



# **ANNUAL REPORT** 2014-2015

careersnz  
mana rapuara aotearoa



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Careers New Zealand Annual Report for the year ended 30 June 2015

Presented to the House of Representatives pursuant to section 150(3) of the Crown Entities Act 2004

**ANNUAL  
REPORT**  
2014-2015

**OUR PURPOSE IS CLEAR:**

*To help people make informed learning and work choices so they, and the country, will have a better future.*

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# ***INTRODUCTION***

# BOARD CHAIR'S FOREWORD



Throughout our lives, the wise words of others can inspire us to take action, or affirm a particular direction we have taken. While there are many from which to choose, I believe the most appropriate example for the introduction of our Annual Report (for the year ended 30 June 2015) is from Mahatma Gandhi, *"We must be the change we want to see"*.

In the past year we have undertaken an organisational transformation on a scale not seen for many years in Careers New Zealand. Two key elements have underpinned this transformation: the challenges laid out in our November 2013 Performance Improvement Framework (PIF) Review and the importance of valuing people.

It has often been said that, as a small organisation, our staff are our greatest asset. They bring a wealth of skills, knowledge and networks, and are passionate champions for helping New Zealanders to help themselves to make informed learning and work decisions. As noted by a number of our stakeholders, having our staff fully invested in effecting our new Career Ready strategy has already yielded significant gains.

As a small organisation, we are always conscious of the need to support those who will influence the learning and work decisions of others - their physical reach is more than we could ever hope to achieve alone. We call this 'professional development' in recognition of the important role that influencers play, and our interest in ensuring they have tools and resources to use to confidently support others. Whether they are parents, teachers, peers, family friends, relatives or interested community members, we truly value their contribution and any feedback they can give us on the needs of career-seekers (primarily young people) and career-changers (of any age).

The work we are doing with employers, through initiatives such as Work Inspiration, is another positive step into the future. This model, which we will be rolling out nationally next year following the successful pilots in 2014/15, involves employers investing in their future workforce by providing tailored and practical work experience opportunities for young people. For those industries that have difficulty attracting young people, this can help improve young people's (and influencers') understanding of the range of employment opportunities that are available now and in the future - and, more importantly, the qualifications and job-ready skills that employers are looking for.

The final area we have focused on is improving the range and relevance of digital tools and resources to support informed career decision making. Career-seekers and career-changers can be overwhelmed and discouraged by the volume of generic information that is available. Tools such as our jobs database ([careers.govt.nz/jobs](http://careers.govt.nz/jobs)) package information to answer the most commonly asked questions on potential income, job prospects and secondary and tertiary qualification requirements. Having more interactive tools within the reach of all our users is a priority, and an excellent opportunity to innovatively meet existing and future user needs.

We are now focused on understanding the difference and impact that we have on people's learning and work choices, and how we benefit them and New Zealand.

A handwritten signature in black ink, appearing to read 'Dale Karauria'. The signature is fluid and cursive, written over a white background.

**Dale Karauria**  
Board Chair

# CHIEF EXECUTIVE'S FOREWORD



We have made excellent progress towards improving our effectiveness in supporting young people to make informed learning and work choices. Over the past 12 months we have worked hard, smart and collaboratively to transform our organisation and our work from top to bottom. Guiding our massive transformation are the challenges laid out in our 2013 Performance Improvement Framework (PIF) Review. Our transformation is positioning us well to capitalise on our knowledge, expertise and resources to deliver the services our customers need.

*We have transformed Careers New Zealand and our work from top to bottom.*

We have completely reviewed our strategy and operating approach to better align with the needs of our customers and the Government's priorities. For the first time our initiatives are included within the Government's Business Growth Agenda.

We have sharpened our focus with our new Career Ready strategy. We have also realigned our organisational structure so we are well positioned to deliver on that strategy. By dismantling the previous 25-year-old geographic structure, we have created a flatter and strategy-based approach. This has created a new leadership team, a wider leadership group and increased leadership opportunities for our Māori and Pasifika staff to ensure we are relevant and effective for our Māori and Pasifika customers.

We worked with our people to identify what we needed to do, and what needed to change, to develop and deliver on our Career Ready strategy and increase our effectiveness. This included a \$1 million turnaround on a \$15 million budget.

The results of this showed in our June 2015 IBM Kenexa staff survey, which was a testament to our staff's commitment to Careers New Zealand during a year of significant strategic and organisational change. Our staff morale is now among the highest in the public sector. IBM Kenexa described the turnaround as 'unprecedented' in the history of their survey in New Zealand, which is all the more impressive given the organisational changes that took place during the year.

*IBM Kenexa described the turnaround in our staff engagement levels as 'unprecedented'.*

I am confident that, by combining our effective products and services with the passion, expertise and commitment of all of us at Careers New Zealand, we will deliver great value for the Government and help young New Zealanders become career ready.

**Keith Marshall**  
Chief Executive

# EXECUTIVE SUMMARY

## A TRANSFORMATIVE YEAR...

2014/15 was a transformative year for Careers New Zealand with a strong focus on positioning ourselves for the future. We made excellent progress in our response to the November 2013 PIF report. We implemented a new high-level business strategy set by our Board in December 2014 and conducted an organisational realignment process. This moved us from a regionally based structure to national business units that will support us to effectively deliver on our new strategy in 2015/16 and beyond.

## ...DURING WHICH WE CONTINUED TO DELIVER EXCELLENT SERVICES TO OUR CUSTOMERS...

Although it was a year of change, we delivered excellent services to our customers. A source of pride was winning the 2014 WriteMark Best Plain English Website award for the public sector, alongside a 10% increase in annual website visits – our 3.98 million website visits in 2014/15 was an all-time record.

During the year we continued to work with schools to raise the quality of career education and teaching. Along with excellent feedback from the schools we worked with, we were pleased to see the Education Review Office (ERO) acknowledge that:

*The schools with the most successful careers education and guidance had worked with Careers New Zealand and used the **Career Education Benchmarks** to review current practices and improve their provision for students.<sup>1</sup>*

## ...AND SUCCESSFULLY TOOK OUR STAFF ON THE TRANSFORMATION JOURNEY WITH US...

Our people are a key asset – we have a highly educated, talented and passionate workforce. The June 2015 IBM Kenexa staff survey results were excellent; our staff morale has lifted from being the lowest in any sector measured to being among the highest in the public sector. Most results were considerably higher than the public sector average.

## ...WHILST PREPARING FOR THE FUTURE

A key priority for us is to develop a more responsive website to increase customer engagement – especially for Māori, Pasifika, and young people aged between 11 and 24. During the year we completed critical pieces of work to improve the capability of our website and underpin development of more responsive digital tools and resources for young Māori and Pasifika.

Likewise, we are committed to improving the connections between educators and employers to improve career transitions and pathways. In 2014/15, we piloted the Work Inspiration programme, an interactive employer-led work exploration model which aims to make young people's first experience in the workplace more meaningful. It will be fully rolled out in 2015/16.

*We are excited about 2015/16, and the opportunities we have to contribute to the Government's priorities for education and employment.*

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1. Education Review Office (2015) Careers education and guidance: good practice. <http://www.ero.govt.nz/National-Reports/Careers-education-and-guidance-good-practice-May-2015>

# OUR YEAR IN NUMBERS

**70%**

of New Zealanders aged 15-24 know about us.

**84%**

of New Zealanders who know about us, trust our information and advice.

**3.98  
MILLION**

New Zealand-based website visits to the careers.govt.nz website.

**8 VISITS  
PER MIN**

to the careers.govt.nz website.

**313**

schools and tertiary organisations supported by our career education or development services.

**86%**

of schools and tertiary organisations agreed that our support helped improve their career education or development services.

**85%**

of website users agreed our information and resources helped their career decision making.

**94%**

of families, whānau and aiga agreed our support was useful.

**25,983**

New Zealanders received direct advisory services via phone or online.

**96%**

of our direct advisory services customers agreed that our support helped them.



# OUR OPERATING CONTEXT

## **A RAPIDLY CHANGING GLOBAL MARKETPLACE...**

Since Careers New Zealand was established in 1990 we have seen significant changes in education, business and employment. More than ever, the pace of change is rapid and driven by technology.

*Today's employers are seeking people with the technical, creative, technological and interpersonal skills that enable them to be globally competitive; as well as people with the flexibility to adapt to a constantly evolving labour market.*

Businesses and employers are adapting in response to the demands of a modern, global economy. They are becoming more agile in order to survive and thrive in this economic environment. To remain competitive both nationally and internationally, employers are hiring, developing and retaining staff with the skills needed to successfully operate and transact business in this rapidly changing global marketplace.

## **...IS TRANSFORMING YOUNG PEOPLE'S ENGAGEMENT WITH LEARNING AND WORK...**

These changes are transforming the way young New Zealanders engage with learning and work. Today's young people do not simply 'choose' a career. Instead they carefully build their career by making ongoing learning and work choices based on a wide array of information and options. By making informed learning and work choices, young New Zealanders will have the skills and knowledge needed to be successful global citizens.

*For our young people to make informed learning and work choices in this changing world they need to understand themselves, the opportunities they have to develop their skills and knowledge and how their choices relate to the demands of the labour market.*

Investing in good learning and work choices leads to long-term returns not only for themselves but also for the New Zealand economy. Those young New Zealanders who make informed learning and work choices will develop the skills needed by employers, contributing to economic growth downstream.

## **...BUT THIS CAN BE A CHALLENGE FOR SOME YOUNG PEOPLE**

For some young people, the changing worlds of learning and work present a real challenge. The options and choices ahead of them can be difficult to identify and difficult to understand. Navigating a career can be complex as the gaps and opportunities ebb and flow.

*There are significant disparities between different groups of young people in education which has an impact on them making a successful transition into work.*

Māori and Pasifika young people are over-represented in the number of young people not in education, employment or training (NEET), and have a lower rate of 18-year-olds achieving NCEA Level 2 than the overall population. While the results are improving at a faster rate for Māori and Pasifika than for the overall population, raising the attainment of Māori and Pasifika is an important focus for government.

# OUR STRATEGY

## WE HAVE A CLEAR PURPOSE

We responded to the challenges of the rapidly changing world of learning and work by making significant changes to our organisation. We developed a new high-level strategy and tailored our organisation to deliver on that strategy effectively.

*Our purpose is to help people make informed learning and work choices so they, and the country, will have a better future.*

## WE ARE A HUB FOR INDEPENDENT CAREER INFORMATION AND ADVICE

Our customers – all New Zealanders but particularly young people, Māori and Pasifika – are at the heart of our strategy.

Our strategy has three inter-related elements. These are:

- connecting educators and employers to improve career pathways at important transition points in people's learning and work lives
- delivering professional development services for those influencing other people's career choices, to help them provide informed career support
- developing new and existing digital tools and resources to help people make informed learning and work choices.

*Our strategy focuses on reaching young people, Māori and Pasifika.*

## WE HELP BOOST SKILLS AND EMPLOYMENT, AND REDUCE LONG-TERM WELFARE DEPENDENCE

As a Crown entity, we are informed and guided by wider government priorities and initiatives that are concerned with improving the quality of transitions in education and employment. Underpinning our work are the Government's Business Growth Agenda and Better Public Services goals, especially those focused on boosting skills and employment, reducing long-term welfare dependence and improving citizens' interactions with government. Wider education sector strategies, such as the Tertiary Education Strategy (TES), further inform and focus our work.

*Our initiatives are included in the Government's Business Growth Agenda.*

## WE HELP GROW A SKILLED WORKFORCE AND IMPROVE OUTCOMES FOR YOUNG PEOPLE

Growing a skilled workforce and improving outcomes for young people is central to our strategy. To achieve this we connect learning to work and enhance career-related services. We work closely with our partners and stakeholders to effectively deliver this strategy. Our close working relationships with government agencies including the Ministry of Education (MOE), the Ministry of Business, Innovation and Employment (MBIE), the Ministry of Social Development (MSD) and the New Zealand Qualifications Authority (NZQA) are pivotal to our success. We also work closely with economic development agencies such as the Auckland Tourism, Events and Economic Development (ATEED) and the Canterbury Development Corporation (CDC), and professional and peak bodies including Business New Zealand, the Career Development Association of New Zealand (CDANZ) and the Careers and Transition Education Association (CATE).

*Our partners and stakeholders helped shape our strategy.*

## WE ARE RELEVANT AND EFFECTIVE FOR MĀORI AND PASIFIKA

Our responsibility to Māori ensures that we acknowledge the special relationship accorded to Māori as tangata whenua by te Tiriti o Waitangi/the Treaty of Waitangi. We discuss the practical actions we have taken to enact our responsibility to Māori and our responsibility to Pasifika throughout this Annual Report. These include our contribution to achieving the aims of Ka Hikitia: the Māori education strategy, the Pasifika Education Plan 2013-2017 and Tau Mai Te Reo: the Māori language in education strategy. The Chair of the Māori Staff Network and the Chair of the Va Pasifika Staff Network are critical members of the Senior Leadership Team (SLT) and oversee our organisational responsiveness to Māori and Pasifika.

*Our Māori and Pasifika staff have increased leadership opportunities to ensure we are responsive to Māori and responsive to Pasifika.*

# CAREER READY



## WHY WE'RE HERE

We help people make informed learning and work choices so they, and the country, will have a better future.



We help boost skills and employment, and reduce long-term welfare dependence.



## WHO WE ARE

We are career experts.  
We help people navigate their career journey.



Our work helps grow a skilled workforce and improves outcomes for young people by connecting learning to work and enhancing career-related services.

## WHAT WE DO

We are a hub for independent career information and advice.  
Our strategy for 2015–2019 focuses on young people, Māori and Pasifika through:

### CONNECTING

educators and employers to improve career pathways at important transition points in people's learning and work lives.

### DELIVERING

professional development services for those influencing other people's career choices, to help them provide informed career support.

### DEVELOPING

new and existing digital tools and resources to help people make informed learning and work choices.

**RELEVANT AND EFFECTIVE FOR MĀORI AND PASIFIKA**



# ***PART ONE***

*OUR*

*IMPACT AND*

*ACHIEVEMENTS*

# OUR IMPACT IN 2014/15

## OUR IMPACT

We are here to help people make informed learning and work choices so they, and the country, will have a better future. In 2014/15, we focused on two key impact areas. The first was assisting New Zealanders to make career decisions through our digital and online services. The second was supporting career influencers to improve the quality of their practice through our professional development services. As the table below illustrates we are making good progress in both of these areas.

## KEY INDICATORS OF OUR IMPACT IN 2014/15

IMPACT	MEASURE	BASELINE	RESULT
<b>Direct digital and online services</b>			
New Zealanders assisted to make career decisions	Percentage of users who have made a decision as a result of our support services, or have all the information they need to make a decision	85%	85% of website users agreed that they had the information and resources needed to explore future career or study options and make decisions as a result of our services.
<b>Services to career influencers</b>			
Schools use Careers New Zealand resources and services to influence their practice	By 2017/18, schools surveyed report changes in their career practice Baselines for changes established in 2014/15	New measure for 2014/15	86% of schools reported that the support received from Careers New Zealand in 2014/15 helped to improve their career education or development services.
Tertiary education organisations use Careers New Zealand resources and services to influence their practice	By 2017/18, tertiary education organisations surveyed report changes in their career practice Baselines for changes established in 2014/15	New measure for 2014/15	86% of tertiary education organisations reported that the support received from Careers New Zealand in 2014/15 helped to improve their career education or development services.

# OUR ACHIEVEMENTS IN 2014/15

## WE ARE NEW ZEALAND'S TRUSTED ONLINE SOURCE OF CAREERS INFORMATION...

Young people need access to accurate, relevant and up to date career information when making learning and work decisions. The extensive suite of online career information and resources on our website (careers.govt.nz) is a major asset for New Zealanders – over 2 million New Zealanders visited our website at least once during the year and 96% of our visitors would recommend the website to others.

In total, we received nearly 4 million New Zealand-based web visits in 2014/15 – or around 8 visits every minute of the day. This was 10% higher than the 2013/14 figure (3.62 million) and continues the increasing trend in visits to the website over the past decade with a 52% increase in visits since 2010. We appear to be providing the information and resources that people want to access – the average time spent on the website is 5.16 minutes, and 48% of New Zealand users are return visitors to the site.

*We received 3,983,064 New Zealand-based web visits – a 52% increase since 2010.*

During the year, over 1.2 million New Zealand-based visits to our website were from mobile devices (i.e. phone or tablet). This represents 30% of all website visits. We estimate that, by 2016/17, approximately half of the New Zealand-based visits to our website will be from mobile devices.

In Quarter One 2015/16, we are commencing a project that will improve the user experience for customers visiting our website via mobile devices. We expect that the completion of the project will lead to higher customer engagement with the tools and content on our website, including an increase in New Zealand-based web visits and completions of our digital tools.

Not only do more and more New Zealanders access our website each year, but the website and the way it is presented is also highly regarded. In November 2014, we won the 2014 WriteMark Best Plain English Website award for the public sector. We previously won this award in 2011 and were a finalist in 2013. This demonstrates our ability to consistently provide user-friendly online career information for our customers.

*"All three judges loved this site. It knows what it wants to communicate and does it in a clear, usable way... It's rare for a site this large and complex to be so well done at every level."*

*(Judges' comments: New Zealand Plain English Awards, November 2014)*

## Key customer experience survey results for 2014/15

Our annual customer experience survey asked our customers whether the website was easy to use and whether it was relevant to their needs. More than four out of five of our website users agreed with both questions – 81% agreed that the website was easy to use, and 85% agreed that the website was relevant to their needs by providing the information and resources necessary to support their career decision making.

It was encouraging to see these results improve on our 2013/14 results – in 2013/14, 79% of users surveyed agreed the website was easy to use, and 74% agreed the website was relevant to their needs. We expect these results will continue to improve in 2015/16 as new innovative tools and resources are developed, and we enhance the user experience for customers visiting our website via mobile devices.

*More than four out of five of our website visitors found the website easy to use and obtained the information and resources necessary to support their career decision making.*

In June 2015, we commissioned a nationwide trust and awareness survey. Conducted by Nielsen, the survey enabled us to establish a baseline of trust and awareness in us and our information among New Zealanders of all ages and backgrounds.

The survey showed that 84% of people who know about us trust us and our information. The survey showed that half of 15 to 24-year olds who knew about Careers New Zealand had used our website in the past 12 months. Although these are positive results, we expect trust and usage of our information to steadily increase over the coming years as we enhance the user experience of our website and develop new digital tools and resources.

## ...REACHING MORE PEOPLE IN ENGAGING AND INNOVATIVE WAYS

### Skills Transition tool

During the year we continued the development of an online skills self-assessment tool for 25 to 34-year-old New Zealanders.

The Skills Transition tool will enable the target audience to understand how the skills and experience they have acquired in the workplace relate to potential study or training opportunities, encourage them to re-engage with formal training or study, and improve their chances of securing sustainable employment. It supports the Government's Better Public Services goal of increasing the proportion of 25 to 34-year-olds with advanced trade qualifications, diplomas and degrees at Level 4 or above.

We will be launching the tool on the Careers New Zealand website in 2015/16. It is another key example of our contribution towards the Skilled and Safe Workplaces workstream of the Business Growth Agenda.

### **Project Kāmehameha**

Project Kāmehameha was a research project undertaken to understand the career aspirations of young Māori. The research will be used to improve the responsiveness of our digital tools and resources, as well as our professional development services for Māori. Project Kāmehameha aligns with the Skilled and Safe Workplaces workstream in the Business Growth Agenda and the priorities in the Tertiary Education Strategy.

We surveyed over 1,300 Māori young people as part of this research. We also conducted focus groups with young Māori, whānau and teachers. The research provided us with valuable information about the career aspirations of young Māori. This information is driving our future service delivery, information provision and development of career tools.

*Project Kāmehameha has given us a platform to respond to the changing career-related needs of young Māori and will contribute to their success in learning and work.*

### **OOMPHER**

As part of our focus on broadening the range of relevant and accessible digital resources on offer to young people, we purchased the motivational website OOMPHER.com in May 2015. OOMPHER contains video interviews with high profile and successful

New Zealanders in diverse fields like business, arts, politics and sports. The site complements our other work aimed at helping young people make good career choices.

We will link OOMPHER to our other tools and resources so that young people who are inspired by what they see can get help to identify subject and qualification options to support their ambitions.

The purchase of OOMPHER has the advantage of coming with strong commercial sponsorship and we will be working closely with sponsors to build on those commercial partnerships for the benefit of all young New Zealanders.

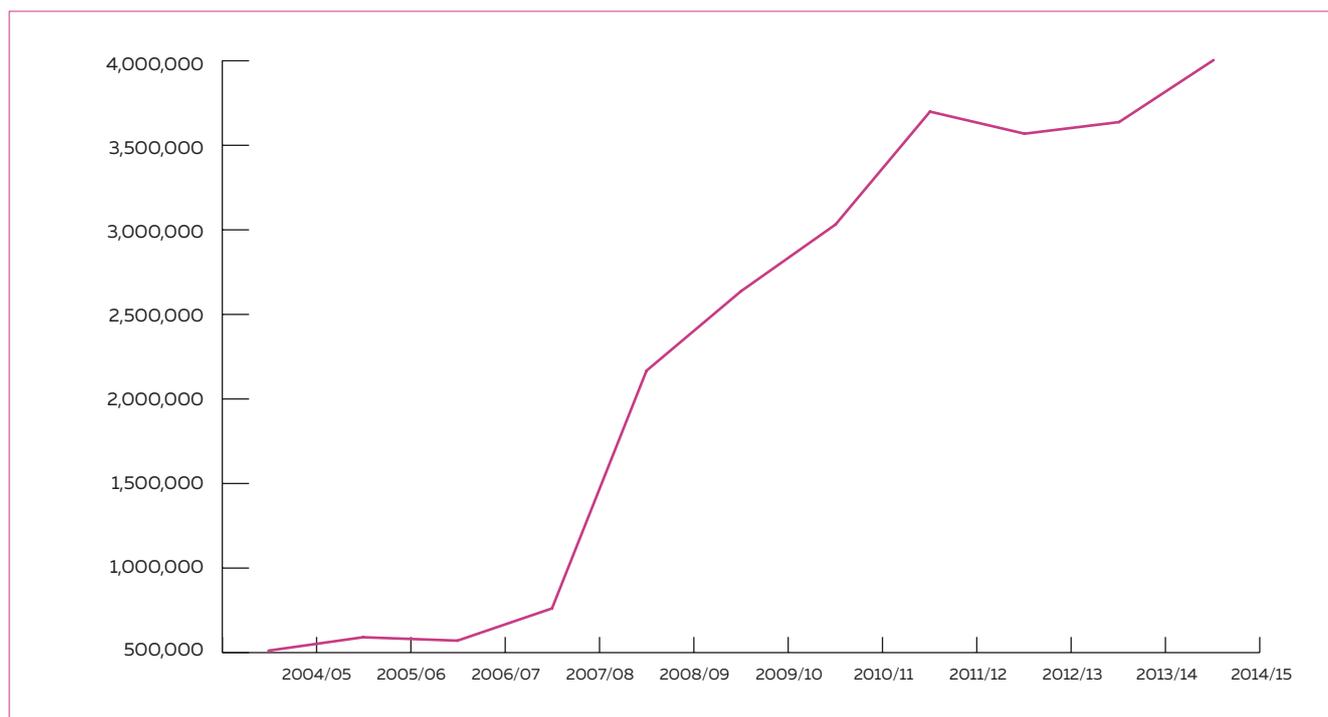
### **Engaging with Pasifika youth and their families**

In May 2015, we commenced a four-month engagement campaign to connect Pasifika parents with our online information and phone advice services.

A key focus of the engagement campaign was to assist young people and their parents to connect interests and skills to future career pathways in high-growth industries. Social media platforms and radio are the channels we used in this campaign, with a 'call to action' to contact our staff and visit specific landing pages we created for Pasifika youth and parents.

As at 30 June 2015, the pages had attracted 10,000 visits with over 80% visiting the Pasifika youth landing page.

**FIGURE ONE:** New Zealand-based visits to the Careers New Zealand website



### WE DELIVERED HIGH-QUALITY SUPPORT TO CAREER INFLUENCERS...

Young people still receive a lot of their career information and advice from 'career influencers' – both professionals (including careers advisors and teachers in schools) and their families. These influencers play an important role in supporting young people to make good learning and work choices, and building their career aspirations.

We supported career influencers in schools Year 7 and above by enhancing the career development knowledge and expertise of principals, senior managers, teachers and careers advisors, these key career influencers are equipped with the skills and information they need to support students' decision making.

During the year we reached 240 Year 7-13 schools with over 160,000 learners, including more than 22,000 Pasifika learners and more than 33,000 Māori learners. We prioritised the schools we worked with to reach lower decile schools with higher numbers of Māori and Pasifika learners and those that had lower NCEA Level 2 attainment.

Our Career Education Benchmarks raise the quality of career education and teaching in Year 7 and 8 schools and secondary schools. We launched the revised Career Education Benchmarks (Secondary) on 1 September 2014. The Benchmarks were revised to ensure they remain up to date and relevant for secondary schools. We had input and advice from across the education sector including principals, school staff, and other stakeholders. Secondary schools were supported with implementation in Quarter Two 2014/15, including a professional development workshop at the national CATE conference in November 2014.

During the year we delivered a range of programmes to improve the career development knowledge and expertise of parents, families, whānau and aiga. The sessions were focused on delivering information to families in our priority areas to provide them with the information they require and to empower them to have discussions with their young people about their future careers.

We reached a total of 313 families, whānau and aiga directly through capability building programmes in 2014/15. A number of these programmes were delivered by Careers New Zealand, in addition to a number of the programmes delivered in partnership or collaboration with other agencies, such as the cross-sector NCEA and the Whānau and NCEA ma le Pasifika programmes.

We collaborated with ERO in a study investigating good practice in secondary school career education. The result of this study was finalised as the national evaluation report *Careers education and guidance: good practice*.<sup>2</sup>

The report analysed information gathered from 10 schools that were visited in Quarter One 2014/15 to investigate:

- the place of career education and guidance in preparing students for life beyond school
- the overall design of career education across multiple year levels
- different methods of embedding careers education into the school
- outcomes for students in the 10 schools.

*The report found that the schools with the most successful careers education and guidance had worked with Careers New Zealand and used the Careers Education Benchmarks to review current practice and improve career education provision for their students.*

In 2015/16 we are using relevant findings from the report to inform the development of new products and services as we continue to help schools improve the quality of career education.

### Key customer experience survey results for 2014/15

Our annual customer experience survey showed that 86% of schools agreed that our support helped them to improve their career education services. The survey also showed that 98% of schools found our information and resources useful for delivering career education services.

We saw equally positive results from our work with families, whānau and aiga – 94% agreed that our support was useful, 91% agreed we helped them support young people's decision making and 94% would recommend our support to others.

2. Education Review Office (2015) *Careers education and guidance: good practice*. <http://www.ero.govt.nz/National-Reports/Careers-education-and-guidance-good-practice-May-2015>

## **DEVELOPED NEW APPROACHES TO SUPPORT YOUNG NEW ZEALANDERS IN ENGAGING WITH LEARNING AND WORK...**

### **Work Inspiration**

During the year we conducted three pilots of the Work Inspiration (WI) programme – an interactive employer-led work exploration model that aims to make young people’s first experience in the workplace more meaningful and inspirational. WI gives employers the opportunity to engage with young people and showcase the career opportunities that lie within their business or industry. It provides students with a genuine connection to the working world, with conversations and active engagement with people in that world.

The WI programme was designed in the United Kingdom and has since been successfully implemented in Australia. We hold the licence to deliver the programme in New Zealand and will implement a nationwide roll-out of the programme in 2015/16.

WI aligns with the Skilled and Safe Workplaces workstream in the Business Growth Agenda and with the Tertiary Education Strategy. It complements other education sector programmes such as STAR and Gateway that help to improve transitions and pathways for young people.

We evaluated the Work Inspiration pilots, interviewing students, their families, employees and school staff. The focus of the evaluation was to understand the benefits of the programme for participants.

The students found the programme helped them gain useful skills, build their knowledge of employment, learn about themselves and what they want out of a job.

*“Work Inspiration was an invaluable opportunity that gave me an insight into what I could strive for in the future.”*

*(Work Inspiration participant (student))*

Their schools found that the programme assisted them to build and develop relationships with local businesses, and that the programme was a meaningful experience.

The participating businesses saw better links with their communities, as well as improved staff engagement and new business ideas.

### **Rangatahi Futures**

We provide a range of online and in-person resources and programmes to lift the capability of career influencers of young Māori, such as whānau and school staff. During the year we expanded the pilot of Rangatahi Futures to more year levels and delivered it in more South Island secondary schools.

Rangatahi Futures helps young people explore career interests through stories of tīpuna, and includes learning about the growing Māori economy. The programme uses customised resources developed in partnership with Māori resource developers, iwi and runaka. The feedback about Rangatahi Futures from students, teachers and iwi was very positive.

The Rangatahi Futures programme aligns with the Skilled and Safe Workplaces workstream in the Business Growth Agenda and with the Tertiary Education Strategy. It will be a key professional development programme delivered by Careers New Zealand for teaching staff in secondary schools with high numbers of Māori learners nationwide.

## **...AND CONNECTED EDUCATORS AND EMPLOYERS TO IMPROVE CAREER PATHWAYS AT IMPORTANT TRANSITION POINTS**

There is a well-established need to improve the connections between education and employment so that more learners are getting the level and type of skills and qualifications needed in the labour market.

Improved connections between education and employment benefit young people by making education and training more relevant and to see possible career pathways for them. Improving connections with education also benefits employers by helping to ensure that the future workforce has the skills, qualifications and motivation needed for success.

We are developing practical connections between education and employment to facilitate practical initiatives that allow young people to experience real-world environments and understand the importance of their skills and qualifications. We collaborate with a number of agencies to focus on improvement for the entire system, such as working with the MOE on the Youth Guarantee scheme.

In 2014/15, we conducted a number of successful practical programmes with education providers and employers to improve the connections between education and employment, including pilots of Work Inspiration and Industry Big Day Out events, as well as the Skills Update Day events and Careers Festivals.

## PART ONE: OUR IMPACT AND ACHIEVEMENTS

### Industry Big Day Out events

The Industry Big Day Out events connect students, teachers and industry employers and were first piloted in 2013/14 with a Horticulture Industry Big Day Out in Tairāwhiti. In 2014/15 we further piloted the programme, delivering an Engineering Industry Big Day Out in Tairāwhiti, followed by a Forestry Industry Big Day Out again in Tairāwhiti and an Industry Big Day Out in Porirua with three industries with key skill shortages.

An Industry Big Day Out enables students and teachers to learn about local opportunities and pathways in specific industry areas from local employers and is delivered on location, outside of a school setting. This allows young people and their teachers to hear first-hand from employers the skills that they are looking for, and allows them to connect with tertiary providers to discuss the qualifications that are required to work in the industry.

The feedback on the events has been very positive from schools, employers and young people. Employers responded that the opportunity to showcase their industry and to explain the skills that they are looking for in the future labour market was invaluable.

*The Forestry Industry Big Day Out “gave me a better insight into the other career choices of being in the forestry industry and not just about using a chainsaw.”*

*(Industry Big Day Out participant (student))*

Following the successful pilots, the Industry Big Day Out approach will be combined with the Skills Update Day approach and the revised Industry Big Day Out format will be rolled out nationwide in 2015/16.

### Careers Festivals

In collaboration with regional stakeholders and other government organisations, we played a key role in organising the 2015 Otago Careers Festival and the Waikato Careers Festival. Our role was to support the organisation of the festivals and to deliver a number of the events.

Each festival was a series of career-related events held across the two regions for young people, schools and employers. The event encouraged participants to engage with the needs of the regions both today and in the future. The feedback we received on the festivals was excellent.

### Skills Update Day events

Skills Update Day events involve collaboration with key employers to raise the profile of particular industries among secondary school educators. Skills Update Days enable secondary school staff to hear directly from employers and other members of the industry about the career pathways in their industry and the employability skills required now and in the future.

In collaboration with local businesses, we facilitated two Skills Update Days in Auckland in 2014/15. The first was focused on retail, hospitality and tourism, and the second was focused on primary industry. The feedback from those attending the Skills Update Days was that the sessions were beneficial for employers to showcase their organisations and the skills they are looking for in future employees.

The most beneficial aspects of the Skills Update Day approach will be combined with the successful Industry Big Day Out approach in a nationwide roll-out in 2015/16.

*“I really appreciate the opportunity to have attended today... you have provided me with lots of ideas.”*

*(Feedback from Primary Industry Skills Update Day 2015)*

### He Manawa Titi, He Titirei – Senior Māori Leadership Forum

In Quarter Four, 120 senior Māori secondary school students from 12 secondary schools in Otago attended this event held at Ōtākou marae. The event was part of the Otago Careers Festival. We organised the forum in collaboration with Kotahi Mano Kāika, Te Tapuae o Rēhua, Te Puni Kōkiri, Te Kupeka Umaka Māori ki Araiteuru (Southern Māori business network), Otago Polytechnic and the University of Otago.

The kaupapa of the event was to demonstrate to students the value of te reo Māori me ōna tikanga for future roles in learning and work. Students learnt about the growing Māori economy and were encouraged to aspire to play a role within it.

Our partners were pleased with the results and are interested in making it an annual event. Feedback from school staff, including principals, and students, was equally positive.



***PART TWO***

*OUR*

*ORGANISATION*

# ORGANISATIONAL HEALTH AND CAPABILITY

## MONITORING ORGANISATIONAL CAPABILITY

MEASURE	BASELINE	RESULT
Increase employee-engagement index score	51%	Our employee-engagement increased by 28 percentage points – to 79%
Turnover	21%	20.5%
Availability of Careers New Zealand website (careers.govt.nz)	≥99.5%	≥99.5%
Awareness of Careers New Zealand	New measure for 2014/15	We are known by 54% of all New Zealanders We are known by 70% of our priority group of young New Zealanders aged 15-24
Trust in Careers New Zealand	New measure for 2014/15	84% of New Zealanders who know about us, trust our information and advice

## OUR WORKFORCE

### Overview

We have a highly educated and talented workforce – our people are a key asset. At the end of 2014/15, we had a combined 967 years of experience working for Careers New Zealand, an average length of service of almost 8 years for each member of staff.

Our frontline staff are career experts. Many have come from leadership or management positions in education, business and Māori development. They have the knowledge and interpersonal savvy to connect with leaders in schools, iwi, business, industry and government.

Not only are our frontline staff highly talented and experienced career experts, they are loyal to their chosen vocation. At the end of 2014/15, our 62 frontline staff had accumulated 595 years of experience as career experts with us, an average length of service of almost 10 years per person.

That background in careers is evident across our wider management team too. For example, over half of our Senior Leadership Team have previously been in frontline roles. Collectively they hold 62 years’ career experience, credibility with our staff and successful relationships with our external stakeholders.

- total FTEs: 102.11
- average length of service: 7.9 years
- gender distribution: 67% female; 33% male (and approximately 64% of managers are female)
- ethnic diversity: 12% of our workforce identifies as Māori, and 10% identifies as Pasifika.

### Staff engagement

In June 2015, we completed our annual staff engagement survey. In the space of one year, staff morale has lifted from being the lowest in any sector measured to being among the highest in the public sector. IBM Kenexa who conducted the survey described the turnaround in engagement levels as ‘extraordinary’ and ‘unprecedented’.

Our employee-engagement index score has risen from 51% to 79%. This compares to an average of 69.6% in the public sector and 79% across all organisations. Our aim is to consolidate and improve our employee-engagement score in the following years.

Not only did the results show we had high levels of staff engagement, they also revealed the confidence our staff have in their managers and senior leaders – 78.5% have confidence in the SLT (public sector average of 59.7%) and 83.1% have confidence in their manager (public sector average of 76.2%). Creating a highly engaged and motivated team that is inspired by their senior leaders and managers increases our ability to deliver high-quality services for our customers.

*Staff morale has lifted from being the lowest in any sector measured to being among the highest in the public sector.*

### GOOD EMPLOYER

Careers New Zealand is committed to meeting the requirements of section 118 of the Crown Entities Act 2004 to be a good employer and embedding the principles of Equal Employment Opportunities. Key initiatives and activities that Careers New Zealand has undertaken that support good employer criteria include, but are not limited to:

- flexible working options
- employee professional development opportunities
- leadership development
- consultative change management processes
- monitoring of staff engagement, turnover and workforce composition.

All staff at Careers New Zealand were involved in creating shared values and a description of the kind of place we want Careers New Zealand to be (Our Tomorrow statements). Our shared values are:

- Manaaki ki te tangata (Looking after our people)
- Mana rangatiratanga (Leadership and accountability)
- Whanaungatanga (Relationships).

Our shared values and Our Tomorrow statements guide the way we approach everything at Careers New Zealand, both internally and externally. They have helped create a culture and environment where employees can strive to do their best and fulfil their potential.

### HEALTH, SAFETY AND WELL-BEING

During 2014/15, we focused on developing our workplace culture and systems to support our people to be safe and healthy through:

- training for all managers to help them gain an understanding of their leadership role and the implications of the proposed legislation
- the publication of a health and safety policy statement to create a shared understanding of our commitment to health and safety and the shared responsibility that everybody has when it comes to looking after ourselves and others
- a heightened focus on well-being in the workplace with initiatives planned in response to staff feedback on areas they highlighted for attention
- developing communications to keep everyone involved and contributing to our health and safety improvement plan.

### LIFTING OUR ORGANISATIONAL CAPABILITY

In 2014/15, key strategic priorities for lifting our organisational capability were:

- Developing a career knowledge hub
- Digitisation of delivery
- Working with stakeholders and partners.

#### Developing a Career Knowledge Hub

We play a critical role as New Zealand's hub for career knowledge and information. In this role we are responsible for the knowledge and information we collect and collate as well as how we share it.

During the year we:

- commenced ongoing programmes of work to improve our existing systems to enable us to add value to our knowledge and information. This underpinned the creation of our new high-level strategy and contributed to the development of new programmes and resources
- established the Career Knowledge Hub (CKH) business unit as part of our organisational realignment process. The role of the CKH is to manage and share our knowledge and information. In 2014/15, the CKH also contributed to the social sector research forum and sat on career qualification development advisory groups.

In 2015/16, the CKH will continue to improve and develop our processes. This will include information sharing processes using social media. By actively sharing the information and learnings both internally and externally (including media requests) we will increase the impact and importance of career development information and our knowledge base.

#### Digitisation of delivery

A significant milestone during the year was completion of the One Content Management System (CMS) project. This project laid the foundation to develop a responsive website that is optimised for use on mobile devices. Our customers will have easier and more convenient access to our online services.

During 2014/15, we commenced work on improving the mobile capability of the website. In 2014/15, we received 1.2 million visits from mobile devices, approximately 30% of the total number of visits. This percentage is expected to grow to 50% by 2016/17, and we expect to see over 2 million visits per annum on mobile devices within the next two years.

The mobile responsive website will be delivered in 2015/16 via a phased roll-out to ensure we are responding to this need in the most effective way possible. We expect that the completion of the project will lead to higher customer engagement with the tools and content on our website, both in terms of time on-site and number of customers.

### **Working with stakeholders and partners**

Our strong and longstanding relationships with our stakeholders and partners are critical to our success. These relationships are fostered at both the national level and at the regional level by our distributed staff network across New Zealand. Our relationships with our stakeholders and partners enable us to be more effective and efficient in our service provision.

In 2014/15, we worked closely with our stakeholders and partners to shape and deliver our strategy. Key relationships with stakeholders and partners we continued to develop, nurture and strengthen in 2014/15 included:

- government agencies, especially MOE and MBIE at the system level. We also continued our close delivery relationships with NZQA through the NCEA and the Whānau programme and with MSD in our career development support for sole parents in Northland
- career organisations such as CATE and CDANZ
- other peak organisations, including Business New Zealand, the New Zealand School Trustees Association (NZSTA), the Industry Training Federation (ITF) and Industry Training Organisations (ITOs)
- economic development agencies including ATEED, the Canterbury Development Corporation and Grow Wellington
- industry bodies, such as the Primary Industry Capability Alliance (PICA) and the Building Research Association of New Zealand (BRANZ)
- schools and tertiary education organisations, which are managed on a local level.

# STATEMENT OF RESPONSIBILITY

- We are responsible for the preparation of Careers New Zealand's financial statements and statement of performance, and for the judgements made in them.
- We are responsible for any end-of-year performance information provided by Careers New Zealand under section 19A of the Public Finance Act 1989.
- We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Careers New Zealand for the year ended 30 June 2015.

*Signed on behalf of the Board:*



**Dale Karauria**

*Board Chair*

27 October 2015



**Murray Ward**

*Board Deputy Chair*

27 October 2015

# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## *To the readers of Careers New Zealand's financial statements and performance information for the year ended 30 June 2015*

The Auditor-General is the auditor of Careers New Zealand. The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of Careers New Zealand on her behalf.

### *Opinion on the financial statements and the performance information*

We have audited:

- the financial statements of Careers New Zealand on pages 36 to 55, that comprise the statement of financial position as at 30 June 2015, 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 that include accounting policies and other explanatory information; and
- the performance information of Careers New Zealand on page 14 and pages 30 to 33.

### *In our opinion:*

- the financial statements of Careers New Zealand:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2015;
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with reduced disclosure requirements.
- the performance information:
  - presents fairly, in all material respects, Careers New Zealand's performance for the year ended 30 June 2015, including for each class of reportable outputs:
    - its standards of 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.

Our audit was completed on 27 October 2015. 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, and explain our independence.

### *Basis of opinion*

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of Careers New Zealand's financial statements and performance information 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 Careers New Zealand's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported performance information within Careers New Zealand's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

### *Responsibilities of the Board*

The Board is responsible for preparing financial statements and performance information that:

- comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Standards with reduced disclosure requirements;
- present fairly Careers New Zealand's financial position, financial performance and cash flows; and
- present fairly Careers New Zealand's performance.

The Board's responsibilities arise from the Crown Entities Act 2004.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

### *Responsibilities of the Auditor*

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

### *Independence*

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in Careers New Zealand.



**Karen Young**

*Audit New Zealand*

On behalf of the Auditor-General  
Wellington, New Zealand



**PART THREE**

OUR

PERFORMANCE

# STATEMENT OF PERFORMANCE

## OUR PERFORMANCE MEASUREMENT

In 2014/15, our performance measurement focused on:

- delivering digital and online tools
- working with career influencers.

## DIGITAL AND ONLINE SERVICES

Our digital and online services are our primary ways of connecting with our users and are critical to improving our reach and influence.

In 2014/15, our digital and online services included:

- self-help career information and tools, including the Careers New Zealand website, accessed through increasingly personalised experiences and via mobile devices
- direct advice to individuals through phone, webchat, social media and text message.

## Self-help career information and tools

PERFORMANCE MEASURE	2013/14 RESULT	2014/15 TARGET	ACTUAL PERFORMANCE AND COMMENT
New Zealand-based visits to Careers New Zealand website	3.62 million	4 million	<b>WITHIN 5% OF TARGET</b> There were 3.983 million New Zealand-based web visits in the year ending 30 June 2015. This was 99.6% of the target. <sup>3</sup>
Percentage of users who agree that the Careers New Zealand website is easy to use	79% of users surveyed agreed that the website was easy to use	75%	<b>ACHIEVED</b> 81% of our website users agreed that the website was easy to use.
Percentage of users who agree that the Careers New Zealand website is relevant to their needs	74% of users surveyed agreed that the website was relevant to their needs	75%	<b>ACHIEVED</b> 85% of our website users agreed that the website was relevant to their needs. <sup>4</sup>
Baseline data developed to measure user engagement with Careers New Zealand's digital and online services	New measure	Baseline data established and appropriate measures identified by 30 June 2015	We established baseline data for the number of repeat visits, page-views per session and time on-site, as well as the completion rate for a number of our popular online tools to establish a baseline for engagement with the Careers New Zealand website.  Key results were: <ul style="list-style-type: none"> <li>• number of repeat visits – 1,894,421</li> <li>• page-views per session – 6.76</li> <li>• time on-site – 5.18 minutes</li> <li>• completion rate for Career Quest tool – 63.8%.</li> </ul>
Progress in Skills Transition tool	New measure	All milestones met as per implementation plan by 30 June 2015	<b>PARTIALLY ACHIEVED</b> The milestones specified in the Project Initiation Document to be completed by the end of 2014/15 were all milestones up to the completion of the Design Stage. The timeframe for completion of the Design Stage was extended beyond the end of 2014/15 via approved Change Requests in accordance with the project's Configuration Management Strategy. This revised the expected dates of some Design Stage milestones. Although some of the milestones were not achieved during the financial year, the revision was in line with approved project controls and the project is on track to complete the Design Stage in the revised timeframe.

3. 4 million visits was achieved on 2 July 2015.

4. The question we asked to measure this was: "Do you feel you now have the information and resources you need to explore your future career or study options and make decisions?"

**Direct advisory services to individuals**

<b>PERFORMANCE MEASURE</b>	<b>2013/14 RESULT</b>	<b>2014/15 TARGET</b>	<b>ACTUAL PERFORMANCE AND COMMENT</b>
Total advisory services delivered through phone, webchat, social media and text message	24,509 New Zealanders received direct advisory services	30,000	<b>NOT ACHIEVED</b> 25,983 New Zealanders received direct advisory services, which is 86.6% of target. This result reflects a 6% increase in the use of our Advisory Services from the previous year and aligns with an increase in customers using our self-service options, including the Careers New Zealand website.
Percentage of individuals who say the advice met their career-related needs	New measure	82%	<b>ACHIEVED</b> 96% of individuals said the advice met their career-related needs. <sup>5</sup>

**WORKING WITH CAREER INFLUENCERS**

We worked with career influencers to drive improved career development programmes and practice and build connections between education and the world of work. We focused on reaching career influencers who work with our priority groups including Māori, Pasifika and learners from low socio-economic backgrounds.

Our work with career influencers provided:

- support to schools and tertiary organisations
- support to other groups and organisations (including iwi, NGOs, government departments, community organisations and ITOs)
- capability building assistance for families/whānau/aiga.

**Career development support for schools and tertiary education organisations**

<b>PERFORMANCE MEASURE</b>	<b>2013/14 RESULT</b>	<b>2014/15 TARGET</b>	<b>ACTUAL PERFORMANCE AND COMMENT</b>
Number of schools and tertiary education organisations receiving career development support	New measure	250	<b>ACHIEVED</b> 313 schools and tertiary education organisations received career development support.
Percentage of schools and tertiary organisations that agree Careers New Zealand's career development support was useful	New measure	82%	<b>ACHIEVED</b> 86% of schools and tertiary education organisations agreed that Careers New Zealand's career development support was useful. <sup>6</sup>

5. The question we asked to measure this was: "Did your recent service help you?" 96% of respondents agreed it helped by at least a small amount.

6. The question we asked to measure this was: "Did the support that you or your organisation received from Careers New Zealand in the last year help to improve your career education or development services?"

**Career development and support to other groups and organisations  
(including iwi, NGOs, government departments, community organisations and ITOs)**

<b>PERFORMANCE MEASURE</b>	<b>2013/14 RESULT</b>	<b>2014/15 TARGET</b>	<b>ACTUAL PERFORMANCE AND COMMENT</b>
Number of groups and organisations receiving career development support	New measure	40	<b>ACHIEVED</b> 45 groups and organisations received career development support.
Percentage of groups and organisations that agree Careers New Zealand's career development support was useful	New measure	82%	<b>WITHIN 5% OF TARGET</b> 78% of groups and organisations agreed that Careers New Zealand's career development support was useful. <sup>7</sup>

**Capability building assistance with families/whānau/aiga  
(including in partnership or collaboration with other agencies)**

<b>PERFORMANCE MEASURE</b>	<b>2013/14 RESULT</b>	<b>2014/15 TARGET</b>	<b>ACTUAL PERFORMANCE AND COMMENT</b>
Number of families/whānau/aiga supported through capability building	New measure	250 families	<b>ACHIEVED</b> 313 families/whānau/aiga were supported through capability building programmes. This included: <ul style="list-style-type: none"> <li>• 95 whānau attending 'NCEA and the whānau' sessions</li> <li>• 218 families attending Careers New Zealand-led programmes.</li> </ul>
Percentage of families/whānau/aiga that agree Careers New Zealand's capability building support was useful	91% of families/whānau/aiga agreed that the assistance met their career development needs	82%	<b>ACHIEVED</b> 94% of families/whānau/aiga agreed Careers New Zealand's capability building support was useful.

7. The question we asked to measure this was: "Did the support that you or your organisation received from Careers New Zealand in the last year help to improve your career education or development services?"

# STATEMENT OF COST OF SERVICES

FOR THE YEAR ENDED 30 JUNE 2015

Careers New Zealand is funded by the Government through Vote Education – Non-departmental Output Expense: Provision of Information and Advisory Services (M26).

The statement of cost of services includes all Crown, third party revenue and expenses.

Services purchased by the Minister of Education:

	<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>	<b>Actual 2013/14 \$000</b>
<b>REVENUE</b>			
Crown	15,482	15,482	15,282
Interest revenue	188	140	153
Other revenue	236	250	359
<b>EXPENDITURE</b>			
	15,207	16,476	15,656
<b>Total surplus/(deficit)</b>	<b>699</b>	<b>(604)</b>	<b>138</b>



**PART FOUR**  
FINANCIAL  
STATEMENTS

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2014/15 \$000	Budget 2014/15 \$000	Actual 2013/14 \$000
<b>REVENUE</b>				
Funding from the Crown	2	15,482	15,482	15,282
Interest revenue		188	140	153
Other revenue	3	236	250	359
<b>Total revenue</b>		<b>15,906</b>	<b>15,872</b>	<b>15,794</b>
<b>EXPENSES</b>				
Employment costs	4	9,561	10,750	10,344
Occupancy expenses		1,063	1,455	1,024
Depreciation and amortisation expense	9,10	479	531	567
Board members' fees	18	100	97	99
Other expenses	5	4,004	3,643	3,622
<b>Total expenses</b>		<b>15,207</b>	<b>16,476</b>	<b>15,656</b>
<b>Surplus/(deficit) and total comprehensive revenue and expense</b>		<b>699</b>	<b>(604)</b>	<b>138</b>

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	Actual 2014/15 \$000	Budget 2014/15 \$000	Actual 2013/14 \$000
<b>Assets</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	5,034	3,036	4,215
Receivables	7	226	225	305
Inventories	8	5	2	2
<b>Total current assets</b>		<b>5,265</b>	<b>3,263</b>	<b>4,522</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant, and equipment	9	389	718	579
Intangible assets	10	694	447	304
<b>Total non-current assets</b>		<b>1,083</b>	<b>1,165</b>	<b>883</b>
<b>Total assets</b>		<b>6,348</b>	<b>4,428</b>	<b>5,405</b>
<b>Liabilities</b>				
<b>CURRENT LIABILITIES</b>				
Payables	11	1,113	579	747
Taxes due and payable	12	165	254	216
Employee entitlements	13	693	721	764
Provisions	14	13	0	13
<b>Total current liabilities</b>		<b>1,984</b>	<b>1,554</b>	<b>1,740</b>
<b>NON-CURRENT LIABILITIES</b>				
		0	0	0
<b>Total liabilities</b>		<b>1,984</b>	<b>1,554</b>	<b>1,740</b>
<b>NET ASSETS</b>		<b>4,364</b>	<b>2,874</b>	<b>3,665</b>
<b>Equity</b>				
General funds		4,364	2,874	3,665
<b>Total equity</b>		<b>4,364</b>	<b>2,874</b>	<b>3,665</b>

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.

**STATEMENT OF**  
**CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>	<b>Actual 2013/14 \$000</b>
<b>Balance at 1 July</b>	<b>3,665</b>	<b>3,478</b>	<b>3,527</b>
Total comprehensive revenue and expense	699	(604)	138
<b>Balance at 30 June</b>	<b>4,364</b>	<b>2,874</b>	<b>3,665</b>

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2014/15 \$000	Budget 2014/15 \$000	Actual 2013/14 \$000
<b>Cash flows from operating activities</b>				
Receipts from the Crown		15,482	15,482	15,282
Interest received		188	140	153
Receipts from other revenue		265	250	309
Payments to suppliers		(4,756)	(5,169)	(4,672)
Payments to employees		(9,631)	(10,793)	(10,407)
GST (net)		(50)	(15)	(14)
<b>Net cash from operating activities</b>		<b>1,498</b>	<b>(105)</b>	<b>651</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant, and equipment	9	(89)	(330)	(64)
Purchase of intangible assets	10	(590)	(400)	(38)
<b>Net cash from investing activities</b>		<b>(679)</b>	<b>(730)</b>	<b>(102)</b>
Net increase/(decrease) in cash and cash equivalents		819	(835)	549
Cash and cash equivalents at the beginning of year		4,215	3,871	3,666
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<b>5,034</b>	<b>3,036</b>	<b>4,215</b>

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2015

### REPORTING ENTITY

Careers New Zealand has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for Careers New Zealand are for the year ended 30 June 2015, and were approved by the Board on 27 October 2015.

### 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.

### Statement of compliance

The financial statements of Careers New Zealand have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards. Careers New Zealand is eligible to report in accordance with the Tier 2 PBE accounting standards as expenses are less than \$30 million and there is no public accountability.

These financial statements comply with PBE accounting standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There have been no material reclassifications on the face of the financial statements in adopting the new PBE accounting standards. There have been no material recognition and measurement adjustments to the 30 June 2014 comparative information resulting from the transition to the new PBE accounting standards.

### Presentation currency and rounding

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Revenue

The specific accounting policies for significant revenue items are explained below:

#### Funding from the Crown

Careers New Zealand is primarily funded from the Crown. This funding is restricted in its use for the purpose of Careers New Zealand meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder.

Careers New Zealand considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

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

#### Grants received

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied.

#### Interest revenue

Interest revenue is recognised using the effective interest method.

#### Rental revenue

Careers New Zealand subleases office premises to other agencies. Lease receipts under an operating sublease are recognised as revenue when received.

#### Sale of publications

Sales of publications are recognised when the product is sold to the customer.

#### Provision of services

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date.

**Foreign currency transactions**

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rates at the dates of the transactions.

**Leases**

Careers New Zealand leases office premises. These leases are classified as operating leases. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

**Debtors and other receivables**

Debtors and other receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that Careers New Zealand will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amount expected to be collected.

**Investments**

*Bank term deposits*

Investments in bank term deposits are initially measured at the amount invested.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

**Property, plant, and equipment**

Property, plant, and equipment asset classes consist of computer equipment, leasehold improvements, office equipment and motor vehicles.

Property, plant, and equipment are measured at cost, less accumulated depreciation and impairment losses.

At each balance date Careers New Zealand reviews the useful lives and residual values of its property, plant, and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires Careers New Zealand to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by Careers New Zealand and expected disposal proceeds from the future sale of the asset.

The carrying values of all assets are reviewed at each balance date to ensure that those values are not materially different to fair value.

*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 Careers New Zealand and the cost of the item can be measured reliably.

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

*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*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Careers New Zealand and the cost of the item can be measured reliably.

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

*Depreciation*

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates which will write off the cost of the assets to their estimated residual values over their estimated useful lives. The useful lives and associated depreciation rates of the major classes of property, plant, and equipment have been estimated as follows:

Office equipment	3 to 5 years	33%-20%
Computer equipment	3 to 4 years	33%-25%
Motor vehicles	4 years	25%
Leasehold improvements	over the useful life of the lease.	

Property, plant, and equipment costing more than \$2,500 are capitalised. All other property, plant, and equipment costing less than \$2,500 are to be expensed as 'minor assets' in the year of purchase.

## **Intangible assets**

### **Software acquisition and development**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Careers New Zealand are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of Careers New Zealand's website are recognised as an expense when incurred. Major new developments that enhance the website's service potential are capitalised where costs can be measured reliably.

The carrying amounts of intangible assets are disclosed in note 10.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Licences	3 to 4 years	33%-25%
Digital tools	3 to 4 years	33%-25%
Videos	3 years	33%

### **Impairment of property, plant, and equipment and intangible assets**

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

### **Non-cash-generating assets**

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependant on the asset's ability to generate net cash inflows and where Careers New Zealand would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

Any reversal of an impairment loss is recognised in the surplus or deficit.

### **Creditors and other payables**

Creditors and other payables are recorded at their face value.

### **Employee entitlements**

#### **Short-term employee entitlements**

Employee benefits that Careers New Zealand expects to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date and sick leave.

Careers New Zealand recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent Careers New Zealand anticipates it will be used by staff to cover those future absences.

Careers New Zealand recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

### **Superannuation schemes**

#### **Defined contribution schemes**

Obligations for contributions to KiwiSaver, the Government Superannuation Fund and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

### **Provisions**

Careers New Zealand recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, so that it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## **PART FOUR: FINANCIAL STATEMENTS**

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

### **Business combination**

Careers New Zealand applies the acquisition method in accounting for business combinations. The consideration transferred by Careers New Zealand to obtain control is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by Careers New Zealand, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Careers New Zealand recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

### **Goods and services tax (GST)**

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net GST paid to or received from the Inland Revenue Department (IRD), including the GST relating to investing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

Careers New Zealand is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

### **Budget figures**

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been

prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Careers New Zealand for the preparation of the financial statements.

### **Critical accounting estimates and assumptions**

In preparing these financial statements, Careers New Zealand has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **Estimating useful lives and residual values of property, plant, and equipment**

At each balance date Careers New Zealand reviews the useful lives and residual values of its property, plant, and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires Careers New Zealand to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by Careers New Zealand and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position.

Careers New Zealand minimises the risk of this estimation uncertainty by:

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

Careers New Zealand has not made significant changes to past assumptions concerning useful lives and residual values.

#### **Critical judgements in applying accounting policies**

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

##### **Grants received**

Careers New Zealand must exercise judgement when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

**NOTE 2: FUNDING FROM THE CROWN**

	2014/15 \$000	2013/14 \$000
<b>Funding from the Crown under non-exchange transactions</b>		
Funding from the Crown	15,082	15,082
Funding from the Crown – Skills Transition	400	200
<b>Total funding from the Crown</b>	<b>15,482</b>	<b>15,282</b>

**NOTE 3: OTHER REVENUE**

	2014/15 \$000	2013/14 \$000
<b>Other revenue under exchange transactions</b>		
Contract services and fees	209	337
Commercial products	12	22
Bargain purchase gain (note 23)	15	0
<b>Total other revenue</b>	<b>236</b>	<b>359</b>

**NOTE 4: EMPLOYMENT COSTS**

	2014/15 \$000	2013/14 \$000
Salary and wages	8,869	9,628
Employer contributions to defined contributions plans	245	275
Increase/(decrease) in employee entitlements (note 13)	(71)	47
Other employment costs	518	394
<b>Total employment costs</b>	<b>9,561</b>	<b>10,344</b>

Defined contributions plans include those of KiwiSaver, the Government Superannuation Fund and the State Sector Retirement Savings Scheme.

**NOTE 5: OTHER EXPENSES**

	<b>2014/15 \$000</b>	<b>2013/14 \$000</b>
Staff travel	643	567
Loss on sale of property, plant, and equipment	1	26
Inventories consumed	18	4
Consultancy	1,275	1,068
Communication expenses	590	503
Marketing expenditure	473	460
Other expenses	1,004	994
<b>Total other expenses</b>	<b>4,004</b>	<b>3,622</b>

**NOTE 6: CASH AND CASH EQUIVALENTS**

	<b>2014/15 \$000</b>	<b>2013/14 \$000</b>
Cash on hand and at bank	655	598
Cash equivalents - term deposits	4,360	3,600
- accrued interest on term deposits	19	17
<b>Total cash and cash equivalents</b>	<b>5,034</b>	<b>4,215</b>

In accordance with its investment policy, all Careers New Zealand term deposits are short-term with maturity dates of three months or less. Their carrying value approximates fair value. All short-term deposits were either with Westpac Banking Corporation or ANZ. At 30 June 2015, short-term deposits were for an average of 78 days (2014: 74 days) with a weighted average effective interest rate of 3.93% pa (2014: 3.62%).

**NOTE 7: RECEIVABLES**

	2014/15 \$000	2013/14 \$000
<b>Debtors</b>		
Debtors	48	82
Less: provision for impairment	0	0
<b>Total debtors</b>	<b>48</b>	<b>82</b>
<b>Other receivables</b>		
Prepayment	178	223
<b>Total other receivables</b>	<b>178</b>	<b>223</b>
<b>Total debtors and other receivables</b>	<b>226</b>	<b>305</b>
<b>Total debtors and other receivables comprises:</b>		
Receivables from the sale of goods and services (exchange transactions)	226	305

The carrying value of receivables approximates their fair value.

As at 30 June 2015, all overdue debtors have been assessed for impairment. Expected losses have been determined based on an analysis of Careers New Zealand losses in previous periods, and review of specific debtors. Careers New Zealand has identified no insolvent debtors or provisions for bad debts (2014: \$nil).

**NOTE 8: INVENTORIES**

	2014/15 \$000	2013/14 \$000
Inventory held for the use in the provision of goods and services	5	2
<b>Total inventories</b>	<b>5</b>	<b>2</b>

The write down of inventories held for distribution amounted to \$1,000 (2014: \$nil). No inventories are pledged as security for liabilities.

**NOTE 9: PROPERTY, PLANT, AND EQUIPMENT**

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

	Office equipment \$000	Computer equipment \$000	Motor vehicles \$000	Leasehold improvements \$000	TOTAL
<b>Cost or valuation</b>					
<b>Balance at 1 July 2013</b>	<b>225</b>	<b>1,401</b>	<b>591</b>	<b>254</b>	<b>2,471</b>
<b>Balance at 30 June 2014</b>	<b>219</b>	<b>1,074</b>	<b>591</b>	<b>247</b>	<b>2,131</b>
<b>Balance at 1 July 2014</b>	<b>219</b>	<b>1,074</b>	<b>591</b>	<b>247</b>	<b>2,131</b>
Additions	25	64	0	0	89
Disposals and adjustments	(19)	(54)	0	0	(73)
<b>Balance at 30 June 2015</b>	<b>225</b>	<b>1,084</b>	<b>591</b>	<b>247</b>	<b>2,147</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Balance at 1 July 2013</b>	<b>167</b>	<b>965</b>	<b>324</b>	<b>99</b>	<b>1,555</b>
<b>Balance at 30 June 2014</b>	<b>195</b>	<b>803</b>	<b>423</b>	<b>131</b>	<b>1,552</b>
<b>Balance at 1 July 2014</b>	<b>195</b>	<b>803</b>	<b>423</b>	<b>131</b>	<b>1,552</b>
Depreciation expense	24	170	50	35	279
Elimination on disposal	(19)	(54)	0	0	(73)
<b>Balance at 30 June 2015</b>	<b>200</b>	<b>919</b>	<b>473</b>	<b>166</b>	<b>1,758</b>
<b>Carrying amounts</b>					
<b>At 30 June 2013</b>	<b>58</b>	<b>436</b>	<b>267</b>	<b>155</b>	<b>916</b>
<b>At 30 June and 1 July 2014</b>	<b>24</b>	<b>271</b>	<b>168</b>	<b>116</b>	<b>579</b>
<b>At 30 June 2015</b>	<b>25</b>	<b>165</b>	<b>118</b>	<b>81</b>	<b>389</b>

Careers New Zealand does not own land or buildings and does not carry out revaluations.

There are no restrictions over the title of Careers New Zealand property, plant, and equipment, nor are these assets pledged as security for liabilities.

Property, plant, and equipment's work in progress balance is \$nil (2014: \$nil).

**NOTE 10: INTANGIBLE ASSETS**

	Acquired software \$000	Total \$000
<b>Cost</b>		
<b>Balance at 30 June 2013</b>	<b>3,264</b>	<b>3,264</b>
<b>Balance at 30 June 2014</b>	<b>1,886</b>	<b>1,886</b>
<b>Balance at 1 July 2014</b>	<b>1,886</b>	<b>1,886</b>
Additions	590	590
Disposals	(751)	(751)
<b>Balance at 30 June 2015</b>	<b>1,725</b>	<b>1,725</b>
<b>Accumulated amortisation and impairment losses</b>		
<b>Balance at 1 July 2013</b>	<b>2,806</b>	<b>2,806</b>
<b>Balance at 30 June 2014</b>	<b>1,582</b>	<b>1,582</b>
<b>Balance at 1 July 2014</b>	<b>1,582</b>	<b>1,582</b>
Amortisation expense	200	200
Disposals	(751)	(751)
<b>Balance at 30 June 2015</b>	<b>1,031</b>	<b>1,031</b>
<b>Carrying amounts</b>		
<b>At 1 July 2013</b>	<b>458</b>	<b>458</b>
<b>At 30 June and 1 July 2014</b>	<b>304</b>	<b>304</b>
<b>At 30 June 2015</b>	<b>694</b>	<b>694</b>

Intangible assets work in progress balance is \$83,930 (2014: \$18,000).

There are no restrictions over the title of Careers New Zealand intangible assets, nor are any intangible assets pledged as security for liabilities.

**NOTE 11: PAYABLES**

	2014/15 \$000	2013/14 \$000
<i>Creditors and other payables under exchange transactions</i>		
Creditors	805	526
Accrued expenses	178	221
Contingent consideration	130	0
<b>Total creditors and other payables under exchange transactions</b>	<b>1,113</b>	<b>747</b>

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

**NOTE 12: TAXES DUE AND PAYABLE**

	2014/15 \$000	2013/14 \$000
<i>Taxes due and payable under non-exchange transactions</i>		
Fringe benefit tax	1	2
GST	164	214
<b>Total taxes due and payable</b>	<b>165</b>	<b>216</b>

**NOTE 13: EMPLOYEE ENTITLEMENTS**

	2014/15 \$000	2013/14 \$000
<i>Current employee entitlements are represented by:</i>		
Accrued salaries and wages	188	152
Annual leave	425	511
Sick leave	80	101
<b>Total current portion</b>	<b>693</b>	<b>764</b>
<b>Total employee entitlements</b>	<b>693</b>	<b>764</b>

**NOTE 14: PROVISIONS**

	2014/15 \$000	2013/14 \$000
<i>Current provisions are represented by:</i>		
Lease make-good	13	13
<b>Total current portion</b>	<b>13</b>	<b>13</b>
<b>Total provisions</b>	<b>13</b>	<b>13</b>

Movements for each class of provision are as follows:

	Lease make-good
<b>Balance at 1 July 2013</b>	<b>13</b>
Additional provisions made	0
Amounts used	0
Unused amounts reversed	0
<b>Balance at 30 June 2014</b>	<b>13</b>
<b>Balance at 1 July 2014</b>	<b>13</b>
Additional provisions made	0
Amounts used	0
Unused amounts reversed	0
<b>Balance at 30 June 2015</b>	<b>13</b>

*Lease make-good provision*

In respect of a number of its leased premises, Careers New Zealand is required at the expiry of the lease term to make good any damage caused to the premises from installed fixtures and fittings and to remove any fixtures or fittings installed by Careers New Zealand.

Information about Careers New Zealand's leasing arrangements is disclosed in note 15.

**NOTE 15: CAPITAL COMMITMENTS AND OPERATING LEASES**

**CAPITAL COMMITMENTS**

Careers New Zealand did not have any capital commitments at 30 June 2015 (2014: \$nil).

**OPERATING LEASES AS LESSEE**

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

	<b>2014/15 \$000</b>	<b>2013/14 \$000</b>
Not later than one year	794	838
Later than one year and not later than five years	866	1,424
Later than five years	62	65
<b>Total non-cancellable operating leases</b>	<b>1,722</b>	<b>2,327</b>

Careers New Zealand has sixteen property leases, including a number of co-location agreements with other government departments or Crown entities.

For the purposes of calculating the non-cancellable operating leases commitment, the renewal date has been used as the final date.

Careers New Zealand does not have the option to purchase these assets at the end of the lease term.

There are no restrictions placed on Careers New Zealand by any of its leasing arrangements.

**NOTE 16: CONTINGENCIES**

**CONTINGENT LIABILITIES**

Careers New Zealand has no contingent liabilities as at 30 June 2015 (2014: \$nil).

**CONTINGENT ASSETS**

Careers New Zealand has no contingent assets as at 30 June 2015 (2014: \$nil).

**NOTE 17: RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL**

**RELATED PARTY TRANSACTIONS**

Careers New Zealand is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favorable than those that it is reasonable to expect Careers New Zealand would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

**Related party transactions required to be disclosed**

There are no related party transactions to be disclosed (2014: \$nil).\*

\*restated under IPSAS

## **KEY MANAGEMENT PERSONNEL COMPENSATION**

	<b>Actual 2014/15 \$000</b>	<b>Actual 2013/14 \$000</b>
<b>Board members</b>		
Remuneration	100	99
Full-time equivalent members	0.11	0.16
<b>Senior Leadership Team</b>		
Remuneration	1,006	971
Full-time equivalent members	5.10	4.06
<b>Total key management personnel remuneration</b>	<b>1,106</b>	<b>1,070</b>

Key management personnel include all Board members, the Chief Executive, the three former members of the Senior Leadership Team and the nine current members of the Senior Leadership Team.

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

### **NOTE 18: BOARD MEMBER REMUNERATION**

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

	<b>Actual 2014/15 \$000</b>	<b>Actual 2013/14 \$000</b>
D Karauria (Chairperson)	32	24
M Ward (Deputy Chair)	15	22
W Noble (Former Deputy Chair)	0	6
C Meade	12	12
P Reade	12	7
J Ombler	5	7
S Day	12	7
T Copeland	12	2
M Poutasi (Former Member)	0	5
R Strathdee (Former Member)	0	7
<b>Total</b>	<b>100</b>	<b>99</b>

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year.

Careers New Zealand has not provided any indemnity during the financial year to any member, office holder or employee.

Careers New Zealand has effected Directors' and Officers' Liability insurance cover during the financial year in respect of the liability or costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2014: \$nil).

**NOTE 19: EMPLOYEE REMUNERATION**

The following table shows the number of people who earned \$100,000 or more in the financial year ended 30 June 2015.

Earnings	Number of people 2014/15	Number of people 2013/14
\$100,000 - \$109,999	1	2
\$110,000 - \$119,999	3	5
\$120,000 - \$129,999	3	2
\$130,000 - \$139,999	1	2
\$140,000 - \$149,999	0	0
\$150,000 - \$159,999	0	1
\$160,000 - \$169,999	0	1
\$170,000 - \$179,999	1	0
\$180,000 - \$189,999	0	0
\$190,000 - \$199,999	0	1
\$200,000 - \$219,999	0	0
\$220,000 - \$229,999	0	1
\$230,000 - \$239,999	0	0
\$240,000 - \$249,999	0	0
\$250,000 - \$259,999	0	0
\$260,000 - \$269,999	1	0
<b>Total employees</b>	<b>10</b>	<b>15</b>

During the year ended 30 June 2015, 6 (2014: 2) employees received compensation and other benefits in relation to cessation totalling \$182,472 (2014: \$25,453).

**NOTE 20: EVENTS AFTER BALANCE SHEET DATE**

There were no significant events after the balance date.

## NOTE 21: FINANCIAL INSTRUMENT CATEGORIES

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

	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Loans and receivables</b>		
Cash and cash equivalents (note 6)	5,034	4,215
Debtors and other receivables (note 7)	226	305
<b>Total loans and receivables</b>	<b>5,260</b>	<b>4,520</b>
<b>Financial liabilities measured at amortised cost</b>		
Creditors and other payables (note 11)	1,113	747
<b>Total financial liabilities measured at amortised cost</b>	<b>1,113</b>	<b>747</b>

## NOTE 22: EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

Explanations for major variances from Careers New Zealand's budgeted figures in the Statement of Performance Expectations are as follows:

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The surplus result of \$699,000 includes a surplus of \$247,519 in relation to the Skills Transition project. The budget for the Skills Transition project has been received as operating revenue compared to the majority of expenditure during the year being capital as a result of the nature of the actual project implementation.

#### Expenses

Employment costs were \$1,189,000 less than budget. In anticipation of significant organisational restructuring, during the period of our strategy development, a significant number of role appointments arising from normal staff turnover were held until the final completion of our organisational change process. Over this same period of time fixed-term roles and contractors were used to cover some of the normal vacancies arising in order to ensure that the level of delivery of outputs was maintained. The combination of holding appointments and the use of short-term coverage resulted in reduced employment costs and also reduced the amount of redundancy costs that could have arisen from organisational restructuring and which had been factored into the original budget estimation.

Other operating expenditure was \$361,000 higher than budgeted mainly due to increased domestic travel and consultancy costs in relation to strategic projects. Increased costs were offset from savings in marketing and communication.

### STATEMENT OF FINANCIAL POSITION

Capital expenditure was \$219,000 lower than the budget as a result of the deferment of hardware and vehicle purchases in order to ensure that these aligned with the new organisational strategy and direction.

The increase in the cash balance is a result of the surplus position and less than budgeted capital expenditure.

**NOTE 23: BUSINESS COMBINATION**

On 30 June 2015 Careers New Zealand acquired full ownership of the business OOMPHER.

OOMPHER is a motivational website containing video interviews with high profile and successful New Zealanders.

Under the purchase agreement videos, the goodwill of the business including business contracts, trademarks, trade names, brands, logos and other intellectual property were purchased.

**Details of the business combination are as follows:**

Amount settled in cash as at acquisition date	\$22,500
Contingent liability	\$155,450
Contingent asset	(\$25,450)
<b>Total contingent consideration (note 11)</b>	<b>\$130,000</b>

**Recognised amount of identified assets:**

Intangible assets (note 10)	\$168,000
Bargain purchase gain (note 3)	\$15,500

The intangible assets consist of the videos fair valued at acquisition date. The fair value was determined by current market value to produce equivalent videos. A nil fair value was assigned to the purchase of the goodwill of the business including the business contracts, trademarks, brands, logos and other IP due to the associated uncertainties.

The contingent consideration is determined by all conditions of the sales and purchase agreement. All contingent consideration conditions have been met as at 31 August 2015. The total net cash outflow of the consideration was \$130,000.



# ***APPENDICES***

# APPENDIX A

## OUR STATUTORY FUNCTIONS

The statutory functions of Careers New Zealand, as specified in section 280 of the Education Act 1989, are:

- a. to establish and maintain a database of information about occupations and about post-compulsory education and training
- b. to make that information available to the public and to institutions, private training establishments, students and other interested bodies and persons
- c. to provide:
  - i. training and assistance to persons who advise about occupations
  - ii. career advice and associated counselling relating to post-compulsory education and training
- d. to liaise with, and monitor the needs of, institutions, private training establishments, students and other bodies and persons with respect to:
  - i. information, training and advice relating to occupations; and
  - ii. career advice and associated counselling relating to post-compulsory education and training
- e. to provide support services for the purpose of promoting transition education that prepares students for employment, or further education and training, or both.

# APPENDIX B

We are governed by a Board reporting to the Minister of Education. The Board is responsible for the governance of Careers New Zealand, including setting the strategic direction and monitoring performance. The Minister of Education is responsible for making new appointments to the Board.

## OUR BOARD

### **Dale Karauria** **(Ngāti Porou and Ngāti Kahungunu)**

#### *Board Chair*

Dale Karauria chairs the Careers New Zealand Board. Dale has over 15 years' experience in government roles, primarily focused on Māori development, education, training and employment policy. These include senior manager of iwi and Māori education partnerships at the Ministry of Education, and director of Māori potential policy at Te Puni Kōkiri. She also has wide experience as a private sector consultant and is currently a director of Dakoda Visions Ltd, a consultancy providing strategic advice across the government sector.

### **Murray Ward**

#### *Board Deputy Chair*

Murray Ward is Deputy Chair of the Careers New Zealand Board. He is an Auckland-based professional company director and joined the Board in September 2010. Murray has an IT background and a 30-year career with Datacom Systems Ltd. He is an independent director on a number of commercial companies, and chairs four of these. Murray's passion is golf – he also sits on the Board of New Zealand Golf.

### **Chris Meade**

#### *Board member*

Chris has over 25 years' experience across a range of industries and sectors including manufacturing, food processing, FMCG, health and infrastructure and has held a number of senior HR positions within Fonterra, Goodman Fielder and Downer. Chris is a member of the Human Resources Institute of New Zealand, a past Chair of the Employer Champions Group, and sits on the Board of Diversitas and is Chair of the Safeguarding Children Initiative.

### **Patricia Reade**

#### *Board member*

Patricia Reade has held a variety of leadership positions in the public service, including Work and Income New Zealand, the Department of Labour and the Department of Education and Employment in London. She became the chief operating officer for Auckland Council when it was established in 2010, following amalgamation of eight former local authorities across the Auckland region. Auckland Council is now the largest local authority in Australasia. Patricia is currently transformation director for Auckland Council, and joined the Careers New Zealand Board in November 2013.

### **Steve Day**

#### *Board member*

Steve Day is the managing director of PACE Engineering Ltd, a mechanical engineering company based in Taranaki. He has held this role for 23 years and is an active supporter of apprentice training. PACE offers a range of engineering services for both domestic and international clients. Steve is the Deputy Chair and a Board member of the Taranaki Engineering Consortium for 14 years. Among other things, the consortium promotes engineering careers and supports skill development for those looking to establish a career in this sector. Steve is also a Board member of Taranaki Futures. Steve joined the Careers New Zealand Board in November 2013.

### **Tim Copeland**

#### *Board member*

Tim Copeland is a director and one of three founders of Wellington-based internet services company SilverStripe. SilverStripe has a wide portfolio of work with public and private sector clients. Tim served as chief executive officer of SilverStripe for its first seven years, and the chairman of Unlimited Potential (Wellington's largest IT network), before stepping aside to focus on SilverStripe's international growth. He also acts as an independent advisor and investor in several private companies. Tim joined the Careers New Zealand Board in May 2014.

### **John Ombler**

#### *Board member on leave of absence*

John Ombler joined the Careers New Zealand Board in November 2013. He worked in the public service for over 30 years and has substantial experience in senior management positions within the public service. He is a former deputy State Services Commissioner and was appointed acting chief executive of the Canterbury Earthquake Recovery Authority (CERA) in 2011, while a permanent appointee was sought. John is currently on a leave of absence from the Board to allow him to return to CERA in the chief executive role to oversee the transition from CERA to local government.

# APPENDIX C

## OUR SENIOR LEADERSHIP TEAM

### Keith Marshall

#### Chief Executive

Keith Marshall has held a number of senior leadership roles in the public and private sectors. He was previously deputy chief executive of New Zealand Qualifications Authority. His extensive experience in the education sector has included involvement as the New Zealand representative on the Australian qualifications framework board, and as the leader of various international bilateral education discussions.

### Cassius Kuresa

#### Va Pasifika Network Chair

Cassius Kuresa oversees our organisational responsiveness to Pasifika. He worked as a community engagement facilitator in Porirua for two years, and is passionate about improving education and employment outcomes for Pasifika communities. Cassius is working across the organisation to ensure the Pasifika key performance indicators are implemented successfully within all the business units.

### Christine Hayden

#### General Manager Professional Development Services

Christine Hayden leads the development and delivery of professional development services for those directly influencing young people's career choices. She joined Careers New Zealand in 2011 as a career consultant. Christine has over 20 years' teaching and research experience in adult education, and has designed, developed and co-ordinated trade-related, experiential learning programmes for young people.

### Hugh Kettlewell

#### General Manager Auckland Strategy

Hugh Kettlewell leads the delivery of the national strategy into Auckland, taking into account the different challenges that Auckland presents. He has broad experience in both the public and private sectors across management, operational and analyst roles – most recently with Nelson City Council where he had the dual role of managing both corporate and community services.

### Jane Ratcliffe

#### General Manager Channels and Digital Resources

Jane Ratcliffe is implementing a channels-driven digital strategy to help everyone successfully navigate their learning and work choices. She has worked in the online space for 16 years and before joining Careers New Zealand led the team behind the Commission of Financial Capability's digital platforms, including Sorted. Jane has extensive experience in public and private sector organisations including Contact Energy, the Department of Internal Affairs and the State Services Commission.

### Julie Thomas

#### General Manager Knowledge and Organisational Performance

Julie Thomas oversees our whole programme of work and leads the development and delivery of the organisation's knowledge and corporate service functions. During her time with Careers New Zealand Julie has sponsored significant developments such as establishing telephone and web guidance, and the Career Education Benchmarks. Julie is currently on the national executive of the Career Development Association of New Zealand (CDANZ).

### Mitch de Vries

#### General Manager Education to Employment Connections

Mitch de Vries leads a team focused on system-level interventions connecting education and employment to improve career pathways at important transition points in young people's learning and working lives. She joined Careers New Zealand in 2008 as a career consultant. Mitch passionately believes in the work of Careers New Zealand (describing it as her vocational home) and the difference it can make to people, and their families, as well as to the country as a whole.

### Peter McBeth

#### General Manager Strategic Partnerships

Peter McBeth is responsible for supporting our sustainability by identifying and developing commercial activities. He started with Careers New Zealand as a career consultant and progressed to a position as South Island regional manager before taking up his current role. Peter has a long history of operating in the careers commercial domain and a strong understanding of Careers New Zealand's intellectual property and the relevance of this to public and private sector organisations.

### Tuioti Philippa Matatia (Te Rarawa)

#### Māori Staff Network Chair

Philippa Matatia oversees our organisational responsiveness to Māori. During her time with Careers New Zealand she has worked as a marketing and communications advisor and as a senior strategic consultant. She aims to successfully embed and implement Careers New Zealand's Māori key performance indicators across the business, and build its internal capability.

# APPENDIX D

## COMPARISON OF PERFORMANCE MEASURES IN THE 2014/15 ESTIMATES OF APPROPRIATIONS AND 2014/15 STATEMENT OF PERFORMANCE EXPECTATIONS

The following table details the variance between the performance measures in the 2014/15 Estimates of Appropriations and the 2014/15 Statement of Performance Expectations. The variance was resolved in the Supplementary Estimates 2014/15.

PERFORMANCE MEASURES	2014/15 – ESTIMATES OF APPROPRIATIONS	2014/15 – STATEMENT OF PERFORMANCE EXPECTATIONS
<b>Self-help career information and tools</b>		
New Zealand-based web visits	3.6 million	4 million
<b>Career development support for schools and tertiary education organisations</b>		
Number of schools and tertiary education organisations assisted:		
• schools and tertiary organisations receiving customised assistance	62	n/a
• schools and tertiary organisations receiving professional development assistance	300	n/a
• aggregate total	362	250
<b>Career development and support to other groups and organisations (including iwi, NGOs, government departments, community organisations and ITOs)</b>		
Number of other groups and organisations assisted:		
• community organisations, iwi organisations and employers receiving customised assistance	25	n/a
• community organisations, iwi organisations and employers receiving professional development assistance	100	n/a
• aggregate total	125	40
Groups and organisations receiving customised assistance and professional development assistance from Careers New Zealand are satisfied that this has helped them deliver improved career development services:	82%	82%
Satisfaction survey ratings = Large amount, Reasonable amount, Somewhat, Small amount, Not at all		
<b>Capability building assistance with families/whānau/aiga (including in partnership or collaboration with other organisations)</b>		
Number of other groups and organisations assisted:		
• families, whānau and aiga receiving customised assistance	500	250
<b>Career Capable Communities approach</b>		
Career Capable Communities initiatives	4	0
Career Networks in place or under development during the financial year	8	0





