

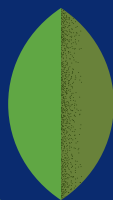


# Protecting the health and wealth of New Zealand

## Accreditation Council

2023 Annual Report

For the year ended 30 June 2023





# Accreditation Council Highlights FY2023

Effective

948

Active  
accreditations

809

Training  
Services  
trainee days

1,556

Telarc certified  
organisations



Efficient

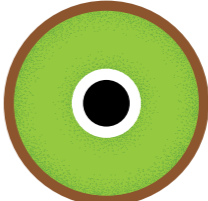
Accreditation fees increases are less than inflation

IANZ fees are amongst the lowest of all global accreditation bodies

Vital



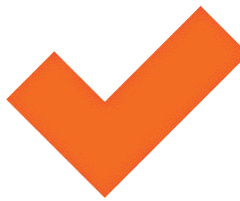
Reducing cost  
to market for  
overseas trade



Facilitating  
domestic economic  
development



Managing health,  
safety and  
environmental risks

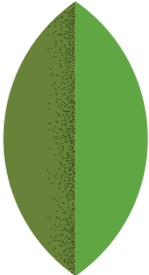


Assisting with trade  
agreements

People



Huge appreciation for our  
fantastic full-time staff,  
sub-contractors and our  
thousands of volunteer  
technical experts



By funding  
1544 native trees  
through Trees  
That Count, we're  
seeking to absorb  
341.6. tCO2  
emissions over  
50 years as those  
trees continue  
to grow. That's  
good for our  
carbon footprint,  
and good for  
Aotearoa.

Internationally  
recognised



Accreditation  
authorities in 117  
economies recognise  
IANZ accreditation  
as equivalent to  
their own

Annual  
Surplus/(Deficit)  
after tax

FY 23

\$190k

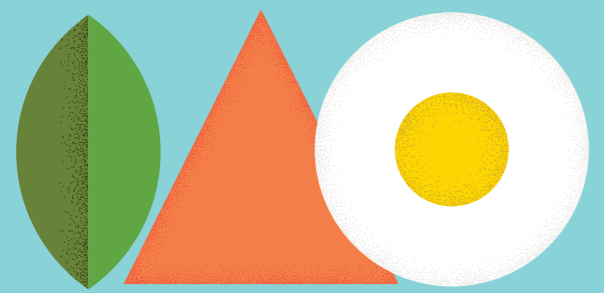
FY 22

(368k)



# Our Vision

To be a world-class provider of accreditation, certification and related services, providing value-added assurance of competence and compliance, in a financially sustainable manner.



# Contents

1. The Year in Review	6
2. Governance and Structure	11
3. Council Members' Profiles	14
4. Telarc Limited Directors' Profiles	17
5. Management Members' Profiles	18
6. Statement of Intent	20
7. Statement of Performance	30
8. Valued Employer	53
9. Statement of Responsibility	58
10. Independent Auditor's Report	59
11. Statement of Accounting Policies	64
12. Annual Financial Statements	68
13. Notes to the Financial Statements	72
Appendix 1 Council Function, Goals, and Operational Standards	92
Appendix 2 Council Structure	93
Appendix 3 Accreditation and Certification Explained	94
Appendix 4 Glossary of Acronyms	99
Appendix 5 Directory	101

# 1. The Year in Review

The Hon Dr Duncan Webb, Minister of Commerce and Consumer Affairs.

Tēnā koe otirā tō rahi e kawē nei i ēnei mahi nui.

We are pleased to submit the 2022-2023 Annual Report of the Accreditation Council.

## Meeting the Challenges of a New Era

The Accreditation Council operates as International Accreditation New Zealand (IANZ) for provision of accreditation services, and certification services are provided by its wholly-owned subsidiary, Telarc Limited. IANZ provides globally-recognised independent recognition of the competence of the organisations that test or inspect the products and services we buy, use, consume, or are surrounded by every day. Telarc audits compliance against food and wine safety standards, as well as conformance to quality, health and safety, forestry stewardship, and environmental management system standards. The Council's operations are funded entirely through client fees, and collectively improve New Zealand's health and safety, business performance, and access to export markets. While these operations, like many other New Zealand businesses were substantially impacted by the Covid-19 pandemic, they returned to a semblance of normalcy across the course of FY2023.

This resurgence of operations is underpinned by our resolute commitment to innovation and adaptability. Like many other enterprises, the Accreditation Council recognises the importance of agility and resilience, and the necessity to embrace new practices that will ensure our sustainability. Remote work was a necessity during the pandemic but is now a strategic choice for the Accreditation Council. To this end, the continuing use of technology that was essential during lockdowns is enabling a hybrid work model that enhances our people's flexibility, productivity and improves our environmental sustainability. Building on these advancements, we are undertaking a digital transformation that will see IANZ leverage leading-edge technologies and data-driven insights to transform business processes, optimise operational efficiency, and deliver increased value to our customers. Meanwhile, Telarc continues to invest in its technology to develop a capability that will provide digitalisation of the end-to-end certification process. This programme has been underway for three years and recently reached a significant milestone with the delivery of a digital reporting tool. The Telarc programme will continue into FY2024 as Telarc delivers increased capability for client self-service, more flexible scheduling, data analytics, and enhanced remote auditing options.

IANZ has invested heavily in the capability of its people. The benefits of leadership training that began in FY2022 and progressed into FY2023 were reflected strongly in the annual employee engagement survey. Overall engagement is very high, with the largest gains related to leadership and relationships. Training focused on improving bicultural capability is developing the confidence of IANZ's people to the extent that Kaupapa Māori is now informing further development of our Te Paerewa recognition product. Te Paerewa has significant potential for improving the consistency of healthcare service delivery and addressing healthcare access and equity issues. Telarc continues to attract very capable people to its workforce to support the ongoing growth of the business. Recognising the increasing diversity of its people, Telarc has focused considerable time and effort during the course of the year working with its people to align its values with its evolving organisational culture.

The New Zealand Quality College brand was retired in FY2023. Training services are now delivered under the stronger IANZ and Telarc brands. This has reduced the cost of training services delivery and simplified the structure of the Accreditation Council. In conjunction with the restructure, the course programme was simplified to focus on core courses that add value to our clients' accreditation and/or certification activities. The programme will evolve to meet client demands and to provide more flexible learning delivery options.

## Enhancing Health and Safety

The health, safety, and wellbeing of our people are our highest priority and are also important for our stakeholders. The Accreditation Council remains committed to zero harm. IANZ and Telarc both have very active health and safety committees, plus a wellbeing sub-committee at IANZ, that continue to promote a safe and healthy workplace for staff, contractors, and visitors, and to provide input to health and safety and wellbeing policies and procedures. IANZ has been audited against the AS/NZS 4801 Health and Safety Standard and achieved compliance and is working towards transitioning to the increasingly more widely accepted safety standard ISO45001, by the end of 2024. Telarc is audited annually against ISO45001 by an approved independent third-party organisation. The 2023 audit identified no non-conformances and a small number of opportunities for improvement. In 2024 it is Telarc's intention to increase the scope of its annual ISO45001 to include a stage 1 audit against the ISO45003 standard – Psychological Well-Being in the Workplace.

In addition to looking after the health and safety of our own people, the Accreditation Council contributes to the health and safety of all New Zealanders. In the year to 30 June 2023, IANZ has worked hard to keep the accreditation of medical laboratories and medical imaging services on track throughout the pandemic crisis and remains committed to ensuring the same level of excellence is maintained across all accredited areas of our health sector into the future. Significant work is underway in the development of quality options to enhance equity and access within healthcare services across Aotearoa New Zealand. Similarly, IANZ has engaged with the MBIE Health and Safety Policy team, and with WorkSafe, to explore opportunities for improved workplace safety across areas as diverse as asbestos contamination and model engineering.

Health and safety remain core risk areas for New Zealand businesses. The growth in acceptance of internationally-recognised standards as an independent method to ascertain management system compliance is ongoing. One of the core drivers of this acceptance is the increasing levels of recognition that ISO45001 is well suited to assess compliance of an organisation's health and safety management system with a number of the core elements of the Health and Safety at Work Act.

The Tōtika health and safety construction pre-qualification scheme grew further across a wide group of entities and industries during FY2023. A good example of the scheme's uptake is the 24 local government entities that are registered members of the scheme. This growing level of membership increasingly allows contractors to those entities to be recognised through a single approved and cross-recognised certification. ISO45001 is one of the cross-recognised certifications and as result Telarc continues to receive numerous enquiries and auditing opportunities from suppliers to the 24 local government entities.

## Supporting Regulators

Through IANZ, the Accreditation Council has worked with regulators during FY2023 to ensure it delivers accreditation services that meet Government needs and create a safer New Zealand through the rigour and assurance of international standards. This has become particularly important due to the significant structural reforms that have been occurring in some sectors.

Taumata Arowai appointed IANZ under the Water Services Act 2021 as the accreditation body for water testing laboratories. In FY2023 we continued engagement with Taumata Arowai, Water NZ, and Watercare Services Ltd to show how accreditation of water supply inspection can provide the final step in doing all that is possible to ensure safe drinking water.

IANZ supports Ministry of Primary Industries in a variety of areas through accreditation of inspection bodies and testing laboratories, and this was extended in FY2023 to include Biosecurity NZ inspections of cruise ships. We anticipate additional accreditation activities being added to support Biosecurity New Zealand Border Clearance Services to protect New Zealand's environment and primary industries. Further support for regulations focused on improving/preserving the environment was provided to the Ministry for the Environment regarding the development of a conformance assessment framework for the management of freshwater farm plans, and to the External Reporting Board in relation to suitable standards for greenhouse gas reporting by organisations required to produce climate-related disclosures.

Similar to our work in assisting MBIE and WorkSafe to ensure asbestos contamination can be accurately

detected and mitigated, we engaged with the Ministry of Housing and Urban Development on proposals for changes in regulations related to methamphetamine. As with asbestos, accredited inspection for methamphetamine will provide better outcomes for both occupants and owners of contaminated premises.

The historically more prescriptive approach that has characterised the development of regulations is evolving to adapt to the pace of change. The rapid development of artificial intelligence and other technologies have highlighted the need for certain operationally relevant regulations to align their direction to management systems as opposed to specific tasks, activities, or outcomes. As a result, certification of management systems is increasingly becoming the new benchmark. This adjustment in thinking will allow Telarc to supply its services to New Zealand business, for the good of New Zealanders and its trading partners, well into the next decade and beyond.

### Global Recognition

The Accreditation Council supports the Government’s economic plan to build a more productive, sustainable, and inclusive economy through facilitating trade. Following three years of very constrained international travel and a complete reliance on videoconferencing, face-to-face meetings of the international organisations that underpin IANZ’s international activities began once more in the latter stages of FY2023. These organisations include International Laboratory Accreditation Cooperation (ILAC); Asia Pacific Accreditation Cooperation (APAC); the International Organisation for Standardisation (ISO); and the Organisation for Economic Co-operation and Development (OECD). Engagement with these international arrangements strengthens the global recognition of IANZ accreditation across more than 100 nations. As a result, this facilitates New Zealand’s export endeavours and provides assurance of the quality of imported products and services provided by accredited entities within member nations.

The return to the hybrid model of in-person meetings supplemented by videoconference meetings has substantially increased the work being undertaken within the various arrangements. Some examples of this work in which IANZ is directly engaged includes the redevelopment of ISO accreditation standards 15189 (medical testing laboratories) and 17020 (inspection bodies), and a project focused on digitalised communication with conformance assessment bodies (clients) and other stakeholders. Additionally, IANZ has leadership roles in ILAC and APAC.

The Accreditation Council continues to support the Ministry of Business, Innovation and Employment and the Ministry of Foreign Affairs and Trade whenever requested.

### Financial results for the year ended 30 June 2023

The consolidated position of the Accreditation Council (IANZ and Telarc) at the end of FY2023 was a pre-tax surplus of \$378,229 (budget surplus \$809,489, prior year deficit \$334,978) and an after-tax surplus of \$190,094, inclusive of a surplus contribution of \$462,763 after tax from its subsidiary, Telarc Limited (\$650,898 before tax).

The net assets of the Council totalled \$10,286,992 (\$10,096,897 FY2022), and we remain committed to ongoing investments in our people and digital transformation over the next year, with the goal of enhancing our services for our clients and stakeholders.

At the end of the financial year, IANZ had 766 active clients (760 FY2022) and 948 active accreditations (945 prior year). This was a satisfactory result, given the headwind of the economic recovery from the Covid-19 pandemic and the challenges that has brought. Telarc had 1556 certificates registered with the Joint Accreditation System of Australia and New Zealand (JAS-ANZ), compared with 1461 in FY2022, an increase of 6.4%. Telarc’s certificate numbers on the JAS-ANZ register have grown 45% over the last 7 years.

### The Year Ahead

The emerging operating context for FY2024 is one of uncertainty. While the operational impact of the Covid-19 pandemic is much diminished, we now face a recession, continuing war in Europe, and a general election in the second quarter. Added to that mix is the recent run of extreme weather events that have disrupted some of our operational activities during the early months of 2023. These are things that may impact the Accreditation Council’s business that we cannot control. However, there are many things that we can control, and that is where we will focus our efforts for FY2024.

In FY2022, the Accreditation Council operated at a loss, and returned a surplus – although below budget – in FY2023, results are as reported above. Our cash reserves are strong and will be required for further investment in our digital transformation, although we do need to return to a stronger annual surplus position if we are to remain sustainable in the medium-to-long term. With a business model that is designed to generate only a very modest annual surplus, relatively small perturbations in our activities can have a significant impact on our bottom line and jeopardise our sustainability. Thus, a clear lesson from the challenges of recent times is that we need to strengthen the resilience of our business.

Increasing business resilience is a multi-faceted challenge that needs to consider people, systems, processes, and infrastructure. With increasing numbers of our assessors trained in more than one standard/programme, our processes better aligned across programmes, our IT more capably facilitating operations and providing robust analytics, and through continuing to support and improve the wellbeing of our people, we believe the Accreditation Council will achieve more and will be an even better place to work. Greater efficiency derived from these changes will also allow us to achieve a higher level of service for our clients and minimise costs to our clients in the medium-to-long term.

A second key area of effort for FY2024, strengthening stakeholder relationships, is directly driven by our purpose: “protecting the health and wealth of Aotearoa New Zealand through recognition and assurance of global best practice”. Major New Zealand Government reforms of key stakeholders, notably the transition from district health boards to Te Whatu Ora, and the creation of ten new publicly owned Water Services Entities to deliver New Zealand’s drinking water, wastewater and storm water services, have progressed substantially in FY2023. It is still unclear what role accreditation will play in these health and water reforms, however we engaged with these organisations on multiple occasions in FY2023 and will continue the engagement in FY2024. Similarly, engagement with multiple other regulators will continue, including but not limited to MBIE, MPI, Waka Kotahi, WorkSafe, MfE, and DoC.

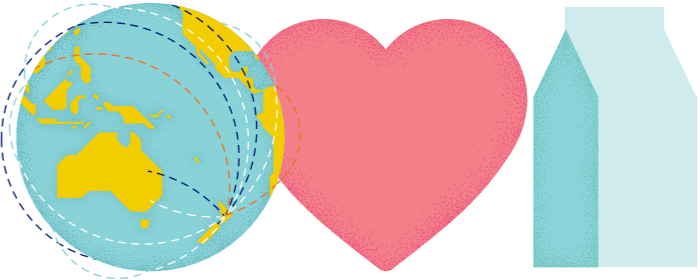
Finally, we wish to acknowledge our people, who are pivotal to our success. Covid-19 and the ongoing uncertainty that it created for the Accreditation Council’s business in recent years did not interrupt their loyalty and commitment. We wish to acknowledge their incredible efforts in dealing with the range of challenges we have faced together and we will continue to work to improve the way we support them as they support our clients.



Nicole Anderson  
**Chair**



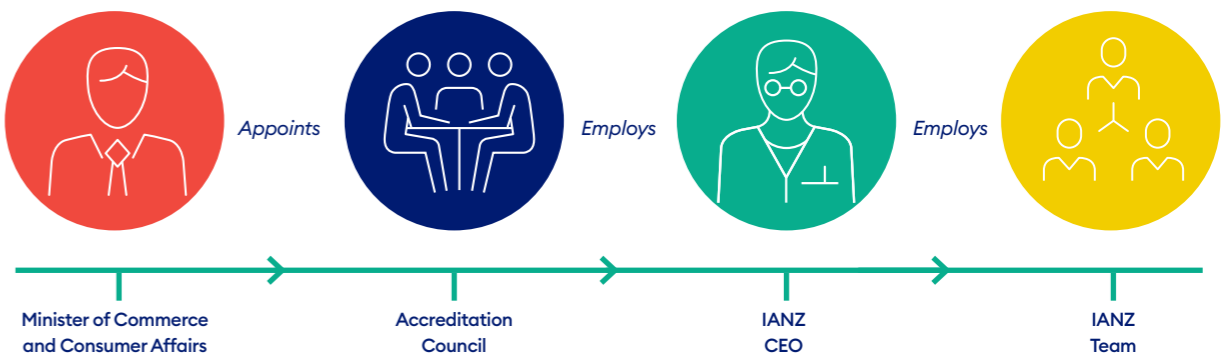
Paul Connell  
**Deputy Chair**





## 2. Governance and Structure

The Accreditation Council is an Autonomous Crown Entity under the Crown Entities Act 2004. The Members are appointed by the Minister of Commerce and Consumer Affairs (the responsible Minister) in accordance with the Standards and Accreditation Act 2015. The Council is monitored by MBIE.



Organisational responsibility is delegated to the Chief Executive using a formal delegation framework. The Council comprises seven independent non-executive members. Their profiles and disclosures of interest are published on pages 14 to 17.

### 2.1 Legislative Framework

The Accreditation Council is established under the Standards and Accreditation Act 2015 and is a continuation of the Testing Laboratory Registration Council, established under the Testing Laboratory Registration Act 1972. The Council is an Autonomous Crown Entity under the Crown Entities Act 2004. Telarc is a Crown subsidiary under the Act.

The Council's functions as set out in the Standards and Accreditation Act are:

- to promote the development and maintenance of good practice in conformity assessment; and
- to establish and maintain accreditation schemes for conformity assessment bodies engaged in testing and inspection activities; and
- to develop and maintain international recognition and acceptance of the Council's accreditation scheme; and
- to maintain appropriate international relationships consistent with the Council's functions under this section; and
- to act as New Zealand's good laboratory practice compliance monitoring authority; and
- if the Council chooses, to provide certification services; and
- to perform any other functions that the Minister directs the Council to perform in accordance with section 112 of the Crown Entities Act 2004.

The Council's organisational structure can be found in Appendix 2.

The Council has traded under the name IANZ since 1 July 1997. On this date, the Council created Telarc Limited as a separate legal entity, wholly owned by the Council.

On 1 April 2007, SAI Global merged their New Zealand certification business with Telarc Limited, forming Telarc SAI Limited. SAI Global held a 25% ownership interest in the merged company, until 30 August 2017 when the Council purchased the SAI Global's 25% interest, returning Telarc Limited to a 100% owned subsidiary. Telarc Holdings Limited, a subsidiary company of Telarc Limited was formed in October 2018. This company is a holding company classified as a non-trading entity formed to hold trademarks previously held by Telarc Limited. Telarc Limited has its own Board of Directors and operates independently from IANZ.

The Council is required under the Crown Entities Act 2004 to have regard to Government policy as directed by the responsible Minister, the Minister of Commerce and Consumer Affairs. The collective duties of the Accreditation Council under the Crown Entities Act include ensuring IANZ acts consistently with its objectives, functions, Statement of Intent and Annual Statement of Performance Expectations; performs its functions efficiently, effectively and consistently; and operates in a financially responsible manner.

Council members also have individual duties to: comply with the Act (including with respect to disclosure of interests); act with honesty and integrity; act in good faith and not at the expense of the Council's interests; and act with reasonable care, diligence and skill.

The Council is entirely funded by client fees and receives no Crown funding.

## 2.2 Goals of the Council

The goals of both IANZ and Telarc are set as part of the process of developing the Statement of Intent (SOI) and are articulated in the Statement of Performance Expectations (SPE), after consultation with Ministry of Business, Innovation and Employment and as approved by the Council and Telarc Board. The process follows receipt of the Minister's letter of expectation, which includes general priorities of the Government, and specific priorities for the Council. Both the SOI and the SPE are publicly available on the IANZ website: [www.ianz.govt.nz](http://www.ianz.govt.nz)

Of special importance are the Professional Advisory Committees (PACs) which provide technical guidance and support in each field of activity undertaken by IANZ. This includes reviewing and making recommendations on every new accreditation. The Chairs of the PACs form the Accreditation Advisory Committee (AAC) which formally advises Council on any technical issues. The Chair of the AAC also makes a formal recommendation to the CEO to grant accreditation.

The Council's business is linked directly to ensuring the health and safety of products and services provided in New Zealand and providing assurance of competence and compliance with standards. These functions are increasingly a requirement for carrying out business and play a major role in facilitating New Zealand's export activities.

## 2.3 Performance Reporting and Consultation

The financial and organisational performance of the Council is reported annually to Parliament.

An annual Letter of Expectations from the Minister of Commerce and Consumer Affairs to the Council, identifies relationship expectations and reporting requirements. It also acknowledges the required independence of the Council in carrying out its accreditation and certification functions. Through a comprehensive review process, the Council ensures the content of the SOI complies with the Crown Entities Act 2004 (CEA) section 141. Furthermore, the Council also reports all outcomes included in this SOI as part of its requirements under the CEA.

The Council is the primary monitor of organisational performance and meets monthly in this regard.

MBIE receives a quarterly analysis and performance overview. Comment on other significant issues is included where necessary.

The Council also regularly communicates on all on-going operations with its monitor, MBIE.

Both the CEO and Chair continue to have regular meetings with MBIE officials as well as briefing discussions as needed. The Chair meets periodically with the Minister of Commerce and Consumer Affairs.

The Council would consult the Minister of Commerce and Consumer Affairs before making any significant change to its business units or structure.

The Council also undertakes an annual review of its own performance.

## 2.4 External Audit

The Auditor-General is the auditor of the Council's financial statements and has appointed RSM Hayes to undertake the external audit work.

Every four years IANZ receives a full evaluation from its Asia Pacific Accreditation Cooperation Mutual Recognition Agreement (APAC MRA) partners. This evaluation is a requirement of continuing membership of the International Laboratory Accreditation Cooperation Mutual Recognition Agreement (ILAC MRA). An evaluation was completed in March 2023.

The audit identified few minor procedural non-conformities which have been resolved since to the satisfaction of the Evaluation Review Panel and a report and recommendation have been sent through to ILAC MRA.

## 2.5 Audit and Risk Committee

The Audit and Risk Committee helps the Council fulfil its financial reporting responsibilities and provides assurance regarding compliance with internal controls, policies and procedures. Its responsibilities are established in a charter which is reviewed annually. The Committee meets with the external auditors (both with and without management present). It has no delegated authority but makes recommendations to the Council.

## 2.6 Health and Safety Committee

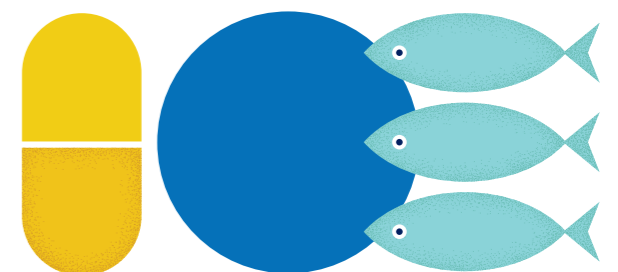
Ensuring the health and safety and wellbeing of all staff and contractors is a fundamental responsibility of the Council. The Council has established a comprehensive health and safety management system, compliant with the Health and Safety at Work Act (2015) and all applicable regulations. A full AS/NZS 4801, compliance audit was undertaken in 2018 to ensure all policies meet international best practice. A Wellbeing strategy has also been developed by our people for our people.

Representation from all levels of staff and management comprise the Health and Safety Committee, which meets on a bi-monthly basis.

Council members regularly observe assessments to gain their own understanding of good practice when staff are at clients' premises.

Telarc Limited has its own health and safety management system and transitioned from AS/NZ4801 to ISO 45001 in 2018 and was last assessed against ISO 45001 in January 2023.

The findings were positive with Telarc's health and safety management systems deemed to be compliant. A few improvement opportunities were identified which will be worked through in FY2024.



# 3. Council Member Profiles



## Nicole Anderson

CMinstD, PGDPH, DipACC, DipBus, DipMgt  
Chair (effective 1 June 2023)

Nicole is a chartered member of the Institute of Directors with a background in financial management and economic development. Nicole is currently Director of the Ngāpuhi Asset Holding Co, Top Energy, Kainga Ora and is Chair of Northland Inc.

Nicole is currently Chair of the Accreditation Council.

Nicole was raised in Tāmaki and Te Tai Tokerau and is now farming in the far north. She is passionate about whānau ora and community development.

Ko Ngāpuhi tōna iwi, nō Hokianga ia.  
Ka noho ia ki Kerikeri ki te taha o tōna whānau.



## Paul Connell

FCA, CFInstD  
Chair (retired 31 May, 2023)  
Deputy Chairperson (effective 1 June 2023)

Paul is an independent director with experience as a Chartered Accountant, Consultant, Director and CEO. He has been a director of public companies, public entities and a number of private companies for over 23 years.

Paul was previously the Chair and is presently Deputy Chair of the Accreditation Council and Chair of the Accreditation Council’s Audit & Risk Committee, Director of WEL Networks, ETEL Ltd, and Telarc Limited.

Paul is also an independent director and is Chair of the Audit and Risk Committee for the Environmental Protection Authority and Auckland City Council.

Paul is a member of the Waikato Regional Council Risk and Assurance Committee.



## Catherine Abel-Pattinson

MBA, MInstD

Catherine Abel-Pattinson is an experienced non-executive company director with expertise in strategic governance, information and communication technology, cybersecurity, major capital works, audit and risk, and financial markets. Catherine is the Chief Operations Officer at Netsafe, and is a board member of Whakarongorau Aotearoa and the Institute of Environmental Science and Research (ESR). She holds an MBA from Southern Cross University, with additional studies in Financial Markets at Yale and Leadership at INSEAD. Catherine is a recipient of the global Johnson & Johnson Scholarship and was a runner-up for the Glenys Baldick Memorial Award for Emerging Leaders in Health.



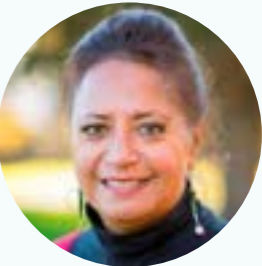
## Jane von Dadelszen

JP, MA, BA (Hons) MRSNZ, MInstD

Jane is an independent director and consultant providing leadership, advice and analysis to government and development agencies, industry groups and educational organisations in New Zealand and internationally. She is a Member of the Hong Kong Council for the Accreditation of Academic and Vocational Qualifications (HKCAAVQ) task force reviewing accreditation criteria and standards. Jane is also a member of the boards of the National Dance and Drama Centre, Toi Whakaari, Drama School and English Language Partners.

Jane was Deputy Chief Executive, Quality Assurance, at the New Zealand Qualifications Authority (NZQA) and previously for ten years, she led tertiary education policy at the Ministry of Education.

Jane’s experience also includes gender issues, crime and justice issues, family violence, child protection, health, alcohol and drug issues, climate change and natural resource management.



## Edie Moke (effective 1 June 2023)

DBS, BBS, PGDBA, MBS, CMinstD

Edie is an independent director with more than 25 years of governance experience with a variety of organisations related to health services, health funding, broadcasting, research ethics, audio-visual archiving, regional development, philanthropy and kaupapa Māori community services delivery.

As a member of the NZ Blood and Organ Service Board she also Chairs the Finance Committee, and is the Independent Chair of the NZ Human Rights Commission Audit and Finance Committee. Edie is a Chartered member of the Institute of Directors NZ.

Edie is a former Accountant with the Canterbury Area Health Board, Healthlink South Ltd; and Principal Consultant with Ernst & Young and Cap-Gemini Ernst & Young. Prior to this, she was a Business Studies Lecturer at Massey University.

Ko Eria raua ko Pipi Moke oku matua. I te taha o toku papa, ko Te Arawa me Tuwharetoa nga iwi; i te taha o toku mama, ko Ngati kuia, Ngati Apa ki te ra to, Rangitane, Te Atiawa me Ngai Tahu hoki nga iwi. Ko Edie Te Hunapo Moke ahau.

### 3. Council Member Profiles



**Nico Van Loon (effective 1 June 2023)**

**MSc, MBA, MInstD**

Nico van Loon has extensive experience in the contract laboratory and research sector (both in Europe and New Zealand); more than 20 years’ senior executive experience in operations management roles in New Zealand, with responsibility for all aspects of business management including full P&L and budgeting, business development, sales and customer liaison, HR, IT and H&S. Until August 2021, Nico was Group Manager at the Cawthron Institute, working closely with the CEO and board.

He has been an independent technical expert for IANZ for more than 20 years and is the Chair of the Accreditation Advisory Committee.

He is currently Director of Operations at Wilderlab NZ Ltd., a commercial eDNA testing laboratory, and has an MSc (Chem) from Utrecht University and an MBA from the University of Waikato.



**Simonne Eldridge (effective 1 June 2023)**

**BE (Hons), CEng (UK), C.WEM (UK), FEngNZ, FICE, MCIWEM, MHKIE, MInstD**

Simonne is a Chartered Civil Engineer and Chartered Water and Environmental Manager, Fellow of Engineering New Zealand and the Institution of Civil Engineers and Member of the Chartered Institution of Water and Environmental Management, Hong Kong Institution of Engineers and the Institute of Directors.

She has over 35 years’ experience in the planning, design and construction of large civil and environmental infrastructure projects across New Zealand, Australia, the Pacific, Asia, and the United Kingdom and has held technical and executive leadership roles in client, contracting and consulting organisations.

Simonne’s governance experience extends to the private and public sectors, not-for-profit organisations, and education. She also has extensive regulatory experience and has provided advice to central and local governments.

### 4. Telarc Limited Directors’ Profiles

**Vikki Brannagan – Acting Chair**

**MInstD, B.A. (Japanese), B.Com (Bus)**

Vikki is an experienced CEO and professional director, with governance and leadership experience across a wide variety of industries in the commercial, public and not-for-profit sectors. She holds independent board positions with Cafe Brands Ltd (franchisor of the Columbus Coffee & Mexico restaurant chains); the Apprenticeship Training Trust (a major employer in the PGDR & Electrical sectors); and H J Asmuss Limited.



**Paul Connell**

**FCA CFinstD**

Paul is an independent director with experience as a Chartered Accountant, Consultant, Director and CEO. He has been a director of public companies, public entities and a number of private companies for over 23 years.

Paul was previously the Chair and is presently Deputy Chair of the Accreditation Council and Chair of the Accreditation Council’s Audit & Risk Committee, Director of WEL Networks, ETEL Ltd, and Telarc Limited.

Paul is also an independent director and is Chair of the Audit and Risk Committee for the Environmental Protection Authority and Auckland City Council.

Paul is a member of the Waikato Regional Council Risk and Assurance Committee.



# 5. Management Members’ Profiles



**Dr Brian Young, BSc(Hon), PhD, CMIInstD**

**Chief Executive Officer (IANZ)**

Brian is an experienced science leader, diplomat, and neuroscientist. As a neuroscientist, he worked extensively both in the United States and then in New Zealand. Brian’s subsequent career in science diplomacy took him back to the United States where he was the inaugural Science & Technology Counsellor in the New Zealand Embassy (Washington DC). Following his diplomatic post, Brian was the Director, Research at the University of Otago, and for the nine years prior to his 2021 appointment at IANZ, he was the Director of the Defence Technology Agency, for which he was awarded a commendation from the Chief of Defence for his “outstanding contribution to the New Zealand Defence Force”.

In addition to his science leadership credentials, Brian has had nine years of governance experience representing New Zealand in several international Defence science & technology boards. He is currently a board member of GNS Science, and for four years was a board member of the Museum of Transport and Technology.



**Fiona Paulin (CA)**

**Chief Financial Officer and Company Secretary**

Originally, from Wellington, Fiona began her career with Union Shipping Group and has held a number of senior leadership roles across a diverse range of public, private and not-for-profit industry sectors including Financial Services, Building, Pharmaceuticals, Manufacturing, Electrical and the Education sector. She has extensive experience in both finance, operations and strategy.

Fiona held the Acting CE position for the Accreditation Council for 12 months between 2020 and 2021.

Fiona graduated from the Auckland University of Technology with a National Diploma in Accountancy, and became a member of the Chartered Accountants Australia & New Zealand (CAANZ) in 1994.



**Philip Cryer (BBS)**

**Chief Executive Officer (Telarc)**

Philip Cryer has worked in a wide variety of roles across a diverse range of industry sectors. Prior to joining Telarc he held a number of management roles with Spark N.Z. Philip managed teams with accountabilities for customer service, technology design and delivery through to business operations support. Prior to his time at Spark, Philip worked in a variety of roles in strategy development, supply chain and logistics, treasury, accounting, international business management, marketing and retail. Philip has a degree from Massey University in Business Studies.



6. Statement of Intent

As an autonomous Crown entity, the Accreditation Council must have regard to Government policy as directed by the Minister of Commerce and Consumer Affairs. The Council has considered the Minister’s Letter of Expectations, and policies including Government’s General Objectives; Government’s Wellbeing Objectives, Government’s Commerce and and Consumer Affairs priorities.

A new Statement of Intent covering FY2023-2026 was submitted to the Minister in May 2022. The Statement of Intent provides the strategic framework that gives direction to our organisational purpose of protecting the health and wealth of New Zealand through recognition and assurance of global best practice. It will also drive growth and diversification against four strategic outcome areas that are closely aligned with the Government’s 2022 Wellbeing objectives.

North Island Weather Events

A number of the Council’s clients were severely impacted by the wettest summer on record for Whangarei, Auckland, Tauranga, Gisborne and Napier. The weather created significant flooding that led to assessment and audit deferrals or cancellations in the areas surrounding the cities / towns affected. It also led to disruption for airlines resulting in a reduction in the ability to travel to, and around, New Zealand.

Implications: The overall impact of the weather events resulted in confirmed work being deferred or lost due to the weather. When these types of events occur, and work is deferred, the impact is felt initially at a revenue level, and then, due to the nature of our business, flows to the bottom line. There is a proportion that can be made up during the course of the financial year, though generally speaking the opportunity is lost and the revenue and profit is deferred to the following year.

Covid-19

New Zealand has managed to achieve a level of normalcy and return to a state approaching business-as-usual, although Covid-19 is continuing to linger within our communities.

Implications: Covid-19 globally created the need to review the accreditation and certification models and introduce new modes of training delivery. While the primary driver for these changes was business continuity, the changes have also provided increased operational flexibility. The Accreditation Council strived to maintain conformance throughout this period and will continue to develop more automated, remote, cost-effective, and efficient models for assessing, auditing, and training.

Progress of the Accreditation Council’s contribution in FY2023, towards achievement of Government’s priorities are set out below. Some performance measures disclosed in the prior year Statement of Intent earmarked to be achieved in FY2023 have not been included in the FY2023 SOI due to a revision in the SOI targets approved by the Ministry of Business, Innovation and Employment for the current year. The targets reported in FY2023 are current and relevant to the entity’s core roles and responsibilities.

Statement of Intent key:

Achieved = target met

Partially Achieved = actual is within 5% of the target

Not Achieved = target not met



Statement of Intent FY2023-FY2026					
ACCREDITATION COUNCIL	PERFORMANCE MEASURES	BASELINE MEASURE	PRIOR YEAR FY2022	ACTUAL FY2023	TREND
Measuring Performance					
Outcome 1: Enhanced health and safety of New Zealanders					
Objective 1: (IANZ) Increase the impact of accreditation in the response to the Covid-19 pandemic	Indicator Percentage of laboratories accredited within FY2023  Performance Measure Prioritize assessments of Covid-19 accredited laboratories so that all are assessed at least annually	100%	New	Achieved: There were 34 accredited Covid-19 testing laboratories as at 30 June 2023. There were 34 assessments conducted during the FY2023 year.  The assessments conducted in FY2023 that involved the assessment of Covid-19 testing accreditation contributed \$652,684 to the IANZ revenue. Refer to Financial Statements, Note 2 Revenue.	Static
Objective 2: (IANZ, Training Services) Support regulatory reform	Indicator Number of regulatory reform initiatives supported by IANZ  Performance Measure Increase the number of regulatory reform initiatives supported by IANZ	1	New	Achieved: 2 submissions were presented to: <ul style="list-style-type: none"><li>• MBIE – IANZ presented on outcomes of the building consent system during FY2023</li><li>• Department of Housing &amp; Urban Development (HUD) – IANZ presented on acceptable methamphetamine contamination levels within Kainga Ora housing during FY2023</li></ul> IANZ engaged with Three Waters and Te Whatu Ora on reforms underway during FY2023.	Positive upward trend



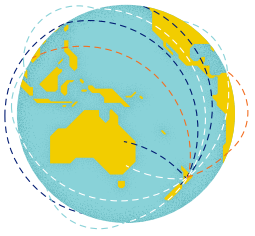
Statement of Intent FY2023-FY2026					
ACCREDITATION COUNCIL	PERFORMANCE MEASURES	BASELINE MEASURE	PRIOR YEAR FY2022	ACTUAL FY2023	TREND
	<b>Indicator</b> Number of people trained in these programmes <b>Performance Measure</b> Introduce training programmes in Three Waters and Health NZ to support adoption of reforms	0	New	<b>Not Achieved:</b> As Three Waters and Te Whatu Ora reforms develop, training options will be developed to support these reforms where appropriate.	Static
<b>Objective 3: (IANZ)</b> Work in partnership with Māori to understand how accreditation and certification can be applied to improve health and safety for all New Zealanders	<b>Indicator</b> Number of initiatives being progressed in partnership with Māori <b>Performance Measure</b> Engagements with Māori focused on improved health and safety	0	New	<b>Achieved:</b> IANZ engaged on 2 initiatives with Tamaki Consulting initially to support the new IANZ Te Paerewa programme and later to include wider cultural capability to support progressing initiatives in partnership with Māori. IANZ paid Tamaki Consulting \$2,415 for services as at 30 June 2023. Refer to the Financial Statements, Note 1 Other Expenses.	Positive upward trend
<b>Objective 4: (IANZ)</b> Improve health and safety through expanded conformity assessment and health and safety management systems training	<b>Indicator</b> Number of health and safety-focused accreditation programmes <b>Performance Measure</b> Increase accreditations to support health and safety	14	New	<b>Not achieved:</b> 14 Health & Safety focused accreditation programmes were maintained in FY2023.	Static
<b>Objective 5: (Telarc)</b> Increase health and safety certification across a more diverse range of industries	<b>Indicator</b> Number of health and safety-focused certifications <b>Performance Measure</b> Increase health and safety certification clients	365	New	<b>Achieved:</b> 461 clients are currently certified against the Health & Safety standard as at 30 June 2023	Positive upward trend
	<b>Indicator</b> Number of people trained in health and safety management systems <b>Performance Measure</b> Increase health and safety management systems training	12	New	<b>Achieved:</b> 22 people were trained in Health & Safety Management systems in FY2023	Positive upward trend

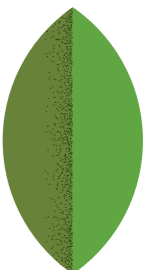
Statement of Intent FY2023-FY2026					
ACCREDITATION COUNCIL	PERFORMANCE MEASURES	BASELINE MEASURE	PRIOR YEAR FY2022	ACTUAL FY2023	TREND
	<b>Outcome 2:</b> Business and consumers interacting with confidence to participate in a fair and thriving economy				
<b>Objective 6: (IANZ)</b> Identify critical gaps and opportunities for conformance assessment through international benchmarking	<b>Indicator</b> Completion of study <b>Performance Measure</b> International conformity assessment benchmarking study	0%	New	<b>Achieved:</b> 100% Study completed in FY2023. A response to the study is to be developed in FY2024 The benchmarking study cost \$49,400. Refer to the Financial Statements Section 12, Note 1 – Other Expenses.	Positive upward trend
<b>Objective 7: (IANZ)</b> Widen access to accreditation	<b>Indicator</b> Number of accreditation options <b>Performance Measure</b> Increase the range of accreditation options tailored to risk level	3	<b>Partly Achieved:</b> The Te Paerewa Recognition Scheme is well underway with the development of Criteria and Standards almost complete. Once this is finished we will be engaging with stakeholders and regulators in a consultation process before anticipated rollout date of late September/early October 2022. The programme has been developed to enable implementation across all IANZ sector groups with specific criteria relevant to the industry sector concerned.	<b>Not achieved:</b> No additional options were added in FY2023. A new Te Paerewa programme is in the final stages of development as at 30 June 2023.	Static



Statement  
of Intent  
FY2023-FY2026

ACCREDITATION COUNCIL	PERFORMANCE MEASURES	BASELINE MEASURE	PRIOR YEAR FY2022	ACTUAL FY2023	TREND
			It is intended that this programme will provide an affordable, practical assessment pathway to assure quality and technical competence within the sectors concerned.		
	<b>Indicator</b> Number of organisations accredited using new options <b>Performance Measure</b> Increase the number of accredited organisations accredited using new options	0	New	<b>Not achieved:</b> No additional options were added in FY2023. A new Te Paerewa programme is in the final stages of development as at 30 June 2023	Static
<b>Objective 8: (Telarc)</b> Increase the uptake of certification	<b>Indicator</b> Number of Telarc certificates on the JAS-ANZ register <b>Performance Measure</b> Increase the number of Telarc certificate registrations	1417	<b>Achieved:</b> The certificate numbers on the JAS-ANZ register have lifted from 1411 to 1461 as at 30 June 2022. This is a 3.4% lift in certificate numbers for the year. This is a solid lift and continues the trend for Telarc in growing certificate numbers. The MPI register is independent from Telarc and managed via MPI.	<b>Achieved:</b> Certificate numbers increased from 1461 in FY2022 to 1556 certificates as at 30 June 2023.	Positive trend continues upward.
<b>Objective 9: (Training Services)</b> Widen access to training in conformance standards through provision of online training courses	<b>Indicator</b> Number of online courses offered <b>Performance Measure</b> Widen access to training in conformance standards through provision of online training courses	1	New	<b>Not Achieved:</b> Due to limitations in resourcing levels across the organisation, this was not achieved, however, realignment of staff skills mix and organisational objectives has begun and will continue to be a focus for FY2024 to bring this objective back to compliance.	Static

Statement of Intent FY2023-FY2026					
ACCREDITATION COUNCIL	PERFORMANCE MEASURES	BASELINE MEASURE	PRIOR YEAR FY2022	ACTUAL FY2023	TREND
<b>Objective 10: (IANZ and Telarc)</b>  Provide data-as-a-service, analytical reports and insights	<b>Indicator</b> Number of clients provided insights and analysis reports  <b>Performance Measure</b> Grow the number of organisations provided with value-added services based on data and analytical reporting	0	New	<b>Not Achieved:</b> Data collection planning remained under development as at 30 June 2023 due to resourcing limitations.	Static
<b>Outcome 3:</b> Easier access to international markets through reduced technical barriers  <b>Objective 11: (IANZ)</b> Support the negotiation of free trade agreements	<b>Indicator</b> MRA designating authority status is maintained  <b>Performance Measure</b> Maintain position as designating authority under G2G MRA for CAB's	Recognised	Achieved: MRA designating authority status is maintained	 Achieved: MRA designating authority status is maintained	Static
<b>Objective 12: (IANZ)</b> Increase overseas accreditation acceptance to enhance market access	<b>Indicator</b> ILAC MRA signatory status is maintained  <b>Performance Measure</b> Maintain global recognition of IANZ accreditation	Recognised	Achieved: ILAC MRA signatory status is maintained	Achieved: ILAC MRA signatory status is maintained	Static

Statement of Intent FY2023-FY2026					
ACCREDITATION COUNCIL	PERFORMANCE MEASURES	BASELINE MEASURE	PRIOR YEAR FY2022	ACTUAL FY2023	TREND
	<b>Indicator</b> Number of evaluations completed per annum  <b>Performance Measure</b> Participate in international evaluations to support Mutual Recognition Arrangements (MRA's) between accreditation organisations	>1	<b>Achieved:</b> IANZ participates in the APAC Mutual Recognition Arrangement evaluation programme and now has 6 evaluators all of whom have participated in at least 1 evaluation in the last 12 months. APAC as a Regional Cooperation is recognised under the ILAC MRA and thus so is IANZ.  IANZ has one Lead Evaluator who is an elected member of the APAC MRA Management Council and the ILAC Arrangements Management Committee	<b>Achieved:</b> IANZ participated in 3 evaluations, and served on 5 evaluation review panels during FY2023	Positive trend continues
<b>Outcome 4:</b> A climate-resilient, low-emissions and sustainable economy					
<b>Objective 13: (IANZ)</b> Support sustainability through conformity assessment	<b>Indicator</b> Number of sustainability-related meetings with government decision makers  <b>Performance Measure</b> Level of engagement with Ministers and Ministries regarding sustainability and conformance assessment	0	New	<b>Achieved:</b> IANZ attended 6 meetings during FY2023. 1 meeting was with Horticulture NZ. 5 facilitated workshops held by the Ministry for the Environment regarding fresh water farm plans, were also attended by IANZ in FY2023	Positive trend continues

Statement of Intent FY2023-FY2026					
ACCREDITATION COUNCIL	PERFORMANCE MEASURES	BASELINE MEASURE	PRIOR YEAR FY2022	ACTUAL FY2023	TREND
<b>Objective 14: (Telarc and Training Services)</b>  Increase certification and provide training in support of sustainability	<b>Indicator</b> Number of sustainability-related certifications  <b>Performance Measure</b> Increase certificates focused on improving the sustainability of organisations	224	New	<b>Achieved:</b> Telarc achieved 280 certifications as at 30 June 2023. Certifications continue to increase year on year	Upward positive trend
	<b>Indicator</b> Number of people trained in ISO14001 environmental management systems per annum  <b>Performance Measure</b> Training in ISO 14001 environmental management systems	20	New	<b>Achieved:</b> 23 staff were trained in the ISO 14001 standard as at 30 June 2023. The number of trainees continues to increase as the focus on environmental management widens	Upward positive trend
<b>Objective 15: (Telarc)</b>  Expand CSR and chain of custody certifications overseas	<b>Indicator</b> Number of industry body-driven certifications  <b>Performance Measure</b> Development of end-to-end certification services	0	New	<b>Not achieved:</b> Resourcing has been limited with the focus of the business being on core programmes during FY2023.	Static



# 7. Statement of Performance

## Service performance judgements and assumptions

In the preparation of the 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 policies;
- 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 Covid-19 and the North Island weather events, management has determined it is possible to continue to provide services at current levels and the related performance measures have not been adjusted for the current year.

### 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, weather events, global and domestic economic conditions and international policy that may impact areas such as recruitment, ability to travel and other unforeseen considerations. Where there have been such conditions, we have clearly identified them below.

Some performance measures disclosed in the prior year Statement of Performance Expectations earmarked to be achieved in FY2023 have not been included in the FY2023 SPE due to a revision in the SPE targets approved by the Ministry of Business, Innovation and Employment for the current year. The targets reported in FY2023 are current and relevant to the entity’s core roles and responsibilities.

Statement of Performance Expectations key:

Achieved = target met

Partially Achieved = actual is within 5% of the target

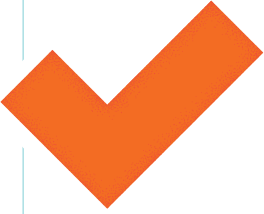
Not Achieved = target not met


Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
<b>Outcome area 1:</b> Enhanced health and safety of New Zealanders  <b>Output class:</b> Accreditation Services, Certification and Training				
<b>Objective 1:</b>  Increase the impact of accreditation in the response to the Covid-19 pandemic (IANZ)	<b>Indicator</b>  Percentage of Covid-19 laboratories assessed within FY2023  <b>Performance Measure</b>  Prioritization of as-sessments of Covid-19 accredited laboratories so that all are assessed at least annually	100% target rate	New Target in FY2023	<b>Achieved:</b>  There were 34 accredited Covid-19 testing laboratories as at 30 June 2023. There were 34 assessments conducted during the FY2023 year.  The assessments conducted in FY2023 that involved the as-sessment of Covid-19 testing accreditation contributed \$652,684 to the IANZ revenue. Refer to Financial Statements, Note 2 Revenue.
<b>Objective 2:</b>  Support regulatory reform (IANZ)	<b>Indicator</b>  Number of regulatory reform initiatives supported by accreditation  <b>Performance Measure</b>  Increase the number of regulatory reform initiatives supported by accreditation	IANZ aims to add 2 further regulatory reform initiatives in FY2023	New Target in FY2023	<b>Achieved:</b>  2 submissions were presented to: <ul style="list-style-type: none"><li>• MBIE – IANZ presented on outcomes of the building consent system during FY2023</li><li>• Department of Housing &amp; Urban Development (HUD) – IANZ presented on acceptable methamphetamine contamination levels within Kainga Ora housing during FY2023</li></ul> IANZ also engaged with Three Waters and Te Whatu Ora on reforms underway in during FY2023.



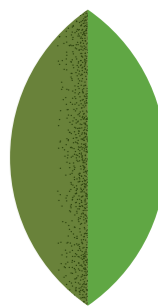
Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
<b>Objective 3:</b> Work in partnership with Māori to understand how accreditation and certification can be applied to improve health and safety for all New Zealanders (IANZ)	<b>Indicator</b> Number of initiatives being progressed in partnership with Māori  <b>Performance Measure</b> 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 2 initiatives	New Target in FY2023	<b>Achieved:</b> IANZ engaged on 2 initiatives with Tamaki Consulting initially to support the new IANZ Te Paerewa programme and later to include wider cultural capability to support progressing initiatives in partnership with Māori.  IANZ paid Tamaki Consulting \$2,415 for services as at 30 June 2023. Refer to the Financial Statements, Note 1 Other Expenses.
	<b>Indicator</b> Number of service areas supported by H&S focused accreditation  <b>Performance Measure</b> Increase to the number of service areas supported by accreditation	Increase the number of service areas by 2	<b>Not Achieved:</b> 47 areas. Currently down one (drinking water treatment inspection) from prior year due to regulatory reform.	<b>Achieved:</b> Three additional sectors were added in FY2023 (not previously covered by accreditation). These were: <ul style="list-style-type: none"> <li>• Timber and timber treatment testing</li> <li>• Biosecurity risk management for cruise ships</li> <li>• Biosecurity risk management of plant exports</li> </ul> Assessments conducted in the 3 additional sectors contributed \$51,980 in revenue. Refer to Financial Statements, Note 2 Revenue
<b>Objective 4:</b> Improve health and safety through expanded conformity assessment and health and safety management systems training (IANZ (accreditation) and Telarc Training Services)	<b>Indicator</b> Number of people trained in health & safety management systems  <b>Performance Measure</b> Increase to the number of people trained in health and safety management systems training	15 people trained	New Target in FY2023	<b>Achieved:</b> The course offered by Training Services has been modified in FY2023 and is now offered as an 'Integrated Management Systems' course, run once a year in October. As at 30 June 2023, 22 people were trained in Health & Safety Management Systems.

Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
<b>Objective 5:</b> Accreditation services meet standards of delivery (IANZ)	<b>Indicator</b> Percentage of accreditation services that meet appropriate standards of timeliness  <b>Performance Measure</b> Assessments carried out as scheduled	98% of assessments of accredited clients are conducted within 3 months of the scheduled date	<b>Not Achieved:</b> June 2022 score is 95.5%.	<b>Partially achieved:</b> 97.4% at 30 June 2023. However, there was significant improvement observed through the year with an overall increase from FY2022 of 1.9% in FY2023
	<b>Performance Measure</b> Efficient clearance of assessment findings by accredited clients	95% of assessments of accredited clients completed within one month of agreed deadlines	<b>Achieved:</b> June 2022 score is 96.7%	<b>Achieved:</b> 95.6% as at 30 June 2023
<b>Objective 6:</b> Increase health and safety certification models across a more diverse range of industries (Telarc)	<b>Indicator</b> Number of health and safety focussed certifications issued  <b>Performance Measure</b> Increased number of health and safety certificates issued during the financial year	35 new certificates issued	New Target in FY2023	<b>Achieved:</b> Target exceeded for the year FY2023 with 47 new certificates issued

Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
<b>Outcome Area 2:</b> Business and consumers interacting with confidence to participate in a fair and thriving economy <b>Output class:</b> Accreditation Services, Certification				
<b>Objective 7:</b> Identify critical gaps and opportunities for conformance assessment through international benchmarking (IANZ)	<b>Indicator</b> International conformity assessment benchmarking study  <b>Performance Measure</b> Completion of the international conformity assessment benchmarking study	Study completed	New Target in FY2023	
<b>Objective 8:</b> Increase the uptake of certification (Telarc)	<b>Indicator</b> Number of Telarc certificates on the JAS-ANZ register  <b>Performance Measure</b> Increase the number of Telarc certificate registrations on the JAS-ANZ register annually	Increase the number of certificates by 30	<b>Achieved:</b> Total registrations as at 30 June 2022 = 1461. An increase of 3.4% for the year.	
<b>Objective 9:</b> Widen access to training in conformance standards through provision of online training courses (Training Services)	<b>Indicator</b> Number of online training courses developed  <b>Performance Measure</b> Widen access to training in conformance standards through provision of online training activities	1 new online course developed in 2023	<b>Achieved:</b> 2 new courses introduced: <ul style="list-style-type: none"> <li>Technical Experts online course and Risk</li> <li>Management Practitioner face to face / virtual course</li> </ul>	
				<b>Not achieved:</b> Due to limitations in resourcing levels across the organisation, this was not achieved, however, realignment of staff skills and competencies, and organisational objectives has begun and will continue to be a focus in FY2024 to bring this objective back to compliance.

Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
<b>Outcome Area 3:</b> Easier access to international markets through reduced technical barriers <b>Output class:</b> Accreditation Services				
<b>Objective 10:</b> Support the negotiation of free trade agreements (IANZ)	<b>Indicator</b> Assistance on request from Government in negotiating conformity assessment chapters in free trade agreements (FTA's) and in meeting technical overseas market access requirements  <b>Performance Measure</b> Assistance provided in response to requests from Government ministries	Maintain 100% response rate to requests	<b>Achieved:</b> IANZ has continued to work closely with Government. UK FTA was signed in February 2022	
<b>Objective 11:</b> Increase overseas accreditation acceptance to enhance market access (IANZ)	<b>Indicator</b> Accreditation that is globally recognised  <b>Performance Measure</b> International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Agreement (MRA) signatory status.	Maintain signatory status	<b>Achieved:</b> ILAC signatory status is currently maintained.	

	<p><b>Performance Measure</b></p> <p>Active representation on key international committees: Asia Pacific Accreditation Cooperation (APAC), International Laboratory Accreditation Cooperation (ILAC), Organisation for Economic Cooperation and Development (OECD).</p> <p><b>Indicator</b></p> <p>Designating authority under MRAs for Conformity Assessment Bodies to enable international produce access</p>	<p>All relevant and key committees and working groups have IANZ representation annually</p>	<p><b>Achieved:</b></p> <p>Membership on all key committees and working groups has been maintained. Many annual meetings were postponed due to travel restrictions in place in FY2022.</p>	<p><b>Achieved:</b></p> <p>Membership on all key committees and working groups has been maintained.</p>
	<p><b>Performance Measure</b></p> <p>Status as designating authority</p>	<p>Active participation as the designating authority and maintaining status</p>	<p><b>Achieved:</b></p> <p>Designating authority status has been maintained with one additional authority added during the year (UK FTA).</p>	<p><b>Achieved:</b></p> <p>IANZ has active designation programmes and has maintained designating authority in existing schemes during FY2023</p>
	<p><b>Performance Measure</b></p> <p>Assistance provided in response to requests from Government ministries</p>	<p>Actively respond to requests with a target of a 100% response rate</p>	<p><b>Achieved:</b></p> <p>Response rate to ministries has been maintained at 100%.</p>	<p><b>Achieved:</b></p> <p>Response rate to ministries has been maintained at 100%.</p>
	<p><b>Indicator</b></p> <p>Number of international evaluations participated in to support MRAs between accreditation bodies</p>	<p>2 evaluations to be completed</p>	<p><b>Achieved:</b></p> <p>5 evaluations and 2 evaluation review panels participated in. Also served on 3 evaluation review panels.</p>	<p><b>Achieved:</b></p> <p>IANZ participated in 3 evaluations, and served on 5 evaluation review panels during FY2023</p>
	<p><b>Performance Measure</b></p> <p>Evaluations completed per annum</p>			

<b>Outcome Area 4:</b> A climate-resilient, low-emissions, and sustainable economy <b>Output class:</b> Accreditation Services, Certification and Training				
<b>Objective 12:</b> Support sustainability through conformity assessment (IANZ)	<b>Indicator</b> Number of engagements with Government agencies regarding sustainability and conformance assessment <b>Performance Measure</b> Sustainability-related meetings held with Government decision makers	3 meetings held	New Target in FY2023	<b>Achieved:</b> IANZ attended 6 meetings during FY2023. 1 meeting was with Horticulture NZ. 5 facilitated workshops held by the Ministry for the Environment regarding fresh water farm plans, were also attended by IANZ in FY2023
<b>Objective 13:</b> Increase certification and provide training in support of sustainability (Telarc and Training Services)	<b>Indicator</b> Number of sustainability-related certifications issued annually (ISO14001) <b>Performance Measure</b> Increased number of certifications focused on improving the sustainability of organisations	20 issued	New Target in FY2023	<b>Achieved:</b> 35 sustainability related certificates were issued in FY2023
	<b>Indicator</b> Number of people trained in ISO14001 environmental management systems <b>Performance Measure</b> Increased the number of people trained in ISO14001 environmental management systems	23 people trained	New Target in FY2023	<b>Achieved:</b> Due to a change in training programme offerings this year, the environmental management course is being discontinued which has an affect on the target outcome. A new course for Telarc has been proposed in its place for FY2024, which is more aligned with client needs. As at 30 June 2023 there were 23 people trained in ISO14001

Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
<b>Objective 14:</b> Increase the value and efficiency of accreditation and certification services (IANZ and Telarc)	<b>Indicator</b> Continued innovation in assessment techniques to ensure continuity of service	8% annually	<b>Achieved:</b> 28% conducted as at 30 June 2022.	<b>Not achieved:</b> 6% for the 12 months ended 30 June 2023. Following Covid-19 disruptions, a return to on-site assessments has confirmed these to be the most efficient and effective for both IANZ and the client.
	<b>Performance Measure</b> Proportion of IANZ assessments conducted remotely	8% annually	<b>Achieved:</b> 23% conducted as at 30 June 2022.	<b>Not achieved:</b> Nil – Due to the risk weighting of Telarc’s clients and the increasing directive from Accreditation Bodies, Telarc is required to conduct on-site audits where possible.



Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
<b>Organisational Health and Capability:</b>  We believe that better understanding the diverse views, challenges, and opportunities of the communities we employ and serve is important in being able to work collaboratively in creating a sustainable, long-term business proposition that supports an increasingly diverse New Zealand.				
	<b>Indicator</b> IANZ continues to support employee's volunteering activities	1 working day per annum per employee to volunteer to support community activities	<b>Not Achieved:</b> Staff day out to be booked at a later date due to the delaying effects of Covid-19 on the entity's workload and staff/client illness. Last volunteer day was May 2021 – visit to Motuihe Island, planting over 100 trees.	
<b>1. To support our community through volunteering</b>	<b>Performance Measure</b> Opportunities provided for IANZ employees to support community activities for one working day per annum			<b>Not Achieved:</b> Unfortunately this year's on-going weather issues saw the need to postpone our Volunteering Day from 19 May to 10 November 2023. However, we are looking forward to working with Ngā Ringa o Te Auaunga, Friends of Oakley Creek to restore the important wāhi tapu of the Waterview Heritage Area which contains a regionally significant network of historical remains including middens and early living platforms.



Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
<b>Organisational Health and Capability:</b>  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.				
<b>2. Caring for our planet by reducing our environmental footprint</b>	<b>Indicator</b> Reduced commuter travel through remote working	Maintain policy allowing up to 60% (average) per annum	New Target FY2023	<b>Achieved:</b> Policy maintains allowing up to 60% on average working from home for all employees. Our Flexible Working Policy has been reviewed to better reflect remote working by default.
	<b>Performance Measure</b> Proportion of days IANZ staff work remotely			
	<b>Performance Measure</b> Proportion of days Telarc staff work remotely	Maintain policy allowing up to 60% (average) per annum	New Target FY2023	<b>Achieved:</b> Policy maintains allowing up to 60% on average working from home for all employees. Our Flexible Working Policy has been reviewed to better reflect remote working by default.

Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
	<b>Indicator</b> Recycling programme for IANZ and Telarc  <b>Performance Measure</b> Recycling strategy in place	An implemented strategy by the end of FY23	<b>Not Achieved:</b> Strategy to be put in place once the relocation to Central Park occurs in December 2022 to align with facilities at Central Park.	<b>Achieved:</b> Procedures implemented at new premises in Central Park
<b>Organisational Health and Capability:</b>  Protecting the health and wealth of New Zealand through certification and accreditation is all about enabling our talented people to deliver professional services, sustained by leadership, capability and resilience. We are proud of our people and will continue to invest in them to ensure we can keep providing the protection and services for the public and our communities				

Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
3. Growing our people's knowledge, skill and expertise	<p><b>Indicator</b></p> <p>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</p> <p><b>Performance Measure</b></p> <p>Attendance at seminars and workshops with expert advisors to increase knowledge and understanding of te o Māori and Te Tiriti o Waitangi</p>	<p>75% of employees have attended introductory Treaty training and an introductory te reo Māori course by June 2023</p> <p>10% of employees have attended intermediate Treaty training and an intermediate te reo Māori course by June 2023</p>	New Target FY2023	<p><b>Not Achieved:</b></p> <p>A cohort participated in a ten-week, level one, te reo Māori course, with a further two (levels 1 &amp; 2) planned for later in FY2024. 56% of IANZ staff have now attended a te reo Māori course and 88% have attended introductory Te Tiriti training. Elements of te ao Māori are woven into these classes for a more holistic approach.</p> <p>We are also in consultation with Tāmaki Consulting regarding a more comprehensive programme of work including leadership development, building cultural capability and, operationalising and embedding our Te Tiriti positioning across our organisation.</p>
	<p><b>Indicator</b></p> <p>Implementation of the IANZ People and Culture strategy</p> <p><b>Performance Measure</b></p> <p>Reaching key measures within the People &amp; Culture strategy</p>	Achievement of FY22/23 strategy targets	New Target FY2023	<p><b>Achieved:</b></p> <p>A People &amp; Culture Plan designed to focus on the development of core HR frameworks, such as our organisation-wide leadership competencies to work in conjunction with KPIs is in place.</p> <p>In addition, policies have been developed and reworked in the areas of Remuneration, Flexible Working, Social Media and Diversity, Equity &amp; Inclusion.</p> <p>Progress has been made towards the continuous growth of our culture, values and behaviours with key measures achieved.</p> <p>There is still work to be done in all of these spaces, but excellent headway has been made.</p>

Statement of Performance Expectations FY2022-23				
OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
	<p><b>Indicator</b></p> <p>Extend leadership scope and reach</p> <p><b>Performance Measure</b></p> <p>Developing an IANZ leadership development programme</p>	Completion of the leadership development programme in FY23	<b>Partly Achieved:</b>	<p><b>Achieved:</b></p> <p>Our Leadership development programme has been shaped and refined, incorporating bite sized online self-paced segments with group face to face learning sessions to ensure we achieve high engagement, accountability and results.</p> <p>Topics cover all aspects of management and leadership to ensure our leaders and potential leaders, understand and are able to get the best out of not only themselves, but their teams and those around them.</p> <p>These sessions are finalised and to be delivered across the organisation in FY24.</p>
	<p><b>Indicator</b></p> <p>IANZ and Telarc employees have improved resilience and agility</p> <p><b>Performance Measure</b></p> <p>A Wellbeing strategy is in place</p>	FY22/23 Wellbeing objectives are achieved	New Target FY2023	<p><b>Achieved:</b></p> <p>A comprehensive Wellbeing and Action Plan has been in place across FY23, with all initiative indicated successfully achieved.</p> <p>These ranged from communicating and actioning engagement and pulse survey feedback to budgeting advice and increased focus on mental health and holistic wellbeing.</p> <p>We have a dedicated Wellbeing Committee who meet monthly to monitor, address and implement action items.</p> <p>A monthly Wellbeing Newsletter is in place along with a dedicated Wellbeing inbox/email address for communications and a channel for anonymous suggestions.</p>

Statement  
of Performance  
Expectations  
FY2022-23

OUTCOME	MEASURE	TARGET FOR 2023	PRIOR YEAR 2022	ACTUAL 2023
	<p><b>Indicator</b></p> <p>IANZ retains institu-tional knowledge and expertise to serve stakeholders</p> <p><b>Performance Measure</b></p> <p>Turnover of employees</p>	<p>To maintain turnover below the national average</p>	<p><b>Achieved:</b></p> <p>Staff turnover recorded at 9.6% for IANZ and 18.2% for Telarc with an average of 13.5% combined for FY2022.</p> <p>National average at March 2022 equals 18.5%.</p> <p><a href="https://www.lawsonwilliams.co.nz/blog/introducing-the-2022-nz-staff-turnover-survey-report">https://www.lawsonwilliams.co.nz/blog/introducing-the-2022-nz-staff-turnover-survey-report</a></p>	<p><b>Achieved:</b></p> <p>IANZ employee turnover is currently at 5.4% and Telarc at 25% with an average of 14%, well within the national average of 20.5% in 2022 **. Employee retention is essential for maintaining produc-tivity, knowledge continuity, employee engagement and a positive workplace culture. IANZ reports high engagement scores, and workforce who are dedicated and committed to the role they play in protecting the health and wealth of NZ.</p> <p>**<a href="https://www.lawsonwilliams.co.nz/introduc-ing-the-nz-staff-turn-over-survey-2022">https://www.lawsonwilliams.co.nz/introduc-ing-the-nz-staff-turn-over-survey-2022</a></p>
	<p><b>Indicator</b></p> <p>Number of Technical Experts and Profession-al Advisory Committee members recognised</p> <p><b>Performance Measure</b></p> <p>Recognition pro-gramme for Technical Experts and members of the Professional Advisory Committees</p>	<p>Recognition pro-gramme is in place by the end of FY2023</p>	<p>New Target FY2023</p>	<p><b>Not Achieved:</b></p> <p>IANZ Technical Expert fees will be part of a criteria review. Recognition criteria are currently under review.</p>
	<p><b>Indicator</b></p> <p>Number of employees signed off to support ISO27001 (Information Security Management Systems), ISO55001 (Asset Management Systems), and ISO13485 (Medical Devices Management Systems)</p> <p><b>Performance Measure</b></p> <p>Increased number of auditors available to support business certifications under ISO27001, ISO55001 and ISO13485</p>	<p>Audits scheduled in FY23 are completed for these standards</p>	<p>New Target FY2023</p>	<p><b>Achieved:</b></p> <p>Overall increases in the number of approved auditors able to support these standards has increased by 3 in FY2023</p>



7.1 Accreditation

IANZ accreditation provides independent recognition of competence for a range of technical service providers (laboratories, inspection bodies, radiology practices, building consent authorities). This enables businesses, consumers and regulators to have confidence in test and inspection reports and make decisions based on reliable results. IANZ provides this value-adding service in an effective and cost-efficient manner.

Financial Performance<sup>1</sup>

	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
Revenue	9,687,844	9,258,424	7,909,877
Less cost	(9,874,672)	(9,167,865)	(8,195,259)
Net Surplus/(Deficit) before Tax	(186,829)	90,558	(285,382)

7.1.1 Performance Highlights

IANZ has had accreditation assessment disruptions throughout the year due to Covid-19 illness and weather events. IANZ has strived to keep assessments on schedule where possible, rescheduling where necessary, and accommodating new assessments across a number of programmes. IANZ received a number of requests for accreditation scope extension assessments from existing clients during the course of the year. IANZ continued to add value for clients by sharing best practice and providing recognition of their services which is a necessary prerequisite to grow business into new areas, either to meet regulatory requirements or market needs.

7.1.1.1 International Recognition

IANZ was evaluated against the accreditation body standard ISO/IEC 17011 in March 2023. The purpose of each evaluation is to evaluate conformance with the standard and thereby ratify IANZ’s continuance acceptance as a member of the APAC Mutual Recognition Arrangement (APAC MRA). This ensures IANZ remains part of the global recognition provided by the international accreditation community. The global International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) is now a major factor in facilitating trade, enabling products to go straight to market, without duplicate re-testing. The networks established within the global accreditation community also allow trade issues of concern to be discussed on a bilateral basis.

7.1.1.2 Laboratory Programmes

Assessments delayed as a result of Covid-19, are now mostly up to date across the testing programmes. The training of new lead assessors is nearing completion which has greatly assisted with the recovery of IANZ’s work programme, post Covid-19. An additional assessor will be joining the programme to cover planned extended leave.

All accreditations which had been suspended as a result of international travel restrictions, have now been reinstated, following on-site assessments.

There continues to be a steady stream of applications for accreditation, and expressions of interest from potential applicants based in the Pacific Islands.

IANZ is continuing to engage with regulators to ensure the scope of accreditation assessments are meeting their needs.

7.1.1.3 Healthcare Programmes

The challenges to Medical Imaging and Medical Laboratory providers within the public health sector are significant with the issues primarily around resourcing, accommodation and equipment.

<sup>1</sup> Refer to note 2 Net Revenue and Cost analysis



IANZ are seeing some post Covid-19 recovery amongst private healthcare providers, however some stress is evident within the workforce due to a depletion in resourcing across the sector. The resilience and dedication of all clients assessed to date, has been commendable. IANZ’s ability to meet assessment compliance has improved with a return to onsite assessments and improved access to many providers previously impacted by Covid-19 and illness.

Ongoing positive relationships and liaison with stakeholder groups, such as Te Whatu Ora, the Office of Radiation Safety, Ministry of Health (MoH), ACC, Point of Care Advisory Group, Laboratory Quality Managers Group, National Radiology Advisory Group, Ministry of Justice and others, continue to be maintained.

Considerable work is being undertaken to establish the provision of additional programmes across the healthcare sector, with a significant body of work underway to ensure appropriate and fit for purpose accreditation models can be implemented, to provide assurance within health reforms and, in particular to address access and equity issues within the healthcare environment.

Development of a new recognition programme for smaller clients is almost complete and will complement the existing accreditation framework enabling access to competence assurance programmes for wider industry sectors.

7.1.1.4 Building Consent Authority (BCA) Programmes

IANZ is required under its contract with MBIE to assess all BCAs no less than once every two years, and more frequently if it or MBIE believe the organisation to have an elevated level of risk. IANZ fully met its contractual requirement to begin assessments in the month within which they were due for the year.

While it has been good to have the opportunity to carry out remote assessments where required, IANZ and its clients have been pleased to revert to mostly onsite assessments.

While many BCAs are still failing to meet statutory time frames this is generally improving as pressure for new building work has reduced in recent months, allowing BCAs to “catch up” with their backlogs. There is some concern that as a result of the reduction in workload, BCAs will reduce staff numbers and stop using contractors, resulting in a reduction of resources in the sector. This could result in reduced capacity when the next building boom hits.

7.1.1.5 Inspection Programme

IANZ continued with industry liaison work in the past 12 months. IANZ has been speaking to WorkSafe on the role of accreditation in asbestos survey, inspection, sampling and analysis and has been involved in initial work to review the asbestos guidance and material currently published by WorkSafe, along with other industry groups and stakeholders. IANZ has also engaged positively with the Ministry for Primary Industries in the areas of food safety, animal products, wine and biosecurity.

There has been some increased accreditation activity in the area of non-dairy Risk Management Programme (RMP) activities. Companies that process or manufacture animal products generally have RMPs and these need to be evaluated and verified by Recognised Persons and Agencies. Two organisations applied to verify non-dairy RMPs. A new agency is also inquiring about gaining inspection body accreditation for dairy and non-dairy evaluation and verification.

An inspection body has also increased its scope to become an independent verification agency in the area of plant phytosanitary inspections.

The areas of engineering safety inspection and non-destructive testing (NDT) remain relatively stable. IANZ attended the AINDT Asia-Pacific Conference in 2023 where there were presentations and technical sessions looking at the NDT and condition monitoring challenges that industry faces. There were forums and discussions on the role and use of standards as well as the future of NDT.

Electrical Equipment in Hazardous Environments remains a steadily growing sector and we currently have an application in progress from a client in this area.

Since the last assessment IANZ has awarded accreditation to an inspection body that inspects passive fire safety systems and has received an application from an organisation inspecting offshore containers and associated lifting sets which are handled in open seas.

<sup>1</sup> Refer to note 2 Net Revenue and Cost analysis



IANZ consulted with WorkSafe in relation to the sale and acquisition of two inspection bodies in the areas of PECPR and Hazardous Substance compliance certification. This is an area where early and frequent communication is vital to ensure the changeover does not lead to any unintended disruption to accreditation or recognition.

IANZ provided feedback on the proposals for regulations to manage methamphetamine contamination in rental housing introduced by the Ministry of Housing and Urban Development (HUD).

7.2 Telarc Certification

Telarc certification provides organisations, regulators and industry bodies with an independent intervention to provide assurance that a required level of compliance has been achieved against a recognised standard. Most of the assessments carried out by Telarc provide confidence to management, owners, directors and interested parties that the organisation under assessment is carrying out work as prescribed in their agreed to management system. Telarc provides audit services against a wide range of local and international standards across the Ministry of Primary Industries (MPI) food safety, MPI wine safety, FSSC22000, BRC (British Retail Consortium), Quality (ISO9001), Health & Safety (ISO45001, Q-Safe) and Environmental (ISO14001) landscapes. Telarc additionally supports a number of industry bodies on an as required basis to assess industry specific standards e.g. Dairy Herd Testing (NZS8100:2015), Medical Devices (ISO13485), Asset Management (ISO55001), IT Management (ISO27001), Electrical and Gas Public Safety (NZS7901:2014), Employer Licence scheme and the CAAR (Class A Asbestos removal) scheme.

Financial Performance<sup>2</sup>

	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
Revenue	9,727,484	9,822,952	8,530,405
Less cost	(9,140,399)	(9,041,320)	(8,430,379)
Net Surplus/(Deficit) before Tax	587,086	781,633	100,025

7.2.1 Performance Highlights

Telarc continued to work with JAS-ANZ to become accredited against ISO13485 and ISO55001. The last 12 months have proved to be extremely challenging. The inability to access client sites and to be able to carry out audits that support the requirements of an approval audit has slowed progress towards accreditation with these programmes now expected to be approved by December 2022.

The Tōtika Health & Safety pre-qualification scheme continues to grow and increase its reach. While initially designed to support the construction industry to reduce the number and complexity of large buyer’s pre-qualification schemes, it is now reaching into other industry sectors. A number of Councils and larger organisations are now actively supporting the scheme by requiring their suppliers to be pre-qualified. Recent member buyers have been St Johns Ambulance, IAG and the NZ Police Association.

As New Zealand starts to open up its commercial activities more widely it is expected that the demand for compliance audits will only grow. The last 2 years have been heavily focussed on dealing with the pandemic. It is Telarc’s hope that opportunities to increase performance and or value become the increasing norm as we head towards FY2023. By focussing on value or increased performance we believe the opportunity for certification grows exponentially.

7.3 Training

Training Services have provided training in both laboratory quality systems and management systems certification activity. Training courses are aimed at auditor level and client improvement.

Financial Performance<sup>3</sup>

	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
Revenue			
IANZ	553,156	596,505	478,499
Telarc	145,181	-	37,608
Total Revenue	698,337	596,505	516,107
Cost			
IANZ	(717,024)	(692,568)	(674,047)
Telarc	(104,003)	-	(32,508)
Total Cost	(821,027)	(692,568)	(706,555)
Net Surplus/(Deficit) before Tax			
IANZ	(163,868)	(96,063)	(195,549)
Telarc	41,178	-	5,100
Net Surplus/(Deficit) before Tax	(122,691)	(96,063)	(190,449)

7.3.1 Performance Highlights

Brand shift: The New Zealand Quality College (NZQC) was rebranded in FY2023 and now identifies as IANZ Training Services and Telarc Training Services after more than 30 years of existence for the college under the brand name NZQC. The initiative was to maintain brand separation between IANZ and Telarc, leverage the stronger brands, and simplify the Accreditation Council’s structure. There is now an even greater focus on service that adds value to clients. This is a very positive move for training services. Training offerings have been reviewed and will continue to evolve to best add value to their clients.

Website shift: The NZQC website was retired in December 2022. All training related information was moved to the IANZ and Telarc websites. Both websites host information on courses that are relevant to their respective clients. This move was designed to assist clients in a more seamless experience when booking for courses and to reduce confusion over branding. A review was undertaken of training service’s presence on social media and the communications strategy relating to the brand change.

7.4 International Recognition

IANZ accreditation is recognised by authorities in 117 economies as equivalent to their own accreditation. This mutual recognition is a major factor in trade facilitation accreditation, affecting more than \$47 billion in New Zealand exports.<sup>2</sup>

7.4.1 Performance Highlights

7.4.1.1 International Involvement

Exports are essential to the New Zealand economy, particularly agricultural (e.g. meat and dairy) products, as well as manufactured goods, including steel and aluminium. The growing global demand for testing in accredited laboratories has seen IANZ play a key role in facilitating international trade. Affiliation with mutual recognition agreement (MRA) partners assists in the acceptance of New Zealand products in overseas markets without additional testing or inspection. The recognition of the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) by overseas regulators gives manufacturers and suppliers certainty of access into export markets. In 2023, 113 accreditation bodies in 117 economies, including all our major trading partners, are signatories to such arrangements. In addition, all accreditation authorities

<sup>2</sup> The Economic Impact of Accreditation in New Zealand. Principal Economics Report commissioned by IANZ (September 2023).



in the European Union recognise IANZ designation under the auspices of the New Zealand – European Union Government to Government MRA.

IANZ continues its core role as a New Zealand member of the Asia Pacific Accreditation Cooperation (APAC) and the International Laboratory Accreditation Cooperation (ILAC). IANZ currently has a representative on the APAC MRA Management Committee which manages the implementation of the MRA process, and on the ILAC Arrangement Management Committee, which manages the day to day activities for the ILAC Arrangement.

Work continues to progress with IANZ’s involvement, either by membership of ISO Working Groups or by correspondence, in a number of new standards. Involvement this year has included ISO technical committees and active involvement in the ILAC technical and policy committees.

The Chair, CEO and IANZ senior staff continue to meet with MBIE staff to discuss how MBIE and IANZ can work together to enhance the use of accreditation and conformity assessment in regulatory systems in New Zealand and International trade. Discussions have also included the role of accreditation in Free Trade Agreements.

7.4.1.2 Trade Negotiations

IANZ continues to provide support and advice, when required, to MBIE during negotiations for Free Trade Agreements.

7.4.1.3 Trans-Tasman Cooperation

IANZ continues to work co-operatively with its counterpart Australian organisation, NATA, to provide seamless recognition of laboratory results and inspection reports for regulators on both sides of the Tasman. Both organisations ensure accreditation practices provide similar outcomes, including the use of common technical experts where necessary.

7.5 Promoting Conformity Assessment

7.5.1 Publications

Updates to IANZ criteria in technical and information publications can be viewed at [www.ianz.govt.nz](http://www.ianz.govt.nz). IANZ also produces a monthly newsletter.

7.5.2 Websites

The Council maintains two websites: [www.ianz.govt.nz](http://www.ianz.govt.nz); [www.telarc.co.nz](http://www.telarc.co.nz)  
Each details Council activities, including full product and assessment process information, the register of accredited organisations and how to become IANZ accredited or Telarc certified. News articles of interest and contact details are also provided.

7.6 Organisational Health and Capabilities

7.6.1 Quality Improvement

Inherent in the operating standards adhered to by IANZ and Telarc is the implementation of sound quality management practices based on ISO 9001. To ensure full compliance is maintained, periodic internal audits are conducted. Any corrective actions are addressed and remedied prior to the next round of audits.

7.7 Covid-19 and Weather Event Impacts in FY2023

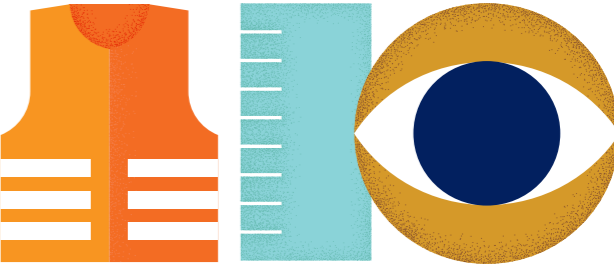
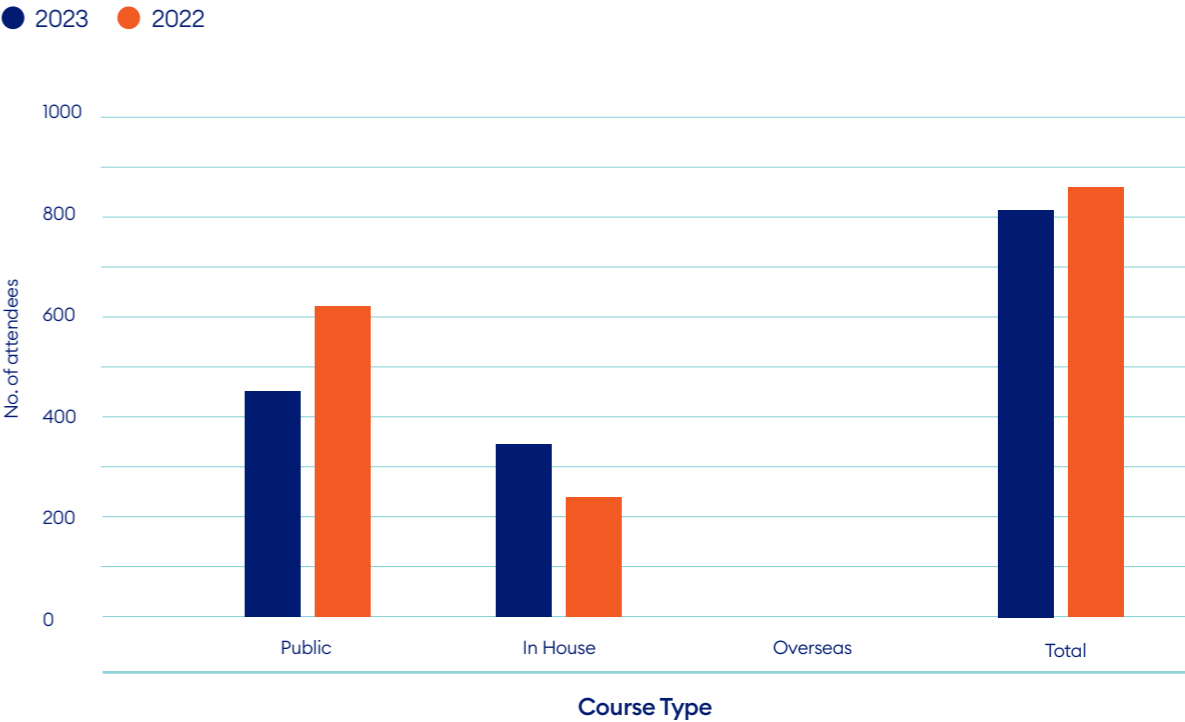
Covid-19 remained in our communities in FY2023 however business has returned to a level of normality. The impact on Council’s revenues, operations and the wider economy in FY2023 was minor in comparison to prior years, however continued to create some challenges with staff and client illness resulting in the rescheduling of workloads.

The North Island weather events created significant flooding that led to assessment and audit deferrals or cancellations in the areas surrounding the cities / towns affected. It also led to disruption in air travel around New Zealand.

Despite the challenges imposed by the pandemic and extreme weather events, Council met revenue budget targets for the year.

Strong cash reserves continued to support the business throughout the year, and the business has continued to evolve its systems to support changes in work process requirements of the future. Remote assessments have continued where practical.

Training Services attendee analysis by course type





## 8. Valued Employer

People remain the Accreditation Council’s most important and valuable resource – both our employees and our network of volunteer technical experts. To this end, the Council continues to support its people through:

- A focus on the wellbeing of our people through focused engagement and pulse surveys, prioritising mental health and robust wellbeing strategies as a core element of our culture;
- Creating a fairer, more inclusive workplace for all through the development of diversity, equity and inclusion policies and plans, and improving our cultural capability;
- Developing resilience and psychological safety in leadership for all employees;
- Improved core HR frameworks building our people capability through redefined performance programmes, talent mapping and succession planning;
- Keeping our values active and at the centre of our communications, behaviours, and performance to increase organisational effectiveness.

### 8.1 Health and Safety

IANZ continues to place paramount importance on the health and safety of employees and external technical expert assessors. Comprehensive policies and practices are in place to ensure workplace safety, and these are reviewed annually by the Council and assessed to show compliance with MBIE and Institute of Directors (IOD) guidelines for a safe workplace.

Our people receive regular opportunities to focus on health, safety and wellbeing through various channels and learning providers. Holistic wellbeing is a particular focus with our Wellbeing committee championing initiatives from volunteer days to health checks, physical activities and workshops. Achieving and maintaining good mental health is prioritised through access to our employee assistance programme and an onsite counsellor.

The Telarc Board and its employees regard health and safety to be of vital importance and actively monitor performance. As part of the Board’s activity calendar, health and safety monthly performance is reviewed via operational reporting and the minutes of the Health and Safety committee meeting are distributed for review at monthly meetings. Quarterly, risks and performance against the IOD checklist are reviewed and the CEO and Board attend one separate audit each year.

### 8.2 Employer of Choice

The Accreditation Council had a staff turnover percentage of 14% (9.6% prior year) for the year.

The IANZ Senior Leadership team are working constantly to improve their leadership, through open communication and regular feedback. Leadership, accountability and culture are prioritised, and this has seen improved performance, increased employee engagement, higher levels of talent attraction and continued retention of our people.

Values shape organisational culture by setting the standards for behaviours and interactions. When values are embedded in the workplace, they create a positive work environment that promotes trust, respect, and collaboration. As a group the team has focused on what feelings we want at the heart of our organisational culture to connect us to our values. This produced a guiding framework for our desired behaviours in the workplace.

One focus for this is the encouragement of open communication, collaboration and learning that fosters innovation and adaptability. To achieve this, we are working on embracing change, building solutions and continued development opportunities for our people.

The Accreditation Council has a clear policy and zero tolerance stance on bullying and harassment; our aim is to stamp out bullying by celebrating diversity and promoting kindness, respect for others and inclusion. Continuous training and education is provided in these areas, to raise awareness and foster a positive workplace environment. Ongoing monitoring and evaluation is in place to ensure the effectiveness of our initiatives and activities in this area, with appropriate action swiftly taken if issues arise.

The recent IANZ employee survey results were excellent with a 83% response rate and an exceptional 85% engagement score (an increase of 3% over 2022), reflecting increasingly positive employee engagement in the organisation. 90% of employees feel a sense of pride working for IANZ.

### 8.3 Diversity and Inclusion

The Accreditation Council actively promotes diversity and inclusiveness as an integral part of the People and Culture Strategy. A new Diversity, Equity and Inclusion policy is in place with a corresponding Strategic Plan being developed alongside a diversity audit. IANZ is a member of Diversity Works, New Zealand’s national body for workplace diversity, equity and inclusion.

Closing all pay gaps is a priority for us and this is reflected in our published Kia Toipoto Action plan. Other commitments under this plan include accelerating progress for women, particularly from Māori, Pacific and ethnic backgrounds and creating a fairer workplace for disabled people and members of the rainbow communities. Accessibility for all is important to us at the Accreditation Council.

We are working hard to build our cultural competence and future proof our workforce. This is evidenced in our te reo and te ao Māori development programmes which focus on continous growth for our people, with particular importance placed on incorporating both into our daily life. We have created effective pathways for open, meaningful and ongoing consultation with iwi; this is not only growing our internal capability, but also expanding our external stakeholder engagement in alignment with our Te Arawhiti, Whāinga Amorangi: Transformational Leadership plan.

The consolidated Council population gender balance is 50% male and 50% female. This balance is benchmarked and compares favourably against other agencies.

Our Council's consolidated age base is 62% over 50 compared to 67% last year. Telarc is at 73% with IANZ currently at 54%. A strategy of regeneration and succession planning has improved historical statistics however is somewhat limited by turnover and the ability to recruit. The under 40 age group has reduced slightly to 15% in FY2023, compared to prior year at 19%. These millennials will turnover more regularly than the older age groups, and it is therefore a priority to ensure our older people are given opportunities to train and develop to ensure they remain relevant and up to date with inevitable technological changes in the workforce.

Our Council’s consolidated ethnic profile is 50% NZ European and 50% a mix of other ethnicities compared to last year, 54% NZ European and 46% mixed ethnicities. This is not unexpected given the low turnover. This recent data collection has highlighted our current state and proactive monitoring of recruitment practices will be required to balance further.

### 8.4 Equal Employment Opportunities

Employment policies, people related processes and practices are reviewed regularly to remove any biases, mitigate in-equities, and encourage diversity. Care is taken in the wording of recruitment advertising, job descriptions, key performance indicators and the like to ensure language is inclusive to all. Our employees will be completing unconscious bias training and we have an ongoing focus to ensure continuous improvement in this area.

All job applicants are treated equally, the Council does not discriminate on the basis, of race, gender, orientation, or other grounds. We are committed to developing equitable career pathways and opportunities to progress.

The Council maintains a flexible-by-default working policy to seek to normalise flexible working, so that it does not undermine career progression or pay and is equally available to all, regardless of gender, ethnicity, disability, and other dimensions of diversity.

### 8.5 Employer Best Practice

Employer best practice is evidenced through our strategies and approaches to ensure the Accreditation Council promotes ethical and legal compliance in all people related matters. We comply with all applicable laws, regulations, and industry standards, have clear policies in place relating to ethics and conduct, promote integrity, fairness, and equality in all our operations and actively protect employee’s privacy and data.

Our effective health and safety practices help our organisations to identify and mitigate risks before they escalate into issues. Through these practices we fulfil not only our legal obligations, but are also building more productive, engaged, and sustainable workplaces. We prioritise the health and safety of our people to protect them from harm through safe working environments.

No serious harm incidents occurred during the year ended 30 June 2023 (also nil in 2022). Both Health and Safety committees meet regularly, and employees are actively engaged in the reporting of all incidents including near misses, which are accompanied by a robust process of investigation, before being closed out.

### 8.6 Sustainability

The Council recognizes that businesses can have a negative impact on the environment and is committed to finding ways to reduce the environmental impact of our work and that of our clients.

The Council has committed to help offset flight carbon emissions created in FY2023, through a donation to Project Crimson Trust. Council is also committed to a carbon emissions verification audit in FY2024 and will be working towards reporting and reducing emissions where possible, offsetting those that cannot be reduced further.

The Council has subsidised public transport (up to 50% of cost) for all staff using public transport for travel to and from home.

Remote working is available to all staff and is seen as one way of contributing to an improved carbon footprint.

### 8.7 Performance Reviews

All Council employees have received an annual performance review to evaluate individual achievement against their agreed organisation and team performance indicators and behavioural core competencies.

KPI’s and the criteria relating to salary bands have been redeveloped with considerable consultation with all Council employees. Performance reviews also include leadership competencies, applicable to our people at all levels of the organisation. This work has meant that as we enter performance and development reviews, with our people, we can have much more meaningful conversations, especially when overlaid with the set of behavioural criteria our people developed in relation to our values and culture.

### 8.8 Professional Development

Professional development continues to be a priority for Council with our people attending a range of training events from webinars, seminars, and conferences to achieving more formally recognised qualifications, both inhouse and externally.

A comprehensive new online induction programme is in place for all IANZ employees, with particular emphasis on the development of new accreditation employees reaching lead assessor level. This includes client assessments and detailed peer reviewed scenarios.

A programme of activity from a learning & development perspective has been built for the coming year to supplement the mandatory training already in place and ensure our people are receiving relevant opportunities for development in a range of areas from cultural competencies to coaching and feedback.

Throughout the year, Telarc continued to train its auditors across its food, wine, and management portfolios. Increased investment over the last 12 months in technical resource supporting these portfolios, is allowing Telarc to provide good levels of support for all auditors.

Increasingly, regulators and standards bodies are requiring certification bodies to display proven levels of industry competence for auditors who are assigned to support audits against their standard. To do this, requires auditors to provide clear examples of operational experience or for Telarc to train staff to be deemed to be competent.

8.9 Technical experts

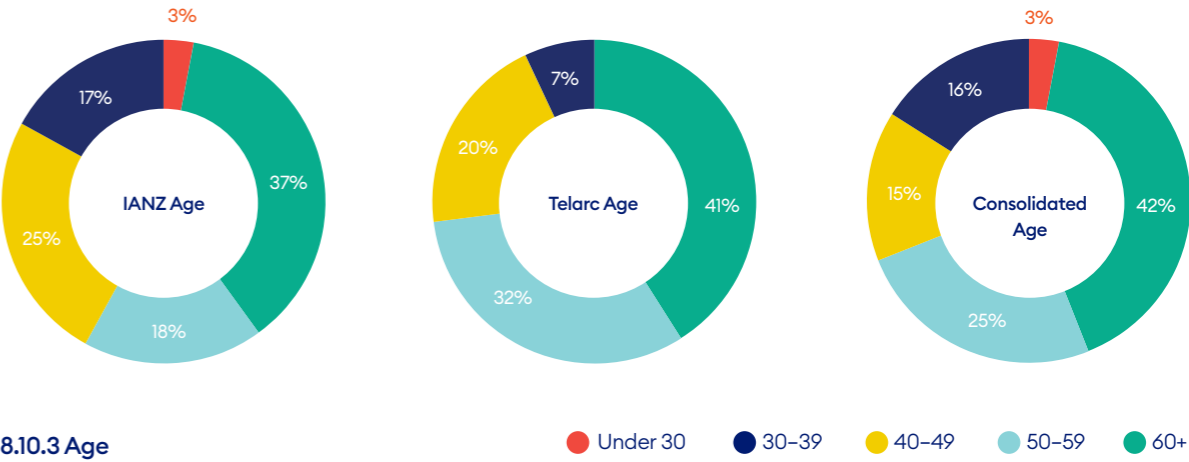
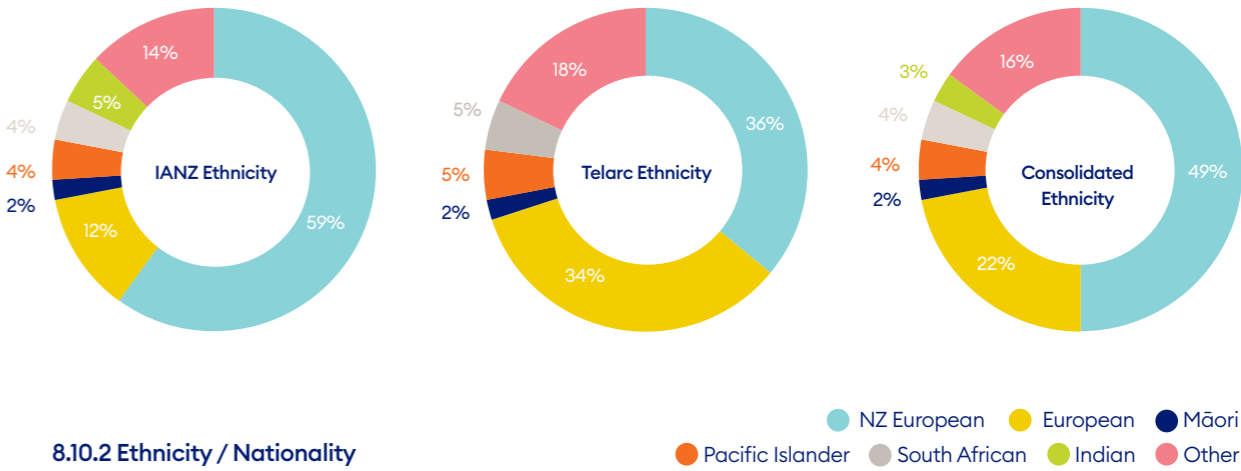
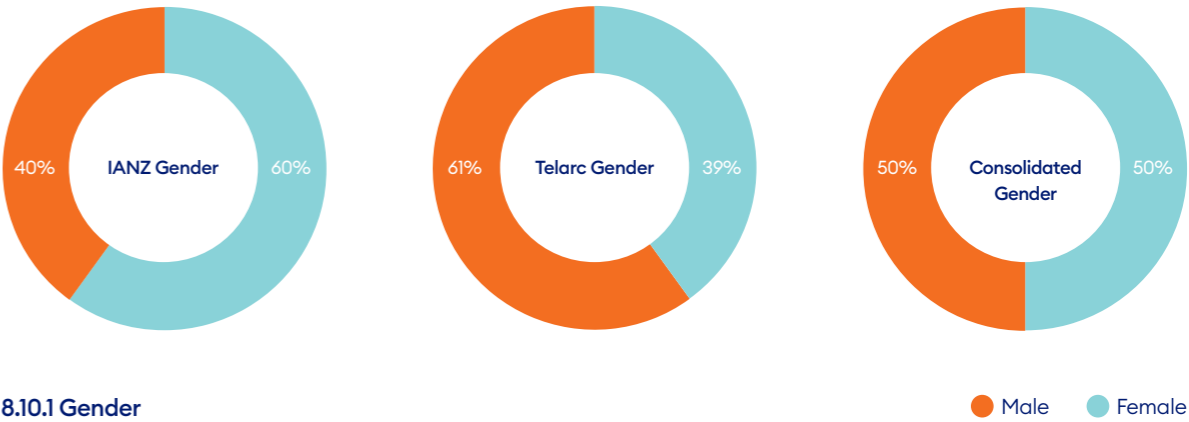
Around 2,000 technical experts support IANZ on a voluntary basis to support the accreditation assessments of clients. Their efforts are critical to IANZ’s operation. During assessments, these technical experts are considered part of the IANZ workforce and comply with Health and Safety policies, are covered by IANZ insurance, and work alongside IANZ staff as full team members.

Telarc utilises technical experts across selected JAS-ANZ accredited programmes.



8.10 Human Resource Statistics

As at 30 June 2023



# 9. Statement of Responsibility

The Council and management of IANZ accepts responsibility for:

- The preparation of the financial statements, statement of performance and the judgments made in them.
- End-of-year performance information provided by IANZ under section 19A of the Public Finance Act.
- Establishing and maintaining a system of internal controls, designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of IANZ, the financial statements and statement of performance fairly reflect the financial position and operations of the Council for the year ended 30 June 2023.



Nicole Anderson  
Chair of Council  
31 October 2023



Fiona Paulin  
Chief Financial Officer  
31 October 2023



Paul Connell  
Chair of Audit & Risk Committee  
31 October 2023

# 10. Independent Auditor’s Report

## Independent Auditor’s Report

### To the readers of Accreditation Council Group’s financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of Accreditation Council (the Council) and its controlled entities. The Auditor-General has appointed me, Elaine Yong, using the staff and resources of RSM Hayes Audit, to carry out the audit of the separate and consolidated financial statements and the performance information of the Council and its controlled entities (collectively referred to as the “Group”) on his behalf.

### Opinion

We have audited:

- the financial statements of the Council and Group on pages 64 to 91, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information which reports against the Council and Group’s statement of performance expectations for the year ended 30 June 2023 on pages 20 to 52.

In our opinion:

- the financial statements of the Council and Group on pages 64 to 91:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Council and group on pages 20 to 52:
  - presents fairly, in all material respects, the Council and group’s performance for the year ended 30 June 2023, including:
  - for each class of reportable outputs:
    - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year,
    - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
  - complies with generally accepted accounting practice in New Zealand.



RSM Hayes Audit

PO Box 9588  
Newmarket, Auckland 1149  
Level 1, 1 Broadway  
Newmarket, Auckland 1023  
T +64 (9) 367 1656  
www.rsmnz.co.nz

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RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Our audit was completed on 31 October 2023. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### Basis for opinion

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

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

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

### Responsibilities of the Council for the financial statements and the performance information

The Council is responsible, on behalf of the Council and Group, for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Council is responsible, on behalf of the Council and Group, for assessing the Council and Group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Council and/or Group or to cease operations of the Council and Group, or there is no realistic alternative but to do so.

The Council's responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

### Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Council's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council and Group.
- We evaluate the appropriateness of the reported performance information which reports against the Council and Group's statement of performance expectations.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and Group, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council and Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Council and Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 19, 53 to 58, and 92 to 101, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.



In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Council or Group.

A handwritten signature in purple ink, appearing to read "Elaine Yong".

Elaine Yong  
**RSM Hayes Audit**  
**On behalf of the Auditor-General**  
**Auckland, New Zealand**



# 11. Statement of Accounting Policies

## 11.1 Reporting entity

The Accreditation Council (Council) has designated itself as 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 holds no assets and liabilities during and at the end of the period of review. IANZ is disclosed as the Parent in the financial statements with Telarc included in the consolidated figures.

The financial statements for the Accreditation Council are for the year ended 30 June 2023 and were approved by the Council on 31 October 2023.

## 11.2 Basis of preparation

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

## 11.3 Statement of compliance

The financial statements of the Accreditation Council have been prepared in accordance with the Crown Entities Act 2004, which include the requirements to comply 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 > \$2m and ≤ \$30m and the Council is not publicly accountable. The subsidiary Telarc Limited has been assessed as a PBE.

These financial statements comply with PBE Reduced Disclosure Regime Standards.

## 11.4 Presentation currency and rounding

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

## 11.5 Basis of consolidation

The consolidated financial statements include the parent Council and its subsidiary. The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the Group on a line by line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

The Group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the Group obtains control of the entity and ceases when the Group loses control of the entity.

## 11.6 Budget figures

Budget figures (those approved by the Council at the start of the financial year) have been prepared in accordance with generally accepted accounting practice, consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

## 11.7 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.

## 11.8 Telarc Holdings Limited

Telarc Holdings Limited, a 100% owned subsidiary company of Telarc Limited was formed during 2019. This company is a holding company, classified as a non-trading entity and was formed to hold trademarks previously held by Telarc Limited.

## 11.9 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 income. Refer section 11.10 for changes in accounting policy.

## 11.10 Cash and Cash Equivalents

Term deposits of three months or less are to be recognised as cash and cash equivalents (note 15) and those greater than three month's duration as investments under note 5 in line with PBE IPSAS 2 Cash Flow Statements.

Although cash and cash equivalents at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

## 11.11 Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Council with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

## 11.12 Changes in accounting policies

### Financial Instruments

#### Adoption of PBE IPSAS 41

Council adopted PBE IPSAS 41 Financial Instruments as at 30 June 2023. This standard replaces the provisions of PBE IPSAS 29 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

In accordance with the transitional provisions in PBE IPSAS 41 comparative information for the 30 June 2022 period have not been restated. As a result, the comparative information provided continues to be accounted for in accordance with Council's previous accounting policies.

There were no material changes in recognition or measurement required upon adoption of PBE IPSAS 41.

#### Trade Receivables Policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment based on expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

#### Financial Assets Policy

Council classifies its financial assets in the following categories:

- financial assets at fair value through surplus or deficit
- measured at amortised cost

The classification depends on Council’s business model for managing the financial assets and the contractual terms of the cash flows.

**Financial assets at fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortised cost are measured at fair value through surplus or deficit.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

**Amortised cost**

- Council classifies its financial assets at amortised cost only if both of the following criteria are met:
- the asset is held within a business model with the objective of collecting the contractual cash flows, and
  - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

These assets are subsequently measured at amortised cost using the effective interest method.

**Initial Recognition**

At initial recognition, Council measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through surplus or deficit are expensed in surplus or deficit.

**Impairment of Financial Assets**

Council assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. Council applies the simplified approach to providing for expected credit losses prescribed by PBE IPSAS 41, which permits the use of the lifetime expected losses for all trade receivables. Given the low risk of default on other financial assets (primarily short-term deposits with financial institutions with a strong credit rating), other expected credit losses have been assessed to be immaterial.

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet been identified.

**Interest income**

Interest income from financial assets at amortised cost is included in finance income using the effective interest rate method.

**Service Performance Reporting**

PBE FRS48 replaced the service performance reporting requirements of PBE IPSAS 1 (presentation of financial statements) and was effective for the year 30 June 2023. The Council has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information.

**11.13 Critical accounting estimates and assumptions**

In preparing these financial statements, the Council has made estimates and assumptions for the future, which may differ from subsequent actual results. Such estimates are continually evaluated, based on historical experience and reasonable expectations. Estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Intangibles, property, plant and equipment – useful lives and residual values:**

At each balance date, the Council reviews the useful lives and residual values of its intangibles, property, plant and equipment. Such assessments require consideration of a number of factors, such as the physical condition and expected period of use of the asset by the Council, as well as expected proceeds from its future sale. An incorrect estimate will impact on the depreciable/amortisation amount of an asset, impacting in turn on the depreciation/amortisation expense in the statement of comprehensive income and carrying amount of the asset in the statement of financial position.

**The Council minimises such risk by:**

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The Council has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in Note 6 and intangibles in Note 8.

**Goodwill**

Goodwill represents the difference between the consideration paid and the identifiable assets acquired.

A policy is in place whereby goodwill is assessed annually for impairment. The Council assesses goodwill for impairment at the end of each reporting period and, if required, recognises an impairment loss at that date in accordance with PBE IPSAS 26 (Impairment of cash-generating assets). VNZ has been fully integrated into Telarc’s business and for the purposes of impairment testing, has been applied to the lowest CGU (cash generating unit) within the Group. Further, the Council purchased the remaining 25% shareholding of Telarc Limited in 2019 and the goodwill generated on the purchase has been allocated to the lowest CGU within the Group for impairment testing purposes. The fair value of Telarc is greater than the value of its net assets including goodwill. The holding value of Telarc in IANZ’s balance sheet and the goodwill in the consolidated balance sheet is not impaired. Refer to Goodwill Note 7.

**11.14 Investments in Subsidiaries, Associates and Joint Ventures**

The Group consolidates entities it controls. Control exists where the Group is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed, has been predetermined by the Group.

**11.15 Accounting standards issued and not yet effective and not early adopted**

There are no new accounting standards issued and not yet effective and not early adopted.



# 12. Annual Financial Statements

## Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

		CONSOLIDATED			PARENT		
	NOTES	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
REVENUE							
Funding from clients		20,035,100	19,677,881	16,926,281	10,241,000	9,854,929	8,388,376
Other revenue		100,663	33,360	70,935	328,028	309,909	82,090
Total revenue	2	20,135,762	19,711,241	16,997,215	10,569,027	10,164,838	8,470,466
EXPENDITURE							
Personnel costs	3	11,704,865	11,618,261	10,826,388	6,555,708	6,278,493	5,670,561
Depreciation and amortisation expense	6,8	408,585	461,101	324,452	182,937	208,046	123,193
Finance costs	18	-	-	-	-	-	-
Other expenses	1	7,644,084	6,822,390	6,181,353	3,853,051	3,373,894	3,075,552
Total expenditure	2	19,757,533	18,901,752	17,332,193	10,591,696	9,860,433	8,869,306
SURPLUS/ (DEFICIT) BEFORE TAX		378,229	809,489	(334,978)	(22,669)	304,405	(398,840)
INCOME TAX EXPENSE	19	188,135	220,974	33,130	-	-	-
SURPLUS/ (DEFICIT) AFTER TAX		190,094	588,515	(368,109)	(22,669)	304,405	(398,840)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		190,094	588,515	(368,109)	(22,669)	304,405	(398,840)
Attributable to:							
Owners of the parent		190,094	588,515	(368,109)	(22,669)	304,405	(398,840)
		190,094	588,515	(368,109)	(22,669)	304,405	(398,840)

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.

## Statement of Changes in Equity

For the year ended 30 June 2023

		CONSOLIDATED			PARENT		
	NOTES	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
Balance at 1 July		10,096,897	10,180,452	10,465,006	6,049,601	6,088,886	6,448,441
Total comprehensive revenue and expense for the year		190,094	588,515	(368,109)	(22,669)	304,405	(398,840)
Balance at 30 June	17	10,286,992	10,768,966	10,096,897	6,026,932	6,393,291	6,049,601
Equity attributable to owners of the parent	17	10,286,992	10,768,966	10,096,897	6,026,932	6,393,291	6,049,601
TOTAL EQUITY	17	10,286,992	10,768,966	10,096,897	6,026,932	6,393,291	6,049,601

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.

## Statement of Financial Position

As at 30 June 2023

		CONSOLIDATED			PARENT		
	NOTES	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
EQUITY							
Equity attributable to owners of the parent							
Opening Balance		10,096,897	10,180,452	10,465,006	6,049,601	6,088,886	6,448,441
Surplus/ (deficit) for the year		190,095	588,515	(368,109)	(22,669)	304,405	(398,840)
Accumulated surplus/ (deficit)	17	10,286,992	10,768,966	10,096,897	6,026,932	6,393,291	6,049,601
TOTAL EQUITY	17	10,286,992	10,768,966	10,096,897	6,026,932	6,393,291	6,049,601
Represented by:							
ASSETS							
Current assets							
Cash and cash equivalents	15	3,423,436	6,262,982	3,758,687	1,221,908	3,714,462	2,284,321
Investment	5	2,012,028	-	2,645,641	2,012,028	-	1,845,641
Trade and other receivables	4	4,001,228	2,924,078	3,290,269	2,548,293	1,677,401	1,688,557
Other assets: prepayments		388,489	304,022	304,530	235,820	176,916	194,025
Total current assets		9,825,181	9,491,082	9,999,126	6,018,049	5,568,779	6,012,544
NON CURRENT ASSETS							
Investments	5	-	-	-	2,320,000	2,320,000	2,320,000
Property, plant and equipment	6	1,388,596	932,035	220,074	837,981	495,346	115,722
Goodwill	7	3,322,606	3,322,606	3,322,606	-	-	-
Deferred Tax	19	100,159	98,999	108,271	-	-	-
Other intangible assets	8	677,307	839,627	420,254	88,074	312,506	111,067
Total non current assets		5,488,668	5,193,267	4,071,205	3,246,055	3,127,852	2,546,789
Total assets		15,313,848	14,684,349	14,070,331	9,264,104	8,696,631	8,559,333
LIABILITIES							
Current liabilities							
Trade and other payables	9	3,841,814	2,906,200	2,853,125	2,543,828	1,769,508	1,857,845
Provision for Taxation		51,733	73,658	580	-	-	-
Provision for employee entitlements	10	1,133,309	935,524	1,119,729	693,344	533,832	651,887
Total current liabilities		5,026,856	3,915,383	3,973,434	3,237,172	2,303,340	2,509,732
Non current liabilities							
Total non current liabilities		-	-	-	-	-	-
Total liabilities		5,026,856	3,915,383	3,973,434	3,237,172	2,303,340	2,509,732
NET ASSETS		10,286,992	10,768,966	10,096,897	6,026,932	6,393,291	6,049,601

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2023

		CONSOLIDATED			PARENT		
	NOTES	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash was provided from:							
Receipts from services provided		20,251,017	19,693,462	17,377,937	10,245,473	9,990,363	8,573,107
Interest received		116,458	33,360	44,512	86,688	25,800	33,295
Dividends received		-	-	-	36,068	74,996	436,742
		20,367,475	19,726,822	17,422,449	10,368,229	10,091,159	9,043,144
Cash was applied to:							
Payments to employees		11,662,249	11,601,716	10,758,442	6,492,834	6,269,829	5,532,624
Payments to suppliers		7,698,403	6,508,913	6,371,978	3,888,275	3,310,429	3,138,581
Payment of income tax		136,981	165,359	301,451	-	-	-
Interest paid		-	-	-	-	-	-
Net goods and services tax		(9,235)	27,429	2,020	(10,259)	18,016	23,755
		19,488,399	18,303,418	17,433,891	10,370,850	9,598,274	8,694,960
Net Cash Flows From Operating Activities		879,076	1,423,404	(11,442)	(2,621)	492,885	348,184
CASH FLOWS FROM INVESTING ACTIVITIES							
Cash was provided from:							
Proceeds from sale of property, plant & equipment		25,820	-	45,634	25,463	-	22,156
(Acquisition)/Proceeds of Investment		2,645,641	-	2,679,070	1,845,641	-	2,327,500
		2,671,461	-	2,724,704	1,871,104	-	2,349,656
Cash was applied to:							
Purchase of property, plant & equipment		1,419,692	1,009,862	108,936	877,058	522,931	33,864
Purchase of intangible assets (computer software)		454,068	805,255	232,076	41,810	276,000	6,775
Term Deposits		2,012,028	-	2,645,641	2,012,028	-	1,845,641
		3,885,788	1,815,117	2,986,652	2,930,896	798,931	1,886,280
Net Cash Flows From Investing Activities		(1,214,327)	(1,815,117)	(261,948)	(1,059,792)	(798,931)	463,376
CASH FLOWS FROM FINANCING ACTIVITIES							
Dividend		-	-	-	-	-	-
Repayment of loan		-	-	-	-	-	-
Net Cash Flows From Financing Activities		-	-	-	-	-	-
Net increase (decrease) in cash held		(335,251)	(391,713)	(273,390)	(1,062,413)	(306,046)	811,560
Cash and cash equivalents at beginning of the year		3,758,687	6,654,696	4,032,077	2,284,321	4,020,508	1,472,761
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	3,423,436	6,262,982	3,758,687	1,221,908	3,714,462	2,284,321

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.



Reconciliation of Net Surplus (Deficit) with Net Cash From Operating Activities

For the year ended 30 June 2023

		CONSOLIDATED			PARENT		
	NOTES	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
Net surplus (deficit) for the year							
Add/(less) non-cash items							
Depreciation and amortisation expense	6,8	408,585	461,101	324,452	182,937	208,046	123,193
(Gains)/losses on movement of provisions		-	-	-	-	-	-
Total items classified as non-cash items		408,585	461,101	324,452	182,937	208,046	123,193
Add/(less) items classified as investing activities							
(Gains)/losses on disposal of intangibles,property, plant & equipment	2	10,026	-	(21,385)	7,451	-	(12,172)
Total items classified as investing activities		10,026	-	(21,385)	7,451	-	(12,172)
Add/(less) net movements in working capital items		270,369	373,787	53,598	(170,340)	(19,567)	636,002
NET CASH FLOWS FROM OPERATING ACTIVITIES		879,076	1,423,404	(11,442)	(2,621)	492,885	348,184

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.



# 13. Notes to the Financial Statements

For the year ended 30 June 2023

## NOTE 1: OTHER EXPENSES

	CONSOLIDATED			PARENT		
	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
The net surplus (deficit) is after charging for:						
Fee for the audit of Financial Statements	103,338	98,695	96,771	56,779	53,919	53,167
Marketing Costs	117,863	165,100	155,309	33,479	72,700	61,761
Staff Expenses	377,740	260,961	200,087	228,050	94,857	92,172
International Expenses	257,184	207,494	184,512	139,153	46,193	71,076
Communication	144,246	186,080	137,489	70,622	85,834	49,476
Accommodation	813,245	850,391	844,983	611,996	601,673	596,014
Information Technology	655,847	654,967	504,146	381,500	333,176	270,602
Office Expenses	150,915	164,671	123,749	93,837	88,210	60,753
Assessment Expenses	4,028,924	3,207,534	2,885,500	1,953,038	1,698,245	1,468,889
Other Expenses	994,783	1,026,496	1,048,808	284,599	299,088	351,642
<b>TOTAL OTHER EXPENSES</b>	<b>7,644,084</b>	<b>6,822,390</b>	<b>6,181,353</b>	<b>3,853,051</b>	<b>3,373,894</b>	<b>3,075,552</b>

### Operating leases as lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

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

	CONSOLIDATED		PARENT	
	2023 ACTUAL \$	2022 ACTUAL \$	2023 ACTUAL \$	2022 ACTUAL \$
No later than one year	598,180	270,473	572,992	245,473
Later than one year but not later than five years	2,374,536	101,379	2,291,968	-
Later than five years	1,957,723	6,376	1,957,723	-
<b>TOTAL NON-CANCELLABLE OPERATING LEASES</b>	<b>4,930,438</b>	<b>378,228</b>	<b>4,822,683</b>	<b>245,473</b>

An Agreement to Lease was signed in October 2020, to lease new premises at Central Park, Ellerslie, Auckland, with the final lease being signed in December 2022. The term of the lease is for an initial term of 9 years from 1 December 2022, with a further right of renewal of 6 years.

### Lease: Central Park

	2023 ACTUAL \$	2022 ACTUAL \$
<b>Agreement to Lease (ATL) : 9 year term</b>		
No later than one year	572,992	334,245
Later than one year but not later than five years	2,291,968	2,291,968
Later than five years	1,957,723	2,530,714
<b>TOTAL AGREEMENT TO LEASE</b>	<b>4,822,683</b>	<b>5,156,927</b>

Telarc shares the office space at Central Park with IANZ. Telarc lease one office property in Tauranga. A lease agreement was entered into for a term of six years expiring September 2027 with two further right of renewal for five years each.

No restrictions are placed on the Accreditation Council or Telarc Limited by any of their existing agreements.



Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 2: REVENUE

Accounting policy

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.

	CONSOLIDATED			PARENT		
NET REVENUE/(COST) ANALYSIS	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
ACCREDITATION SERVICES						
Revenue	9,072,083	8,627,081	7,299,145	9,072,083	8,642,681	7,299,145
Less Cost	(9,528,810)	(8,876,601)	(7,941,240)	(9,528,810)	(8,903,447)	(7,941,240)
Net Surplus/(Deficit)	(456,727)	(249,520)	(642,095)	(456,727)	(260,766)	(642,095)
CERTIFICATION SERVICES						
Revenue	9,727,484	9,822,952	8,530,405	-	-	-
Less Cost	(9,140,399)	(9,041,320)	(8,430,379)	-	-	-
Net Surplus/(Deficit)	587,086	781,633	100,025	-	-	-
TRAINING AND OTHER SERVICES						
Revenue	619,772	596,505	485,999	553,156	596,505	478,499
Less Cost	(742,462)	(719,414)	(706,555)	(717,024)	(692,568)	(674,047)
Net Surplus /(Deficit)	(122,691)	(122,909)	(220,557)	(163,868)	(96,063)	(195,549)
INTERNATIONAL RECOGNITION SERVICES						
Revenue	615,761	631,343	610,733	615,761	615,743	610,733
Less Cost	(345,863)	(264,419)	(254,020)	(345,863)	(264,419)	(254,020)
Net Surplus/(Deficit)	269,898	366,924	356,713	269,898	351,325	356,713
OTHER REVENUE						
Interest	110,689	33,360	49,550	85,478	25,800	33,850
Net gain on sale of property, plant, and equipment¹	(10,026)	-	21,385	(7,451)	-	12,172
Dividend	-	-	-	250,000	284,109	36,068
Total	100,663	33,360	70,935	328,027	309,909	82,089
TOTAL REVENUE						
Total Revenue	20,135,762	19,711,241	16,997,215	10,569,027	10,164,838	8,470,466
Less Total Cost	(19,757,533)	(18,901,752)	(17,332,193)	(10,591,696)	(9,860,433)	(8,869,306)
TOTAL SURPLUS/(DEFICIT) BEFORE TAX	378,229	809,489	(334,978)	(22,669)	304,405	(398,840)

Accreditation services revenue for FY2023 includes a negotiated professional services fee top-up of \$127,282 for the prior year FY2022 negotiated in May 2023 . Telarc Limited paid the Parent \$549,705 as a management services charge (2022, \$478,220), which has been off-set against cost of service in the Parent accounts.

1. During the year, property, plant and equipment was disposed and subsequently replaced. Gains (losses) were realised upon the disposals.



Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 3: PERSONNEL COSTS EXCLUDING COUNCIL AND DIRECTORS FEES

Accounting Policy

Defined contribution schemes

Employer contributions to kiwisaver and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred. Consequently, no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss. The obligations are measured on an undiscounted basis, except where they are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

	CONSOLIDATED			PARENT		
	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
Salaries and wages	11,391,787	11,308,282	10,373,836	6,351,412	6,124,302	5,392,802
Defined contribution plan employer contribution	299,498	309,979	280,228	162,839	154,190	142,377
Increase/ (decrease) in employee entitlements	13,580	-	172,325	41,456	-	135,381
TOTAL PERSONNEL COSTS	11,704,865	11,618,261	10,826,388	6,555,708	6,278,493	5,670,561

Employee Remuneration

During the year the number of Group employees (other than Council members and Directors) receiving remuneration and other benefits in excess of \$100,000 were:

	NUMBER OF EMPLOYEES	
REMUNERATION	2023 ACTUAL	2022 ACTUAL
\$380,000 - \$390,000	-	-
\$370,000 - \$380,000	-	-
\$360,000 - \$370,000	-	-
\$350,000 - \$360,000	-	-
\$340,000 - \$350,000	-	-
\$330,000 - \$340,000	-	-
\$320,000 - \$330,000	-	-
\$310,000 - \$320,000	-	-
\$300,000 - \$310,000	1	-
\$290,000 - \$300,000	-	-
\$280,000 - \$290,000	-	-
\$270,000 - \$280,000	1	2
\$260,000 - \$270,000	-	-
\$250,000 - \$260,000	-	-
\$240,000 - \$250,000	-	-
\$230,000 - \$240,000	-	-
\$220,000 - \$230,000	-	-
\$210,000 - \$220,000	1	-
\$200,000 - \$210,000	1	1
\$190,000 - \$200,000	-	-
\$180,000 - \$190,000	1	-
\$170,000 - \$180,000	2	1
\$160,000 - \$170,000	3	1
\$150,000 - \$160,000	1	5
\$140,000 - \$150,000	5	3
\$130,000 - \$140,000	8	3
\$120,000 - \$130,000	14	5
\$110,000 - \$120,000	8	20
\$100,000 - \$110,000	15	14

During the year ended 30 June 2023, 3 employee received compensation and other benefits in relation to cessation (2022, 1).





Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 3: PERSONNEL COSTS (CONTINUED)

Council and Board member remuneration

The total value of remuneration paid or payable to each Council and Board member during the year was:

COUNCIL MEMBERS	2023	2022
Paul Connell, Chair - Accreditation Council	33,600	33,600
Nicole Anderson	20,140	16,960
Jane von Dadelszen	16,960	16,960
Catherine Abel-Pattinson	16,960	16,960
Edie Carrol Hunapo Moke (start 1 Jun 2023)	1,413	-
Simone Eldridge (start 1 Jun 2023)	1,413	-
Nico van Loon (start 1 Jun 2023)	1,413	-
Carolyn Harkess (until 31 Dec 2021)	-	7,067
Dr Graeme Benny (until 31 Dec 2021)	-	8,480
Marion Ann Cowden, Chair - Audit and Risk Committee (until 30 Nov 2021)	-	7,067
Total Council Fees	91,900	107,093

TELARC LIMITED DIRECTORS	2023	2022
David Bone, Chairman (until 31 Aug 2022)	4,667	28,000
Vikki Branagan, Acting Chair	28,840	15,167
Paul Connell	14,420	14,000
Total Directors Fees	47,927	57,167

TOTAL COUNCIL AND DIRECTORS FEES	139,827	164,259
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The Council has effected Professional Indemnity and Directors & Officers Liability insurance cover for directors and employees.

No Board members received compensation or other benefits in relation to cessation (2022 \$nil).



## Notes to the Financial Statements

For the year ended 30 June 2023

### NOTE 4: TRADE AND OTHER RECEIVABLES

#### Accounting Policy

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

	CONSOLIDATED		PARENT	
	2023 ACTUAL \$	2022 ACTUAL \$	2023 ACTUAL \$	2022 ACTUAL \$
Trade receivables	3,536,231	2,618,003	1,998,321	1,170,733
Less: provision for impairment	(12,890)	(11,983)	-	(8,631)
Net trade receivables	3,523,341	2,606,020	1,998,321	1,162,102
Other receivables				
Work in progress	477,887	684,249	299,972	490,387
Dividends received	-	-	250,000	36,068
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>4,001,228</b>	<b>3,290,269</b>	<b>2,548,293</b>	<b>1,688,557</b>

Total receivables comprises the sale of services (exchange transactions).

### NOTE 5: INVESTMENTS

#### Accounting Policy

Term deposits are stated at the lower of cost and net realisable value, with any decreases recognised in the statement of comprehensive income. Such deposits are classified as maturing three months after the balance date. The Investment in subsidiary is carried at the lower of cost or fair value. The investment is impaired if there is a significant or prolonged decline in the fair value of the investment below its cost.

	CONSOLIDATED			PARENT		
	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
<b>CURRENT PORTION</b>						
Term deposits	2,012,028	-	2,645,641	2,012,028	-	1,845,641
Total current portion	2,012,028	-	2,645,641	2,012,028	-	1,845,641
<b>NON-CURRENT PORTION</b>						
Equity investments	-	-	-	2,320,000	2,320,000	2,320,000
Total non-current portion	-	-	-	2,320,000	2,320,000	2,320,000
<b>TOTAL INVESTMENTS</b>	<b>2,012,028</b>	<b>-</b>	<b>2,645,641</b>	<b>4,332,028</b>	<b>2,320,000</b>	<b>4,165,641</b>

There is no impairment provision for investments.

Equity Investments are measured at cost. The Council owns 100% (2022: 100%) of the share capital of Telarc Limited. The share capital investment of Telarc Limited is 600,000 Ordinary Shares.

## Notes to the Financial Statements

For the year ended 30 June 2023

### NOTE 6: PROPERTY, PLANT AND EQUIPMENT

#### Accounting Policy

All are recorded at historical cost less accumulated depreciation and impaired losses.

#### 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 net in the surplus or deficit.

#### 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.

#### Depreciation

Property, plant and equipment are depreciated at rates that will write off the cost on a straight-line basis of the assets to the estimated residual value over their useful life. 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 years	33%	straight line
Leasehold improvements	3-14 years	7%-33%	straight line
Office furniture and equipment	1-11 years	9%-67%	straight line
Motor vehicles	3-5 years	20%-33%	straight line

#### Parent

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

Cost	Leasehold Improvements \$	Furniture and Office Equipment \$	Computer Hardware \$	Motor Vehicles \$	Total \$
Balance as at 1 July 2021	459,398	243,569	245,996	135,175	1,084,140
Additions	-	2,328	31,536	-	33,864
Disposals	-	(67,389)	(38,921)	(63,699)	(170,009)
Balance at 30 June 2022	459,398	178,508	238,610	71,476	947,995
Balance as at 1 July 2022	459,398	178,508	238,610	71,476	947,995
Additions	295,777	339,917	241,364	-	877,058
Disposals	(459,398)	(159,786)	(201,613)	(22,600)	(843,397)
Balance as at 30 June 2023	295,777	358,639	278,361	48,876	981,656
<b>Accumulated Depreciation</b>					
Balance as at 1 July 2021	450,033	211,274	196,637	67,097	925,041
Depreciation expense	1,167	8,541	42,744	14,806	67,257
Eliminate on disposal	-	(66,590)	(38,921)	(54,514)	(160,025)
Balance at 30 June 2022	451,200	153,225	200,460	27,388	832,273
Balance as at 1 July 2022	451,200	153,225	200,460	27,388	832,273
Depreciation expense	12,538	24,115	71,011	10,470	118,134
Eliminate on disposal	(451,698)	(141,744)	(201,613)	(11,677)	(806,732)
Balance at 30 June 2023	12,040	35,595	69,859	26,181	143,675
<b>Carrying Amounts</b>					
At 30 June 2022	<b>8,198</b>	<b>25,283</b>	<b>38,150</b>	<b>44,088</b>	<b>115,722</b>
At 30 June 2023	<b>283,737</b>	<b>323,044</b>	<b>208,502</b>	<b>22,695</b>	<b>837,981</b>

Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Consolidated

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

Cost	Leasehold Improvements \$	Furniture and Office Equipment \$	Computer Hardware \$	Motor Vehicles \$	Total \$
Balance as at 1 July 2021	495,048	356,477	414,816	174,916	1,441,257
Additions	-	9,004	35,820	64,111	108,935
Disposals	-	(100,883)	(92,454)	(103,439)	(296,776)
Balance at 30 June 2022	495,048	264,598	358,182	135,588	1,253,416
Balance as at 1 July 2022	495,048	264,598	358,182	135,588	1,253,416
Additions	573,653	387,411	458,628	-	1,419,692
Disposals	(491,803)	(179,428)	(294,070)	(22,600)	(987,901)
Balance at 30 June 2023	576,898	472,581	522,740	112,988	1,685,207
Accumulated Depreciation					
Balance as at 1 July 2021	481,375	284,403	319,048	96,901	1,181,727
Depreciation expense	1,674	22,865	75,576	24,025	124,140
Eliminate on disposal	-	(89,793)	(92,454)	(90,280)	(272,527)
Balance at 30 June 2022	483,049	217,475	302,170	30,646	1,033,340
Balance as at 1 July 2022	483,049	217,475	302,170	30,646	1,033,340
Depreciation expense	25,191	35,826	127,048	23,505	211,570
Eliminate on disposal	(482,530)	(160,027)	(294,070)	(11,677)	(948,304)
Balance at 30 June 2023	25,710	93,274	135,148	42,474	296,606
Carrying Amounts					
At 30 June 2022	11,998	47,124	56,008	104,941	220,074
At 30 June 2023	551,187	379,307	387,586	70,513	1,388,596

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 7: GOODWILL

Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill of \$2,500,000 on the acquisition of Verification New Zealand (VNZ) is recognised as an asset and is separately identified within Telarc Limited (subsidiary company). Further Goodwill of \$822,606 was generated during 2018 when the Parent acquired the remaining 25% shareholding of Telarc Limited (subsidiary company) from SAI Global. This is separately identified within the Parent. Goodwill is not amortised, but tested for impairment annually and whenever there is an indication that goodwill may be impaired. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive revenue and expense and is not subsequently reversed. Goodwill is subsequently measured at cost less any accumulated impairment losses.

	CONSOLIDATED		PARENT	
	2023 ACTUAL \$	2022 ACTUAL \$	2023 ACTUAL \$	2022 ACTUAL \$
Gross Carrying Amount				
Opening balance	2,500,000	2,500,000	-	-
Acquired through business combination	822,606	822,606	-	-
Closing balance	3,322,606	3,322,606	-	-
Accumulated Impairment Losses				
Opening balance	-	-	-	-
Impairment loss for the year	-	-	-	-
Closing balance	-	-	-	-
GOODWILL CARRYING AMOUNT	3,322,606	3,322,606	-	-

Impairment Testing for the Group

For the purposes of impairment testing, goodwill is allocated to Telarc, the Group’s lowest level CGU (cash generating unit), which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Recoverable Value

- Cash flows were projected for five years reflecting earnings increasing per the F2024 Business Plan at 5%, and future year forecasts for F2025 at 3%, F2026 at 4%, F2027 to F2028 at 5%. These growth rates were based on professional fee increases plus a 2% organic growth factor.

A sensitivity analysis was applied as follows:

- cash flows were projected for five years assuming a 3% free cash flow growth from F2024.
- cash flows were projected for five years assuming a flat, free cash flow growth from F2024.
- cash flows were projected for five years assuming a 3%, free cash flow decline from F2024.

Assumption

- A weighted average cost of capital of 11.68% (assuming a risk free rate of 4.68%; market risk premium rate of 7% pre-tax; a beta rate of 1.0 and cost of debt rate of 8.74%) per annum, based on Telarc’s tax status as at F2023, has been applied to the cash flows. This is a pre-tax discount rate. Currently Telarc has no debt.



Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 8: INTANGIBLE ASSETS

Parent Accounting Policy

Computer software is recorded at historical cost.  
Client lists purchased are recorded at historical cost.

Programme and Course Development Costs:

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 the following can all 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;
- 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

Amortisation

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

Computer software:	3 years	33%	straight line
Capitalised course and programme development costs:	3 years	33%	straight line



Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Client lists purchased are amortised over their expected useful lives.

While work is still in progress with regard to certain capitalised course and programme development costs, the useful life of completed projects will be established at project completion.

Movements for each class of intangible asset are as follows:

	CONSOLIDATED				PARENT			
Cost	Product Development \$	Acquired Computer Software \$	Acquired Client Lists \$	Total \$	Product Development \$	Acquired Computer Software \$	Acquired Client Lists \$	Total \$
Balance as at 1 July 2021	37,829	969,524	369,435	1,376,788	37,829	315,128	-	352,957
Additions	-	232,076	-	232,076	-	6,775	-	6,775
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2022	37,829	1,201,600	369,435	1,608,864	37,829	321,903	-	359,732
Balance as at 1 July 2022	37,829	1,201,600	369,435	1,608,864	37,829	321,903	-	359,732
Additions	-	a 454,068	-	454,068	-	41,810	-	41,810
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2023	37,829	1,655,668	369,435	2,062,932	37,829	363,713	-	401,542
Amortisation								
Balance as at 1 July 2021	37,830	581,033	369,435	988,298	37,830	154,901	-	192,729
Amortisation expense	-	200,312	-	200,312	-	55,936	-	55,936
Eliminate on disposal	-	-	-	-	-	-	-	-
Balance at 30 June 2022	37,830	781,345	369,435	1,188,610	37,830	210,837	-	248,665
Balance as at 1 July 2022	37,830	781,345	369,435	1,188,610	37,830	210,837	-	248,665
Amortisation expense	-	197,015	-	197,015	-	64,803	-	64,803
Eliminate on disposal	-	-	-	-	-	-	-	-
Balance at 30 June 2023	37,830	978,360	369,435	1,385,625	37,830	275,640	-	313,468
Carrying Amounts								
At 30 June 2022	(1)	420,255	-	420,254	(1)	111,066	-	111,067
At 30 June 2023	(1)	677,308	-	677,307	(1)	88,073	-	88,074

a - includes WIP of \$339,537 relating to the I.T. Transformation Project.

There are no Capital commitments for the acquisition of intangible assets (2022 Nil).



Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 9: PAYABLES

	CONSOLIDATED			PARENT		
	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
PAYABLES UNDER EXCHANGE TRANSACTIONS						
Trade payables	532,940	603,030	540,484	276,276	221,547	282,010
Other payables	-	-	-	-	-	-
Accrued expenses	389,404	357,597	262,492	184,159	227,871	150,860
Revenue in advance	2,373,586	1,441,490	1,539,795	1,777,379	1,057,324	1,148,956
Total payables under exchange transactions	3,295,930	2,402,117	2,342,770	2,237,815	1,506,742	1,581,826
PAYABLES UNDER NON-EXCHANGE TRANSACTIONS						
Taxes Payable (GST, PAYE, FBT)	545,884	504,083	510,355	306,013	262,766	276,019
Total payables under non-exchange transactions	545,884	504,083	510,355	306,013	262,766	276,019
TOTAL PAYABLES	3,841,814	2,906,200	2,853,125	2,543,828	1,769,508	1,857,845

Trade creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of trade creditors and other payables approximates their fair value.

NOTE 10: EMPLOYEE ENTITLEMENTS

Accounting Policy

Provision is made for the Group’s liability for annual leave and retirement leave, calculated on an actual entitlement basis at current rates of pay.

By virtue of PBE IPSAS 39, the Group’s Annual Leave liability is defined as Short-Term Employee Benefits. This is defined as employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service measured based on accrued entitlements at current rates of pay. The Group ensures that its Annual Leave Liability is effectively managed. Staff are encouraged to take leave within twelve months after the end of the reporting period in which the employees render the related services.

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.

	CONSOLIDATED			PARENT		
	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
Annual leave	1,021,452	787,514	1,012,520	640,062	461,559	603,698
Long service leave	34,921	111,726	33,836	34,921	58,901	33,836
Retirement leave	47,550	-	42,905	-	-	-
Sick Leave	29,386	36,284	30,468	18,361	13,372	14,353
TOTAL EMPLOYEE ENTITLEMENTS	1,133,309	935,524	1,119,729	693,344	533,832	651,887

PBE IPSAS 39, long term employee entitlement is defined as, employee entitlements that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, such as retirement and long service leave. The present value of long service leave obligations depend on factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from The Treasury. The discount rates used have maturities that match, as closely as possible to the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and obtaining actuarial rates as advised by The Treasury. Discount rates for year 1: 5.43% ; year 2: 4.85% and year 3: 4.84% (2022 year 1: 3.34% ; year 2: 3.70% and year 3 : 4.29% ) and an inflation factor of 3.35% (2022 3.01%) were used.

If the discount rate were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service leave liability would be an estimated 831 higher/lower (2022 : 538).

If the salary inflation factor were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service leave liability would be an estimated 1,008 higher/lower (2022: 1,210). The non-current portion of long service leave is not considered significant to be disclosed separately.



Notes to the Financial Statements

For the year ended 30 June 2023

Sick Leave liability is defined as Short-Term Employee Benefit under PBE IPSAS 39. The Group recognises the expected costs of short-term employee benefits when employees render services that increases their entitlement to future paid absences. Sick Leave is an accumulating paid absence which is carried forward and can be used in future periods if the current period’s entitlement is not used in full. Sick leave entitlement is non-vesting and employees are not entitled to a cash payment for unused entitlement on leaving. The Group has recognised as a liability, sick leave expected to be taken by employees over and beyond their annual entitlement. This obligation was valued at the Groups weighted average daily pay rate.

When an employee has rendered service to the Group during the accounting period, the Group recognises the undiscounted amount of the short-term employee benefits expected to be paid in exchange for that service as a liability after deducting any amount already paid.

Retirement benefits are classified as post-employment benefits under PBE IPSAS 39. There is only one employee in the Group who is entitled to this benefit. The Group has provisioned this based upon the applicable retiring leave days valued at the daily pay-rate for the employee.

NOTE 11: BORROWINGS

Accounting Policy

Borrowing costs are recognised as an expense in the financial year to which the charge relates.

Secured loan

The Accreditation Council and its subsidiary, Telarc Limited did not have any Secured Loans as at 30 June, 2023.

NOTE 12: RELATED PARTY INFORMATION

The Accreditation Council is an Autonomous Crown Entity.

All related party transactions have been entered into on an arm’s-length basis.

Telarc Limited

The Council owns 100% of the share capital of Telarc Limited.

The share capital investment of Telarc Limited is 600,000 Ordinary Shares.

The principal activity of Telarc Limited is the business of providing management system assessments and recognition services.

Telarc Limited balance date: 30 June.

Telarc Limited owns 100% of the share capital of Telarc Holdings Limited, a non trading holding company.

Accreditation Council and Telarc Limited

During the year, the total transactions charged by the Accreditation Council of New Zealand to Telarc Limited were \$527,975, \$506,030 being a management services charge with the balance for goods and services. There were no transactions charged to the Council (2022 transactions charged by the Council were \$508,328, \$478,220 being overhead contribution fees with the balance for goods and services, and transactions charged to the Council for goods and services were NIL). All transactions were undertaken on total arms-length basis. There are no other material related party transactions.

At year end Telarc Limited owed the Council:

Current account advances	Nil	(2022 Nil)
Payables	\$6,988	(2022 Nil)
Dividends	\$250,000	(2022 \$30,068)

At year end Council owed Telarc Limited:

Current Account Advances	Nil	(2022 Nil)
Payables	Nil	(2022 Nil)



Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 12: RELATED PARTY INFORMATION (CONTINUED)

Key Management Personnel Compensation

	CONSOLIDATED		PARENT	
	2023 ACTUAL \$	2022 ACTUAL \$	2023 ACTUAL \$	2022 ACTUAL \$
Council and Board Members				
Remuneration	139,827	164,260	91,900	107,093
Full time equivalent members	0.6	0.8	0.5	0.6
Leadership Team				
Salaries and other short-term employee benefits	4,734,088	4,232,744	3,506,365	2,948,615
Other long-term benefits	10,305	14,300	10,305	14,300
Termination benefits	-	-	-	-
Total remuneration	4,744,393	4,247,044	3,516,670	2,962,915
Full time equivalent members	27.2	26.7	20	18.3
Total Key Management Personnel Remuneration	4,884,220	4,411,304	3,608,569	3,070,008
Total Full Time Equivalent Personnel	27.8	27.5	20.5	18.9

The full time equivalent for Council and Board members has been based on the frequency and length of Council and Board meetings and the estimated time for the Council and Board members to prepare for meetings.

Council and Board Members

Related party transactions were as follows:

All transactions were undertaken on a total arms length basis. There are no material related party transactions. All transactions related to the supply of audit services with the exception of the management services fee charged between the Parent (International Accreditation New Zealand) and the subsidiary (Telarc Limited).

		TRANSACTION		YEAR END	
Related Party	Relationship With Company	2023	2022	2023	2022
Waikato Regional Council	Paul Connell (Independent Member)	2,237	16,314	-	-
ETEL Limited	Paul Connell (Director)	28,261	-	-	-
Telarc Limited (Subsidiary)	Paul Connell (Director)	520,826	508,328	6,988	-
International Accreditation New Zealand	Paul Connell (Chairman)	(520,826)	(508,328)	(6,988)	-
Asmuss Group	Vikki Brannigan (Director)	10,799	8,875	-	-
Counties Manukau DHB	Catherine Abel-Pattinson (Board Member, Chair Hospital Committee, Member Audit & Risk Committee)	-	38,598	-	-
NZ Blood & Organ Service	Nicole Anderson (Member )	58,918	-	-	-
Kainga Ora	Nicole Anderson (Director )	1,224	-	-	-
Wilderlab NZ Ltd	Nico van Loon (Director)	2,291	-	-	-



Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 13: MAJOR BUDGET VARIATIONS

Commentary is provided for variances to budget greater than \$500k or 5%, or where relevant.

Statement of Comprehensive Revenue and Expense

IANZ’s (Parent) deficit of \$273,000 (before dividend) for year end was below budget by \$294,000 and higher than prior year by \$162,000. Revenue was above budget by \$386,000 and higher than prior year by \$1,814,000. The total direct costs were higher than budget by \$433,000 due to the number of new assessors in training for six months in FY2023. In addition increased assessment costs due to inflation in proportion to increased revenue were carried. Overall, gross margin was below budget by 1% primarily due to the increase in staff training costs.

The 2023 budget was set with a slightly less conservative approach than prior year actuals, due to expected economic recovery in FY2023.

	2023 Actual \$	2023 Budget \$	Variance \$	Variance %	Commentary
Indirect Personnel Costs	3,273,234	2,922,517	350,717	11%	A number of FTE’s were recruited in FY2023 in excess of numbers budgeted to assist with the increased assessment load. This resulted in higher staff recruitment costs than expected. Staff leadership courses were run in FY2023 including Te Tiriti and te reo Māori which resulted in higher training costs than budgeted.
Corporate Costs	739,133	822,612	(83,479)	(11%)	Marketing, legal fees, liaison, board expenses, health and safety, advisory committee and regulatory development expenses were lower than budget, partly offset by the increase in professional services, staff travel, library and subscription costs. Professional services were higher than budget due to staff and client surveys conducted, a global benchmarking study completed, a research project into technology options to assist accreditation and research into the value proposition connected to accreditation.
International Cost	155,321	86,192	69,129	45%	The budget for technical liaison was low due to the continuing uncertainty of Covid-19 and it’s impacts on overseas conferences, however conferences were held in FY2023 resulting in a higher cost of travel than expected.
Insurance Cost	113,562	110,230	3,332	3%	Premium cover was higher than the estimated increase in the FY2023 Budget.
Communication Cost	70,622	85,834	(15,212)	(22%)	Communication costs were below budget due to utilising microsoft teams as a substitute for both landline and mobile consumption and lower usage of postage and courier costs resulting in lower costs than expected.
Information Technology Costs	381,500	333,176	48,324	13%	Information technology costs were higher than budget as a result of outsourcing infrastructure IT services, increased licencing costs associated with enhanced security, offset by reduced IT personnel costs.
Office Costs	59,944	88,210	(28,266)	(47%)	Printing costs were below budget as a result of the organisations continuation of moving to a paperless methodology accelerated partly due to a move to remote working. Reprography costs were below budget due to a reduction in print volumns required in FY2023

The Training Services division’s deficit of \$123,000 was on budget due to the number of scheduled courses conducted in the FY2023 being in line with budget.

Telarc’s surplus of \$651,000 before tax and dividend was behind budget by \$139,000 due to increased direct costs and direct personnel costs of \$454,000 above budget, as a result of the increased cost of utilising subcontractors versus permanent staff as indicated by the lower number of FTE’s vs budget. The 2023 budget was set with a less conservative approach due to the expectation of more audits scheduled during the year and an easing of Covid-19 in the community. Total costs were lower than budget by \$680,000 due to the decrease in corporate costs, international costs, communication, accommodation, information technology and office costs, offsetting the slight increase in audit fees, indirect staff personnel costs, FBT and insurance costs for the year.

- Environmental portfolio’s margin performed below budget by 19%
- Quality portfolio’s margin performed below budget by 36%
- Health & Safety portfolio’s margin performed below budget by 19%
- Food portfolio’s margin performed below budget by 94%
- Other portfolio’s margin performed above budget by 67%
- Integrated portfolio’s margin performed above budget by 115%

Telarc total assets were above budget by \$35,000 mostly due to an increase in cash and cash equivalents and trade receivables of \$984,000, a direct result of the increase in revenue. Total liabilities increased by \$151,000 against budget due to an increase in total expenditure.

The net consolidated surplus for the group was below budget for FY2023 due to increased operating and personnel costs partly influenced by rising costs of goods and services and costs of living.

Statement of financial position variances:

Cash reserves including investments were below budget by \$2,840,000 due primarily to increased capital expenditure incurred due to the technology programme continuing and the office relocation in December. Current year were below prior year actuals due to increased capital expenditure in FY2023.

Non-current assets were above budget by \$295,000 due to the capitalisation of costs relating to the new office relocation in December 2022 and the continuation of the IT transformation project.

Total current liabilities were above budget by \$1,111,000, as a result of an increase in provision for employee entitlements of \$198,000 as employees have taken less leave due to the post Covid-19 catch up in workload. We would expect this to normalise in FY2024. Trade payables were above prior year and above budget by \$936,000 due to budget timings and an increase in cost of supplies.



# Notes to the Financial Statements

For the year ended 30 June 2023

## NOTE 14: POST BALANCE DATE EVENTS

There were no significant events after the balance date.

## NOTE 15: CASH AND CASH EQUIVALENTS

### Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held on call and investments with original maturities within three months of the balance date.

	CONSOLIDATED		PARENT	
	2023 ACTUAL \$	2022 ACTUAL \$	2023 ACTUAL \$	2022 ACTUAL \$
Cash on hand and at bank	3,410,303	3,258,687	1,208,775	1,784,321
Cash equivalents – short-term investments	13,132	500,000	13,132	500,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3,423,436</b>	<b>3,758,687</b>	<b>1,221,908</b>	<b>2,284,321</b>

## NOTE 16 : CONTINGENT LIABILITIES AS AT 30 JUNE 2023

As at balance date there are no known contingent liabilities. (2022 Nil).

## NOTE 17: EQUITY

### Accounting policy

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

	CONSOLIDATED			PARENT		
	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>						
<b>Accumulated surplus / (deficit)</b>						
Balance at 1 July	10,096,897	10,180,451	10,465,006	6,049,601	6,088,886	6,448,441
Surplus / (deficit) for the year	190,093	588,515	(368,109)	(22,669)	304,405	(398,840)
Balance at 30 June	10,286,992	10,768,966	10,096,897	6,026,932	6,393,291	6,049,601
<b>TOTAL EQUITY</b>	<b>10,286,992</b>	<b>10,768,966</b>	<b>10,096,897</b>	<b>6,026,932</b>	<b>6,393,291</b>	<b>6,049,601</b>

## NOTE 18: FINANCE COSTS

### Accounting policy

There were no borrowing costs incurred during the year.

# Notes to the Financial Statements

For the year ended 30 June 2023

## NOTE 19: TAXATION

	2023 ACTUAL \$	2022 ACTUAL \$
<b>Current Taxation Expense</b>		
Current Year	190,142	41,920
Adjustments in respect of prior years	1,615	4,414
Deferred Tax Expense	(3,623)	(13,203)
<b>INCOME TAX EXPENSE</b>	<b>188,135</b>	<b>33,130</b>
<b>Reconciliation of Effective Tax Rate</b>		
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Profit from operations	650,898	99,930
Prima facie income tax @28%	182,251	27,980
Non-deductible or non-assessable items	11,422	14,331
Imputation credit	(87)	(42)
Resident Withholding Tax	(3,441)	(346)
Non taxable income	(4)	(4)
(Over)/under provision in prior years	1,615	4,414
Deferred tax adjustment	(3,622)	(13,203)
<b>TOTAL INCOME TAX EXPENSE</b>	<b>188,135</b>	<b>33,130</b>

Up to 30 June 2018, Telarc Limited was exempt from tax through its association with its parent, the Accreditation Council. The Accreditation Council is exempt from income tax in accordance with section 39, of the Standards and Accreditations Act 2015. The Accreditation Council was informed during 2018, that the IRD was changing its interpretation regarding the tax status of some Crown Entity subsidiaries, particularly subsidiaries of Autonomous and Independent Crown Entities. Subsequently, Telarc Limited was liable for tax effective from 1st July 2018.

	Property, Plant and Equipment	Employee Entitlements	Other	Total
<b>Deferred Tax Assets and Liabilities</b>				
Balance at 1 July 2021	(14,464)	148,652	(35,189)	98,999
Recognised in the profit in respect of prior years	-	-	(3,931)	(3,931)
Recognised in profit	7,601	(17,656)	23,258	13,203
Balance at 30 June 2022	(6,863)	130,996	(15,862)	108,271
Recognised in the profit in respect of prior years	-	-	(11,734)	(11,734)
Recognised in profit	(2,328)	(7,806)	13,756	3,622
<b>Balance at 30 June 2023</b>	<b>(9,191)</b>	<b>123,190</b>	<b>(13,840)</b>	<b>100,159</b>

### Accounting Policy

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.

Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 20: IMPACT OF COVID-19 AND REGIONAL FLOODING EVENTS

Covid-19 remained in our communities in FY2023 however business has returned to a level of normality. The impact on the Council's revenues, operations and the wider economy in FY2023 was minor in comparison to prior years, however continued to create some challenges with staff and client illness resulting in the rescheduling of workloads.

North Island flooding events also created challenges for some clients based in the regions affected. In these cases Council delayed assess-ments and audits. Despite these challenges the Council exceeded budgeted revenue expectations and finished the year well ahead of prior year. Strong cash reserves have supported the business and will continue to do so. The business has continued to evolve its systems to support changes in work process requirements of the future.

Use of estimates and judgements

The continuing effects of Covid-19 in the community and the regional flood events have required a number of judgements and estimates to be made in the preparation of these financial statements.

Judgement was used in determining which information obtained subsequent to the period end provided evidence of conditions that existed as at the end of the reporting period.

In particular, asset carrying values have been assessed at balance date. Specific commentary on these is covered in the relevant note. These assumptions are based on the organisations best esimate of the most likely expectations at balance date.

There have been no revisions to the nature and amount of estimates reported in prior periods.

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

At this time it is difficult to detemine the continuing impact of the Covid-19 within the community. The Council will continue to monitor the effects on both their staff and clients.

Impact of Covid-19 and regional flooding events on the provision for doubtful debts

The Council has reviewed its trade receivables and has taken a conservative approach in its provisioning of doubtful trade receivables at 30 June 2023.

Impact of Covid-19 and regional flooding events on the property plant and equipment

The Council has assessed the likely impact on property plant and equipment assets to be immaterial in nature.

Impact of Covid-19 and regional flooding events on Goodwill

The Council has reviewed the forecast out to 2028 based on conditions that existed as at 30 June 2023 and forward booked work. The Council does not consider there to be any impairment on Goodwill carried on its balance sheet.

NOTE 21: SOFTWARE-AS-A-SERVICE (SAAS) ARRANGEMENTS

Section 11.10 describes the Council's accounting policy in respect of customisation and configuration costs incurred in implementing SaaS arrangements. In applying the entity's accounting policy, the directors made the following key judgements that may have the most significant effect on the amounts recognised in financial statements.

Capitalisation of configuration and customisation costs in SaaS arrangements

Part of the customisation and configuration activities undertaken in implementing SaaS arrangements may entail the development of software code that enhances or modifies, or creates additional capability to the existing on premise software to enable it to connect with the cloud-based software applications (referred to as bridging modules or APIs). Judgement was applied in determining whether the additional code meets the definition of and recognition criteria for an intangible asset in NZ IAS 38 or PBE IPSAS 31 Intangible Assets. During the year, the Council recognised \$nil (2022: \$nil) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

Determination whether configuration and customisation services are distinct from the SaaS access

Costs incurred to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, the directors applied judgement to determine whether these services are distinct from each other or not, and therefore, whether the configuration and customisation costs incurred are expensed as the software is configured or customised (i.e. upfront), or over the SaaS contract term.

Specifically, where the configuration and customisation activities significantly modify or customise the cloud software, these activities will not be distinct from the access to the cloud software over the contract term. Judgement has been applied in determining whether the degree of customisation and modification of the cloud-based software that would be deemed significant. During the year, the Council recognised \$nil (2022: \$nil) as prepayments in respect of customisation and configuration activities undertaken in implementing SaaS arrangements which are considered not to be distinct from the access to the SaaS over the contract term.



Notes to the Financial Statements

For the year ended 30 June 2023

NOTE 22: FINANCIAL INSTRUMENTS

Financial instrument categories:

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

	CONSOLIDATED			PARENT		
	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$	2023 ACTUAL \$	2023 BUDGET \$	2022 ACTUAL \$
FINANCIAL ASSETS MEASURED AT AMORTISED COST						
Cash and cash equivalents	3,423,436	6,262,982	3,758,687	1,221,908	3,714,462	2,284,321
Investments – current	2,012,028	-	2,645,641	2,012,028	-	1,845,641
Trade and other receivables	4,001,228	2,924,078	3,290,269	2,548,293	1,677,401	1,688,557
Total Financial Assets	9,436,692	9,187,060	9,694,596	5,782,229	5,391,863	5,818,518
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST						
Trade and other payables	922,345	960,627	802,975	460,436	449,418	432,870
Total Financial Liabilities	922,345	960,627	802,975	460,436	449,418	432,870



# Appendix 1

## Council Function, Goals, and Operational Standards

### 1 Function

The Council is required to act independently of Government in carrying out its functions and exercising its statutory powers. The specific functions of the Council, as provided in the Standards and Accreditation Act 2015, are:

- a) To promote the development and maintenance of good practice in conformity assessment; and to establish and maintain an accreditation scheme for conformity assessment bodies engaged in testing and inspection activities and
- b) To develop and maintain international recognition and acceptance of the Council’s accreditation scheme; and to maintain appropriate international relationships consistent with the Council’s functions under this section; and
- c) To act as New Zealand’s good laboratory practice compliance monitoring authority; and
- d) If the Council chooses, to provide certification services; and
- e) To perform any other functions as directed by the Minister in accordance with section 112 of the Crown Entities Act 2004.

The Council performs functions (a), (b) (c) and (e) operating as IANZ, with its subsidiary Telarc undertaking function (d).

### 2 Council goals

- a) To cost-effectively provide authoritative, independent recognition of the competence of laboratories; inspection bodies and radiology practices across all sectors of industry where accreditation adds value;
- b) To provide a cost-effective trade facilitation mechanism and enable access to international markets through acceptance of test reports from IANZ accredited organisations by overseas regulators, and to provide assurance of compliance for imported products;
- c) To be New Zealand’s leading provider of assurance services, focusing on certification and compliance with standards; and
- d) Maintain financial sustainability without Crown funding.

### 3 Operational standards

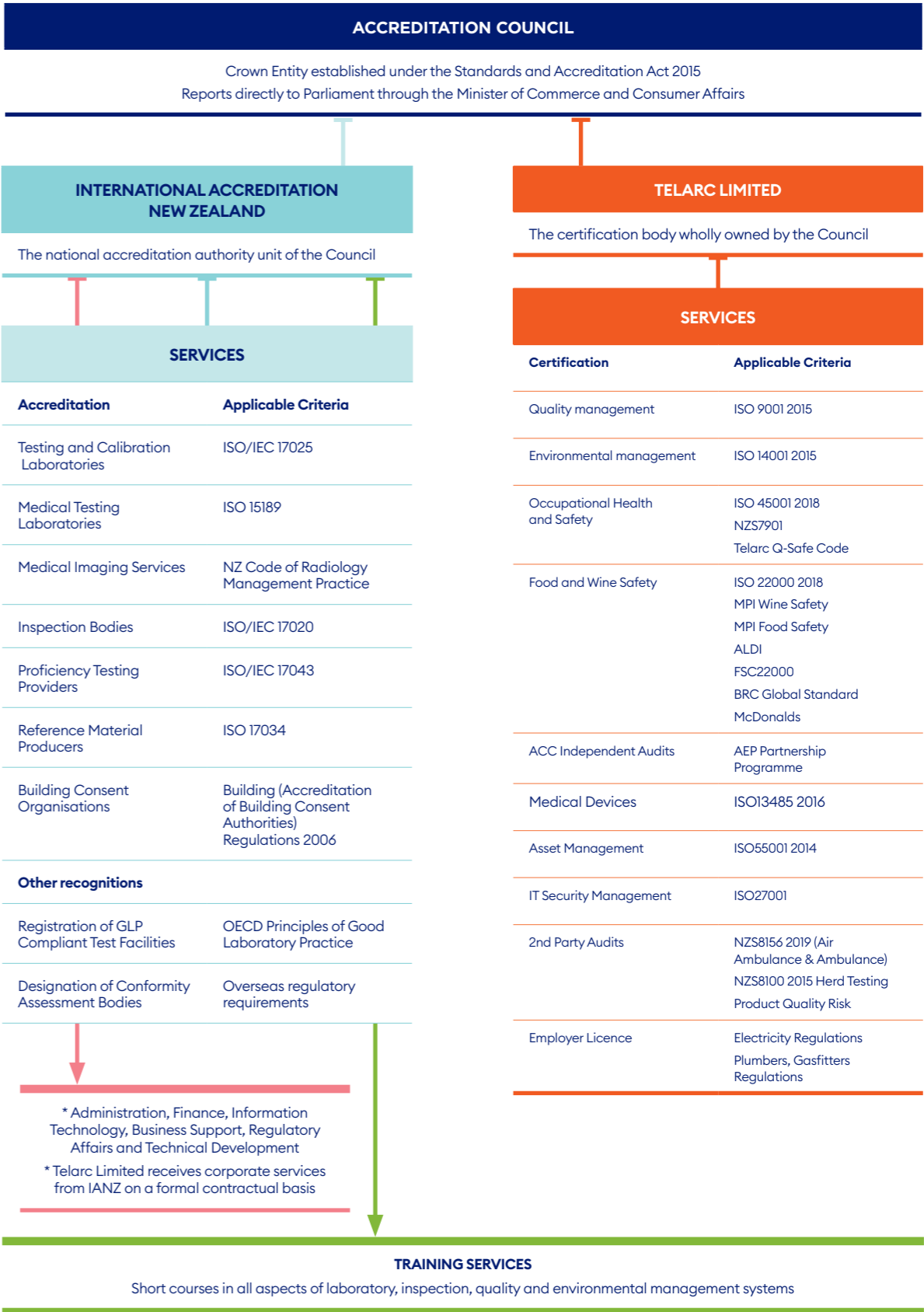
International standards are the cornerstone of the credibility of accreditations and certifications provided by IANZ and Telarc. Each organisation is regularly evaluated against specific standards for their type of operation. To operate as an accreditation authority, IANZ complies with the ISO/IEC 17011 (Conformity Assessment – General Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies standard).

To operate as a certification body, Telarc complies with ISO/IEC 17021 (Conformity Assessment – Requirements for Bodies Providing Audit and Certification of Management Systems). Annual assessments of Telarc against this standard are undertaken by the Trans-Tasman accreditation authority, JAS-ANZ.

These external evaluations are combined with twice-yearly management reviews and internal audits to provide Government, regulators, and industry with confidence to adopt the outputs provided by the Council for their purposes.

# Appendix 2

## Council Structure



# Appendix 3

## Accreditation and Certification Explained

### Accreditation

Accreditation requires organisations to meet exacting conditions of technical competence against recognised standards.

### Personnel

The accredited organisation must be managed and staffed by personnel with appropriate technical qualifications, significant experience in the accredited activities and including a thorough understanding of the relevant underlying scientific principles and sound operational and managerial skills. Assessment of client technical staff is a major component of the IANZ accreditation process.

### Accommodation and environment

Many measurement and test procedures must be carried out under tightly controlled environmental conditions, such as in sterile or electromagnetically screened accommodation. Accreditation of an organisation is dependent upon the appropriate accommodation and environmental controls within the workplace.

### Test and measurement procedures

An accredited laboratory must use only validated test methods known to produce reliable results. An IANZ-accredited organisation must not only implement rigorous quality control procedures to demonstrate the ongoing validity of its test methods, but also properly estimate its uncertainties of measurement and limits of detection.

### Inspection procedures

The reliability of inspection results is highly dependent on the observations and professional judgements of inspectors and on the management procedures that govern the deployment of inspectors. Accredited inspection bodies must have competent and professional inspectors that operate within their documented competence limits and are regularly monitored for consistency.

### Test equipment

An accredited organisation must use test and measuring equipment as specified in its validated methods, which must be well-maintained and regularly calibrated. Such calibrations must, where appropriate, be traceable to the New Zealand national standards of measurement maintained by the Measurement Standards Laboratory under the authority of the Measurement Standards Act 1992.

### Reference standards and materials

An accredited organisation must be equipped with an appropriate range of reference measurement standards and materials sufficient to demonstrate the accuracy of its tests and measurements. Such quality control materials must have demonstrated traceability to appropriate international standards.

### Records and reports

An accredited laboratory, medical imaging service, building consent authority or inspection body must maintain complete records of its examinations, inspections and tests, and issue reports in formats in line with international standards.

### Quality management

Accredited organisations must implement a quality management system that is consistent with the requirements of ISO 9001.

### An Accredited Organisation

Any organisation providing conformity assessment activities within the scope of IANZ’s accreditation activities, may apply for accreditation under the Standards and Accreditation Act 2015. That organisation is then subjected to a searching assessment of its expertise, facilities, resources, operations, procedures, and quality systems by a team of independent technical experts accompanied by an IANZ accreditation assessor. Selected for their prowess in specific fields, such experts are drawn from industry, academic institutions, research associations, government and private-sector bodies in both Australia and New Zealand.

Full compliance with the criteria results in formal accreditation by IANZ and the subsequent referencing, as appropriate, of Accredited Testing Laboratory, Accredited Medical Imaging Service, Accredited Inspection Body, Accredited Calibration Laboratory, Accredited Reference Material Producer or Accredited Proficiency Testing Provider.

Accredited organisations are subject to annual assessments to ensure continued compliance. More frequent reassessments are carried out if necessary.

It should be noted accreditation does not constitute a blanket endorsement of all activities. Accreditation is granted only for specific types of work in which the organisation has demonstrated its expertise. Such work is defined in the organisation’s Scope of Accreditation as published on the IANZ website: <https://www.ianz.govt.nz/directory>.





# Summary of Operations

## Laboratory Accreditation

IANZ accredits testing and calibration laboratories against the requirements of the international standard ISO/IEC 17025 (General requirements for the competence of testing and calibration laboratories) and in the case of diagnostic medical laboratories ISO 15189 (Medical laboratories – Requirements for quality and competence). The laboratory accreditation programme is available to all such laboratories, and given their diversity, the programme is broken down into the following fields to recognise the different technologies and/or industry sectors.

## Chemical Testing and Biological Testing Laboratory Accreditation

Accreditation may be granted for any testing of a chemical and/or biological nature on any sample type. There is a significant diversity of laboratory types accredited under these programmes, but the major areas include food, water and environmental chemistry and microbiology, metal alloys and ores, paint, coal and petroleum products, cement, soils and plants, air and gases, drugs of abuse, and veterinary and plant pathology.

A number of separately administered programmes have been established for chemical and biological testing laboratories in particular industry sectors to meet the needs of key stakeholders.

MPI Recognised Laboratory Programme - These programmes support the regulatory recognition of laboratories by the Ministry for Primary Industries (MPI) for testing in the dairy, meat, seafood, and honey industries respectively. Where testing is in support of MPI's official assurances to overseas markets for these exports, the laboratories require regulatory approval, and IANZ accreditation is a prerequisite for that approval. Assessments of laboratories in these programmes include both ISO/IEC 17025 and specific MPI requirements for regulatory approval.

## Drinking Water Testing Laboratory Accreditation Programme

Similar to MPI above, Taumata Arowai operates an approval programme of laboratories to test drinking water supplies in New Zealand, and a prerequisite to that approval is accreditation by IANZ. Assessments of laboratories in this programme include both ISO/IEC 17025 and specific Taumata Arowai requirements. For particularly small laboratories in remote locations, IANZ assesses them against a lower level standard than ISO/IEC 17025, and grants recognition (leading to Taumata Arowai approval) but does not accredit these laboratories.

## Medical Testing Laboratory Accreditation

Laboratories providing diagnostic testing and pathology services to community and hospital patients and clinicians are accredited against ISO 15189 (Medical laboratories – Requirements for quality and competence). Accreditation is required for all privately operated laboratories in order to receive payment for services from Te Whatu Ora – Health New Zealand. Essentially all general diagnostic testing and pathology services carried out in New Zealand are covered by IANZ accreditation.

## Mechanical Testing Laboratory Accreditation

Engineering laboratories conducting tests of a mechanical nature seek accreditation under the IANZ Mechanical Testing Laboratory Accreditation programme and include a diverse scope of testing types. Major sectors covered by the programme include civil and roading materials, building products and materials, pressure valves, and non-destructive testing. Testing in an IANZ-accredited mechanical testing laboratory is often a contractual requirement for contractors in the construction sector.

## Gas Cylinder Testing Laboratory Accreditation

This special programme is essentially a subset of the Mechanical Testing Laboratory Accreditation Programme

and accredits gas cylinder test stations (including fuel, industrial and SCUBA cylinders) to meet the regulatory approval requirements of the Health and Safety at Work (Hazardous Substances) Regulations 2017.

**Wool Testing Laboratory Accreditation**

New Zealand has two independent laboratories testing wool for grading purposes prior to auction against strict international standards. In accordance with international requirements, both laboratories are accredited by IANZ to ensure accurate grading, which ultimately determines the price paid for New Zealand wool at auction.

**Applied Physics Testing Laboratory Accreditation**

This specialised programme of testing involves the application of physics principles for performance testing of appliances such as: refrigerators and wood-fired stoves, controlled environments testing, fire and fire systems, and optical properties.

**Electrical Testing Laboratory Accreditation**

This programme is also of a specialised nature and includes testing for electrical safety, electromagnetic compatibility, and telecommunications testing.

**Designated Conformity Assessment Body Programme**

In support of the New Zealand Government’s trade liberalisation agreements with many of its major trading partners, determination of conformity of traded goods in some sectors is established through Mutual Recognition Agreements with our trading partners. New Zealand uses accreditation to underpin these Agreements, which is predominantly in the electrical and electronic goods sectors.

**Metrology and Calibration Testing Laboratory Accreditation**

Calibration laboratories test and measure instruments used in industry and other accredited laboratories. Such calibration services underpin all critical measurements made, ensuring they are traceable to international standards of measurements and thereby comparable to all other similar measurement made throughout the world.

**Inspection Body Accreditation**

IANZ accredits inspection bodies against the requirements of the international standard ISO/IEC 17020 (Conformity assessment – Requirements of the operation of various types of bodies performing inspection). The IANZ programme has a diverse range of inspection body types accredited, with the majority accredited to meet regulatory or other specifier requirements to conduct particular inspection types. Examples include engineering safety inspection to meet the requirements of the Health and Safety in Employment (Pressure Equipment, Cranes and Passenger Ropeways) Regulations 1999, fire safety systems to meet New Zealand Standards requirements, imported used vehicle biosecurity inspection to meet New Zealand’s biosecurity and quarantine requirements, food safety management systems inspections to meet MPI requirements, imported vehicle safety inspections, and non-destructive testing and inspection.

**Building Consent Authority Accreditation.**

The Building Act 2004 requires all local body Councils are accredited by IANZ to process building consents, inspect building construction and issue compliance certificates associated with the consent. Building consent authorities are accredited in accordance with the Building (Accreditation of Building Consent Authorities) Regulations 2006.

**Medical Imaging Service Accreditation**

Diagnostic medical imaging services in both the private and public (hospital) sectors may seek accreditation against the New Zealand Code of Radiology Management Practice to demonstrate their competence to provide medical imaging services such as X-ray, ultrasound, CT, MRI, and the like. Purchasers of these services, such as the Accident Compensation Corporation (ACC), and health insurers are increasingly requiring them to be accredited.

**Good Laboratory Practice (GLP) Compliance Monitoring Programme**

IANZ is the National GLP Compliance Monitoring Authority under the Organisation for Economic Cooperation and Development’s (OECD) programme for the Mutual Acceptance of Data. Test facilities conducting health and environmental safety studies intended for regulatory submission in support of the safety of regulated chemicals (such as pharmaceuticals, agricultural chemicals, veterinary medicines, industrial chemicals, and the like) for the purposes of registration are inspected against the requirements of the OECD Principles of Good Laboratory Practice.

**Reference Material Producer Accreditation**

Like the calibration of measuring instruments performed by IANZ accredited calibration laboratories, producers of reference materials used to calibrate and control testing systems in testing laboratories may seek accreditation against the international standard ISO 17034 (General requirements for the competence of reference material producers).

**Proficiency Testing Provider Accreditation**

One of the fundamental requirements for the demonstration of competence of testing and calibration laboratories is for them to participate in inter-laboratory comparisons to show they can achieve comparable results. Providers of proficiency testing services may seek accreditation from IANZ for this against the international standard ISO/IEC 17043 (General requirements for proficiency testing).

**Certification**

Certification/registration occurs when an independent and competent third party certifies a product, service, system, process, or material to establish conformity to specific requirements.

The certification of quality and environmental management systems as conforming, respectively, to ISO 9001 and ISO 45001 standards, are the most well-known examples.

The terms certification and registration are used interchangeably in the ISO 9001 and ISO 45001 contexts, depending on the country concerned. Likewise, bodies issuing ISO certificates can be referred to as certification bodies, registration bodies or registrars.

As the publisher of standards, the International Organisation for Standardisation (ISO) does not issue certificates of conformity to any standard. Such certificates are issued by more than 740 certification/registration bodies worldwide, all independent of ISO and of the businesses they certify.

The world association for the accreditation of certification bodies, the International Accreditation Forum (IAF), requires member accreditation bodies to accredit management system certification bodies against the international standard ISO/IEC 17021, designed to ensure the competence and independent status of each certification/registration body.

Quality, Health & Safety and environmental management system certification assures users and customers of compliance with ISO 9001 or ISO 45001 standards, irrespective of the business and its work. To maintain compliance, standards are monitored by regular surveillance.

Restricted to a particular item produced by a particular business, product certification assures users and regulators of compliance with specified standard(s). Such certification may be limited to compliance with one or more standards, even though the product may be subject to many others.

# Appendix 4

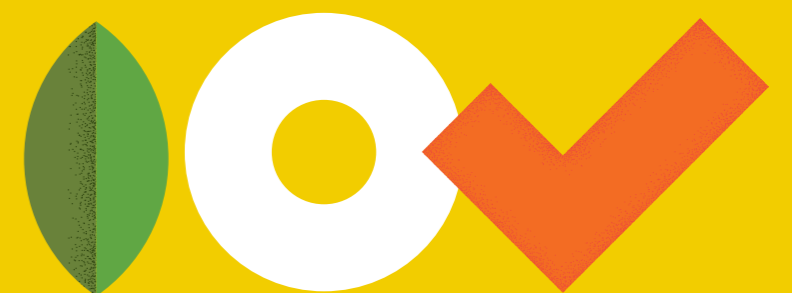
## Glossary of Acronyms

ACC	Accident Compensation Corporation
APAC	Asia Pacific Accreditation Cooperation
AS	Australian Standard
BCA	Building Consent Authority
CARs	Corrective Action Requests
CBD	Chem/Bio/Dairy Programme
CCC	China Compulsory Certification
CE	European Conformity
CEA	Crown Entities Act 2004
EA	European Cooperation for Accreditation
EEO	Equal Employment Opportunities
GLP	Good Laboratory Practice
GST	Goods and Services Tax
HACCP	Hazard Analysis and Critical Control Point
HSNO	Hazardous Substances and New Organisms
IAF	International Accreditation Forum
IANZ	International Accreditation New Zealand
IEC	International Electro-Technical Commission
IFRS	International Financial Reporting Standards
ILAC	International Laboratory Accreditation Cooperation
ISO	International Organisation for Standardisation
JAS-ANZ	Joint Accreditation System of Australia and New Zealand
MBIE	Ministry of Business, Innovation and Employment
MFAT	Ministry of Foreign Affairs and Trade
MoH	Ministry of Health
MoU	Memorandum of Understanding
MPI	Ministry for Primary Industries
MRA	Mutual Recognition Arrangement
NATA	National Association of Testing Authorities
NSU	National Screening Unit
NZBN	New Zealand Business Number
NZQC	New Zealand Quality College
NZS	New Zealand Standard
OECD	Organisation for Economic Cooperation and Development
PBE	Public Benefit Entity
QC	Queen’s Counsel
SSC	State Services Commission
TBT	Technical Barriers to Trade
TPP	Trans-Pacific Partnership
TQS	Transit New Zealand Quality Standard
WSMP	Workplace Safety Management Practices
WTO	World Trade Organisation

# Appendix 5

## Directory

<b>Head Offices</b>	<b>Auditor</b>
<b>International Accreditation New Zealand</b>	<b>RSM Hayes</b>
Ground Floor, Building 7, 660-670 Great South Rd, Ellerslie, Auckland 1051 Private Bag 28908, Remuera, Auckland 1541, New Zealand Tel: 09 525 6655 Email: <a href="mailto:info@ianz.govt.nz">info@ianz.govt.nz</a> <b><a href="http://ianz.govt.nz">ianz.govt.nz</a></b>	(On behalf of the Controller and Auditor-General) 1 Broadway, Newmarket, Auckland 1023, New Zealand
<b>Telarc Limited</b>	<b>Bankers</b>
Ground Floor, Building 7, 660-670 Great South Rd, Ellerslie, Auckland 1051 Private Bag 28901, Remuera, Auckland 1541, New Zealand Tel: 09 525 0100 Freephone: 0800 004 004 Email: <a href="mailto:info@telarc.co.nz">info@telarc.co.nz</a> <b><a href="http://telarc.co.nz">telarc.co.nz</a></b>	<b>ANZ</b>
<b>Training Services</b>	Great South Road, Greenlane, Auckland 1051, New Zealand
Ground Floor, Building 7, 660-670 Great South Rd, Ellerslie, Auckland 1051 Private Bag 28908, Remuera, Auckland 1541, New Zealand Tel: 09 525 6633 Freephone: 0800 900 099 Email: <a href="mailto:info@nzqc.co.nz">info@nzqc.co.nz</a> <b><a href="http://nzqc.co.nz">nzqc.co.nz</a></b>	<b>Westpac New Zealand Limited</b>
<b>Regional Offices</b>	Takutai Square, Auckland Central 1010, New Zealand
<b>Telarc Limited</b>	<b>ASB Bank Limited</b>
<b>Tauranga</b>	Great South Rd, Penrose, Auckland 1061, New Zealand
Level 2, 181 Devonport Road, Tauranga 3110 PO Box 9023, Tauranga 3142, New Zealand Tel: 07 571 2508	<b>Solicitors</b>
<b>Wellington</b>	<b>Meredith Connell</b>
ANZ Building, Level 15, 171 Featherston Street Wellington 6011, New Zealand	55 Shortland St, Auckland 1010, New Zealand
<b>Christchurch</b>	<b>Insurance Brokers and Consultants</b>
4 Ash Street, Christchurch Central, Christchurch, 8011 New Zealand	<b>Aon Hopkins Paton</b>
	55A Remuera Road, Newmarket, Auckland 1050, New Zealand



## **Accreditation Council**

Ground Floor, Building 7  
660-670 Great South Rd, Ellerslie, Auckland 1051  
Private Bag 28908, Remuera, Auckland 1541  
New Zealand

Tel: 64 9 525 6655

Email: [info@ianz.govt.nz](mailto:info@ianz.govt.nz)

**[ianz.govt.nz](http://ianz.govt.nz)**