

Protecting the health and wealth of New Zealand



Accreditation Council

Statement of Performance Expectations

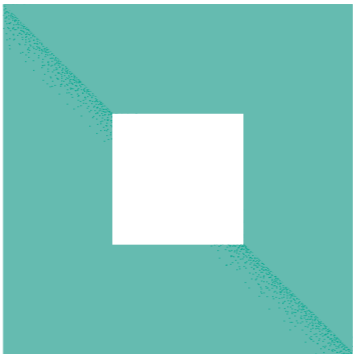
1 July 2023 – 30 June 2024



Telarc.
The Mark of Success

IANZ
The NZ mark of competence
Tohu Matatau Aotearoa

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Known by
New Zealand,
trusted by
New Zealand



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Partnering to ensure your wellbeing



The Accreditation Council is responsible to the Minister of Commerce and Consumer Affairs and is an autonomous Crown Entity under the Crown Entities Act 2004, with statutory functions under the Standards and Accreditation Act 2015.

Trading as International Accreditation New Zealand (IANZ), it adds value to businesses by providing independent assurance of their technical competence.

The Council also offers certification services through its 100% owned subsidiary, Telarc Limited (Telarc), New Zealand's largest management system certification body.

To assist customers and businesses to meet the requirements of accreditation or certification, the Council also offers training services through its training arm.



The NZ mark of competence
Tohu Matataau Aotearoa

IANZ ensures testing laboratories, inspection bodies, building consent authorities and medical imaging providers meet international standards and can demonstrate that they are competent.

IANZ has signed international mutual recognition arrangements (MRAs) with International Laboratory Accreditation Cooperation (ILAC) and Asia Pacific Accreditation Cooperation (APAC). This means IANZ accreditation is recognised in more than 100 countries, providing IANZ-accredited New Zealand companies with a competitive advantage and access to new market opportunities.

IANZ accreditation helps protect New Zealand's global reputation as a responsible producer of quality products and services.



Telarc is New Zealand's leading certifier of quality, environmental, food, and occupational health and safety management systems. Telarc provides auditing services that focus as much on business improvement as they do on standard compliance.

Telarc is formally recognised as an accredited certification/registration body by Joint Accreditation System – Australia and New Zealand (JASANZ). JASANZ is a member of the International Accreditation Forum (IAF), the world association of conformity assessment accreditation bodies.

This means assessments are assured by an independent third party and internationally recognised which in turn assures clients of Telarc's competency and impartiality, and clients' customers of the quality and integrity of the systems that help produce the goods and services they purchase.

Support and Protect

Protecting so many aspects of New Zealand life



Our infrastructure
Our primary exports
Our healthcare
Our drinking water
Our manufacturing
Our passenger ropeways and pressure equipment



Our wine production
Our vehicles
Our homes
Our workers
Our food production
Our cafés and restaurants



Chair and Chief Executive’s Introduction

The Accreditation Council is a self-funding autonomous Crown Entity with statutory functions under the Standards and Accreditation Act 2015.

The Council directly contributes to the health and wealth of Aotearoa New Zealand by working with a diverse range of organisations that test or inspect products and services to assure they comply with standards and regulations, operate competently, and produce accurate results.

Our Statement of Performance Expectations outlines the activities that we will undertake for the Financial Year 2024 and how we will measure our progress against our intended outcomes.

The New Zealand Government has identified three overarching objectives, which are to:

- keep New Zealanders safe from COVID-19;
- accelerate New Zealand’s economic recovery and rebuild; and
- lay the foundations for a better future.

The performance framework outlined in this document is structured into four Strategic Outcome Areas, all of which are well-aligned with: (1) the above overarching objectives; (2) the New Zealand Government’s five wellbeing objectives (ref: 2023 Budget Policy Statement); and (3) the expectations of the Minister of Commerce and Consumer Affairs.

Our Strategic Outcome Areas:

1. Enhanced health and safety of New Zealanders

The COVID-19 pandemic remains, but its management is now more consistent with other viral illnesses. The Accreditation Council will continue to support Aotearoa New Zealand’s response to COVID-19 through the accreditation of testing laboratories and wherever else it can usefully contribute to mitigating the health and/or economic impacts of the pandemic.

Two major Government reforms that are related to public health and well-being, the Three Waters Reform programme, and the creation of Te Whatu Ora and the Te Aka Whai Ora, will significantly change the way these key services are governed and managed. Accreditation and certification will be essential for maintaining quality and consistency, and therefore contribute to equity, across Te Whatu Ora and the ten governance entities of Three Waters, leading to improved health outcomes for all New Zealanders, and particularly for Māori.

More generally, the Accreditation Council will continue to expand accreditation and certification service offerings across all key operating sectors, but with a particular focus on health and safety. It will work with regulators and industry stakeholders to confirm needs and design schemes that tackle real-world problems and risks.

2. Business and consumers interacting with confidence to participate in a fair and thriving economy

We will broaden the impact of conformance assessment through working with new sectors and increasing the flexibility of accreditation through developing quality “right size, right risk” packages. Our intent is to fill critical gaps, anticipate future needs, and work in partnership with other Government departments to update policy and/or regulations.

Despite the impact of COVID-19, certifications continue to increase across quality, environment, health and safety, and food and wine. The number of clients opting to utilise an integrated audit option – bundling multiple ISO certifications from a single source – have increased substantially. The uptake of standards is increasing as sellers and buyers look for reassurance that the product or service being provided has been ethically, sustainably, or safely sourced or supplied. As before, we will proactively identify and meet these needs.

To enhance the accessibility of accreditation and certification, the Accreditation Council, through IANZ and Telarc training services, will innovate to increase access to conformance training standards for clients disadvantaged by cost and/or time constraints.

3. Easier access to international markets through reduced technical barriers

Mutual recognition agreements (MRAs), negotiated under free trade agreements, allow New Zealand exporters to move their products seamlessly into overseas markets. IANZ will support the Ministry for Primary Industries (MPI), the Ministry of Foreign Affairs and Trade (MFAT), and the Ministry for Business, Innovation and Employment (MBIE) when negotiating these free trade agreements to encourage the mutual recognition of standards and conformity assessment, plus work with export clients to ensure they maintain their ability to meet overseas market access requirements. In order to support on-going MRAs between accreditation bodies, IANZ will contribute to international evaluations, and work with International Laboratory Accreditation Cooperation (ILAC) and Asia Pacific Accreditation Cooperation (APAC) to maintain New Zealand’s recognition, position, and influence in these important international arrangements.

4. A climate-resilient, low-emissions, and sustainable economy

The pursuit of a Carbon Zero economy by 2050 is a major undertaking that will touch most, if not all, industries across New Zealand. IANZ will proactively connect with Government across a number of sectors to explore how conformance assessment can support carbon emissions reductions and other sustainability policy objectives. Telarc supports Government initiatives through certification to encourage companies to become environmentally sustainable. As New Zealand progresses towards a low-carbon economy, there is an opportunity for Telarc to increase its level of support to meet the inevitable demand, facilitated by Telarc’s training services to support those involved in implementing and auditing environmental management systems.

Organisational health and capability

Underpinning the above outcome areas, we will progress strategic initiatives focused on developing our people, improving our service and processes, and transforming our information management systems. With these changes, and our proposed programme of work for financial year 2024, we are confident that we will strengthen the Accreditation Council’s contribution towards protecting the health and wealth of Aotearoa New Zealand.



Paul Connell
Chair



Dr. Brian Young
Chief Executive



Board Statement

This Statement of Performance Expectations reflects proposed performance targets and forecast financial statements for the period 1 July 2023 to 30 June 2024. It is produced in accordance with the requirements of section 149E of the Crown Entities Act 2004.

The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the Accreditation Council in accordance with its role under the Crown Entities Act 2004.

The Accreditation Council proposes to provide four classes of outputs in the coming financial year:

1. Accreditation services

2. Certification services

3. International recognition services

4. Training and other services

Because the Council is self-funded, these output classes are not “reportable” under the Crown Entities Act. However, the Council has chosen as a matter of good governance to state the intended outcomes, objectives and performance measures for each output class. The Council has also chosen to state the expected revenue and expenses for each output class in the Statement of Forecast Revenue and Expense. Telarc’s 100% owned subsidiary, Telarc Holdings Limited, a non-trading entity that owns Telarc’s older trademarks, produces no outputs.



Paul Connell
Chair



Nicole Anderson
Chair Audit & Risk Committee



The conformity assessment framework

Government

Establishes regulatory standards and carries out enforcement on non-compliance. Recognises Accreditation Bodies.

Accreditation Bodies

Attest to the competence of Conformity Assessment Bodies to carry out conformity assessment activities against regulatory and other standards.

Conformity Assessment Bodies

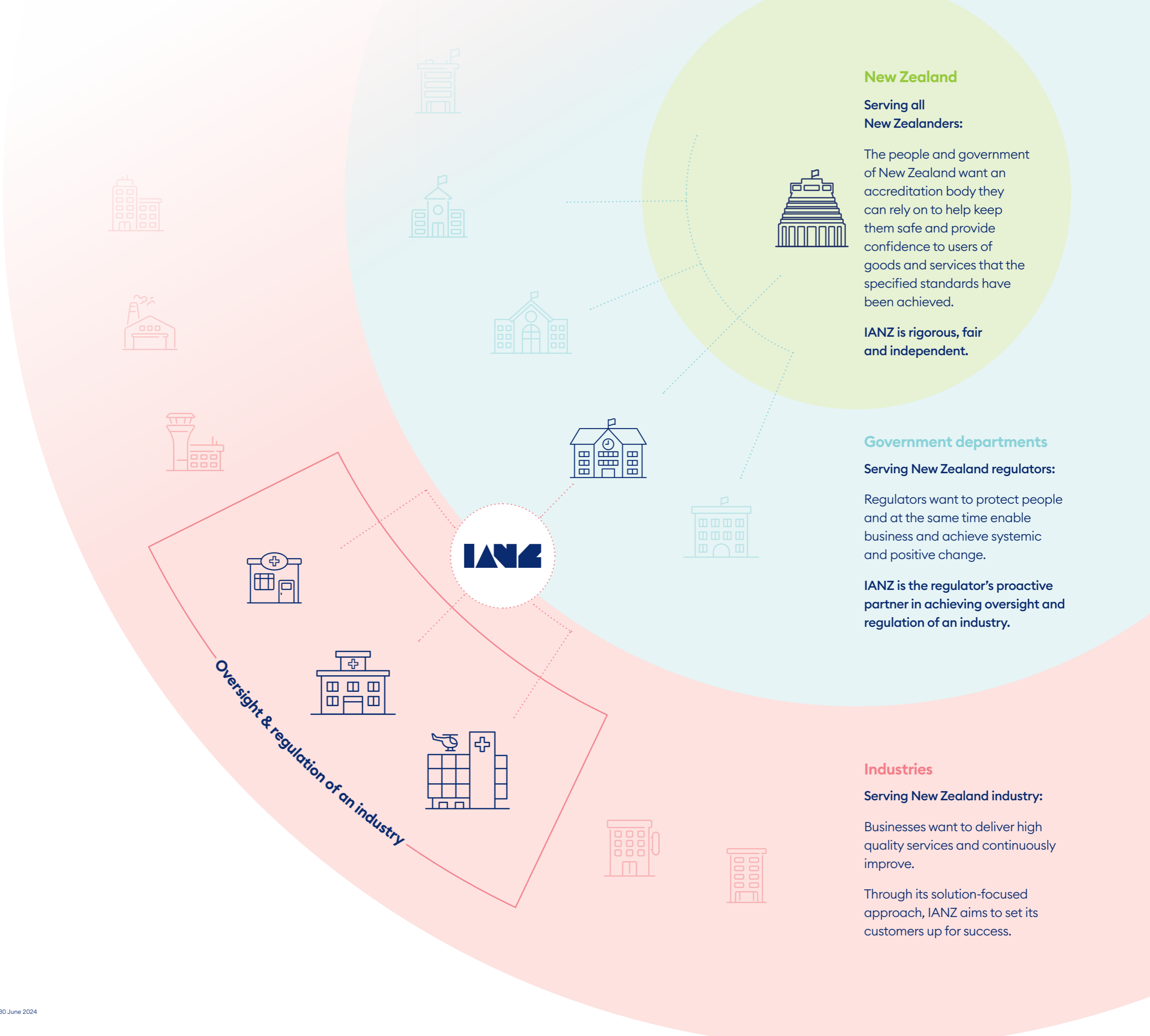
Assess conformance of products, processes and services against regulatory and other standards or specifications.



IANZ’s role

An autonomous Crown entity

We assess a client’s people, equipment, systems, and processes in order to determine the competence of an organisation.



New Zealand

Serving all New Zealanders:

The people and government of New Zealand want an accreditation body they can rely on to help keep them safe and provide confidence to users of goods and services that the specified standards have been achieved.

IANZ is rigorous, fair and independent.

Government departments

Serving New Zealand regulators:

Regulators want to protect people and at the same time enable business and achieve systemic and positive change.

IANZ is the regulator’s proactive partner in achieving oversight and regulation of an industry.

Industries

Serving New Zealand industry:

Businesses want to deliver high quality services and continuously improve.

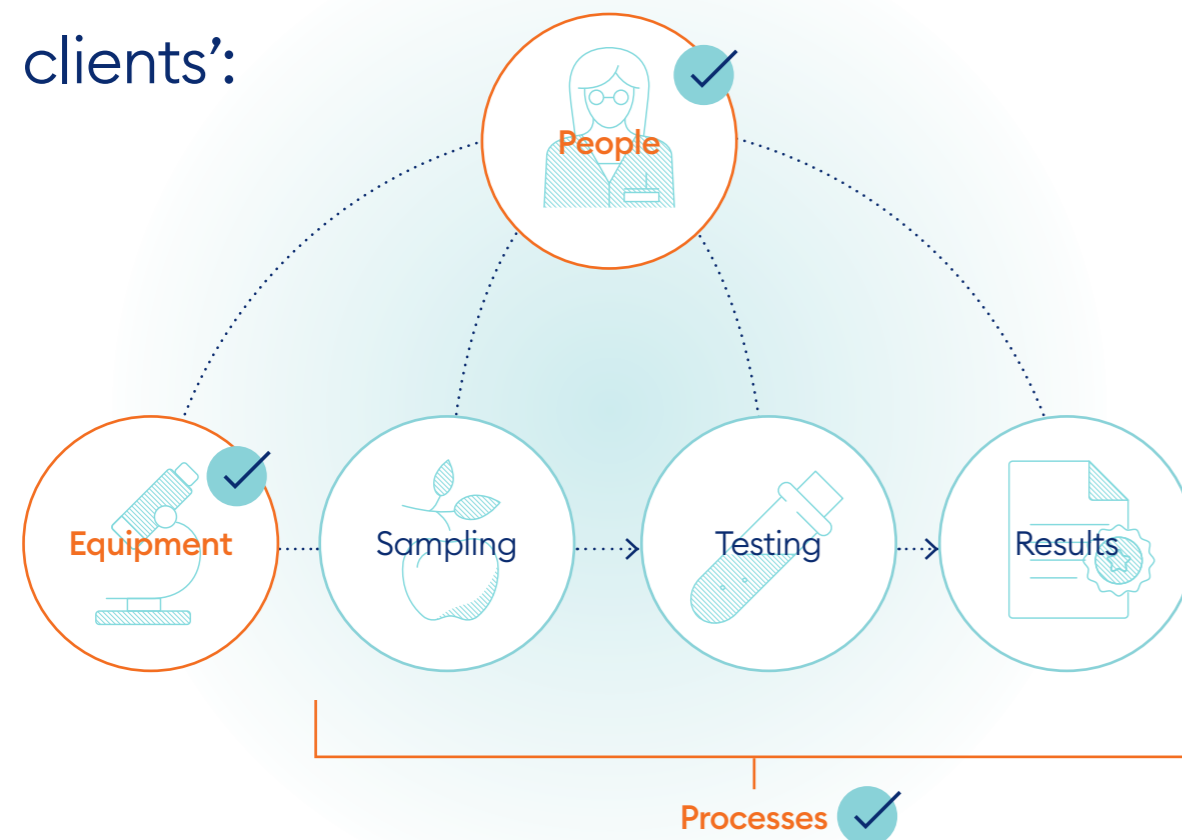
Through its solution-focused approach, IANZ aims to set its customers up for success.

How IANZ works

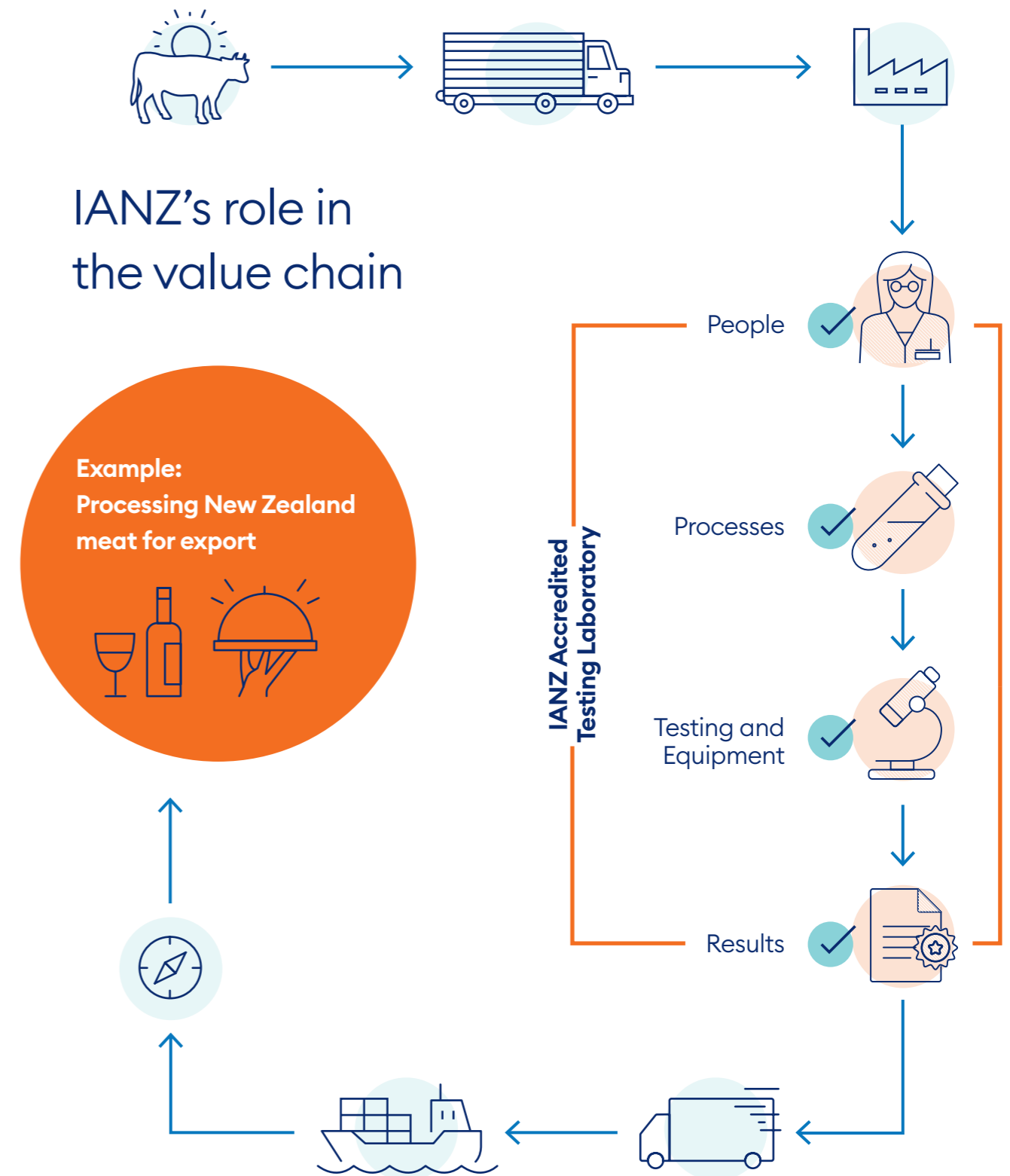
IANZ accredits laboratories that test products and items for safety and conformance, including organisations that provide critical diagnostic testing and medical imaging services. Additionally, inspection bodies are accredited for domestic food safety inspection, engineering safety (e.g. cranes, pressure equipment), and fire sprinkler inspection. All Building Consent Authorities (BCAs) are also accredited by IANZ.

For example, IANZ accredits testing laboratories that test meat for export as part of the MPI process to meet Overseas Market Access Requirements.

We assess clients':



IANZ's role in the value chain



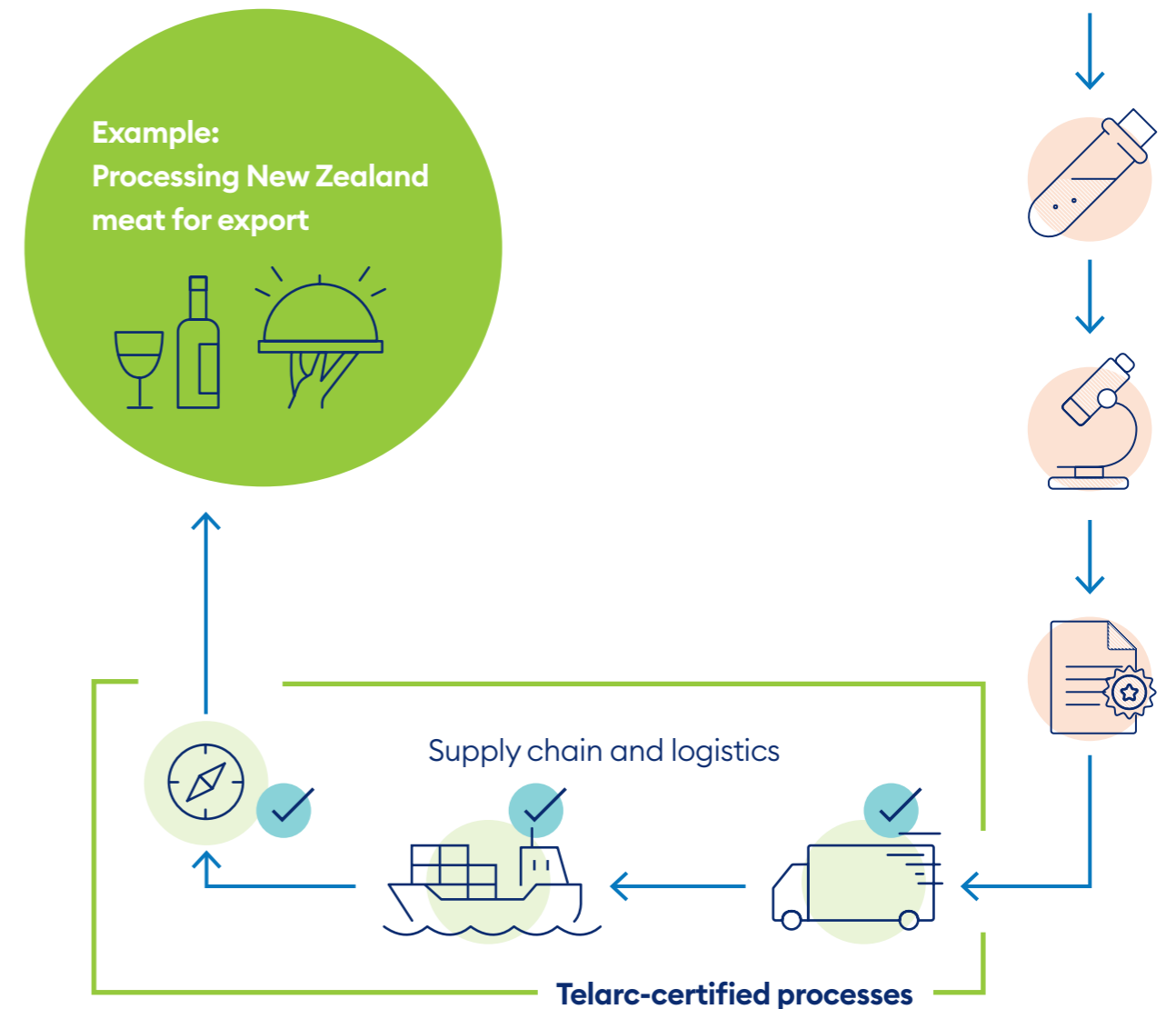
How Telarc works

Telarc audits compliance against food and wine safety, quality, health and safety, asset management, data security and environmental management system standards. Telarc certification provides independent assurance that their customers comply with international and New Zealand standards. Organisations and regulators utilise certification for a number of reasons including business improvement, customer demand, minimisation of risk, and to create recognised benchmarked consistency for producers in highly visible and environmentally challenged industries.

We certify clients':



Telarc's role in the value chain



Our role in 2023/24

Providing protection in a changing world



Accreditation and certification are much more than symbols of competence and quality. They are critical components of a healthy, prosperous, and dynamic economy. As regulations and standards change, new industries emerge, and New Zealand forms new relationships with overseas trading partners, the needs and priorities of the conformance system must also change. In recent times, the rate of this change has increased dramatically. The COVID-19 pandemic, large-scale government reform, and climate change are just some of the factors underlying the heightened challenges and opportunities that face the Accreditation Council. The Council is committed to refining its strategic focus to reflect and keep pace with the change, and maximise the value that IANZ accreditation and Telarc certification contribute to New Zealand business and organisational quality and performance, and more broadly, the health and wealth of New Zealanders.



Our role in 2023/24 (continued)

Driven by care for our people and place

The Council is maintaining its focus on long-term fundamentals throughout the coming year. In particular, we will focus on three main areas:

Our journey with te ao Māori and Te Tiriti o Waitangi

We acknowledge the Government's expectation that we embody a good faith and collaborative approach to Crown-Māori relationships.

We are committed to growing our cultural capabilities so that we can better partner with Māori and Māori organisations.

Our role as stewards of natural capital

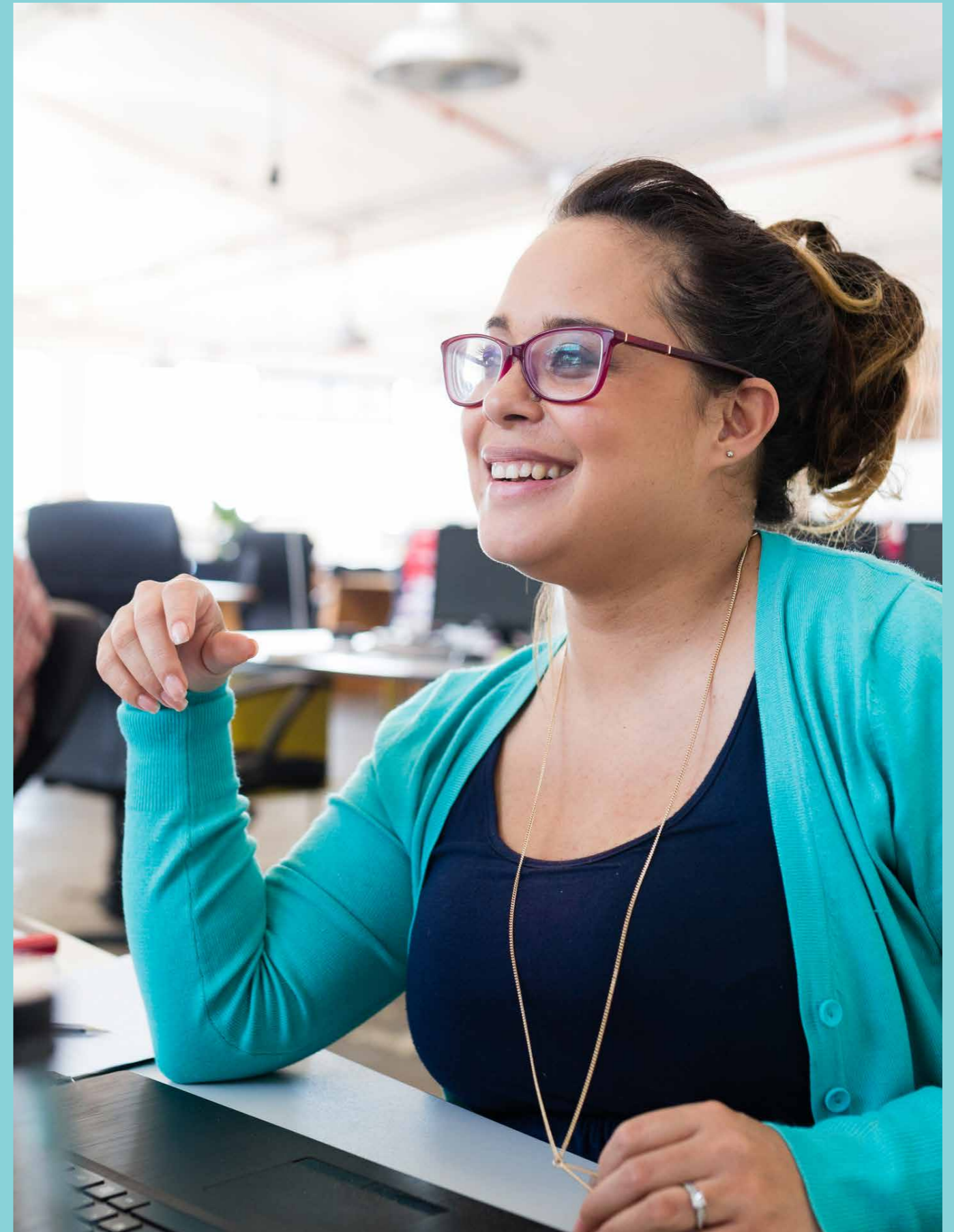
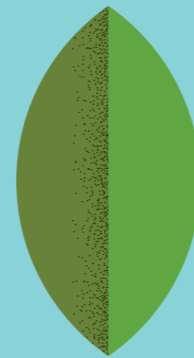
We acknowledge Parliament's declaration of a climate emergency and the Government's expectation that the State sector will lead by example in matters of sustainability.

We are committed to sustainable practices and to reducing our carbon footprint.

Our contribution to wellbeing

We acknowledge the Government's expectation that all forms of capital – financial, human, natural, and social – are needed for wellbeing, and that success should be understood holistically.

We are committed to considering each of these four areas in our work and in future strategy development.



Our role in 2023/24 (continued)

Statement of Forecast Service Performance 2023/2024

Council has considered the Government’s Letter of Enduring Expectations to Crown Entities (2019), the Minister’s Letter of Expectations, and priorities including:

Government Objectives:

- To keep New Zealanders safe from COVID-19
- To accelerate New Zealand’s economic recovery and rebuild
- To lay the foundations for a better future

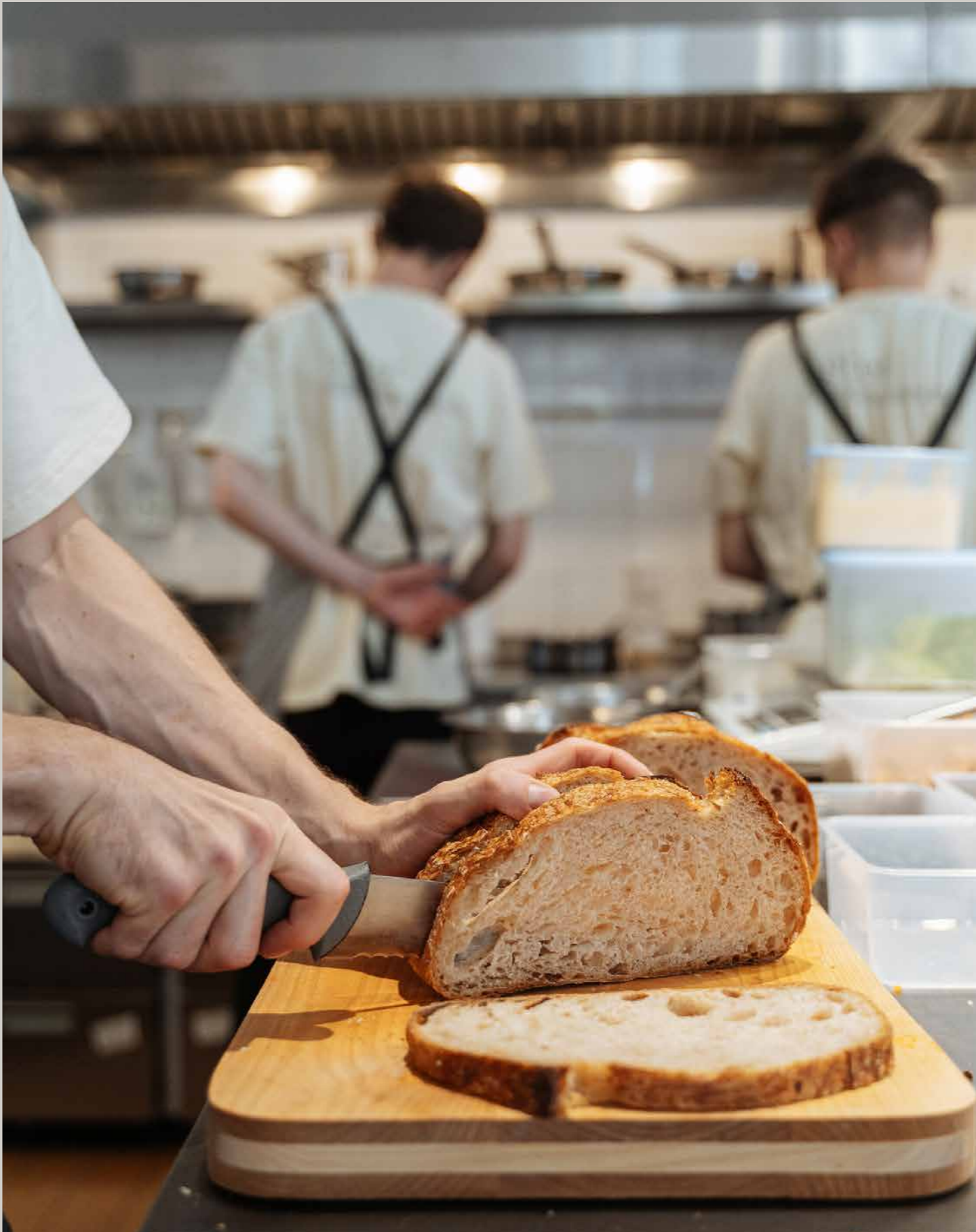
Government Wellbeing Objectives:

- **Just Transition:** supporting New Zealanders to transition to a climate-resilient, sustainable, and low-emissions economy.
- **Physical and Mental Wellbeing:** supporting improved health outcomes for all New Zealanders, particularly the mental wellbeing of our young people.
- **Future of Work:** equipping New Zealanders and enabling New Zealand businesses to benefit from new technologies, and lift productivity and wages through innovation.
- **Māori and Pacific Peoples:** lifting Māori and Pacific peoples’ incomes, skills, and opportunities, including through access to affordable, safe, and stable housing.
- **Child Wellbeing:** reducing child poverty and improving child wellbeing, including through access to affordable, safe, and stable housing.

Government Economic Plan:

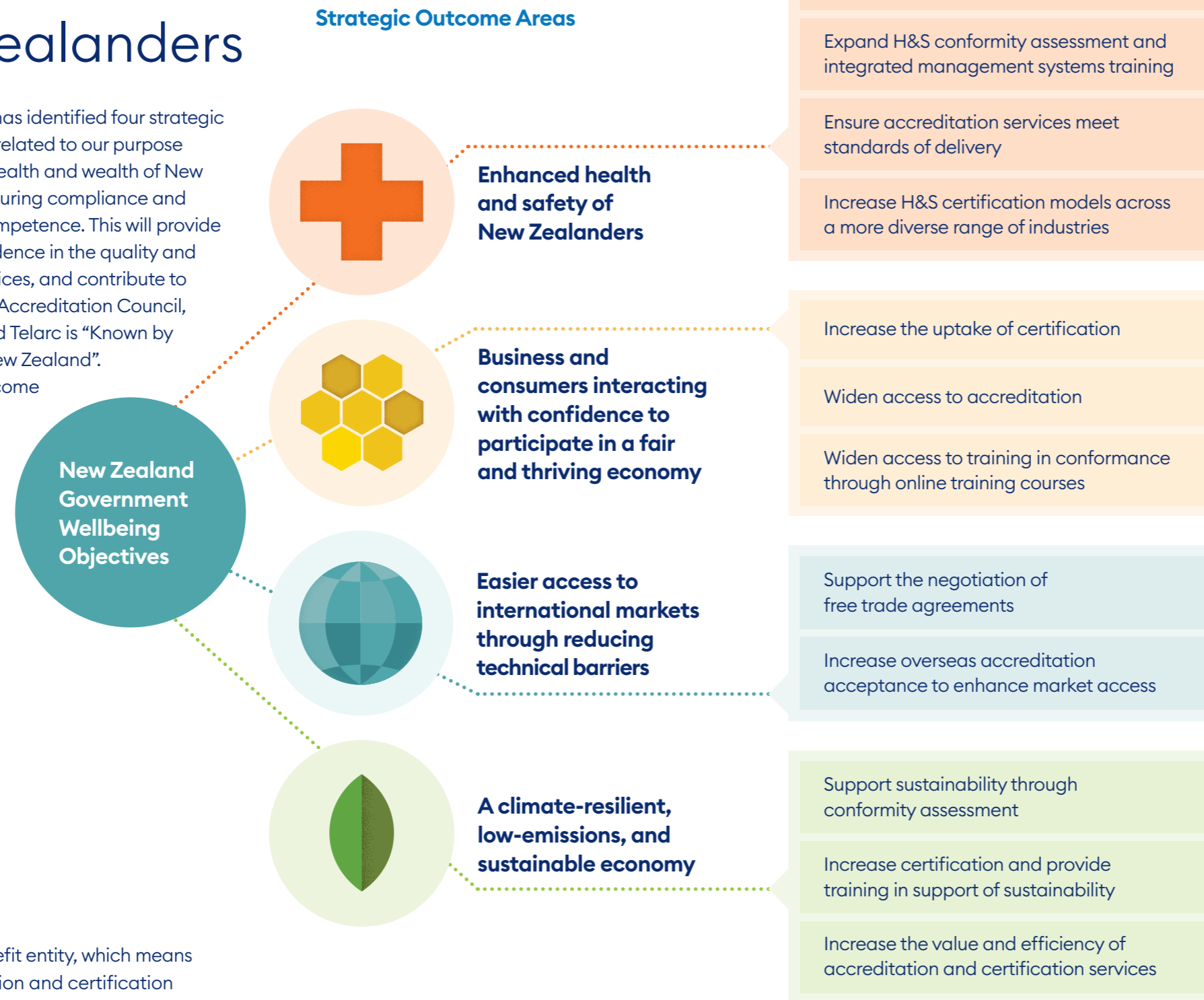
Supporting Aotearoa New Zealand to become a high wage low emissions economy that provides economic security in good times and bad.

reference: <https://budget.govt.nz/budget/2023/bps/wellbeing-objectives.htm>



Protecting the health and wealth of New Zealanders

The Accreditation Council has identified four strategic outcomes that are directly related to our purpose and role in protecting the health and wealth of New Zealand, through Telarc assuring compliance and IANZ assuring technical competence. This will provide New Zealanders with confidence in the quality and safety of products and services, and contribute to realising our vision that the Accreditation Council, through its brands IANZ and Telarc is “Known by New Zealand; trusted by New Zealand”. Our intended strategic outcome areas are:



The Council is a public benefit entity, which means that we provide accreditation and certification services to support positive social and economic outcomes. We are always striving to serve the people of New Zealand effectively and efficiently.

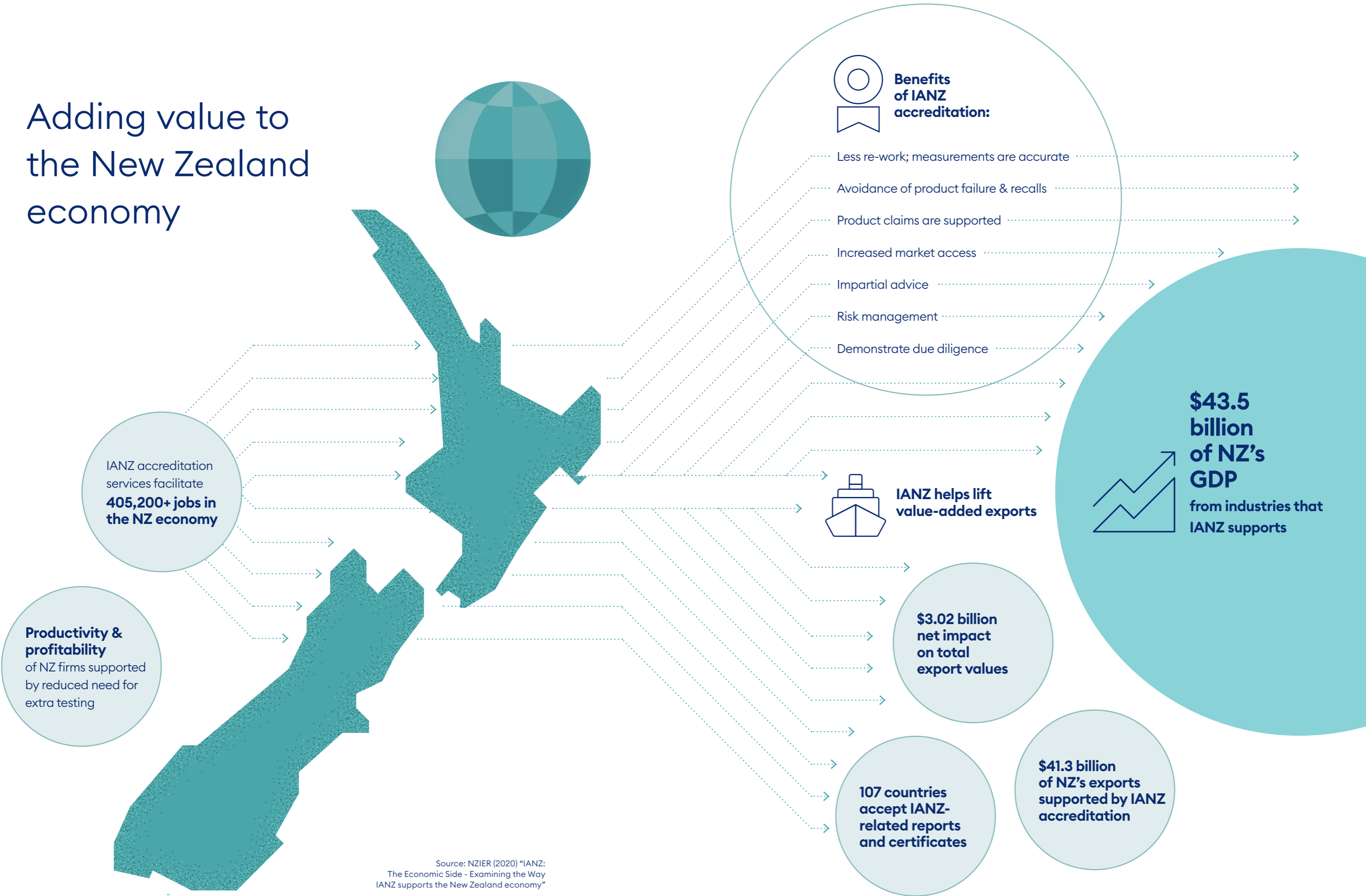
Capability



Purpose

To protect the health and wealth of New Zealand

Adding value to the New Zealand economy



Outcome area 1

Enhanced health and safety of New Zealanders



Output class: Accreditation Services, Certification and Training

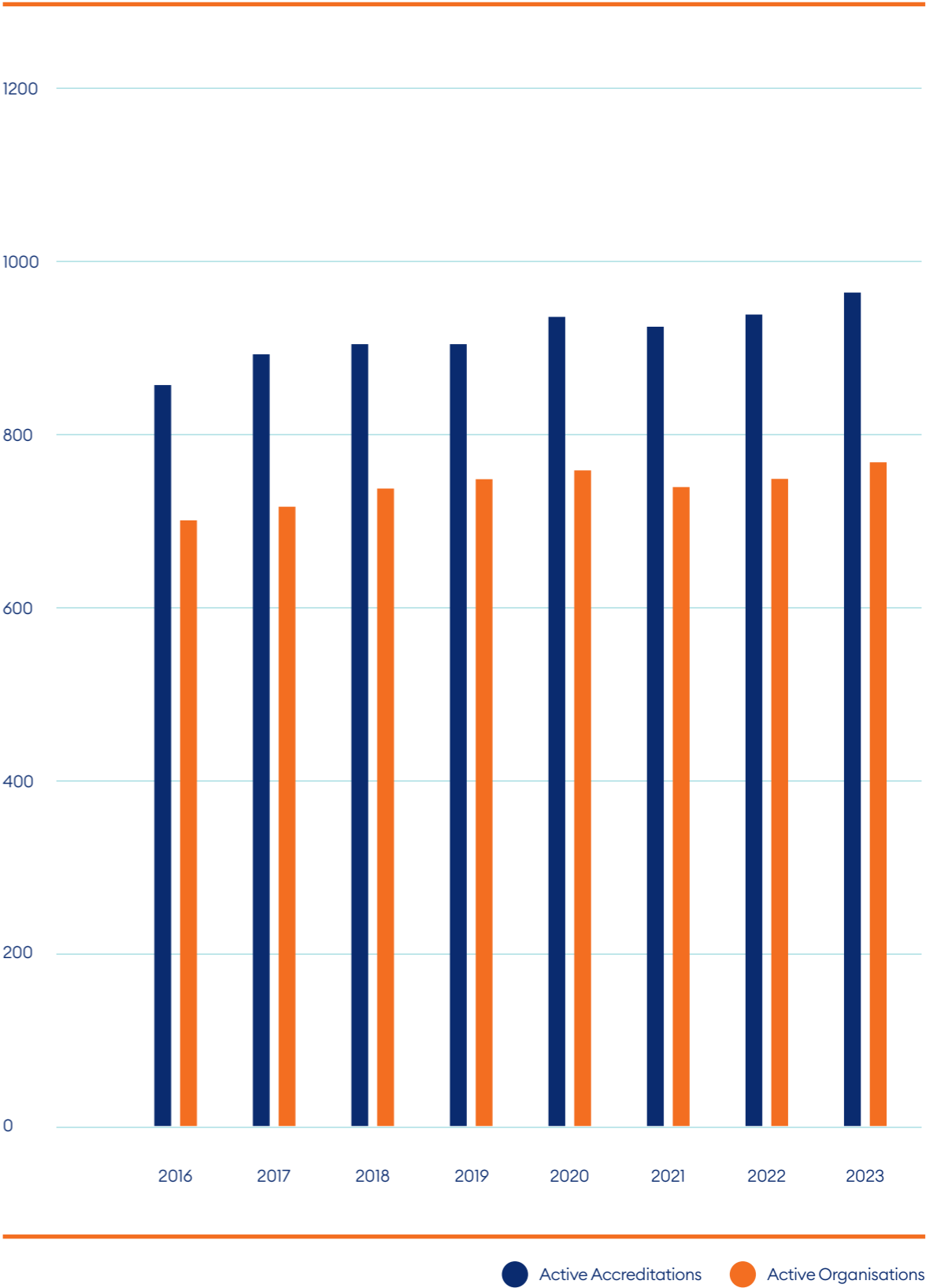
Objective 1:
Support the response to the Covid-19 pandemic through accreditation.

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Percentage of Covid-19 laboratories assessed within FY24	Prioritization of assessments of COVID-19 accredited laboratories so that all are assessed at least annually	100% target rate	100% target to be met	100% target rate

Objective 2:
Continued engagement with regulatory reform.

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Number of regulatory reform initiatives supported by accreditation	Increase the number of regulatory reform initiatives supported by accreditation	IANZ aims to add 2 further regulatory reform initiatives in FY23	Engagement with Three Waters and Te Whatu Ora on reforms underway in FY23. Target expected to be met	Support provided to Three Waters and Te Whatu Ora reforms

Total number of companies and organisations: accredited by IANZ



Outcome area 1

Enhanced health and safety of New Zealanders
(continued)



Objective 3:
Work in partnership with Māori to understand how accreditation and certification can be applied to improve health and safety for all New Zealanders [IANZ and Telarc].

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Number of initiatives being progressed in partnership with Māori	Engagements with Māori focused on improved health and safety for example in relation to Government reforms such as Health NZ and Three Waters	Engage on at least two initiatives	Target expected to be met	Engage on at least two initiatives

Objective 4:
Improve health and safety through expanded service areas using accredited conformity assessment [IANZ].

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Number of service areas supported by H&S focused accreditation	Increase to the number of service areas supported by accreditation	Increase the number of service areas by two	Target expected to be partially met. One new service area is now supported by accreditation (Biosecurity risk management for cruise ships)	Increase the number of service areas by one

Specific industry sectors using IANZ accreditation

Accreditation service areas:



Consumer Products
Toy safety
Performance / approval testing
Energy efficiency
Electrical safety
Pharmaceutical market surveillance (chemical/biological)



Transport / Fuels
Roading signage / barriers (testing)
Fuels / lubricants (testing)
Roading materials (testing)
Vehicle inspection (import)



Construction / Engineering
Gas cylinders testing
Surface coatings (testing)
Ores / metals (testing)
Building / civil materials (testing)
Methamphetamine contamination (testing/inspection)
Asbestos (inspection/testing)
Building / construction systems (testing)
Building design (inspection)
Cleanrooms / controlled environments (testing)
Engineering safety (NDT)
Engineering safety (inspection)
Fire protection (testing / inspection)
Building consent authorities



Environment
Asbestos (inspection/testing)
Radioactivity monitoring
Environmental soil quality (chemical/biological)
Environmental water quality (chemical/biological)
Air quality / emissions testing (chemical)
Biosecurity testing (animal health / border protection)
Pest control compounds (testing)



Health
PPE testing (occupational safety & health)
Air quality / asbestos (occupational safety & health)
Workplace drug testing
Radiology services
Medical diagnostic testing
Pharmaceutical market surveillance (chemical/biological)
Pharmaceutical manufacturing (chemical/biological)
Personal dosimetry testing
Chemical safety (GLP)



Food / Water / Agriculture
Wool certification
Food testing (domestic)
Food / wine / honey testing (domestic)
Food safety inspection (domestic/export)
Drinking water testing
Drinking water treatment (inspection)
Chemical safety (GLP)
Soil fertility / fertilisers (testing, inspection)
Animal health & nutrition (testing)
Horticultural harvest

Outcome area 1

Enhanced health and safety of New Zealanders

(continued)



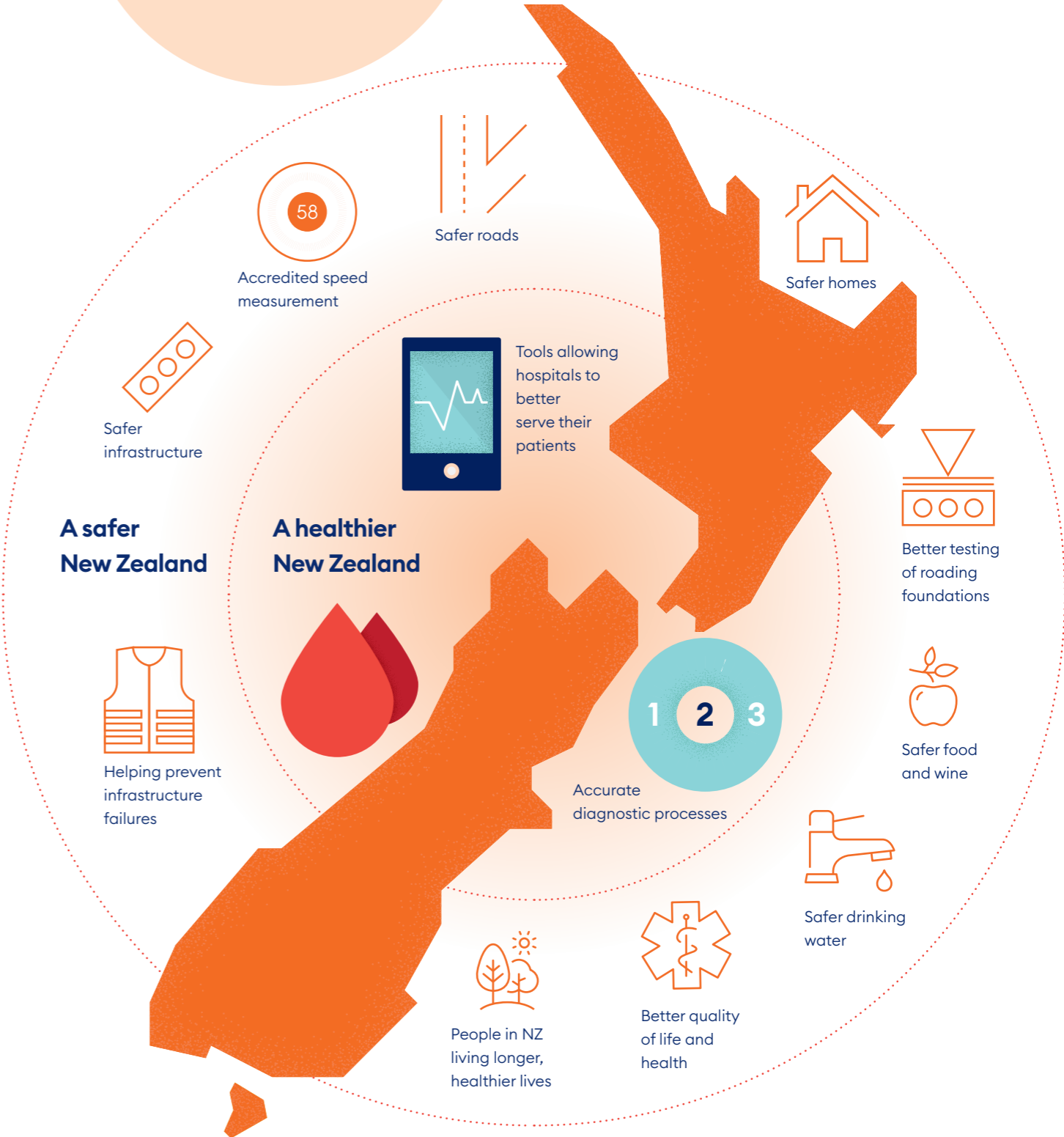
Objective 5:
Accreditation services meet standards of delivery.

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Percentage of accreditation services that meet appropriate standards of timeliness	Assessments carried out as scheduled	98% of assessments of accredited clients are conducted within 3 months of the scheduled date	Expected to be met. Currently at 96%	95% of assessments of accredited clients are conducted within 3 months of the scheduled date
	Efficient clearance of assessment findings by accredited clients	95% of assessments of accredited clients completed within one month of agreed deadlines	Currently met, 96%	95% of assessments of accredited clients completed within one month of agreed deadlines

Objective 6:
Increase health and safety certification models across a more diverse range of industries [Telarc].

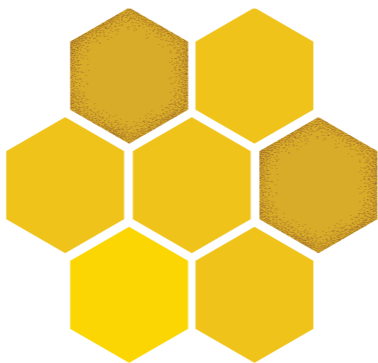
Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Number of health and safety focussed certifications issued	Increased number of health and safety certificates issued during the financial year	35 new certificates issued	Target met year to date – currently 66	35 new certificates issued

Impact: Improved health outcomes for New Zealanders



Outcome area 2

Business and consumers interacting with confidence to participate in a fair and thriving economy



Output class: Accreditation Services

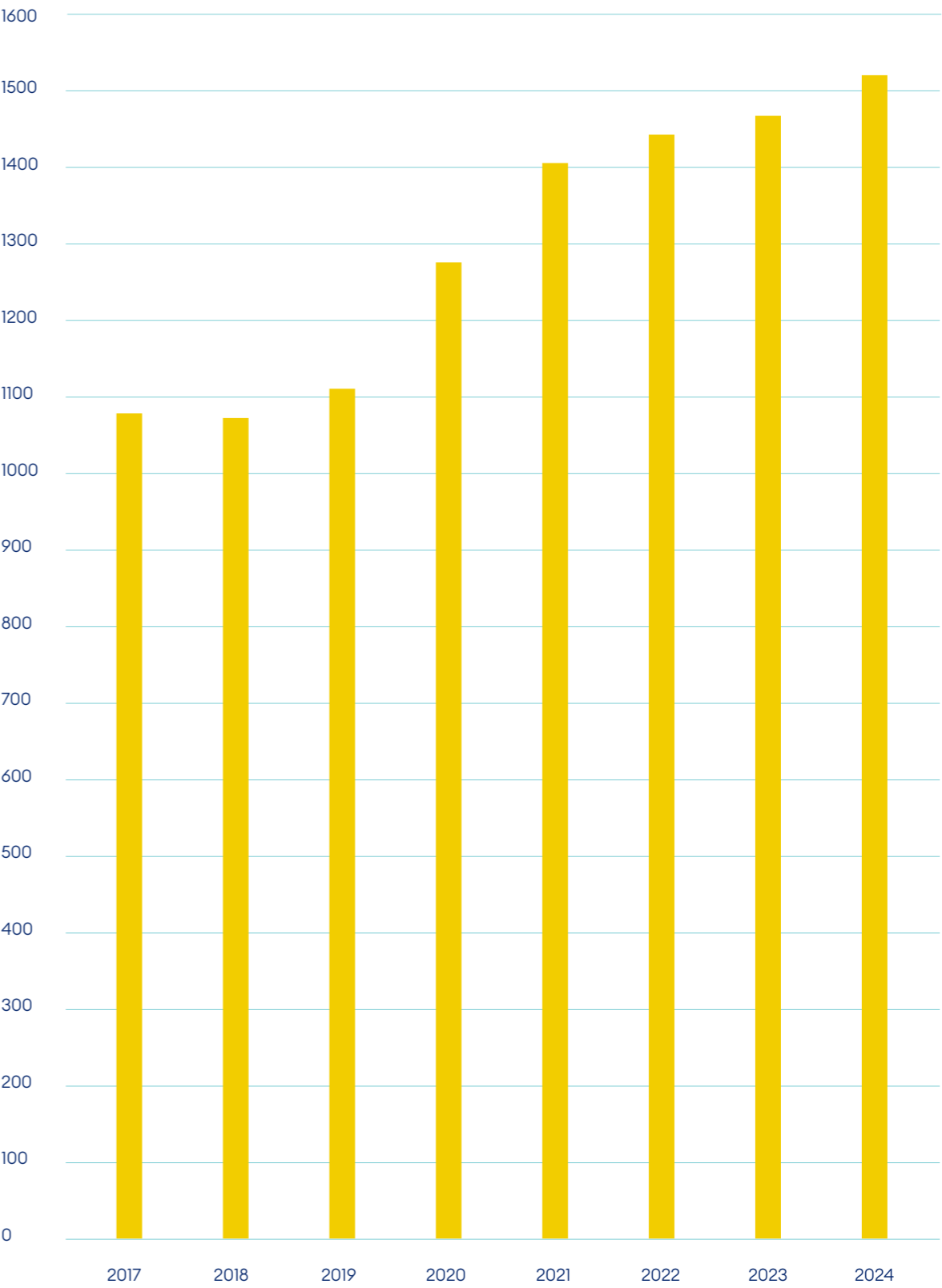
Objective 7:
Widen access to accreditation [IANZ]

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
International conformity assessment benchmarking study	Opportunities discovered via the 2023 International conformity assessment benchmarking study	Study completed	Target will be met	Complete a discovery phase on one opportunity presented from the benchmarking study

Objective 8:
Increase the uptake of certification [Telarc]

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Number of Telarc certificates on the JAS-ANZ register	Increase the number of Telarc certificate registrations on the JAS-ANZ register annually	Increase the number of certificates by 30	Target has been met	Increase the number of certificates by 60
Number of people trained in Integrated Management Systems	Increase the number of people trained in Integrated Management Systems	New Target for 2023/24	New Target for 2023/24	40 people trained

Total number of quality, health and safety, and environmental certificates on the JAS-ANZ register



Outcome area 2

Business and consumers interacting with confidence to participate in fair and thriving economy
(continued)



Objective 9:
Widen access to training in conformance standards through provision of online training courses [Training Services – IANZ and Telarc]

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Number of online training courses developed	Widened access to training in conformance standards through provision of online training courses	One new online course developed in 2023	Not achieved year to date. Resources are currently under review to support the development of further online courses FY24	One new online course developed in 2024



Outcome area 3

Easier access to international markets through reduced technical barriers



Output class: Accreditation Services

Objective 10:
Support the negotiation of free trade agreements [IANZ].

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Assistance, on request, from Government in negotiating conformity assessment chapters in free trade agreements (FTAs) and in meeting technical overseas market access requirements	Assistance provided in response to requests from Government ministries	Maintain 100% response rate to requests	Target met	Maintain 100% response rate to requests

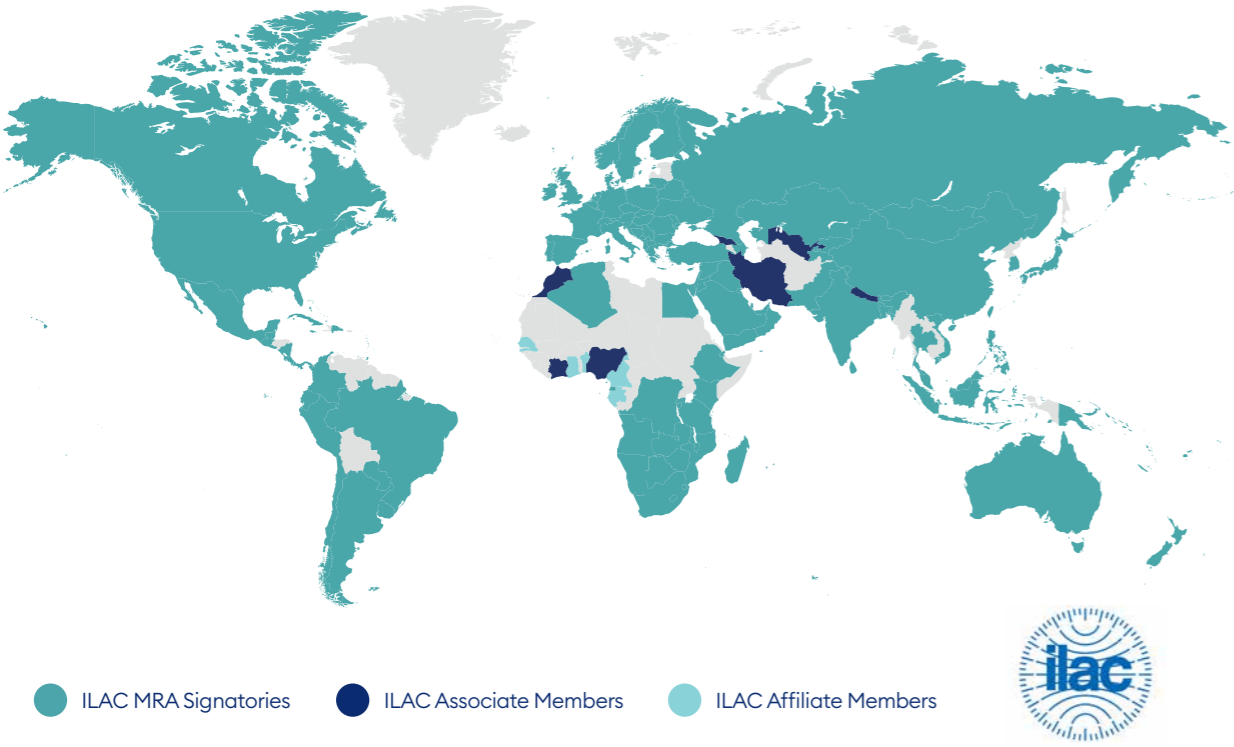
IANZ represents New Zealand in the following key international forums

Forum	Committees
International Laboratory Accreditation Cooperation (ILAC)	<ul style="list-style-type: none">• Member of the Accreditation Committee• Member of the Arrangement Committee• Member of the Inspection Committee
Asia Pacific Accreditation Cooperation (APAC) – regional body of ILAC	<ul style="list-style-type: none">• Member of the APAC Mutual Recognition Arrangement (MRA) Management Committee• Member of the Proficiency Testing Sub-Committee• Member of the Reference Material Producer working group• Member of the ILAC Arrangement Management Committee
Organisation for Economic Cooperation and Development (OECD)	<ul style="list-style-type: none">• Represent New Zealand at the OECD Working Group for Good Laboratory Practice• Participate in the Quality Sub-Group• Lead the Training Steering Committee for OECD Evaluators



Outcome area 3

Easier access to international markets through reduced technical barriers
(continued)

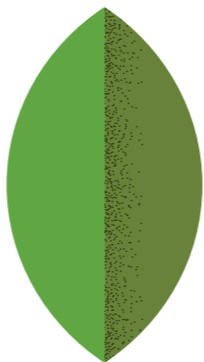


Map shows International Markets that recognise IANZ accreditation.

Objective 11: Increase overseas accreditation acceptance to enhance market access [IANZ]				
Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Accreditation that is globally recognised	International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement (MRA) signatory status	Maintain signatory status	Target met. Status is maintained	Maintain signatory status
	Active representation on key international committees: Asia Pacific Accreditation Cooperation (APAC), International Laboratory Accreditation Cooperation (ILAC), Organisation for Economic Cooperation and Development (OECD)	All relevant key committees and working groups have IANZ representation annually	Target met. All meetings attended	All relevant key committees and working groups have IANZ representation annually
Designating authority under MRAs for Conformity Assessment Bodies to enable international product access	Status as designating authority.	Active participation as the designating authority and maintaining status	Target met. Maintained designating authority in existing schemes	Active participation as the designating authority and maintaining status
	Assistance provided in response to requests from Government ministries	Actively respond to requests with a target of a 100% response rate	Target expected to be met. No requests for assistance within the reporting period to date	Actively respond to requests with a target of a 100% response rate
Number of international evaluations participated in to support MRAs between accreditation bodies	Evaluations completed per annum	Two evaluations to be completed	Target met. Two evaluations have been undertaken year to date	Two evaluations to be completed

Outcome area 4

A climate-resilient,
low-emissions, and
sustainable economy



Output class: Accreditation Services

Objective 12:
Support sustainability through conformity assessment [IANZ]

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Number of engagements with Government agencies regarding sustainability and conformance assessment	Sustainability-related engagements held with Government decision makers	3 meetings held	Expected to be met by 30 June 2023	Two engagements held

Objective 13:
Increase certification in support of sustainability [Telarc]

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Number of sustainability-related certifications issued annually (ISO14001)	Maintain the number of certifications focused on improving the sustainability of organisations	20 issued	9 certificates issued year to date. Target expected to be met	20 issued to date

Objective 14:
Increase the value and efficiency of accreditation and certification services [Telarc and IANZ]

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Continued innovation in assessment techniques to ensure continuity of service	Proportion of IANZ assessments conducted remotely	8% annually	Target met. Currently in excess of 8%	8% annually
	Proportion of Telarc assessments conducted remotely	8% annually	Target met. Currently in excess of 8%	8% annually



Organisational Health and Capability

We believe that better understanding the diverse views, challenges, and opportunities of the people we employ and the communities we serve is important in being able to work collaboratively in creating a sustainable, long-term business proposition that supports an increasingly diverse New Zealand.

1. To support our community through volunteering

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
IANZ continues to support employees' volunteering activities	Opportunities provided for IANZ employees to support community activities for one working day per annum	One working day per annum per employee to volunteer to support community activities	Target expected to be met. Volunteering Day booked for May 2023	One working day per annum per employee to volunteer to support community activities



Organisational Health and Capability

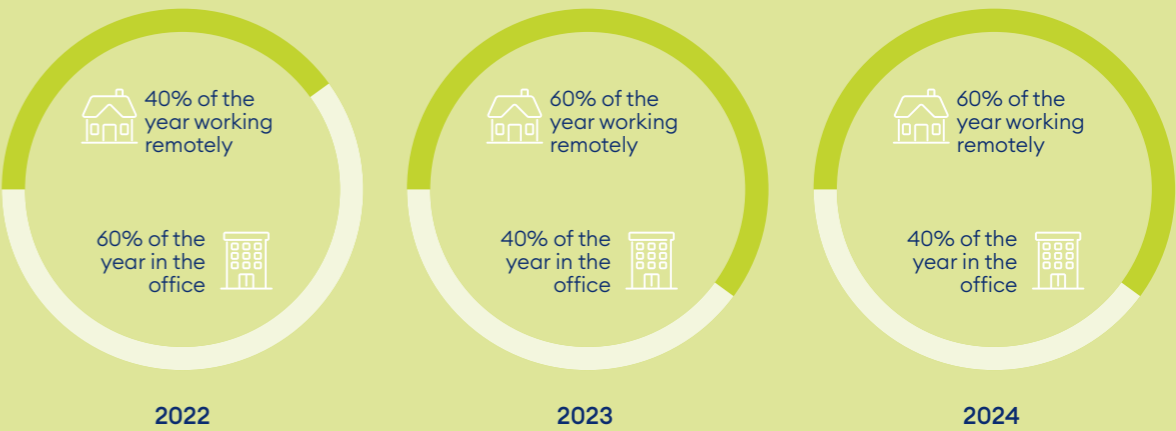
(continued)

From temperatures to air quality to sea levels, accreditation and certification underpins the accurate monitoring and measurement that are crucial for environmental sustainability. The Accreditation Council is also committed to playing its part in being a wise steward of the Earth’s resources.

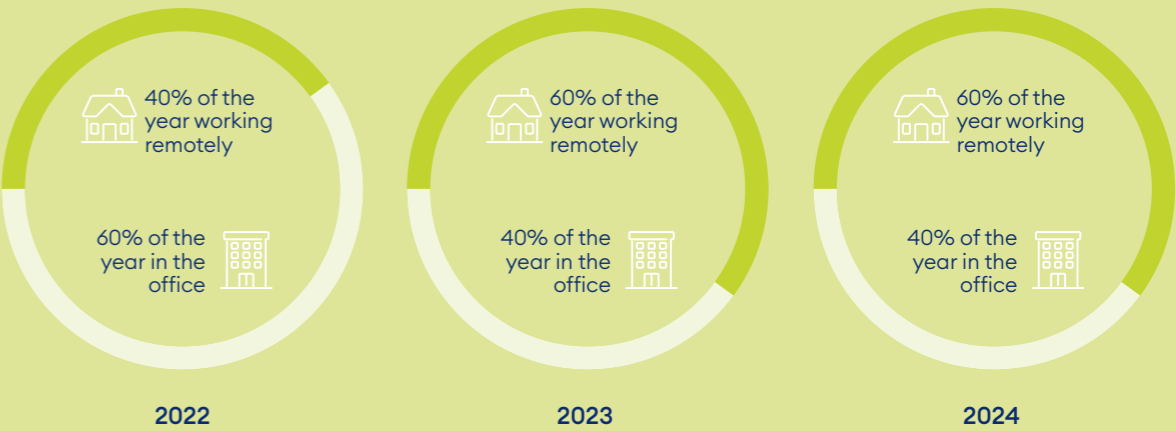
2. Caring for our planet by reducing our environmental footprint

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Offset carbon emissions	Total of carbon credits purchased	No target in 2022/23	No target in 2022/23	Offset up to 100% of air travel carbon emissions
Reduced commuter travel through remote working	Proportion of days IANZ staff work remotely	Maintain policy allowing up to 60% (average) per annum	Target met. Policy maintained	Maintain policy allowing up to 60% (average) per annum
	Proportion of days Telarc staff work remotely	Maintain policy allowing up to 60% (average) per annum	Target met. Policy maintained	Maintain policy allowing up to 60% (average) per annum

Proportion of days IANZ staff work remotely



Proportion of days Telarc staff work remotely



Organisational Health and Capability

(continued)




Protecting the health and wealth of New Zealand through certification and accreditation is all about enabling our talented people to deliver professional services, sustained leadership, capability and resilience. We are proud of our people and will continue to invest in them to ensure we can keep providing protection and services for the public and our communities.

3. Growing our people’s knowledge, skill and expertise

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
IANZ organisational knowledge of Te Tiriti o Waitangi/the Treaty of Waitangi permits informed discussion of Treaty issues and the incorporation of Treaty principles in the way we work. Te Reo Māori is routinely used in greetings, hui (karakia and mihi), and embraced by IANZ’s people	Attendance at seminars and workshops with expert advisors to increase knowledge and understanding of Te Reo and Te Tiriti o Waitangi	75% of employees have attended introductory Treaty training and introductory Te Reo Maori course by June 2023	On target to meet the 75% by 30 June 2023	50% of employees attended Te Reo or Te Tiriti o Waitangi training (introductory, intermediate or advanced)
		10% of employees have attended intermediate Treaty training and an intermediate Te Reo Maori course by June 2023	No courses attended to date. Not expected to be met in FY23	
Implementation of the IANZ People and Culture strategy	Reaching key measures within the People & Culture strategy	Achievement of FY22/23 strategy targets	Expected to be achieved by 30 June 2023	Achievement of FY23/24 strategy targets

Indicator	Performance measure	Target for 2022/23	Estimate 2022/23	Target for 2023/24
Extend leadership scope and reach	Developing an IANZ leadership development programme	Completion of the leadership development programme in FY23	Leadership development programme – 80% complete. Expected to be complete by 30 June 2023	Extension of the leadership development programme in FY23/24
IANZ and Telarc employees have improved resilience and agility	A Wellbeing strategy is in place	FY22/23 Wellbeing objectives are achieved	Expected to be met by 30 June 2023	FY23/24 Wellbeing objectives are achieved
IANZ retains institutional knowledge and expertise to serve stakeholders	Turnover of employees	To maintain turnover below the national average	Turnover currently within national average of 18%. Expected to be met	To maintain turnover below the national average
Number of employees signed off to support ISO27001, ISO55001 and ISO13485.	Increased number of auditors available to support business certifications under ISO27001, ISO55001 and ISO13485	Audit scheduled in FY23 are completed for these standards	Expected to be met by 30 June 2023	Audits scheduled in FY23/24 are completed for these standards

Alignment with Government policy and SOI

		 Enhanced health and safety	 A fair trading economy	 Easier access to international markets	 A low-emissions and sustainable economy
Government Objectives:	To continue to keep Aotearoa New Zealand safe from COVID-19	✓			
	To accelerate New Zealand’s economic recovery and rebuild		✓	✓	
	To lay the foundations for a better future	✓	✓	✓	✓
Government Wellbeing Objectives:	Just Transition: supporting New Zealanders to transition to a climate-resilient, sustainable, and low-emissions economy.				✓
	Physical and Mental Wellbeing: supporting improved health outcomes for all New Zealanders, particularly the mental wellbeing of our young people.	✓			
	Future of Work: equipping New Zealanders and enabling New Zealand businesses to benefit from new technologies, and lift productivity and wages through innovation.		✓		
	Māori and Pacific Peoples: lifting Māori and Pacific peoples' incomes, skills, and opportunities, including through access to affordable, safe, and stable housing.	✓			
	Child Wellbeing: reducing child poverty and improving child wellbeing, including through access to affordable, safe, and stable housing.	✓			
Government Economic Plan:	Supporting Aotearoa New Zealand to become a high wage low emissions economy that provides economic security in good times and bad.	✓	✓	✓	✓

Alignment with Government priorities and SOI

(continued)

How our strategies relate to Government priorities

		 Enhanced health and safety	 A fair trading economy	 Easier access to international markets	 A low-emissions and sustainable economy
Our SOI strategic objectives supporting each strategic outcome	Increase the impact of accreditation in the response to the COVID-19 pandemic	✓			
	Support regulatory reform	✓			
	Work with Māori to understand how conformance can benefit H&S for all New Zealanders	✓			
	Expand H&S conformity assessments and H&S management systems training	✓			
	Increase H&S certification models across a more diverse range of industries	✓			
	Accreditation Services meets standards of delivery	✓			
	Widen access to accreditation		✓		
	Increase the uptake of certification		✓		
	Widen access to training in conformance standards through provision of online training courses		✓		
	Support the negotiation of free trade agreements			✓	
	Increase overseas accreditation acceptance to enhance market access			✓	
	Support sustainability through conformity assessment				✓
	Increase certification and provide training in support of sustainability				✓
	Expand CSR and chain of custody certifications overseas				✓

Service performance judgements and assumptions

In the preparation of the forecast Statement of Service Performance, the Accreditation Council has made the following judgements in the selection of our service performance measures:

- We have reflected on the extent to which accreditation and certification services we provide to support positive social outcomes are best captured by performance measures
- Consideration has been given to the Government's objectives, including wellbeing, and economic growth
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes that support our purpose and role in protecting the health and wealth of New Zealand

Further to the above judgements we have also considered the functions of the Accreditation Council as outlined within section 35 of the Standards and Accreditation Act 2015.

We have also applied judgements in the measurement, aggregation, and presentation of service performance information.

The Accreditation Council does not receive funding from central government and is self-funded. Despite funding pressures under Covid-19, management has determined it is possible to continue to provide services at current levels and the related performance measures have not been adjusted.

External implication for statements about performance

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of the group. Examples of this are, but not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions and international policy that may impact areas such as recruitment, ability to travel and other unforeseen considerations.



Financial Statements

Statement of Forecast Comprehensive Revenue and Expense

For the year ended 30 June	2022 Actual \$	2023 Forecast \$	2024 Budget \$
IANZ Accreditation Services			
Revenue	7,927,737	9,454,452	10,277,858
Less Depreciation and amortisation expense	123,194	202,133	319,836
Other expenses	8,539,302	9,684,243	10,151,861
Net Surplus / (Deficit)	(734,759)	(431,924)	(193,839)
Telarc Limited Certification Services			
Revenue	8,530,405	9,963,715	10,244,865
Less Depreciation and amortisation expense	201,259	202,534	225,787
Taxation expense	33,130	246,114	251,850
Other expenses	7,761,740	8,399,054	8,750,486
Net Surplus / (Deficit)	534,275	1,116,013	1,016,741
Training Services			
Revenue	536,813	644,602	457,053
Less Expenses	731,331	748,122	613,416
Net Surplus / (Deficit)	(194,518)	(103,520)	(156,363)
Other Income			
Interest Income	48,278	78,199	46,140
Net gain on sale of property, plant and equipment	(21,385)	-	-
Other Income	26,893	78,199	46,140
Consolidated			
Revenue	16,994,955	20,062,769	20,979,776
Less Depreciation and amortisation expense	324,453	404,667	545,623
Taxation expense	33,130	246,114	251,850
Other expenses	17,032,374	18,831,419	19,515,763
Other Income	26,893	78,199	46,140
Total Comprehensive Revenue and Expense for the Year			
Accreditation Council	(368,109)	658,768	712,680
Accreditation Council	(368,109)	658,768	712,680

Financial Statements

Statement of Forecast Changes in Equity

As at 30 June	2022 Actual \$	2023 Forecast \$	2024 Budget \$
Balance at 1 July	10,465,006	10,096,897	10,755,665
Total comprehensive revenue and expense for the year	(368,109)	658,768	712,680
Balance at 30 June	10,096,897	10,755,665	11,468,345

Financial Statements

Statement of Forecast Financial Position

As at 30 June	2022 Actual \$	2023 Forecast \$	2024 Budget \$
Equity			
Equity attributable to owners of the parent			
Opening General Funds			
IANZ Shareholders			
Opening Balance	10,465,006	10,096,897	10,755,665
Surplus / (Deficit) attributable to IANZ shareholders	(368,109)	658,768	712,680
Total Equity	10,096,897	10,755,665	11,468,345
Represented by			
Current Assets			
Cash and cash equivalents	3,758,687	4,028,919	4,094,317
Investments	2,645,641	1,200,001	1,200,001
Trade and other Receivables	3,290,269	3,318,847	3,204,247
Other assets: prepayments	304,530	358,209	358,209
Total Current Assets	9,999,126	8,905,977	8,856,774
Non-Current Assets			
Property, Plant and Equipment	220,074	1,213,894	1,149,601
Deferred Tax	108,271	108,271	108,271
Goodwill	3,322,606	3,322,606	3,322,606
Intangible Assets	420,254	848,207	1,405,177
Total Non-Current Assets	4,071,205	5,492,978	5,985,655
Total Assets	14,070,331	14,398,955	14,842,429
LIABILITIES			
Current Liabilities			
Trade and other payables	2,853,125	2,573,815	2,291,907
Provision for Taxation	580	59,347	83,950
Provision for Employee Entitlements	1,119,729	1,010,127	998,227
Total Current Liabilities	3,973,434	3,643,290	3,374,085
Non-Current Liabilities			
Total non-current Liabilities	-	-	-
Total Liabilities	3,973,434	3,643,290	3,374,085
Net Assets	10,096,897	10,755,665	11,468,345

Financial Statements

Statement of Forecast Cashflows

For the year ended 30 June	2022 Actual \$	2023 Forecast \$	2024 Budget \$
Cash Flows From Operating Activities			
Cash was provided from:			
Revenues from services provided	17,377,937	19,997,181	21,123,027
Interest received	44,512	62,228	46,140
Dividend received	-	606	-
	17,422,449	20,060,015	21,169,167
Cash was applied to:			
Payments to Suppliers	6,371,978	7,152,996	7,547,998
Payments to Employees	10,758,442	11,620,402	12,302,588
Payment of Income Tax	301,451	187,347	227,247
Net Goods and Services Tax	2,020	(18,521)	(12,364)
	17,433,891	18,942,223	20,065,469
Net Cash Flows From Operating Activities	(11,442)	1,117,792	1,103,698
Cash Flows From Investing Activities			
Cash was provided from:			
Proceeds from sale of Property, Plant & Equipment	45,634	25,028	-
Sale of Investment	2,679,070	-	-
	2,724,704	25,028	-
Cash was applied to:			
Purchase of Property, Plant & Equipment	108,936	1,082,336	235,300
Purchase of Intangible assets (computer software)	232,076	590,252	803,000
Term Deposits	2,645,641	(800,000)	-
	2,986,652	872,588	1,038,300
Net Cash Flows From Investing Activities	(261,948)	(847,560)	(1,038,300)
Cash Flows from Financing Activities			
Net Cash Flows From Financing Activities	-	-	-
Net Increase (Decrease) in Cash Held	(273,390)	270,232	65,398
Cash and cash equivalents at beginning of the year	4,032,077	3,758,687	4,028,919
Cash and cash equivalents at end of the year	3,758,687	4,028,919	4,094,317

Notes to Financial Statements

For the year ended 30 June

The Council prepared the FY2022 budget estimates on a conservative basis due to the ongoing lingering effects of Covid-19.

The ongoing pandemic during financial year ended 30 June 2022 proved more challenging for the Accreditation Council than the previous year. A lengthy Auckland lock down during the first half of the financial year impeded accreditation and certification operations. Subsequently, after almost 18 months of being mostly Covid-19 free, New Zealand joined the rest of the world in dealing with significant case numbers due to the spread of the Omicron Covid-19 variant. The clients of the Accreditation Council's trading arm, IANZ, and of its certification subsidiary, Telarc, reacted swiftly and decisively to the change in environment with many clients not allowing, or being unable to host, onsite assessments or audits. Inevitably, these conditions created a high level of disruption to fully-booked schedules of work.

IANZ and Telarc both moved quickly from a reduced schedule of on-site assessments and audits, to conducting a significant proportion of them remotely. The speed at which our people were able to adapt to this new way of working, and innovate to improve the efficiency of the remote assessment/audit process, was a credit to the businesses and their people. Despite these efforts Covid-19 disruptions and delays had a material impact on trading performance.

The impact of the pandemic has continued into the FY2023 year however at a reduced impact and our people have been working hard to clear backlogs of booked work.

Strong cash reserves will continue to support the business into the future and the Council has continued to evolve its systems to support changes to future work process requirements. Remote assessments will continue where practical.

Use of estimates and judgements

A number of judgements and estimates have been made in the preparation of these financial statements.

These assumptions are based on the organisation's best estimate of the most likely expectations at balance date.

At the time of issuing these financial statements, the organisation has not identified any material risk to its ability to continue as a going concern.

Current forecasts

The Group has reviewed the forecast out to 2027 based on conditions that existed as at 30 June 2022 and forward-booked work.

The Council does not consider there to be any impairment on Goodwill carried on its statement of financial position.

The Accreditation Council has prepared the forecast for FY2023 on a conservative basis.

Appendix 1

Statement of Significant Accounting Policies

Accreditation Council

The Accreditation Council (Council) is a public benefit entity (PBE) for financial reporting purposes. The Council trades under the name International Accreditation New Zealand (IANZ), and 100% owns its Crown entity subsidiaries, Telarc Limited (Telarc), which performs its certification function, and Telarc Holdings Limited, a non-trading entity that owns Telarc Limited's older trademarks. Key accounting policies adopted by the Council include:

- 1

Statement of compliance

The financial statements of the Council have been prepared in accordance with the Crown Entities Act 2004, and in accordance with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards because expenses are greater than \$2m and less than \$30m and the Council is not publicly accountable.
- 2

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are in dollars (\$'s).
- 3

Basis of consolidation – purchase method

The consolidated financial statements include the parent Council and its subsidiaries.
- 4

Revenue

The Council's revenue is regarded as exchange transactions and derived through the provision of outputs to the Crown, services to third parties and income from its investments. Such revenue is recognised when earned and reported in the relevant financial period.
- 5

Borrowing costs

Any borrowing costs are recognised as an expense in the financial year to which the charge relates.
- 6

Goods and services tax

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated with GST included. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.
- 7

Taxation

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Appendix 1

Statement of Significant Accounting Policies (Continued)

8 Trade and other receivables

Trade, WIP and other receivables are stated at their expected realisable value after providing for impairment in line with PBE IPSAS41, doubtful and uncollectable debts. WIP represents work performed for which clients have not been invoiced and is stated at expected realisable value.

9 Investment in subsidiaries

The investment in the 100% owned subsidiary, Telarc Limited, is carried at the lower of cost or fair value. Each year, the Council ensures that the fair value is tested for impairment and remains equal to or greater than the holding value. Telarc Holdings Limited, a 100% owned subsidiary of Telarc Limited, is a holding company formed to own the older trademarks previously owned by Telarc Limited. Telarc Holdings is not classified as a trading entity.

10 Investments: short-term deposits

Short-term deposits are stated at the lower of cost and net realisable value, with any decreases recognised in the statement of comprehensive revenue and expense. Such deposits are classified as maturing within 91 days and 365 days from balance date.

11 Property, plant and equipment

All property, plant and equipment is recorded at historical cost less accumulated depreciation and accumulated impairment.

Additions

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 Council and the cost of the item can be measured reliably.

Work in progress is measured at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported as net in the statement of income and expenditure.

Subsequent Costs

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

12 Depreciation

Property, plant and equipment are depreciated at rates that will write off the cost less residual value over the assets useful lives. The useful lives and associated depreciation rates of major classes of assets used in the preparation of these statements are reviewed annually as follows:

Computer hardware	3-5 years	20%-33% straight line
Leasehold improvements	2-14 years	7-57% straight line
Office furniture and equipment	2-10 years	10%-67% straight line
Motor vehicles	5 years	20% straight line

13 Intangible assets

Computer software and client lists purchased are recorded at historical cost less amortisation.

Costs directly associated with the development of accreditation programmes and training courses are recognised as an intangible asset, to the extent that such costs are expected to be recovered. Development costs primarily consist of employee costs and, if directly attributable to the design of programmes and courses, are classified as an intangible asset if all the following can be demonstrated:

- It is technically feasible to complete the course or programme for future use;
- Management intends to complete the course or programme;

- The course or programme is able to be used;
- The generation of probable future economic benefits can be demonstrated;
- Adequate technical, financial and other resources are available to complete development and to use the course or programme; and
- Expenditure attributable during development can be reliably measured.

Any cost failing to meet the above criteria is classified as an expense incurred in the surplus or deficit. Once recognised as an expense, development costs cannot be subsequently classified as an asset.

14 Amortisation

Computer software and capitalised course and programme development costs are amortised at rates that will write off the cost less any residual value on a straight line basis over the estimated useful life of the asset. The useful lives and associated amortisation rates used in preparation of these statements are reviewed annually as follows:

Computer Software	3-5 years	20%-33% straight line
Capitalized course and programme development costs	3-5 years	20%-33% straight line

The useful life of capitalized programmes is determined on completion of each project.

15 Goodwill

Goodwill represents the difference between the consideration paid and the identifiable assets when a subsidiary is acquired. A policy is in place whereby goodwill is assessed annually for impairment.

16 Employee entitlements

The Council provides for the group's liability for annual leave and retirement leave, calculated on an actual entitlement basis at current rates of pay.

Employees who have completed 20 years of continuous service may be granted once-only, long-service leave of four weeks. Provision has been made for any future liability, calculated on an actuarial basis.

17 Leases

Where the lessor effectively retains substantially all the risks and benefits of ownership, leased items are classified as operating leases. Payments under such leases are recognised as expenses in the periods in which they incurred.

18 Financial instruments

The Council and group are party to financial instruments as part of normal operations, including bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the statement of financial position, with all associated revenues and expenses included in the statement of comprehensive revenue and expense.

Apart from items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

19 Changes in accounting policies

There have been no changes to accounting policies applied to these financial statements.

20 Equity

Equity is measured as the difference between total assets and total liabilities. Equity comprises general funds only.

21 Key assumptions used in the preparation of financial forecasts

In preparing these financial forecasts, the Council has assumed financial performance is in line with the targets in the statement of forecast service performance.

The Council has assumed there are no significant changes in the regulatory environment in which it generates revenues.

Cost and revenue increases are in line with expected CPI movement.

The prospective financial statements were authorised for issue on 31 May 2023 by the Council. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other disclosures. It is not intended to update the prospective financial statements subsequent to presentation.

Notes

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