Kāwanatanga mō te whakatika i te āhuarangi me te whakapakari mai ki ōna whiunga; ā,**  
to provide independent, expert advice to the Government on mitigating climate change and adapting to its effects; and
2. **he aromatawai, ā, he arotake hoki i tā te Kāwanatanga ahu ki te tutuki i ngā whāinga whakaheke tukuwaro me ngā whakawhitihanga hoki.**  
to monitor and review the Government's progress towards its emissions reduction and adaptation goals.

## TE ARONGA - Our vision

Ko tō mātou aronga **Kia toa, kia pakari, ā, kia iti te tukuwaro a Aotearoa.**

Our vision is of **A thriving, climate-resilient and low emissions Aotearoa.**

## TE WHĀINGA - Our mission

Ko tō mātou whāinga ko **Te tutuki i ētahi kupu akiaki motuhake, whai mana hoki hei ārahi i a Aotearoa ki te whakatika āhuarangi.**

Our mission is **To deliver independent, evidence-based advice to guide climate change action for Aotearoa.**

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# TE HERENGA MATUA KI TE KĀWANATANGA - Alignment with government priorities

The Commission's work programme directly reflects two of the Government's key issues in [This is Our Plan - 1D. Transition to a clean, green carbon neutral New Zealand](#) (under "An economy that is growing and working for all of us") and [3D. Create an international reputation we can be proud of](#) (under "Making New Zealand proud"). In November 2020, the Government declared a climate emergency with a commitment over the next three years to develop policy to ensure the declaration is backed with action to bring emissions down.

## The establishment of the Commission

In November 2019, Parliament amended the Climate Change Response Act 2002 to put in place a new framework for climate policy. This commits Aotearoa New Zealand to a long-term emissions reduction target for 2050 and requires the Government to prepare for, and adapt to, the effects of climate change. It also established the Climate Change Commission.

### *New Zealand's climate change targets*

Parliament has set domestic and international targets for reducing greenhouse gas emissions. This puts us on the path to a climate-resilient, low emissions future.

New Zealand's international targets are made in accordance with the Paris Agreement.

Under the Paris Agreement every country needs to set a Nationally Determined Contribution (NDC). An NDC sets out what each country will do to cut emissions and adapt to climate impacts. New Zealand's current NDC is for a 50 per cent reduction of net emissions below our gross 2005 level by 2030. The Nationally Determined Contribution (NDC) will be managed through an emissions budget over the period 2021-2030.

New Zealand's domestic 2050 targets are set out in the Climate Change Response Act 2002 and require that:

- emissions of all greenhouse gases other than biogenic methane are at or below net zero by 2050 and for every year thereafter
- emissions of biogenic methane are reduced below 2017 levels by at least:
  - 10% by 2030
  - 24-47% by 2050.

These targets will help New Zealand fulfil its responsibilities under the Paris Agreement, entered into force in 2016. The Paris Agreement established a long-term temperature goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. The 1.5°C global effort has now been reflected in our domestic legislation through the 2019 amendments to the CCRA 2002.

The climate is already changing and past emissions have already locked in further change. The pace and scale at which Aotearoa will need to adapt will largely be driven by these past emissions and the world's ability to reduce emissions to meet the Paris Agreement goal.

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## TE AHUNGA MATUA - Our work

**Our core work programme is set out in legislation. The CCRA 2002 requires the Commission to perform specific tasks and deliver within specific timeframes. A timeline of all our required work in the next few years can be found in our [Statement of Intent 2020-24](#).**

Consistent with the purposes of the Commission under the CCRA 2002, the Commission also provides the Government with other independent expert advice on key issues identified in our research and engagement. This includes issues that could impact the ability of Aotearoa New Zealand to meet its climate change goals and/or will assist the Commission to fulfil its role.

As a recently established entity, the Commission is committed to continuing to establish the effective practices, policies and systems required to deliver such a significant work programme.

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# TE KŌNEKE MATUA, TE KUPU MATUA - Our approach to providing advice

- **Engage, partner and where needed consult:** We have conversations with and listen to New Zealanders. The advice we develop can have a long-term impact for Aotearoa New Zealand and all who live here. Because of this, we need to understand and consider the various perspectives across Aotearoa. We need to understand the specific impacts of our advice on Iwi/Māori, partner with Iwi/Māori in developing our advice, and incorporate Te Ao Māori into our approach. This stage is two-way and ongoing, and scaled to the scope of the advice we are providing.
- **Collate and analyse the evidence:** We gather and analyse data and weigh up all the evidence. Our evidence must be relevant and comprehensive. We gather our data and information from a wide range of credible sources. We are methodical in our approach to data collection and modelling. We also test the quality of our evidence and refine it with Iwi/Māori and a wide range of stakeholders. The CCRA requires us to think broadly about the impacts and effects of climate change and our policy response now and into the future. This means we need to take a wide system view and to consider all aspects of that system – ecology and the environment, how any changes would affect individuals and households, and what our advice would mean for business, our society and our economy.
- **Advise and monitor:** We deliver high quality advice to the Government and monitor progress to meet the emissions reduction and adaptation goals for Aotearoa. The Government implements policies that support and incentivise the transition to a climate-resilient and low emissions future. We provide the Government with other independent advice on issues if we identify something that could impact our country's ability to meet its climate change goals. By providing independent and evidence-based advice, we help Aotearoa make good choices and avoid costly mistakes.

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# KEI MUA KEI TE AROARO - Our future outlook

The Commission has an important role to play, as an entity formed to:

- provide independent, expert advice on mitigating and adapting to the effects of climate change; and
- monitor and review the Government's progress towards its emissions reduction and adaptation goals.

The Commission is shifting from an organisation that delivered *Ināia tonu nei* in 2021 to one that must deliver multiple pieces of critical advice; and one that must also monitor and report on progress. We will do these two things across both climate mitigation action and climate adaptation action.

The Commission's focus for 2022/23 is building and enhancing our evidence base, and completing this phase of the Commission's establishment. In addition to this, we have a substantial programme of work to deliver between now and December 2024:

- Our ETS settings advice will be delivered by 15 July 2022 and yearly thereafter (in quarter three of each financial year).
- By December 2023, we will provide advice to the Minister of Climate Change to enable the preparation of the second emissions reduction plan.
- Over the course of 2024, we will:
  - review the 2050 emissions target and potentially recommend changes;
  - review the inclusion of emissions from international shipping and aviation in the 2050 target;
  - provide advice on the next set of emissions budgets out to 2040.



In 2024, we also assume our monitoring functions in full; these comprise:

- monitor and report on progress towards meeting emissions budgets, emissions reduction plans, and the 2050 target
- monitor and report on the implementation of national adaptation plans (this is one part of our adaptation work programme; the other part, the preparation of the second and subsequent national climate change risk assessments, will be due in 2026 and every 6 years thereafter).

Note also that, if requested by the Minister, we will make recommendations about increased or decreased phase out rates for industrial allocation in the ETS.

In carrying out these functions, we must take into account the overarching purpose of the CCRA 2002 in addition to a number of mandatory considerations (such as those set out in section 5M – for example, likely economic effects, distribution of impacts across generations, sectors, and regions).

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# TE MAHI WHAKAPAKARI – Building capability

Alongside the Commission's statutory requirements, as well as taking on our new 2022/23 programme of work, we will continue to build our organisational capability by:

- expanding the capacity of the Commission to engage with Iwi/Māori, and establishing the Pou Herenga (a Māori Advisory group) to support the Board
- investing in staff wellbeing
- building the supporting systems and infrastructure to support people, to engage, and to deliver our statutory outputs
- optimising existing resources and seeking out efficient practices and cost-saving opportunities
- taking steps to address our own greenhouse gas emissions, improve energy efficiency and minimise our waste outputs.

We are also investing in our analytical capability through:

- enhancing long-term capability by improving our modelling system
- commissioning additional studies and external reviews to provide evidence for our next pieces of advice
- collaborating with other agencies, nationally and internationally, working on climate change
- continuing to implement our science strategy, increasing the science capability of our staff and strengthening our relationships with the national and international science community
- piloting an innovative approach to partnering with Iwi/Māori by establishing long-term case studies founded on reciprocal relationships to develop a shared knowledge base
- building our monitoring and adaptation functions.

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## **TE WHIRINGA WHAI MANA - Building our relationships**

Strong relationships with stakeholders are critical to the success of our work. To be effective, we must be trusted. Successive governments, Iwi/Māori, business, communities, individual scientists and activists, and other agencies working on climate change need to trust that we will provide independent, expert, evidence-based, and pragmatic advice.

In 2021/2022 we undertook research with our stakeholders to help us understand the effectiveness of our engagement since our establishment in 2019. In 2022/2023, we will use the insights from this research to build on and continue to develop relationships created with stakeholders during our first two years. We will also endeavour to apply these insights to how we run formal consultation processes in the future. As part of this work, we will continue to actively seek feedback from stakeholders on how we are fulfilling our role through a two-yearly Stakeholder Survey.

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# HE PĒHEA NEI TE PAI O Ā MĀTOU MAHI - How we will measure our performance

## Our outcomes framework

**The Commission seeks to contribute to two outcomes: An equitable transition to a climate-resilient and low emissions Aotearoa and Aotearoa delivers on its commitments to global climate change action.**

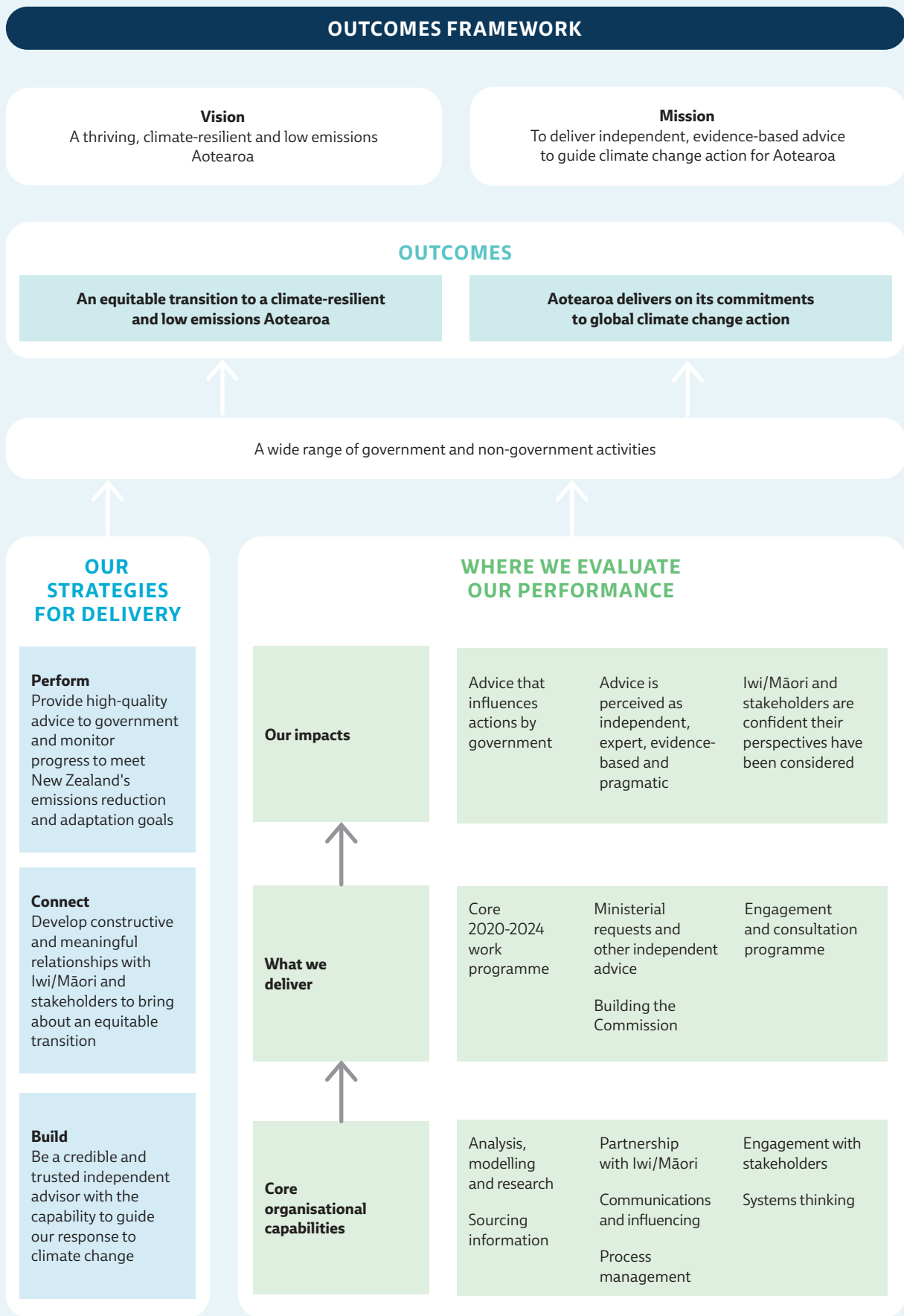
The complexity of climate change issues within Aotearoa New Zealand is acknowledged. There is a huge amount of work that needs to be done by many parties to achieve the desired changes. Because of this, the influence of our work will emerge over relatively lengthy timeframes.

It is challenging to **attribute** changes in emissions and adaptation effectiveness in Aotearoa directly to our performance – we are one of many players who **contribute** to the changes. Our framework, therefore, envisages that our work will contribute to policy and behavioural change as a precursor to having an effect or influence on our two main outcomes. There are a number of indicators that we will explore over time to determine if this is occurring, such as whether and how:

- key influencers are responding to our work and engaging with us in discussion
- our work is widely used by people who are providing commentary or input to policy and is cited in their discussions.

Figure 1 illustrates how we expect to make a difference in these areas, along with the core capabilities and the strategies we employ.

Figure 1: Outcomes framework



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## **HE PĒHEA NEI TE PAI O NGĀ MAHI KI TĀ TE POUMATUA E KĪ NEI – How we will measure progress against the framework**

**In 2021/22 the Commission began the work of establishing data capture systems and setting baselines against which aspects of the Commission’s future performance can be assessed. The 2022/23 Annual Report will include this data where appropriate, along with data from 2022/23 in order to show performance trends over time.**

The detailed measures in this section of this SPE include three that will not be reported on in our 2022/23 Annual Report. This is because the data on which we rely to assess performance is only available on a two-yearly basis through the Stakeholder Survey (the indicators for these measures are marked with an asterisk).

### **Measurement approach**

Given the challenges around identifying and attributing the effects of our work, our measurement approach focuses on whether our work is high quality, our advice is timely, we maintain good process management, and our relationships with Iwi/Māori and engagement with stakeholders are effective. We measure the impact we are having by distilling the reactions to our work from everyone involved in our relationship, engagement and consultation processes, and through responses to our work from the Government and others.

Given the long timeframes of our statutory work programme, it is difficult to capture performance in fixed quantitative targets, so the Commission will take an evaluation-based approach to measuring our performance using:

- comprehensive internal processes to ensure that what we deliver has been robustly canvassed, developed, assessed and signed off, including the way we approach engagement with Iwi/Māori
- external testing of key evidence underpinning advice specified under the CCRA 2002 or requested by the Minister
- case studies of how we build our relationships with Iwi/Māori
- monitoring how effectively we are telling our story
- feedback from the Minister
- a biennial survey of stakeholders.

### **Use of case studies**

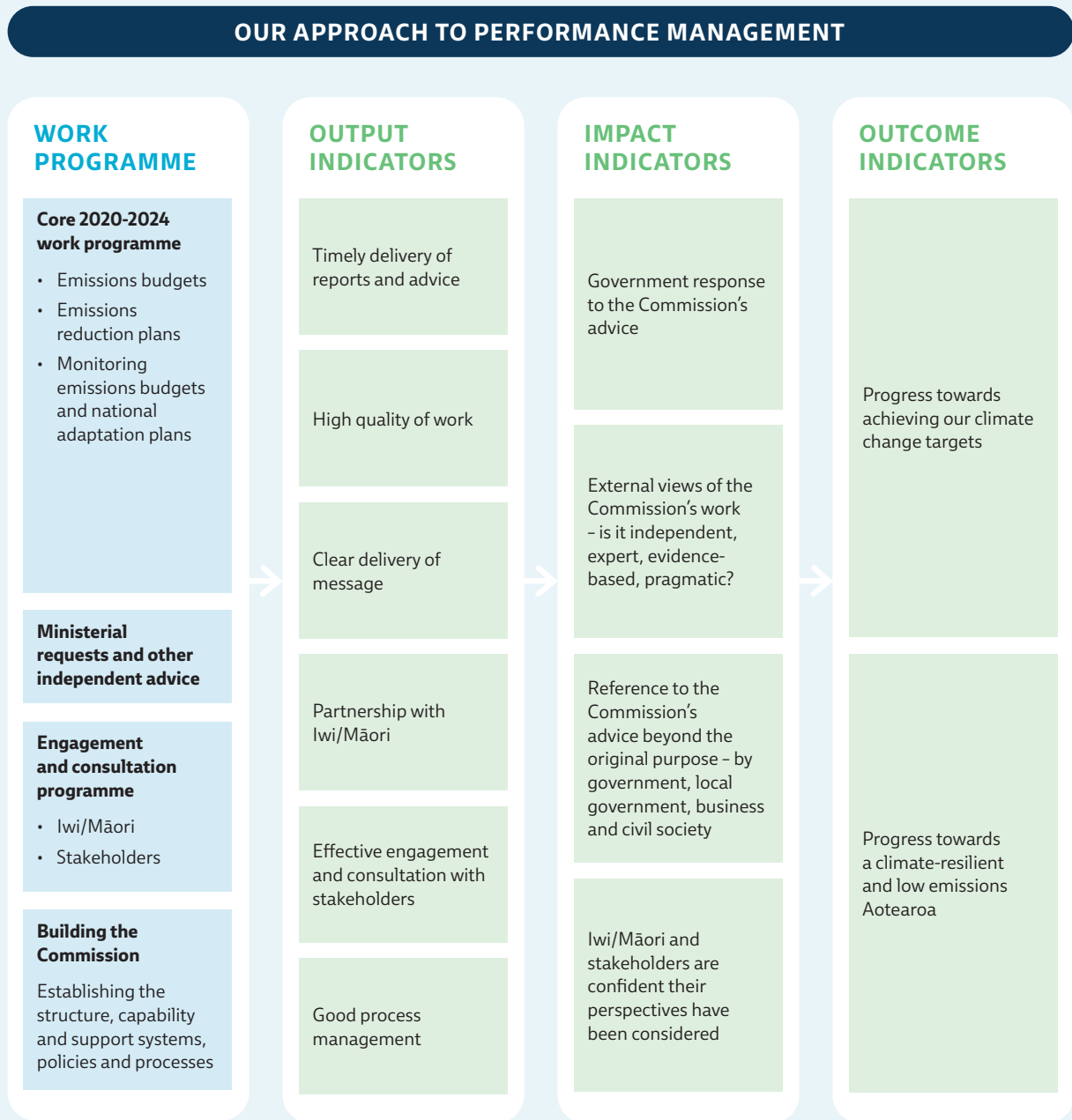
The Commission will use case study methodology to measure some aspects of its performance. Case study methodology is widely recognised as a performance measurement tool that allows for the detailed examination of a specific subject and provides credible insights that will help inform our work going forward.

The Commission is undertaking a programme of work including case studies to gather insights from Iwi/Māori that will inform ongoing legislative deliverables. Our case study approach will provide the opportunity to:

- build our insights and understanding about the impacts of climate change for Iwi/Māori and explore the approach Māori-collectives are taking to mitigate against, and adapt to these impacts
- learn about what matters to Iwi/Māori in the climate change discourse and their perspectives on practical courses of action that would support Māori to transition
- identify potential new directions for future research or investigation, and
- enhance our ability to deliver advice to Government that promotes an equitable transition for Iwi/Māori.

Given the above, our approach to performance measurement can be summarised in Figure 2 below.

Figure 2: High level performance framework





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## NGĀ INENGA, NGĀ WHAKAMAHUKI - Detailed measures

**The Commission has developed significantly over the last three years and as we move in to our fourth year, some aspects of our performance measures and frameworks that were established during the Commission's inception are no longer fit-for-purpose.**

The measurement system for 2022/23 seeks to use the existing frameworks from our current Statement of Intent 2020-2024 while ensuring that our measurement system is in line with how the Commission's strategic direction is developing ahead of its new Statement of Intent due in June 2023 (for 2023-2027).

Further to this, we are not currently resourced to measure some of the impact indicators and output indicators that were designed when the Commission was formed in 2019. These are shaded in a darker colour in the table below. While these may not be accompanied by performance measures, we recognise that these are important components of our strategic approach and we will continue to monitor our progress in these areas using the resources that we have in place, culminating in the provision of a narrative in our Annual Report.

The Commission has selected what we believe are the critical few measures that succinctly describe our work and successful performance at this stage in our organisational build. We are also conscious of choosing measurement mechanisms that enable us to compare data across financial years and observe trends.

## Our mission

Our mission is **To deliver independent, evidence-based advice to guide climate change action for Aotearoa.**

## Our desired outcomes for Aotearoa New Zealand

We are seeking, through our work, to influence two key long-term societal changes:

- An equitable transition to a climate-resilient and low emissions Aotearoa.
- Aotearoa delivers on its commitments to global climate change action.

We are one of many contributors to our outcomes; they are not directly attributable to our actions.

## The Commission's contribution to these outcomes

Our influence may be direct and relatively immediate (through the acceptance of our advice and recommendations leading to changes in policy and behaviours) or long term and indirect (through improving progress towards achieving climate change goals in Aotearoa).

## Measuring our contribution

The Commission is an advisory body and does not run or implement any policies or programmes. We rely on our expertise, engagement and communication of our analysis and ideas to achieve results.

## Impacts

Through our work, **we are seeking to deliver the following impacts** (as shown in our outcomes framework above):

- Advice that influences actions by government
- Advice that is perceived as independent, expert, evidence-based and pragmatic
- Iwi/Māori and stakeholders are confident their perspectives have been considered.

In order to measure our performance in these areas, we use a **series of impact indicators** (as shown in the performance management framework above):

- Government response to the Commission's advice.
- External views of the Commission's work – is it independent, expert, evidence-based, pragmatic?
- Reference to the Commission's advice beyond the original purpose – by government, local government, businesses and civil society
- Iwi/Māori and stakeholders are confident their perspectives have been considered.

**We set performance measures against our impact indicators** and monitor our performance quarterly, reporting on these measures in the Annual Report. The table of measures is shown below:

#	Impact indicator	Measure	Assessment method	Frequency
1	Government response to the Commission's advice	The Government has understood our advice, considered it appropriately and given it weighting in their considerations	Assessment of collated feedback from Government	Annual
2	*External views of the Commission's work - is it independent, expert, evidence-based, pragmatic?	<ul style="list-style-type: none"> <li>At least 60% of our stakeholders agree we provide credible advice to the Government</li> <li>At least 60% of our stakeholders agree we are an evidence-based, robust organisation</li> </ul> <p>We will monitor for significant imbalances across different groups of stakeholders</p>	Stakeholder Survey	Biennial
3	Reference to the Commission's advice beyond the original purpose - by government, local government, businesses and civil society	Monitoring the reach of our advice		
4	Iwi/Māori and stakeholders are confident their perspectives have been considered	Iwi/Māori: Case studies	Methodology involves the detailed examination of a specific subject and provides credible insights that will help inform our work going forward	Annual
5		Stakeholders: Addressed through the stakeholder survey, see Measures #2, #11 and #12		

\*Data on which we rely to assess performance is only available on a two-yearly basis through the Stakeholder Survey

## Outputs

Through our work, **we are seeking to deliver the following high-level outputs** (as shown in our outcomes framework above):

- Core 2020-2024 work programme
- Ministerial requests and other independent advice
- Building the Commission
- Engagement and consultation programmes

In order to measure our performance in these areas, we use a **series of output indicators** (as shown in the performance management framework above):

- Timely delivery of reports and advice
- High quality of work
- Clear delivery of message
- Partnership with Iwi/Māori
- Effective engagement with stakeholders and communities
- Good process management

**We set performance measures against our output indicators** and monitor our performance quarterly, reporting on these measures in the Annual Report. The table of measures is shown below:

#	Output indicator	Measure	Assessment method	Frequency
6	Timely delivery of reports and advice	100% of requested reports and advice are delivered by the agreed date	Record of agreed dates and actual delivery dates	Annual
7	High quality of work	100% of advice is developed in accordance with rigorous internal standards and procedures for quality assurance	Internal quality reviews checking the rigour of the work done: including feedback from internal reviewers, analyst responses to reviewer comments and senior responsible owner sign-off	Annual
8		100% of the advice on matters specified in the CCRA or requested by the Minister is subject to appropriate external testing and review	Adherence to the Commission's testing and review protocol	
9	Clear delivery of message	Monitoring how effectively we are communicating our advice		
10	Partnership with Iwi/Māori	Consideration is given to Te Ao Māori, tikanga, Mātauranga, te reo, and the Māori economy. Staff demonstrate capability to engage appropriately with Iwi/Māori and understand Māori perspectives	Internal principles of engagement with Iwi/Māori based on the partnerships strategy are upheld	Annual

#	Output indicator	Measure	Assessment method	Frequency
11	*Effective engagement with stakeholders and communities	<p>*Engagement</p> <ul style="list-style-type: none"> <li>At least 50% of our stakeholders are positive about their ongoing engagement with the Commission</li> <li>At least 60% of our stakeholders report finding value in engaging with the Commission</li> <li>At least 60% of our stakeholders believe that there are sufficient opportunities to provide thoughts/feedback to the Commission</li> </ul> <p>We will monitor for significant imbalances across different groups of stakeholders</p>	Stakeholder Survey	Biennial
12		<p>*Consultation</p> <ul style="list-style-type: none"> <li>At least 60% of our stakeholders rate our consultation process as 'very good' or 'fairly good'</li> <li>At least 65% of our stakeholders feel it is easy to provide a submission</li> <li>At least 50% of our stakeholders feel that it was worthwhile to make a submission</li> </ul> <p>We will monitor for significant imbalances across different groups of stakeholders</p>	Stakeholder Survey	
13	Good process management	100% of OIAs are responded to within the statutory timeframe	Internal OIA Tracker	Quarterly

\*Data on which we rely to assess performance is only available on a two-yearly basis through the Stakeholder Survey

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# NGĀ MATAPAE WHAKATAUNGA PŪTEA 2022/23 – Prospective Financial Statements for 2022/23

**These Prospective Financial Statements have been prepared in accordance with generally accepted accounting practice for public sector public benefit entities.**

Their purpose is to facilitate consideration by Parliament of the planned performance of the Commission. The 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 and that the variation may be material. The information has not been audited.

These Prospective Financial Statements have been prepared on the basis of assumptions about future events that the Commission reasonably expects to occur as at the date the information was prepared. It is not intended that this information will be updated. The forecast financial statements were authorised for issue by the Board on 14 June 2022.

## Assumptions

The following assumptions have been used in preparing these Prospective Financial Statements.

- The Commission will continue to operate in its current structure and form.
- The Commission's statutory functions will remain unchanged.
- Revenue from the Crown of \$15,532,000 will be available for the 2022/23 year.
- The Commission in 2022/23 will extend its lease to include the whole of level 21, AON Building 1 Willis St.
- Externally driven costs have been adjusted to increase based on 2021/22 actual increases
- There will be no unexpected external events (such as a natural disaster) that will require significant operating or capital expenditures to be incurred.

## Statement of accounting policies

### (a) Reporting Entity

The Climate Change Commission (the Commission) is a Crown entity as defined by the Crown Entities Act 2004. It was established under the Climate Change Response (Zero Carbon) Amendment Act 2019 and its parent is the Crown. The Commission's principal activities are to:

1. provide independent, expert advice to the Government on mitigating climate change and adapting to its effects; and

2. monitor and review the Government's progress towards its emissions reduction and adaptation goals.

The Commission is a public benefit entity (PBE) for financial reporting purposes.

### (b) Statement of Compliance

These 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). These Prospective Financial Statements comply with PBE accounting standards, being prepared in accordance with Tier 2 PBE accounting standards, as a PBE with expenses less than \$30m.

The Commission has applied these standards in preparing these Prospective Financial Statements and has applied all the Reduced Disclosure Requirements Concessions available at Tier 2.

### (c) Measurement base

The Prospective Financial Statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

#### **(d) Functional and presentation currency**

These Prospective Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Commission is New Zealand dollars.

#### **(e) Significant accounting policies**

The significant accounting policies which materially affect the measurement of financial performance, position and cash flows have been applied consistently for all reporting periods covered by these financial statements.

#### **Revenue**

Revenue is measured at fair value of consideration received or receivable. Revenue is derived through the provision of outputs for the Crown, services to third parties and investment income.

#### **Revenue from the Crown**

Revenue from Crown transactions is considered to be non-exchange transactions.

The Commission is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose specified in the Appropriation. Revenue from the Crown is recognised in the financial period to which it relates.

#### **Other revenue**

Other revenue transactions including interest revenue and provision of services are considered to be exchange transactions.

#### **Interest**

Interest revenue is recognised using the effective interest method.

#### **Provision of services**

Revenue derived through the provision of services to third parties is recognised in proportion to the stage of completion at the balance date. The stage of completion is assessed by reference to surveys of work performed.

#### **Expenditure**

All expenditure incurred in the provision of outputs for the Crown is recognised in the surplus or deficit when an obligation arises, using an accruals basis.

#### **Leases**

The Commission is party to operating leases as lessee. As the lessors retain substantially all the risk and rewards of ownership of the leased property, plant and equipment, the operating lease payments are recognised in the surplus or deficit only in the period in which they occur. Any lease incentive received or obligations to make good on the condition of the leased premises are recognised in the surplus or deficit over the term of the lease. At balance date, any unamortised incentive or outstanding obligation for reinstatement is recognised as a liability in the statement of financial position.

#### **Cash and cash equivalents**

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



### **Debtors and other receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **Property, plant and equipment**

Property, plant and equipment consists of the following asset classes: information technology assets; furniture; office equipment; and leasehold improvements.

#### *Additions*

All items of property, plant and equipment owned are recorded at historical cost less accumulated depreciation and any impairment losses. Depreciation on items of property, plant and equipment acquired in stages does not commence until the item of property, plant and equipment is in its final state and ready for its intended use. Subsequent expenditure that extends the useful life or enhances the service potential of an existing item of property, plant and equipment is capitalised. All other costs incurred in maintaining the useful life or service potential of an existing item of property, plant and equipment are recognised in the surplus or deficit as expenditure when incurred.

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably. Assets are capitalised if the purchase price is \$1,000 or greater. Items (such as chairs) with a lower individual cost are considered to be capitalised by being aggregated into the asset class. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

#### *Disposals*

Gains or losses arising from the sale or disposal of an item of property, plant and equipment are recognised in the surplus or deficit in the period in which the item of property, plant and equipment is sold or disposed of.

#### *Depreciation*

Depreciation is provided on a straight-line basis on all asset components to allocate the cost of the asset (less any estimated residual value) over its useful life. The residual values and remaining useful lives of property, plant and equipment are reviewed annually. This review includes a test of impairment to ensure the carrying amount remains recoverable. Any impairment losses are recognised in the surplus or deficit. The estimated useful lives of the major asset classes are:

Information Technology Equipment	3 years
Leasehold Improvements	5 years
Office Equipment	5 years
Furniture	5 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## **Intangible assets**

### *Software acquisition*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Assets are capitalised if the purchase price is \$5,000 or greater.

### *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 recognised in the surplus or deficit.

The useful life of intangible assets has been estimated as follows:

Purchased software	3 years.
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## **Impairment of property, plant and equipment and intangible assets**

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

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is determined based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

## **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## 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 expenditure will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## Goods and services tax

All items in the Prospective Financial Statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of 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

The Commission is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

## Equity

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

- Contributed capital
- Accumulated surplus/(deficit).

## Cash flows

The prospective cash flow statement is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive revenue and expense.

## Performance outputs

Direct costs are charged directly to outputs. Research personnel costs are allocated to outputs based on the time spent. The indirect costs of support groups and overhead costs are charged to outputs based on the proportion of direct costs of each output.

## Critical judgements in applying accounting policies

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

### *Leases classification*

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Commission. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised. The Commission has exercised its judgement on the appropriate classification of equipment leases, and has determined that none of the lease arrangements are finance leases.

# Statement of Prospective Comprehensive Revenue and Expense

for the year ending 30 June 2023

	Estimated actual 2021/22 \$000	Forecast 2022/23 \$000
<b>Revenue</b>		
Revenue Crown	12,486	15,532
Interest income	22	-
Other revenue	-	-
<b>Total revenue</b>	<b>12,508</b>	<b>15,532</b>
<b>Expenses</b>		
Personnel	(6,879)	(10,946)
Other expenses	(4,246)	(4,802)
Depreciation and amortisation expenses	(139)	(461)
<b>Total expenses</b>	<b>(11,264)</b>	<b>(16,209)</b>
<b>Net surplus/(deficit)</b>	<b>1,244</b>	<b>(677)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive revenue and expenses</b>	<b>1,244</b>	<b>(677)</b>

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Statement of Prospective Comprehensive Revenue and Expense.

# Statement of Prospective Changes in Equity

for the year ending 30 June 2023

	Estimated actual 2021/22 \$000	Forecast 2022/23 \$000
<b>Balance as at 1 July</b>		
<b>Comprehensive revenue and expenses</b>		
Surplus/(deficit)	1,244	(677)
Crown funding - Capital	-	-
<b>Total comprehensive revenue and expenses</b>	<b>1,244</b>	<b>(677)</b>
<b>Balance as at 30 June</b>		
	<b>1,244</b>	<b>(677)</b>

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Statement of Prospective Changes in Equity.

# Statement of Prospective Financial Position

for the year ending 30 June 2023

	Estimated actual 2021/22 \$000	Forecast 2022/23 \$000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,189	1,160
Debtors and other receivables	107	147
<b>Total current assets</b>	<b>3,296</b>	<b>1,307</b>
<b>Non-current assets</b>		
Property, plant, and equipment	427	1,466
Intangible assets	-	-
<b>Total non-current assets</b>	<b>427</b>	<b>1,466</b>
<b>Total assets</b>	<b>3,723</b>	<b>2,773</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Creditors and other payables	270	119
Annual leave liability	342	152
Goods and Services Tax	(64)	(75)
PAYE and withholding tax	138	188
Lease incentive - current	-	-
Employee entitlements	-	-
<b>Total current liabilities</b>	<b>686</b>	<b>384</b>
<b>Non-current liabilities</b>		
Provisions	250	315
Lease incentive	36	-
<b>Total non-current liabilities</b>	<b>286</b>	<b>315</b>
<b>Total liabilities</b>	<b>972</b>	<b>699</b>
<b>Net assets</b>	<b>2,751</b>	<b>2,074</b>
<b>Equity</b>		
Total comprehensive revenue and expenses	1,244	(677)
Retained earnings	908	2,152
Capital contributions	599	599
<b>Total equity</b>	<b>2,751</b>	<b>2,074</b>

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Statement of Prospective Financial Position.

# Statement of Prospective Cash Flows

for the year ending 30 June 2023

	Estimated actual 2021/22 \$000	Forecast 2022/23 \$000
<b>Cash flows from operating activities</b>		
<b>Cash was received from</b>		
Receipts from Crown	12,486	15,532
Receipts from other revenue	89	-
<b>Cash was applied to</b>		
Payments to suppliers	(3,494)	(5,115)
Payments to employees	(7,861)	(10,946)
<b>Net cash flows from operating activities</b>	<b>1,220</b>	<b>(529)</b>
<b>Cash flows from investing activities</b>		
<b>Cash was applied to</b>		
Purchase of property, plant, and equipment	(94)	(1,500)
Purchase of intangible assets	-	-
<b>Net cash flows from investing activities</b>	<b>(94)</b>	<b>(1,500)</b>
<b>Cash flows from financing activities</b>		
Capital contributions	-	-
Capital withdrawal	-	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>
Net (decrease)/increase in cash	1,126	(2,029)
Opening cash and cash equivalents	2,063	3,189
<b>Closing cash and cash equivalents</b>	<b>3,189</b>	<b>1,160</b>

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Statement of Prospective Cash Flows.

# Glossary

Term	Definition
Adaptation	Actions that can help people or natural systems adjust to the actual or expected impacts of climate change. Actions can be incremental and temporary in their effect or transformational by changing systems and their functions, depending on the scale and pace of change and what is at stake.
Biogenic methane	Methane emissions resulting from biological processes in the waste and agriculture sectors.
Climate resilience	Climate resilience is the ability to anticipate, prepare for, and respond to the impacts of changing climate, including those that we know about and can anticipate and those that occur as extreme events. This includes planning for sea level rise now and responding to more frequent flooding and being ready to respond to extreme events like forest fires or extreme floods and to trends in precipitation and temperature that emerge over time like droughts.
Emissions	Greenhouse gases released into the atmosphere. The Climate Change Response Act 2002 covers the following greenhouse gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride.
Emissions budget	A budget set by the Minister of Climate Change under the CCRA, that prescribes the total emissions that can be permitted over a certain period. In the CCRA, emissions budgets are the total amount of all greenhouse gases (expressed as a net amount of carbon dioxide equivalent) that can be released over a five-year period (or four years in the case of the first emissions budget which covers the period 2022-2025).



Emissions reduction plan	A plan prepared and made publicly available by the Minister of Climate Change setting out the policies and strategies for meeting an emissions budget, as required by the CCRA 2002.
Gross emissions	Gross emissions include total greenhouse gas emissions from agriculture, energy, industrial processes and product use (e.g. cement production, refrigeration) and waste. Greenhouse gas emissions and carbon dioxide removals due to land use, land use change and forestry (LULUCF) are excluded.
Mitigation	Human actions to reduce emissions by sources or enhance removals by sinks of greenhouse gases. Examples of reducing emissions by sources include walking instead of driving, or replacing a coal boiler with a renewable-powered electric one. Examples of enhancing removals by sinks include growing new trees to absorb carbon, or industrial carbon capture and storage activities.
National adaptation plan	National adaptation plans are required by the Climate Change Response Act 2002 to set out the objectives, strategies, policies and proposals for adapting to the effects of climate change.
Net emissions	Net emissions differ from gross emissions in that they also include emissions from the land use, land use change and forestry sector as well as removals of greenhouse gases from the atmosphere through human activities, such as removals of carbon dioxide from the growth of trees. There are different methods and approaches, used in different contexts, for which emissions and removals are included.





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**Te Kāwanatanga o Aotearoa**  
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