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# ANNUAL REPORT

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**2013/14**



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# ANNUAL REPORT

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Careers New Zealand Annual Report for the year ended 30 June 2014

**2013/14**

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# About career development

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**Career development** refers to the ongoing, individual process of managing life, learning and employment over time. For successful career development, the individual will:

- understand their skills, interests, personal values and the influences around them
- explore and compare different learning and employment opportunities
- make informed learning and employment decisions.

An **influencer** is a person who has direct involvement with a young person's career decision-making. For example, an influencer could be a parent or family member, a member of the local community or a teacher.

A **career pathway** refers to the individual decisions and transitions a person takes through education and employment.



# Introduction

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## Introduction

# Board Chair's foreword

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I am pleased to present Careers New Zealand's Annual Report for the year ended 30 June 2014. Despite a number of changes in this period, we were able to achieve clear results and work productively with others to help people make informed career decisions.

When I wrote to staff in late 2013, I referred to a whakataukī (proverb) handed down from our ancestors: Ka pū te ruha, ka hao te rangatahi. Whilst its literal translation (to some) is 'as the old net is cast aside, the new net goes fishing', in a conceptual sense it reminds us to acknowledge the contributions of those who have gone before us. They have built the platform that we will launch from.

In late 2013 we farewelled William (Bill) Noble, Markerita (Meg) Poutasi and Robert (Rob) Strathdee from the Board. Bill, Meg and Rob made highly valuable contributions during their respective tenures. Murray Ward, Chris Meade and I, in my new role as Chair, then welcomed Patricia Reade, John Ombler, Steve Day and Tim Copeland to the Board.

Graeme Benny departed from our Chief Executive role in early 2014. We were able to attract excellent candidates when recruiting for this position, and thrilled when Keith Marshall agreed to join us.

In early 2014 the Board agreed to a new strategic direction to improve our reach, relevance and return on investment. As detailed in our *Statement of Intent 2014-18*, the sharpening of our future efforts has been informed by:

- key findings from the 2013 Performance Improvement Framework (PIF) review
- learnings from our past approaches
- recognition of the increasingly diverse profiles, needs and preferences of our users.

With the contributions of those who have gone before us, the gains we have made with our users and key stakeholders, our new Board, Chief Executive and strategic direction, we have made much progress this year, and are well positioned for a highly productive future.

A handwritten signature in black ink, appearing to read 'Dale Karauria'.

**Dale Karauria**  
*Board Chair*

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## Introduction

# Chief Executive's foreword

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In 2013/14, Careers New Zealand delivered good results against our *Statement of Intent 2013-16* targets. These positive achievements are a solid foundation to build on as we move forward as an organisation to meet the challenges of the rapidly-changing digital world.

It is particularly heartening to see from research results that our support for schools has been well received. We focused on reaching schools with high numbers of Māori and Pasifika learners to improve the quality of career education programmes. We supported nearly 400 schools, and 73% of these schools were extremely satisfied or very satisfied with our professional support.

We have a presence from the far north to the far south. Our regional staff connect key organisations within communities, to support young people in making connections between education and employment. We facilitate local networks of employers, educators, community groups and local government. This leadership role in the regions means we are well positioned to support whole-of-education sector initiatives in the future.

Career information is at the heart of what we do. Our website is the core channel through which we reach large numbers of New Zealanders, and we have over 3.6 million annual visits to our jobs database, tools and resources, and online advice.

We work with a range of partners to customise and package careers information to assist young people and other job seekers to make informed decisions. This knowledge and information management function is a key way that we add value in the career development landscape and will be integral to our future delivery of products and services.

I would like to thank Careers New Zealand staff for their ongoing dedication and professional commitment to making a difference.

A handwritten signature in black ink, appearing to read 'K Marshall', written in a cursive style.

**Keith Marshall**  
*Chief Executive*

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# Introduction

## About Careers New Zealand

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### Our purpose

Careers New Zealand's purpose is to ensure New Zealanders have the career information and advice they need to effectively manage their careers over their lifetimes.

### Our role

Careers New Zealand is a board-governed Crown entity that was established under the Education Act 1989 (see Appendix A). Our annual budget is \$15 million, and we have 139 staff nationwide.

Our services improve the ability of New Zealanders to manage their careers. This helps people to be more engaged and make well-informed career decisions, and contributes to employers accessing the right skills at the right time.

We play an important role in connecting education and employment by improving the quality of career programmes in schools and tertiary education organisations (TEOs), and developing the career development capability of key influencers. This supports young people to choose career pathways that lead to good employment outcomes, meeting the workforce requirements of employers.

We contribute to government priorities, including the Better Public Services (BPS) goals, the Business Growth Agenda, and the Tertiary Education Strategy. In particular, we directly support the BPS goals of:

- 85% of 18-year-olds achieving National Certificate of Educational Achievement (NCEA) at Level 2 or an equivalent qualification by 2017
- 55% of 25–34-year-olds achieving an advanced trade qualification/diploma or degree at Level 4 or above by 2017.

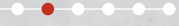
Our focus on improving Māori outcomes ensures we align our services to Ka Hikitia (the Māori Education Strategy), and Tau Mai Te Reo (the Māori Language in Education Strategy).

### Our future

We are transforming our strategic intentions for the next four years. Ensuring New Zealanders have the right career information and advice, in the right way, at the right time, is key to our medium-term success.

We will invest in high-quality digital technology, as a means for engaging with young career seekers, Māori and Pasifika. We will be the experts in collecting, making sense of and sharing career information for New Zealanders. We will build relationships and partnerships with wider stakeholders to ensure career information is authoritative and sophisticated.





**Part One:**  
**Our Value to  
New Zealanders**

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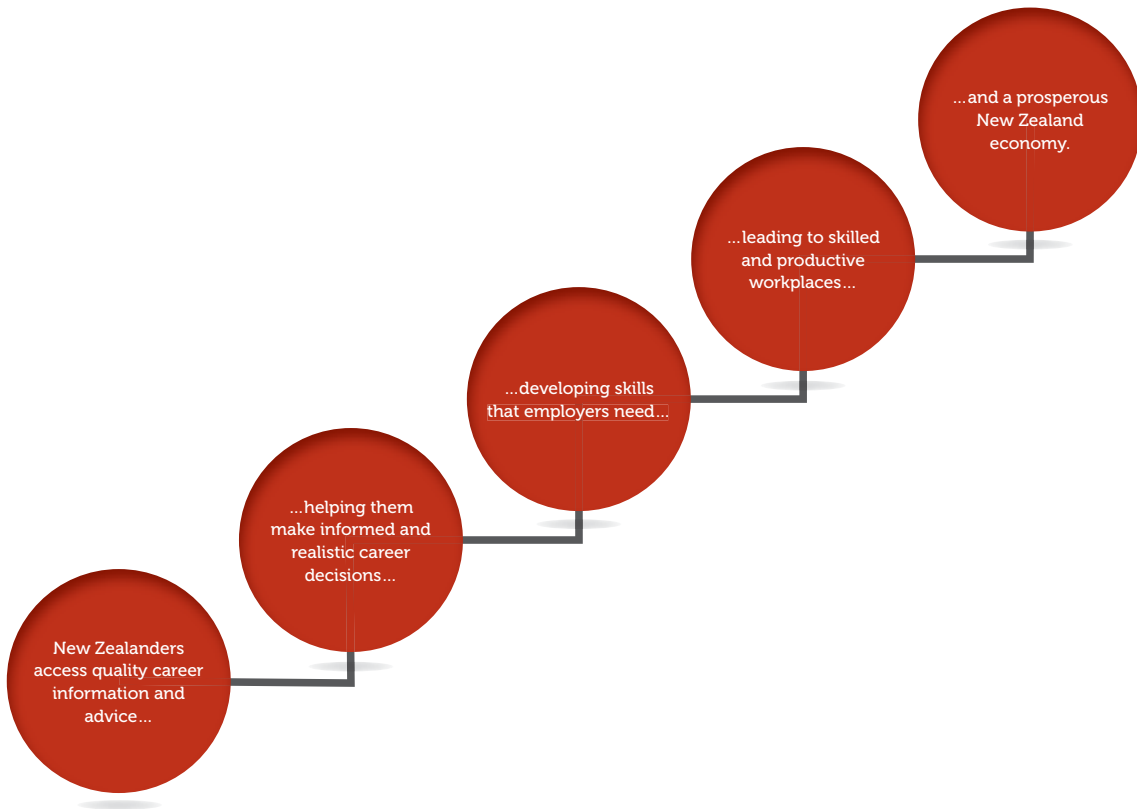
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## Part One:

# Our Value to New Zealanders

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### How career development adds value



#### Career development adds value to individuals...

The traditional concept of a career is being transformed. The pace of change, increasingly driven by technology, means that career security lies not in employment but in having the transferable skills and competencies that employers need. Individuals who want to maintain their employability have to regularly learn new skills and competencies, and apply these in changing workplaces.

Contemporary careers are not 'chosen' but 'constructed' through a series of decisions about education, training and employment that people make throughout their lives. Career development significantly determines the quality of life of individual New Zealanders – their sense of purpose, the income at their disposal and the economic and social contribution they make to their families and communities.

#### ...and also to the economy

Career development adds value to New Zealand as a whole. If individuals make informed education, training and employment decisions that are linked to their interests and aspirations, and are realistic about labour market opportunities, then they are likely to develop skills that employers need. The public money invested in education and training leads to a higher return on investment over time.

Likewise, career development is important for the labour market. If individuals follow career pathways that meet their personal goals, and employers support the career development of their employees, there is a more motivated and productive workforce. This enhances the prosperity of the New Zealand economy.

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## Part One: Our Value to New Zealanders

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### The career development landscape

Career development in New Zealand features many of the characteristics identified as international best practice. Nevertheless, there are critical issues that affect the landscape we work within, including:

> **Accuracy, relevance and accessibility of career information**

Accurate, relevant and accessible career information is a 'public good'. Making education and training decisions, and moving from education to employment, requires accurate, relevant and accessible career information. The digital age has created new ways for young people to access career information that was not available to prior generations; however, the needs of the young person are not always at the centre of this information. Young people need career information that is objective, simple to understand and relevant to their individual circumstances.

> **Variability of career development provision in schools**

The Organisation for Economic Cooperation and Development (OECD) recommends involvement in school-wide career development strategies by school decision-makers, and the need for an active career development role by school staff<sup>1</sup>. However, the quality of career development provision in New Zealand schools remains highly variable.

> **The need to upskill families, whānau and aiga**

Changing patterns of education and employment provide much greater choice for young people and their families, whānau and aiga than in the past. However, career decisions can be complex, and for some people the NCEA system remains difficult to navigate. The impact of uninformed decisions about education, training and employment can be costly for individuals, their families and the New Zealand economy. Raising the knowledge of parents, families, whānau and aiga is important as these people are often the most important influencers for young people.

> **Māori and Pasifika youth unemployment**

There are some positive improvements in the educational attainment of Māori and Pasifika young people. However, Māori and Pasifika young people remain over-represented in youth unemployment statistics and are more than twice as likely than European or Asian youth to be not in education, employment or training. There can be both a social and economic cost when young people are not in education, employment or training, and a higher risk of poorer longer-term economic and social outcomes.

> **Fragmented connections between education and employment**

Engagement between educators and employers is not systematic across New Zealand. A lack of information and advice about the world of work often hinders young people – and those supporting them – in making effective decisions at key transition points. This impacts taxpayers, through wasted money in the publicly funded education and training system. It can also burden employers, as many young people leave education and training without the skills and competencies they need to be successful and effective in the workplace.

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<sup>1</sup> OECD. (2004). *Career guidance and public policy: Bridging the gap*. Retrieved from <http://www.oecd.org/education/innovation-education/34050171.pdf>

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## Part One: Our Value to New Zealanders

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### How we create value in the career development landscape

We create value by developing products and services that respond to the critical issues.

Key ways we respond to these issues and create value for New Zealanders include:

#### > Online information and advice

A key way we reach our audience is through our online information and advice. With over 3.6 million New Zealand-based visits a year, our website provides users with information, advice, tools and resources. This includes a jobs database and a 'CV Builder' tool. We provide users with relevant information, knowledge, advice and support to assist them in making well-informed career decisions.

Through working closely with our stakeholders and partners, we package data and information from external sources to ensure the information on our website is accurate, relevant and accessible.

We provide direct career advice for users, such as young people making study or training decisions. This direct careers advice includes our online 'webchat' service, email and our freephone contact centre. These options provide our users access to objective and up-to-date career advice from our trained career advisors. Higher needs users can access in-depth guidance from our career development experts.

#### > Career benchmarks resources for education providers

We have developed a suite of three 'career benchmarks' resources for education providers. These are:

- Career Education Benchmarks (Years 7 and 8)
- Career Education Benchmarks (Secondary)
- Career Development Benchmarks (Tertiary).

The career benchmarks are self-assessment resources for education providers to measure the quality of their career programmes and services against best practice, promoting a cycle of continuous improvement. The career benchmarks resources contribute to improving the quality of career development nationwide.

#### > Capability-building programmes for community groups, family, whānau and aiga

Our targeted programmes equip Māori and Pasifika families, whānau and aiga with career development resources and expertise to support their young people. We also collaborate with the Ministry of Education and the New Zealand Qualifications Authority (NZQA) to develop and deliver a cross-sector response for helping whānau and aiga better understand NCEA.

#### > Connecting key stakeholders through network and community approaches

We have developed two approaches to connect key stakeholders, including educators and employers:

- Our career networks connect educators and employers. This helps young people to have accurate and relevant labour market information. Connecting educators and employers also provides the opportunity for young people to experience different workplaces, assisting them to evaluate their career preferences and make informed career decisions.
- 'Career Capable Communities' (CCCs) are integrated community-wide groups that promote career development at a local level in some of our higher needs locations. This includes influencing local government plans and strategies. The CCC approach also focuses on building career development knowledge with influencers who work with priority groups, particularly Māori and Pasifika young people.



# **Part Two:** **Our Performance**



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## Part Two: Our Performance

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### Our objectives and activities

Our objectives in 2013/14 were to:

- improve connections between education and employment (career system leadership)
- support influencers to improve the quality of their career development programmes and increase their career development knowledge
- provide self-help career information through our website, direct advisory services to individuals and resources for employers.

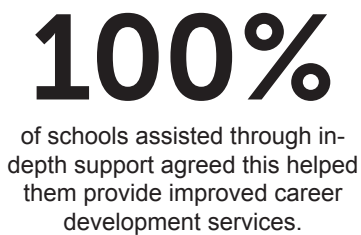
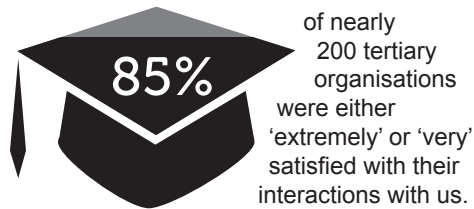
In our *Statement of Intent 2013-16* we described the activities we planned to provide to achieve our objectives.

In Part Two we will review the activities we provided in 2013/14.

## Part Two: Our Performance

### Key achievements in 2013/14

#### Supporting key influencers

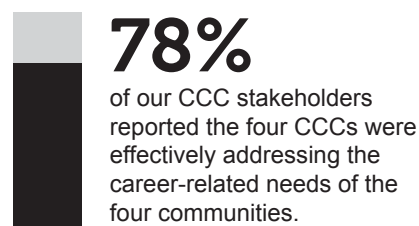


*"CNZ's ability to filter large amounts of information into succinct relevant advice and guidance for our organisation was valued."* Iwi organisation

#### Information, advice and resources



#### Improving connections between education and employment



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## Part Two: Our Performance

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### Improving connections between education and employment

#### Career Capable Communities approach

Our CCC approach is concentrated in four locations with higher needs:

- South Auckland, Rotorua and Porirua have high numbers of Māori and Pasifika youth, low educational achievement, and high youth unemployment
- our work in Christchurch supports the post-earthquake recovery.

We have developed three-to-five-year programmes of work in each of the four locations. We completed year two in 2013/14.

Each programme of work has been developed in line with the characteristics and career-related needs of the four communities. Career development is increasingly aligned with, and incorporated into, local community plans and strategies.

An example of this is in South Auckland, where we have aligned the CCC programme of work with the *Southern Initiative*. This is the Auckland Council's flagship programme for improving economic and social outcomes in South Auckland. Our target under this initiative has been to enable all young people to access career mentoring to support their transition from school to work or further study. To support this target we have built the career development capability of community organisations and youth mentors, by providing tools, resources and programmes to support the young people they work with.

#### **Our work in South Auckland was evaluated in 2013/14, and the findings indicated:**

- *the implementation of the South Auckland CCC in alignment with intended areas of focus, priority and strategy*
- *high levels of key stakeholder engagement and understanding of career issues, and motivation to address these*
- *evidence that careers services delivered by key stakeholders developing in ways likely to enhance the quality of services delivered*
- *connections and evolving collaborations between key players enabling the sharing of expertise and resources, and providing support to decision making.*

Source: Evaluation of the South Auckland CCC, Cognition, 2014

## Part Two: Our Performance

### Career Capable Communities impact measures

Impact measure	Baseline	Target	Result
Improved career systems within identified communities	New measure	Improvement seen in key metrics over time	Baselines to be established in 2014/15
CCC's effectively address the community's career-related needs	New measure	70% of CCC stakeholders agree that the CCCs are effective in addressing the community's career-related needs (increasing to 90% by 2015/16)	78%
Key CCC stakeholders are identified and represented	New measure	70% of CCC stakeholders agree that key players are represented (increasing to 90% by 2015/16)	86%
Measurable increase in career management competencies in the communities over time	New measure	Career management competencies within the CCCs increase over time	Baselines to be established in 2014/15

### Career networks

In 2013/14, we coordinated and led seven career networks. The career networks were located in communities identified as having the potential to benefit from this approach, including the four CCCs.

The seven networks were:

- Capable Auckland
- Capable Western Bay of Plenty
- Capable Whangarei
- Capable Rotorua
- Porirua Career Education Network
- Tairāwhiti Connect
- Hornby Connect (Christchurch).

The purpose of a career network is to better connect the key community stakeholders who influence young people and their career pathways. These include educators, employers, local and central government and other community-based organisations. Through assisting these organisations to work closer, we facilitate better communication between community stakeholders that contributes to getting local people into employment with the appropriate education, training and skills.

## Part Two: Our Performance

Results in 2013/14 included:

- 94% of participants agreed that the networks were useful and were meeting community aspirations
- 90% of network participants agreed that the network was facilitating communication between key stakeholders in the community
- 81% of respondents agreed that the networks had identified local labour market supply and demand solutions.

Source: Cognition, 2014

### ***Hornby Connect (Christchurch):***

*Manufacturing is a key industry in Christchurch. It is projected to grow in the Hornby area as a result of the earthquake and business relocations. A manufacturers' sub-group was developed as part of the Hornby Connect network after local manufacturers expressed difficulty in engaging with local education providers and recruiting staff.*

*Hornby Connect has facilitated connections between the local high school and manufacturers. Through the initiative we have enabled young people to explore pathways through work placements and part-time employment with local manufacturing businesses.*

*Feedback from local stakeholders has been positive: 93% of respondents agreed that Hornby Connect has been useful for the Hornby community, and 86% of respondents agreed that Careers New Zealand had identified the key stakeholders in the Hornby community necessary to improve connections between education and work.*

### **Career networks impact measures**

Impact measure	Baseline	Target	Result
Networks facilitate communication and identify local solutions	New measure	70% of network stakeholders agree that the networks are facilitating communication and identifying local solutions (increasing to 90% by 2015/16)	81%



## Part Two: Our Performance

### Supporting key influencers

#### Support for schools

In 2013/14, we worked with nearly 400 schools from Year 7 upwards to improve the career development knowledge and expertise of principals, senior managers, teachers and career advisors.

We provided three different forms of support to schools:

- > **In-depth support:** We focused on reaching lower-decile schools from CCC locations with higher numbers of Māori and Pasifika learners who had lower NCEA Level 2 attainment. We reached 50 schools with over 31,000 learners, including more than 9,500 Pasifika learners and more than 6,700 Māori learners. Forty-one schools (82%) were decile 5 or below.
- > **Assistance with self-review:** We assisted 92 schools to self-review their career development programmes against the Career Education Benchmarks. Our assistance focused on reaching lower-decile schools from CCC locations with higher numbers of Māori and Pasifika learners and lower NCEA Level 2 attainment. We assisted schools with over 40,000 students, including over 11,500 Māori learners and 7,000 Pasifika learners. Sixty-eight schools (74%) were decile 5 or below.
- > **Professional development:** We assisted 257 schools with professional development. All schools with learners in Year 7 and above were eligible for this service. The service was delivered to groups of schools providing professional development to lift the quality of their career education programmes.

Results in 2013/14 included:

- all (100%) schools assisted through in-depth support agreed our support was helping them deliver improved career development services
- 84% of schools we worked with indicated that they were either 'extremely satisfied' or 'very satisfied' with the usefulness of our resources (for example, the Benchmarks)
- 73% of schools we worked with said they were 'extremely satisfied' or 'very satisfied' with the interactions they had with us.

Source: Cognition, 2014

In 2013/14, we commenced a project to ensure our suite of career benchmarks resources remain relevant and up-to-date. The first part of the project included a review of the Career Education Benchmarks (Secondary). The review process involved an external reference group including the Ministry of Education, Youth Guarantee Networks, the New Zealand Council for Educational Research, the University of Auckland, the New Zealand School Trustees Association, the Post Primary Teachers Association and the Careers and Transition Educators Association.

The revised Career Education Benchmarks (Secondary) have been tested with secondary schools, and will be launched in the first quarter 2014/15.

#### Support for schools impact measure

Impact measure	Baseline	Target	Result
Improvements in career education in secondary schools	9% of schools in the Education Review Office's (ERO's) 2012 study had whole-school high-quality career education programmes	By 2015/16, 15% of secondary schools have whole-school high-quality career education programmes	To be measured in 2015/16

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## Part Two: Our Performance

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### Support for Tertiary Education Organisations

Support for TEOs was a new service in 2013/14, to improve the career knowledge and expertise of managers, tutors and career advisors. In total, we worked with nearly 200 TEOs including universities, polytechnics/institutes of technology, wānanga and private training establishments (PTEs).

We provided three different levels of support to TEOs:

- > **In-depth support:** We provided in-depth career development support to six TEOs. Four of the in-depth TEOs were in CCC locations – the Martin Hautus Institute and the Solomon Group in South Auckland, Christchurch Polytechnic Institute of Technology (CPIT) and the Waiariki Institute of Technology in Rotorua. Through this service we were able to focus on raising the quality of the career development provision for our priority groups, particularly Māori and Pasifika young people.
- > **Assistance with self-review:** This was a new service to support TEOs to implement the Career Development Benchmarks. We assisted 35 TEOs with self-review against the Career Development Benchmarks. Twenty-one TEOs (60%) were located in locations with high numbers of Māori and Pasifika young people, including the four CCC locations, Northland and Gisborne.
- > **Professional development:** We assisted 150 TEOs with professional development. All New Zealand TEOs were eligible for this service that was delivered to clusters of TEOs.

Although we didn't meet all our *Statement of Intent* performance targets in 2013/14, we nevertheless gained positive traction with a range of tertiary organisations. For example, 71% of universities, polytechnics and PTEs that were aware of the Career Development Benchmarks were currently using them, or were intending to use them by the end of 2014<sup>2</sup>. This shows that the majority of TEOs use the Career Development Benchmarks when familiar with them.

We also had some encouraging performance results, including:

- 85% of TEOs we worked with indicated that they were either 'extremely satisfied' or 'very satisfied' with the interactions they had with us
- 99% of PTEs that were currently using (or planning to use) the Benchmarks thought the Benchmarks were helping (or would help) improve their organisation's career development programmes.

Source: Cognition, 2014

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<sup>2</sup> One hundred and forty-four out of 413 universities, polytechnics and PTEs surveyed in quarter three 2013/14 were aware of the Career Development Benchmarks.

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## Part Two: Our Performance

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### Support for community organisations

Support for community organisations was a new service in 2013/14, to improve the career knowledge and expertise of staff from community groups, including youth workers and youth mentors.

In total we worked with 21 community organisations that were able to influence priority audiences, including Māori and Pasifika young people.

Feedback included:

#### *A Marae-based youth worker:*

*"...we did it through Careers New Zealand – went on-line, looked at the pathways [the young person] needed to take, looked around at what was available in the area. He is now completing NCEA credits...he will then go to MIT to study social work."*

Source: Evaluation of the South Auckland CCC, Cognition, 2014

#### *A Wellington community organisation:*

*"Our staff have found [Careers New Zealand support] very useful for our professional development for working with our clients. All the information was accessible with sessions well-paced and informative. Not often do we find such a high quality professional development programme [and] we have found your modelling, strategies and resources will enhance our programme and consolidate the main goals...I find your delivery of the courses highly effective. You work well as a team drawing out the strength and knowledge in the room while giving us different skills and information to think about."*

Source: Stakeholder email

### Support for employers

Support for employers was a new service in 2013/14, recognising the importance of improving connections between educators and employers.

In 2013/14, we initially focused on understanding how we can best support employers. We focused on our priority areas, including the four CCCs. We targeted employers that had an influential presence in the local labour market, and that were interested in working with Careers New Zealand and local communities.

Although we initially planned to develop 'employer guides'<sup>3</sup>, an assessment of employer needs led to re-aligning our support to develop resources and events to help them connect with young people and their influencers. We responded with targeted resources and events to help them connect with educators and career influencers and young people.

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<sup>3</sup> Refer to *Statement of Intent 2013-16*.

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## Part Two: Our Performance

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### *Horticulture industry 'Big Day Out' (Gisborne)*

*Through engaging with employers in Gisborne we identified the need for resources and events so employers could better connect with career influencers and young people. This enabled employers to share local labour market information and raise the profile of their industry.*

*The Big Day Out initiatives showcased career opportunities in the horticulture sector and connected local schools, employers, and industry training organisations (ITOs). Major employers including LeaderBrand and Cedenco were actively involved, enabling school staff to better understand local employers' current and future skill needs. The Big Days Out also enabled local employers to help school students explore horticulture career opportunities in the region.*

### **Support for parents, families, whānau and aiga**

In 2013/14, we delivered and supported a range of programmes to improve the career development knowledge and expertise of parents, families, whānau and aiga. We focused on reaching Māori and Pasifika parents, families, whānau and aiga in our priority areas, including the four CCC locations.

The programmes included:

- twelve 'clusters' of whānau and aiga nationwide, particularly in our priority locations of South Auckland and Porirua, including:
  - 1,200 aiga as part of the Ministry of Education-led PowerUp programme
  - over 150 aiga members through Careers New Zealand-led families programmes
- over 700 whānau members as part of the cross-sector NCEA & the Whānau programme
- over 1,000 aiga members as part of the cross-sector NCEA ma le Pasifika programme.

### *Making a difference for whānau*

*The collaborative NCEA & the Whānau programme helps whānau understand NCEA and career pathways, and supports whānau to assist young people to choose subjects and courses that will lead to better educational outcomes. A recent evaluation of NCEA & the Whānau found that the programme:*

- *created a positive transformation in the way whānau understood and felt about NCEA*
- *empowered whānau to have a significant role in their children's learning*
- *facilitated whānau learning in an inspiring environment.*

Source: NCEA and the Whānau Evaluation Report, NZQA, 2014

## Part Two: Our Performance

### *Making a difference for aiga*

A Pasifika family (Mum, Dad, and five children) attended a career development workshop in Auckland that Careers New Zealand contributed to. As a family they learnt how important career development is, and that it is "not just about getting a job".

Mum and Dad learnt how they can support the career development of their children, and the children learnt the importance of their own career planning. They applied the career planning resources provided in the workshop. The children also changed their attitude towards education – they were now focused on completing homework before watching rugby. Dad had even used the workshop resources to plan his own career progression!

Source: Evaluation of the South Auckland CCC, Cognition, 2014

### Support for influencers impact measure

Impact measure	Baseline	Target	Result
Improved ability of career influencers to help others with career decisions	New measure	% of career influencers whose ability improves over time	Due to reprioritisation of resources this was not measured in 2013/14

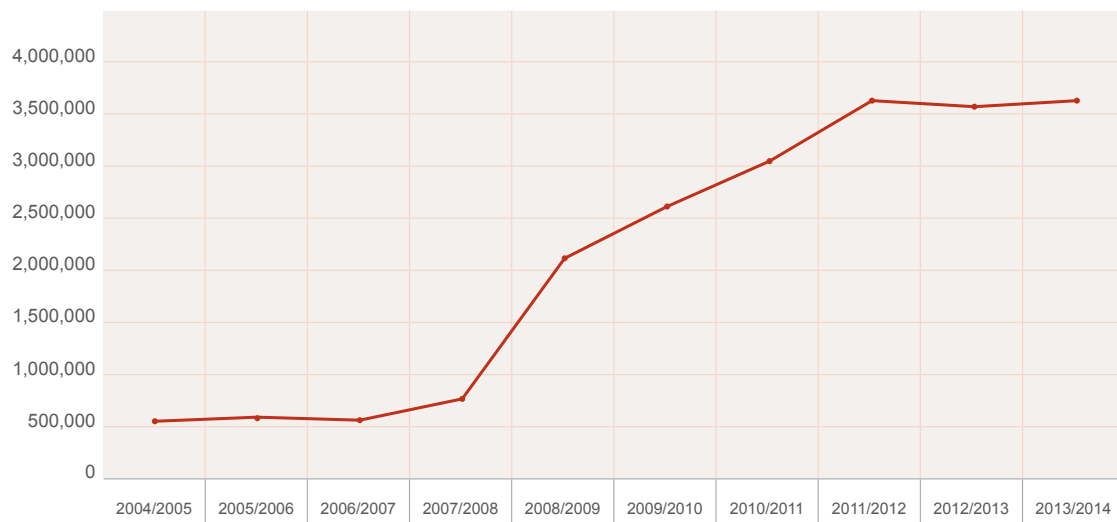
## Providing information, advice and resources

### Careers New Zealand website

Our website provides information, tools and resources to help people know themselves better in the context of career self-management, and to compare different career options. This helps them to make informed education, training and employment decisions.

The website attracts millions of visits annually and the user experience is positive. It is used by school and tertiary students, job seekers, career influencers and employers.

Figure one: New Zealand-based visits to the Careers New Zealand website





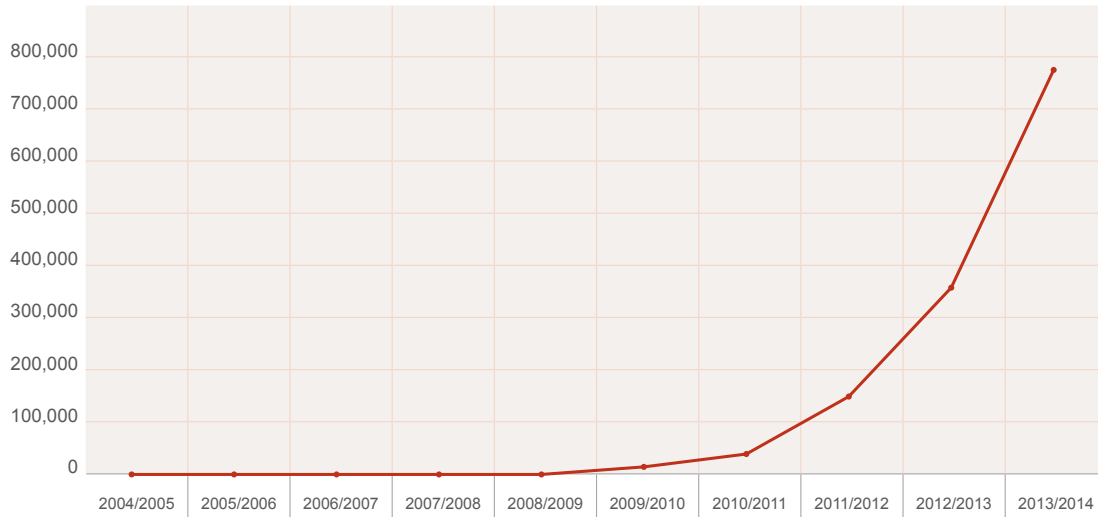
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## Part Two: Our Performance

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People are increasingly using mobile devices (phones, tablets and iPads) to visit the website. Improving accessibility and user-friendliness are important factors in our ongoing design and development of the website.

**Figure two: New Zealand-based mobile visits to the Careers New Zealand website**



Results in 2013/14 included:

- 80% of website users said the website enhanced their career decision-making
- 79% of website users said the website is easy to use
- more than 80% of website users would recommend the website to others.

Source: Ipsos, 2014

### Online enhancements

- > **Jobs database:** The jobs database is a core function of our website, and the most visited part of the website. We have enhanced the jobs database to align it with the Ministry of Education-led Vocational Pathways initiative. The jobs database now filters jobs by Vocational Pathway, ensuring it is more relevant for young people who want to know what jobs are possible in the different pathways.
- > **Career Checker:** In November 2013 we launched a 'Career Checker' tool. Career Checker is a personalised interactive tool targeted to 15-18-year-olds. It includes a youth-friendly quiz with a mix of career-related questions. The results from the quiz guide the user to further information and support in their career planning. Career Checker is underpinned by the career management competencies in the Career Education Benchmarks for secondary schools.

We initially intended that Career Checker would have the capability to capture an initial baseline of 'career management competence' in 2014/15, with the target of at least 75% of school leavers being career management competent by 2015/16. Career Checker currently delivers an individual measure of career management competence. However, it does not currently have the capability to aggregate the individual measures of career management competence at the population level.

- > **CV Builder:** Our CV Builder tool was launched on the Careers New Zealand website in July 2013. CV Builder is an enhanced, more user-friendly version of the former CV4Me tool. CV Builder provides tips throughout the CV building process, and is smartphone, tablet and iPad friendly.

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## Part Two: Our Performance

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### Direct advisory services

In 2013/14, we provided direct advisory services via phone and online channels. Our direct advisory services are for users who require a career development intervention beyond the career information, tools and resources provided on our website. Higher needs users can access in-depth career guidance from our career development experts.

Results in 2013/14 included:

- 83% of respondents agreed that our direct advisory services had helped them
- 92% of respondents agreed that they were likely to recommend Careers New Zealand.

Source: Ipsos, 2014

#### *Making a difference through our direct advice*

*"The [Careers New Zealand direct advice] has resulted in some interviews and has been a key difference."*

*"[Careers New Zealand direct advice] gave me exemplars of good CV and cover letters. The adviser told me exactly what I need."*

*"All the information they supply and also the people working for Careers New Zealand are very helpful and offer good advice."*

Source: Ipsos, 2014

### Direct advisory services impact measure

Impact measure	Baseline	Target	Result
New Zealanders assisted to make career decisions	2012/13: 69%	85%	75%

## Part Two: Our Performance

### Organisational development

#### Performance improvement programme

The Performance Improvement Framework (PIF) review of November 2013 provides a key driver and framework for our performance improvement programme to equip us for future success.

In 2013/14, we began reviewing our strategy and our *Statement of Intent 2014-18* signalled an increase in digital delivery of services, a focus on information and improving engagement with our staff. We have engaged our staff in refreshing our organisational values which are being progressively embedded into policies, processes and practices.

Our redefined values are:

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

We will continue our performance improvement programme in 2014/15, with our staff involved in developing a clear and unifying strategy. A shared understanding of organisational strategy, from senior leaders to frontline staff, will be a critical outcome in 2014/15.

In 2014/15, we will also conduct an organisational climate survey ('Best Places to Work'). The results will inform an active process of staff engagement and a new organisational development programme of work.

#### Our workforce

##### Snapshot of Careers New Zealand as at 30 June 2014

TOTAL FTE:

**139**

**7.1 years**  
AVERAGE LENGTH OF SERVICE

Gender distribution



approximately  
80% of managers  
are female

Ethnic diversity



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## Part Two: Our Performance

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### Good employer

Our employment practices meet the requirements of section 118 of the Crown Entities Act 2004 to be a good employer. In 2013/14, we ensured that our employment practices and environment complied with the Crown Entities Act 2004.

We are an Equal Employment Opportunities (EEO) employer where there are flexible work options and development plans for all staff. We provide an employment environment where each individual can contribute to the best of his or her potential.

Staff engagement, turnover and the composition of the workforce (including EEO for priority groups), is monitored. A performance development framework provides recognition for performance. An annual review of staff engagement levels provides a guide to maintaining a positive work climate.

### Health, safety and wellbeing

In 2013/14, we continued to improve our practice to meet the requirements under the Health and Safety in Employment Act 1992 and prospective legislative changes.

Key highlights included:

- reactivating our National Health and Safety Committee. This committee comprises staff representatives working with our Senior Leadership Team sponsor to ensure the profile of health and safety is raised in our workplace
- refreshing our health and safety policies
- implementing an online health and safety reporting kiosk. This has improved our health and safety reporting
- training staff in the effective use of the health and safety reporting kiosk for reporting hazards and accidents and incidents.

### Our systems and infrastructure

We have a mobile regional workforce. Access to reliable systems for the management and communication of our careers expertise is core to our business. We undertake continuous improvement to work cost effectively within our funding constraints and size.

A robust ICT platform is essential for our development of innovative, agile, cost-effective services. In our *Statement of Intent 2013–16* we aimed to have platform availability of no less than 99.5% in any given month. During 2013/14 we achieved this target, with over 99.5% availability throughout the year.

We remain committed to All-of-Government (AoG) initiatives and agreements where there is a definite value proposition through cost reduction, efficiency or benefits for cross-agency collaboration. Key AoG agreements we joined up to in 2013/14, or built the platform to join up to in 2014/15, have included:

- > **Infrastructure as a Service (IaaS):** Over time this will free up internal resources to deliver business improvements, reduce capital expenditure and enable flexibility to leverage Revera's service model to expand or reduce capacity as required.
- > **Leasing of multifunctional print devices (MFDs):** Over time the AoG Print Device agreement with Konica Minolta will leverage significant cost savings and refresh our MFD fleet across the agency.
- > **Mobile voice and data services:** Over time the Mobile Voice and Data agreement will effectively manage mobile billing and calling across the agency, and generate cost savings on our mobile data spend.

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## Part Two: Our Performance

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### ICT assurance

In 2013/14, we responded to the GCIO Statement of Capability, a self-review of information security and privacy practices. We implemented a programme of work to increase information security and governance capability. This included an internal audit of information security. The programme of work aligned with our broader privacy improvements.

### Privacy improvements

We updated our privacy policy to strengthen our privacy practices and ensure we comply with the Privacy Act 1993. This policy includes measures to minimise the risk of an electronic privacy breach. To support the implementation of the new privacy policy we implemented a new interactive privacy training module. All new and existing Careers New Zealand staff completed the privacy training module in 2013/14.

### Information

The PIF review acknowledged that our core value proposition (the benefits others get from our products and services) is based on our role as collector, custodian and communicator of objective careers information and as the repository of best practice advice. It emphasised, however, that we needed to make a considerable investment in our information and knowledge management capabilities. In response we initiated a major strategic initiative – the Career Knowledge Hub.

Although 2013/14 was a period of laying the foundations for the Career Knowledge Hub, in 2014/15 it will become a key area of focus. The Career Knowledge Hub will:

- be a centralised career information resource for increased efficiency and effectiveness of service delivery
- enable us to refine and expand our relationships with information partners across the public and private sectors
- empower our staff to expand their knowledge and help them deliver smarter services that will reach more New Zealanders.



## Statement of responsibility

### For the year ended 30 June 2014

Requirements under the Crown Entities Act 2004 section 155.

- The Board and management of Careers New Zealand accept responsibility for the preparation of financial statements and statement of service performance and for the judgements made in them.
- The Board and management are responsible for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- In the opinion of the Board and management of Careers New Zealand, the annual financial statements and statement of service performance for the financial year ended 30 June 2014 fairly reflect the financial position and operations of Careers New Zealand.



**Dale Karauria**

*Board Chair*

28 October 2014



**Murray Ward**

*Board Deputy Chair*

28 October 2014

## Independent auditor's report

### To the readers of Careers New Zealand's financial statements and non-financial performance information for the year ended 30 June 2014

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 non-financial performance information of Careers New Zealand on her behalf.

We have audited:

- the financial statements of Careers New Zealand on pages 40 to 62, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of Careers New Zealand that comprises the statement of service performance on pages 32 to 38 and 63, and the report on Careers New Zealand's performance on pages 14 to 23.

### Opinion

In our opinion:

- the financial statements of Careers New Zealand on pages 40 to 62:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect Careers New Zealand's:
    - › financial position as at 30 June 2014; and
    - › financial performance and cash flows for the year ended on that date.
- the non-financial performance information of Careers New Zealand on pages 32 to 38, 63 and 14 to 23:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects Careers New Zealand's service performance and outcomes for the year ended 30 June 2014, including for each class of outputs:
    - › its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
    - › its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 28 October 2014. 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 we 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 non-financial 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 non-financial 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 non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial 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 non-financial performance information that fairly reflect the matters to which they relate. We consider internal control 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 non-financial performance information within Careers New Zealand's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

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

We have obtained all the information and explanations we have required and 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 non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect Careers New Zealand's financial position, financial performance and cash flows; and
- fairly reflect its service performance and outcomes.

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial 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 non-financial performance information, whether in printed or electronic form.

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

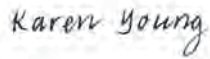
### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

### **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:** **Statement of Service Performance**

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## Part Three:

# Statement of Service Performance

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### Our performance results

#### Our performance measurement

In 2013/14, our performance measurement focused on:

- improving connections between education and employment (career system leadership)
- supporting career influencers to improve the quality of their career development programmes and increase their career development knowledge
- providing self-help career information through our website, direct advisory services to individuals and resources for employers.

In our *Statement of Intent 2013-16* we described how we intended to measure the performance of our activities, and the results we targeted.

In Part Three we will review the performance of the activities we provided in 2013/14.

#### Improving connections between education and employment

##### Career Capable Communities (CCC's) 3-5-year programmes

Performance Measure	Target	Actual performance and comment
CCC programmes successfully being implemented in four communities.	4	<b>Achieved</b> Four programmes are being implemented in South Auckland, Rotorua, Porirua and Christchurch.
Action plans developed and being implemented for each CCC.	By 30 June 2014	<b>Achieved</b> Action plans have been developed and implemented in all four CCCs.
Services are delivered within project deadlines.	Project targets being met	<b>Achieved</b> Project deadlines are being met within a five year time span.
Percentage of community stakeholders who say that the services delivered in CCCs are meeting community needs.	75%	<b>Achieved</b> 78% of community stakeholders (including stakeholders from schools and TEOs, community organisations and employers) agreed that the services delivered in CCCs were meeting community needs.

## Part Three: Statement of Service Performance

### Career networks

Performance measure	Target	Actual performance and comment
Career networks successfully established and maintained.	7	<b>Achieved</b> Seven networks have been successfully established and maintained in South Auckland, Rotorua, Porirua, Christchurch (Hornby), Whangarei, Western Bay of Plenty and Tairāwhiti.
Networks' objectives are specified and progress monitored.	By 31 December 2013	<b>Achieved</b> All networks have developed objectives relevant to their local community and progress on objectives is reported quarterly.
Percentage of stakeholders who report that the career networks are useful and supporting the aspirations of the group.	75%	<b>Achieved</b> 94% of stakeholders (including stakeholders from schools and TEOs, community organisations, and employers) reported that the career networks were useful and were supporting the aspirations of the group.

### Develop and maintain relationships with iwi and Māori organisations or businesses to support them to enhance career development

Performance measure	Target	Actual performance and comment
Percentage of iwi and Māori organisations or businesses that find the relationships useful.	100%	<b>Achieved</b> 100% of iwi and Māori organisations or businesses reported that they found the relationships useful.
Project deliverables are identified within each Memorandum of Understanding and progress is made against each.	By 30 June 2014	<b>Achieved</b> Documented deliverables are tracked and reviewed, and reported to the Minister quarterly.
Number of relationships developed/maintained.	2	<b>Achieved</b> Careers New Zealand has formal relationships with Wakatu Incorporated (Nelson) and Waikato-Tairāwhiti.

### Ongoing development of Career Benchmarks, supported by online and phone services

Performance measure	Target	Actual performance and comment
Percentage of employers who have used the guides who find them useful.	80%	<b>Not Achieved</b> Although we initially planned to develop employer guides, an assessment of employer needs led to a re-alignment of this approach. We responded with targeted resources and events to help meet employer needs.
Employer guides developed, tested and launched, in addition to the three previously published for the education sector.	By 30 June 2014	



## Part Three: Statement of Service Performance

### Supporting key influencers

#### School systems improvement and professional development

Performance measure	Target	Actual performance and comment
Schools assisted with career system improvement (in-depth support).	50	<b>Achieved</b> 50 schools were assisted with in-depth support. Careers New Zealand prioritised this service for lower-decile schools, schools with less than 85% NCEA Level 2 attainment, schools with higher numbers of Māori and Pasifika students and schools in the four CCC communities.
Schools assisted with self-review using Benchmarks.	80	<b>Achieved</b> 92 schools were assisted with self-review using Benchmarks. Careers New Zealand prioritised this service for lower-decile schools, schools with less than 85% NCEA Level 2 attainment, schools with higher numbers of Māori and Pasifika students and schools in the four CCC communities.
Schools provided with professional development assistance.	200	<b>Achieved</b> 257 schools were provided with professional development assistance. All schools with students in Year 7 and above were eligible for this service which is delivered to groups of schools in geographical clusters.
Percentage of schools assisted with career system improvement who are satisfied that Careers New Zealand's input helped them (or will help them) deliver improved career development services.	100%	<b>Achieved</b> 100% of schools assisted with career system improvement were satisfied that Careers New Zealand's input helped them (or will help them) deliver improved career development services.
Percentage of schools assisted with self-review who established a plan for improvement.	100%	<b>Not Achieved</b> 67% of schools assisted with self-review had established a plan for improvement. Due to reporting requirements, the survey was conducted at the end of Term One 2014. Schools supported with this service may not yet have established an action plan for improvement at this early stage of the school year.
Percentage of schools assisted with professional development who are satisfied Careers New Zealand's input helped them (or will help them) deliver improved career development services.	100%	<b>Not Achieved</b> 90% of schools assisted with professional development were satisfied Careers New Zealand's input helped them (or will help them) deliver improved career development services. In 2014/15, our services to schools will be more flexible and personalised, and we anticipate this will be reflected in our performance results.

## Part Three: Statement of Service Performance

### Assistance for Tertiary Education Organisations

Performance measure	Target	Actual performance and comment
Capability measurement process / tool developed; baseline measure established.	By 30 June 2014	<b>Not Achieved</b> Although the capability measurement tool – Career Checker – was successfully developed and launched on our website, it is not yet able to capture a baseline measure of career capability.
TEOs receiving in-depth assistance.	6	<b>Achieved</b> 6 TEOs received in-depth assistance.
TEOs assisted with self-review using Benchmarks.	30	<b>Achieved</b> 35 TEOs were assisted with self-review using the Benchmarks.
TEOs receiving professional development assistance.	100	<b>Achieved</b> 150 TEOs received professional development assistance.
Percentage of universities and polytechnics using Career Development Benchmarks – Tertiary.	80%	<b>Not Achieved</b> 62% of universities and polytechnics were using Career Development Benchmarks – Tertiary. This was a new resource in 2013/14, and we plan to promote greater use of the Benchmarks in 2014/15.
Percentage of Private Training Establishments (PTEs) using Career Development Benchmarks – Tertiary.	20%	<b>Not Achieved</b> 17% of PTEs were using the Career Development Benchmarks – Tertiary. This was a new resource in 2013/14, and 71% of the PTEs that were aware of the Benchmarks were either using them, or intending to use them in 2014/15. We plan to promote greater use of the Benchmarks in 2014/15.
Percentage of tertiary organisations assisted that are satisfied that Careers New Zealand's input helped them (or will help them) deliver improved career development services.	100%	<b>Not Achieved</b> 79% of TEOs assisted were satisfied that Careers New Zealand's input helped them (or will help them) deliver improved career development services. This performance result may be due to 2013/14 being the first year this service was offered to TEOs, and we will analyse the data to investigate ways we can raise performance in 2014/15.

## Part Three: Statement of Service Performance

### Assistance for community organisations and youth mentors

Performance measure <sup>5</sup>	Target	Actual performance and comment
Number of community organisations and youth mentors assisted.	20	<b>Achieved</b> 21 community organisations and youth mentors were assisted.
Percentage that agree assistance provided met needs.	80%	<b>Achieved</b> 86% of community organisations and youth mentors agreed that the assistance provided met their needs.
Percentage that agree assistance provided improved career development services.	80%	<b>Achieved</b> 80% of community organisations and youth mentors agreed that the assistance provided improved their career development services.

### Capability-building with employer groups

Performance measure	Target	Actual performance and comment
Capability-building support provided.	4 employer groups/clusters	<b>Achieved</b> Capability-building support was provided for five employer groups/clusters.
Percentage that agree support provided helps group membership to improve their career development practice.	75%	<b>Not Reported</b> The low response rate to the survey of employers means we are unable to accurately report on this performance measure.

### Capability-building with families/whānau/aiga/iwi (including the Pasifika-focused PAVE project)

Performance measure	Target	Actual performance and comment
Number of family clusters (for example, clusters around churches or schools) supported through capability-building.	10 clusters	<b>Achieved</b> 12 family clusters were supported through capability-building.
Percentage of families/whānau/aiga who say the assistance met their career development needs.	80%	<b>Achieved</b> 91% of families/whānau/aiga agreed that the assistance met their career development needs.

<sup>5</sup> In the *Statement of Intent 2013–16* the performance measure was 'assistance provided met needs **and** improved their career development services'. We have disaggregated this performance measure to report more meaningful results.

## Part Three: Statement of Service Performance

### Information, advice and resources

#### Provision of self-help career information and tools

Performance measure <sup>6</sup>	Target	Actual performance and comment
New Zealand-based web visits.	3.6 million	<b>Achieved</b> Our website received 3.62 million New Zealand-based web visits.
<b>Percentage of users surveyed who agreed that:</b>		
• the website is easy to use	70%	<b>Achieved</b> 79% of users surveyed agreed the website is easy to use.
• the website is up to date	70%	<b>Not Achieved</b> 68% of users surveyed agreed the website is up to date.

#### Provision of self-help career information and tools

Performance measure	Target	Actual performance and comment
• the website is relevant to their needs	70%	<b>Achieved</b> 74% of users surveyed agreed the website is relevant to their needs
• the website enhanced career decision-making skills.	70%	<b>Achieved</b> 80% of users surveyed agreed the website enhanced career decision-making skills.

#### Direct advisory services to individuals

Performance measure	Target	Actual performance and comment
Total services delivered.	30,000	<b>Not Achieved</b> 24,509 New Zealanders received direct advisory services. This result reflects our ongoing shift away from direct delivery and increased focus on our online services and the support of key influencers.
Percentage of people aided by our services who have made a career decision or have all the information they need to make a decision.	75%	<b>Achieved</b> 75% of people aided by our services had made a career decision or had all the information they needed to make a decision.

<sup>6</sup> In the *Statement of Intent 2013-16* the performance measure was 'percentage of users surveyed who agreed that the website is easy to use, up to date and relevant to their needs and enhanced career decision-making skills'. We have disaggregated this performance measure to report more meaningful results.

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## Part Three: Statement of Service Performance

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### Resources for employers

Performance measure	Target	Actual performance and comment
Employer resource development programme established and implemented.	Needs analysis by 30 September 2013.	<b>Not Achieved</b> The needs analysis was integrated into our broader user needs research programme. As part of this programme we consulted with influential employers in priority locations on an ongoing basis throughout 2013/14.
	Programme implemented by 30 June 2014	<b>Achieved</b> Through our user needs research programme we understood how we could add value for employers. This programme led to the development of resources and events tailored to local communities, and our 'Career Development Framework' that outlines career stages so employers can better understand the career needs of their workforces.



# **Part Four:** **Financial Statements**

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## Part Four:

# Financial Statements

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### Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>REVENUE</b>				
Crown revenue	2	15,282	15,082	15,082
Interest income		153	140	144
Other revenue	3	359	200	234
<b>Total revenue</b>		<b>15,794</b>	<b>15,422</b>	<b>15,460</b>
<b>EXPENSES</b>				
Employment costs	4	10,344	10,797	10,118
Occupancy expenses		1,024	951	961
Depreciation and amortisation expense	9,10	567	660	585
Board members' fees	19	99	110	96
Other expenses	5	3,622	2,904	3,214
<b>Total expenses</b>		<b>15,656</b>	<b>15,422</b>	<b>14,974</b>
<b>SURPLUS AND TOTAL COMPREHENSIVE INCOME</b>		<b>138</b>	<b>-</b>	<b>486</b>

Explanations of major variances against budget are provided in note 25.

The accompanying notes form part of these financial statements.



## Part Four: Financial Statements

### Statement of Financial Position

AS AT 30 JUNE 2014

	Notes	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>Assets</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	4,215	2,151	3,666
Debtors and other receivables	7	305	844	120
Inventories	8	2	5	6
<b>Total current assets</b>		<b>4,522</b>	<b>3,000</b>	<b>3,792</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	9	579	1,191	916
Intangible assets	10	304	750	458
<b>Total non-current assets</b>		<b>883</b>	<b>1,941</b>	<b>1,374</b>
<b>TOTAL ASSETS</b>		<b>5,405</b>	<b>4,941</b>	<b>5,166</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors and other payables	11	747	763	678
Taxes due and payable	12	216	215	231
Employee entitlements	13	764	809	717
Provisions	14	13	13	13
<b>Total current liabilities</b>		<b>1,740</b>	<b>1,800</b>	<b>1,639</b>
<b>Non-current liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>		<b>1,740</b>	<b>1,800</b>	<b>1,639</b>
<b>NET ASSETS</b>		<b>3,665</b>	<b>3,141</b>	<b>3,527</b>
<b>Equity</b>				
<b>General funds</b>		<b>3,665</b>	<b>3,141</b>	<b>3,527</b>
<b>TOTAL EQUITY</b>		<b>3,665</b>	<b>3,141</b>	<b>3,527</b>

Explanations of major variances against budget are provided in note 25.

The accompanying notes form part of these financial statements.

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## Part Four: Financial Statements

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### Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014

	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
Balance at 1 July	3,527	3,141	3,041
Total comprehensive income	138	0	486
<b>BALANCE AT 30 JUNE</b>	<b>3,665</b>	<b>3,141</b>	<b>3,527</b>

Explanations of major variances against budget are provided in note 25.

The accompanying notes form part of these financial statements.

## Part Four: Financial Statements

### Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>Cash flows from operating activities</b>				
Receipts from Crown revenue		15,282	15,082	15,082
Interest received		153	140	144
Receipts from other revenue		309	200	326
Payments to suppliers		(4,672)	(4,600)	(4,423)
Payments to employees		(10,407)	(10,522)	(10,237)
GST (net)		(14)	30	33
<b>Net cash from operating activities</b>	<b>15</b>	<b>651</b>	<b>330</b>	<b>925</b>
<b>Cash flows from investing activities</b>				
Receipts from sale of property, plant and equipment		0	0	59
Purchase of property, plant and equipment	9	(64)	(530)	(159)
Purchase of intangible assets	10	(38)	(370)	(133)
<b>Net cash from investing activities</b>		<b>(102)</b>	<b>(900)</b>	<b>(233)</b>
Net increase/(decrease) in cash and cash equivalents		549	(570)	692
Cash and cash equivalents at the beginning of the year		3,666	2,721	2,974
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<b>4,215</b>	<b>2,151</b>	<b>3,666</b>

Explanations of major variances against budget are provided in note 25.

The accompanying notes form part of these financial statements.

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## Part Four: Financial Statements

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### Notes to the financial statements

#### Note 1: Statement of accounting policies for the year ended 30 June 2014

##### Reporting entity

Careers New Zealand is a Crown entity in terms of the Crown Entities Act 2004 and is domiciled in New Zealand. Careers New Zealand's ultimate parent is the New Zealand Crown.

Careers New Zealand's primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return. Accordingly, Careers New Zealand has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements for Careers New Zealand are for the year ended 30 June 2014, and were approved by the Board on 28 October 2014.

##### Basis of preparation

###### *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 NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

###### *Measurement basis*

The financial statements have been prepared on a historical cost basis.

###### *Functional and presentation currency*

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Careers New Zealand is New Zealand dollars (NZ\$).

###### *Changes in accounting policies*

There have been no changes in accounting policies during the financial year.

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to Careers New Zealand, are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement; Phase 2 Impairment Methodology; and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

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The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, Careers New Zealand is classified as a Tier Two. These standards have been developed by the XRB based on current International Public Sector Accounting Standards.

The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. This means Careers New Zealand will transition to the new standards in preparing its 30 June 2015 financial statements. As Careers New Zealand meets the criteria of Tier Two under the Accounting Standards Framework the reduced disclosure regime has been adopted.

### **Significant accounting policies**

#### ***Revenue***

Revenue is measured at the fair value of consideration received or receivable.

- Revenue from the Crown  
Careers New Zealand is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of Careers New Zealand meeting its objectives as specified in the Statement of Intent.

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

- Interest  
Interest income is recognised using the effective interest method.
- Sale of publications  
Sales of publications are recognised when the product is sold to the customer.
- Provision of services  
Revenue derived through the provision of services to third parties is recognised in proportion to the stage of completion at the balance sheet date. The stage of completion is assessed by measuring the services performed to date as a percentage of total services to be performed.

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

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

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

#### ***Debtors and other receivables***

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that Careers New Zealand will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership and liquidation, and default in payments are considered indicators that the debtor is impaired.

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## Part Four: Financial Statements

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The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable becomes uncollectable, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

### **Investments**

At each balance date Careers New Zealand assesses whether there is any objective evidence that an investment is impaired.

- **Bank deposits**

Investments in bank deposits are initially measured at fair value plus transaction costs.

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

### **Inventories**

Inventories held for distribution in the provision of services that are not issued on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential. The loss of service potential of inventory held for distribution is determined on the basis of obsolescence. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in surplus or deficit in the period of the write-down.

### **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 shown at cost less any 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 from 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.

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## Part Four: Financial Statements

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Where an asset is acquired at no cost, or for a nominal cost, it is recognised at 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 included 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 that will write off the cost of the assets to their estimated residual values over their estimated useful lives. The useful lives of the major classes of assets have been estimated as follows:

- Office equipment – three to five years                      33%–20%
- Computer equipment – three to four years                33%–25%
- Motor vehicles – four years                                      25%
- Leasehold improvements – over the useful life of the lease.

Fixed assets costing more than \$2,500 are capitalised. All other fixed assets costing less than \$2,500 are to be expensed as 'minor assets' in the year of purchase. These asset thresholds are reviewed annually and approved by the Board.

### **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.



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## Part Four: Financial Statements

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- **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 period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated at three to four years.

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

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent 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 amount, the asset is 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 initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### ***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 at nominal values based on accrued entitlement 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***

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

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## Part Four: Financial Statements

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Provisions are measured at the present value of the expenditures 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.

### **Goods and services tax**

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

The net GST paid to or received from Inland Revenue (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 Intent* 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:

- Property, plant and equipment useful lives and residual value  
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 statement of financial performance, 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.

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## Part Four: Financial Statements

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### Note 2: Revenue from Crown

Careers New Zealand has been provided with funding from the Crown for the specific purposes of Careers New Zealand as set out in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2013: \$nil).

	2013/14 \$000	2012/13 \$000
Revenue from the Crown	15,082	15,082
Revenue from the Crown – Skills Transition	200	0
<b>TOTAL REVENUE FROM THE CROWN</b>	<b>15,282</b>	<b>15,082</b>

### Note 3: Other revenue

	2013/14 \$000	2012/13 \$000
Contract services and fees	337	168
Commercial products	22	66
<b>TOTAL OTHER REVENUE</b>	<b>359</b>	<b>234</b>

### Note 4: Employment costs

	2013/14 \$000	2012/13 \$000
Salary and wages	9,628	9,580
Employer contributions to defined contributions plans	275	255
Increase/(decrease) in employee entitlements (note 13)	47	(22)
Other employment costs	394	305
<b>TOTAL EMPLOYMENT COSTS</b>	<b>10,344</b>	<b>10,118</b>

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

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## Part Four: Financial Statements

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### Note 5: Other expenses

	2013/14 \$000	2012/13 \$000
Audit fees for financial statement audit	54	46
Staff travel	567	505
Website development expenses	40	10
Loss on sale of property, plant and equipment	26	10
Inventories consumed	4	25
Consultancy	1,028	897
Communication expenses	503	526
Marketing expenditure	460	354
Other expenses	940	841
<b>TOTAL OTHER EXPENSES</b>	<b>3,622</b>	<b>3,214</b>

### Note 6: Cash and cash equivalents

	2013/14 \$000	2012/13 \$000
Cash on hand and at bank	598	349
Cash equivalents – term deposits	3,600	3,300
– accrued interest on term deposits	17	17
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>4,215</b>	<b>3,666</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 2014, short-term deposits were for an average of 74 days (2013: 87 days) with a weighted average effective interest rate of 3.62% per annum (2013: 3.75%).

## Part Four: Financial Statements

### Note 7: Debtors and other receivables

	2013/14 \$000	2012/13 \$000
<b>Debtors</b>		
Debtors	82	21
Less: Provision for impairment	0	0
<b>Total debtors</b>	<b>82</b>	<b>21</b>
<b>Other receivables</b>		
Prepayment	223	99
<b>Total other receivables</b>	<b>223</b>	<b>99</b>
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>305</b>	<b>120</b>

The carrying value of receivables approximates their fair value.

As at 30 June 2014, all overdue debtors have been assessed for impairment and appropriate provisions applied, as detailed below:

	2013/14			2012/13		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	78	0	78	21	0	21
Past due 1–30 days	3	0	3	0	0	0
Past due 31–60 days	0	0	0	0	0	0
Past due 61–90 days	0	0	0	0	0	0
Past due >90 days	1	0	1	0	0	0
<b>TOTAL</b>	<b>82</b>	<b>0</b>	<b>82</b>	<b>21</b>	<b>0</b>	<b>21</b>

All receivables greater than 30 days in age are considered to be past due. There is no impairment provision for debtors.

Expected losses have been determined based on an analysis of Careers New Zealand losses in previous periods, and review of specific debtors.

At 30 June 2014, Careers New Zealand has identified no insolvent debtors or provisions for bad debts (2013: \$nil).

### Note 8: Inventories

	2013/14 \$000	2012/13 \$000
Inventory held for the use in the provision of goods and services	2	6
<b>TOTAL INVENTORIES</b>	<b>2</b>	<b>6</b>

The write-down of inventories held for distribution amounted to nil (2013: \$nil). No inventories are pledged as security for liabilities.

## Part Four: Financial Statements

### Note 9: Property, plant and equipment

	Office equipment \$000	Computer equipment \$000	Motor vehicles \$000	Leasehold improve- ments \$000	TOTAL \$000
<b>Cost or valuation</b>					
<b>Balance at 1 July 2012</b>	<b>364</b>	<b>1,531</b>	<b>694</b>	<b>438</b>	<b>3,027</b>
Additions	0	77	61	21	159
Disposals and adjustments	(139)	(207)	(164)	(205)	(715)
<b>Balance at 30 June 2013</b>	<b>225</b>	<b>1,401</b>	<b>591</b>	<b>254</b>	<b>2,471</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>
Additions	0	64	0	0	64
Disposals and adjustments	(6)	(391)	0	(7)	(404)
<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>Accumulated depreciation and impairment losses</b>					
<b>Balance at 1 July 2012</b>	<b>267</b>	<b>950</b>	<b>339</b>	<b>270</b>	<b>1,826</b>
Depreciation expense	34	219	97	34	384
Eliminate on disposal	(134)	(204)	(112)	(205)	(655)
<b>Balance at 30 June 2013</b>	<b>167</b>	<b>965</b>	<b>324</b>	<b>99</b>	<b>1,555</b>
<b>Balance at 1 July 2013</b>	<b>167</b>	<b>965</b>	<b>324</b>	<b>99</b>	<b>1,555</b>
Depreciation expense	34	206	99	39	378
Eliminate on disposal	(6)	(368)	0	(7)	(381)
<b>Balance at 30 June 2014</b>	<b>195</b>	<b>803</b>	<b>423</b>	<b>131</b>	<b>1,552</b>
<b>Carrying amounts</b>					
At 30 June 2012	97	581	355	168	1,201
At 30 June and 1 July 2013	58	436	267	155	916
<b>AT 30 JUNE 2014</b>	<b>24</b>	<b>271</b>	<b>168</b>	<b>116</b>	<b>579</b>

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

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 (2013: \$nil).

## Part Four: Financial Statements

### Note 10: Intangible assets

	Acquired software \$000	Total \$000
<b>COST</b>		
<b>Balance at 30 June 2012</b>	<b>3,445</b>	<b>3,445</b>
Additions	135	135
Disposals	(316)	(316)
<b>Balance at 30 June 2013</b>	<b>3,264</b>	<b>3,264</b>
<b>Balance at 1 July 2013</b>	<b>3,264</b>	<b>3,264</b>
Additions	38	38
Disposals	(1,416)	(1,416)
<b>Balance at 30 June 2014</b>	<b>1,886</b>	<b>1,886</b>
<b>Accumulated amortisation and impairment losses</b>		
<b>Balance at 1 July 2012</b>	<b>2,921</b>	<b>2,921</b>
Amortisation expense	201	201
Disposals	(316)	(316)
<b>Balance at 30 June 2013</b>	<b>2,806</b>	<b>2,806</b>
<b>Balance at 1 July 2013</b>	<b>2,806</b>	<b>2,806</b>
Amortisation expense	189	189
Disposals	(1,413)	(1,413)
<b>Balance at 30 June 2014</b>	<b>1,582</b>	<b>1,582</b>
<b>Carrying amounts</b>		
At 1 July 2012	524	524
At 30 June and 1 July 2013	458	458
<b>AT 30 JUNE 2014</b>	<b>304</b>	<b>304</b>

Intangible assets' work in progress balance is \$18,000 (2013: \$47,000).

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: Creditors and other payables

	2013/14 \$000	2012/13 \$000
Creditors	526	383
Accrued expenses	221	295
<b>TOTAL CREDITORS AND OTHER PAYABLES</b>	<b>747</b>	<b>678</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.



## Part Four: Financial Statements

### Note 12: Taxes due and payable

	2013/14 \$000	2012/13 \$000
Fringe Benefit Tax	2	4
GST	214	227
<b>TOTAL TAXES DUE AND PAYABLE</b>	<b>216</b>	<b>231</b>

### Note 13: Employee entitlements

	2013/14 \$000	2012/13 \$000
<b>Current employee entitlements are represented by:</b>		
Accrued salaries and wages	152	132
Annual leave	511	518
Sick leave	101	67
<b>Total current portion</b>	<b>764</b>	<b>717</b>
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>764</b>	<b>717</b>

### Note 14: Provisions

	2013/14 \$000	2012/13 \$000
<b>Current provisions are represented by:</b>		
Lease make-good	13	13
<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 2012</b>	<b>200</b>
Additional provisions made	0
Amounts used	(187)
<b>Balance at 30 June 2013</b>	<b>13</b>
<b>Balance at 1 July 2013</b>	<b>13</b>
Additional provisions made	0
Amounts used	0
<b>BALANCE AT 30 JUNE 2014</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 16**.

## Part Four: Financial Statements

### Note 15: Reconciliation of net surplus to net cash from operating activities

	2013/14 \$000	2012/13 \$000
<b>Net surplus/(deficit)</b>	<b>138</b>	<b>486</b>
<b>Add/(less) non-cash items:</b>		
Depreciation and amortisation expenses	567	585
<b>Total non-cash items</b>	<b>567</b>	<b>585</b>
<b>Add/(less) item classified as investing activity:</b>		
(Gains)/losses on sale of property, plant and equipment	26	10
<b>Total items classified as investing activities</b>	<b>26</b>	<b>10</b>
<b>Add/(less) movements in working capital items:</b>		
(Increase)/decrease in accounts receivable	(185)	135
(Increase)/decrease in inventories	4	(1)
Increase/(decrease) in operating accounts payable	69	(93)
Increase/(decrease) in GST	(13)	33
Increase/(decrease) in taxes payable	(2)	2
Increase/(decrease) in current employee entitlements	47	(22)
Increase/(decrease) in provisions	0	(210)
<b>Net movements in working capital items</b>	<b>(80)</b>	<b>(156)</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>651</b>	<b>925</b>

### Note 16: Capital commitments and operating leases

#### Capital commitments

Careers New Zealand did not have any capital commitments at 30 June 2014 (2013: \$nil).

#### Operating leases as lessee

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

	2013/14 \$000	2012/13 \$000
Not later than one year	838	785
Later than one year and not later than five years	1,424	1,780
Later than five years	65	307
<b>TOTAL NON-CANCELLABLE OPERATING LEASES</b>	<b>2,327</b>	<b>2,872</b>

Careers New Zealand has seventeen 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.

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## Part Four: Financial Statements

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### Note 17: Contingencies

#### Contingent liabilities

Careers New Zealand has no contingent liabilities as at 30 June 2014 (2013: \$nil).

#### Contingent assets

Careers New Zealand has no contingent assets as at 30 June 2014 (2013: \$nil).

### Note 18: Related party transactions and key management personnel

#### Related party transactions

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

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

##### *Significant transactions with government-related entities*

Careers New Zealand has been provided with funding from the Ministry of Education of \$15.282 million (2013: \$15.082 million).

The Government significantly influences the role of Careers New Zealand in addition to being its major source of revenue.

##### *Collectively, but not individually, significant transactions with government-related entities*

In conducting its activities, Careers New Zealand is required to pay various taxes and levies (such as GST, FBT, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. Careers New Zealand is exempt from paying income tax.

Careers New Zealand also received revenue from other government departments and Crown entities for the year ended 30 June 2014. Receipts from these government departments or Crown entities totalled \$298,000 (2013: \$118,000). These receipts included revenue from the Ministry of Social Development, IRD, Department of Corrections, Department of Conservation, Department of Internal Affairs, Te Puni Kōkiri and New Zealand Transport Agency.

Careers New Zealand also purchases goods and services from entities controlled, significantly influenced or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2014 totalled \$566,000 (2013: \$327,000). These purchases included payments to the Education Review Office, the Ministry of Social Development, Ministry of Education and Air New Zealand.

##### *Key management personnel*

Marketing services of \$119,497 were purchased from Cut the Mustard, a company of which Amanda Santos' (interim Chief Executive from February to May 2014) sister is the sole director. Transactions were on normal commercial terms. There were no amounts outstanding at year end (2013 \$nil).

During the year there was one close family member of key management personnel employed by Careers New Zealand. The terms and conditions of this arrangement were no more favourable than Careers New Zealand would have adopted if there were no relationship to key management personnel.

Other than those described above, there have been no transactions between Careers New Zealand and any related parties.

## Part Four: Financial Statements

### Key management personnel compensation

	Actual 2013/14 \$000	Actual 2012/13 \$000
Salaries and other short-term employee benefits	951	887
Post-employment benefits	20	18
Termination benefits	0	7
<b>TOTAL KEY MANAGEMENT PERSONNEL</b>	<b>971</b>	<b>912</b>

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

### Note 19: Board member fees

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

	Actual 2013/14 \$000	Actual 2012/13 \$000
D Karauria (Chairperson)	24	10
M Ward (Deputy Chair)	22	17
P Hughes (Former Chairperson)	0	14
A Graves (Former Chairperson)	0	5
W Noble (Former Deputy Chair)	6	15
C Meade	12	12
P Reade	7	0
J Ombler	7	0
S Day	7	0
T Copeland	2	0
M Poutasi (Former Member)	5	12
R Strathdee (Former Member)	7	9
T Wehipeihana-Wilson (Former Member)	0	2
<b>TOTAL</b>	<b>99</b>	<b>96</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 (2013: \$nil).

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## Part Four: Financial Statements

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### Note 20: Employee remuneration

The following table shows the number of people who earned \$100,000 or more in the financial year ending 30 June 2014.

Earnings	Number of people 2013/14	Number of people 2012/13
\$100,000 – \$109,999	2	1
\$110,000 – \$119,999	5	6
\$120,000 – \$129,999	2	2
\$130,000 – \$139,999	2	1
\$140,000 – \$149,999	0	1
\$150,000 – \$159,999	1	1
\$160,000 – \$169,999	1	0
\$170,000 – \$179,000	0	0
\$180,000 – \$189,000	0	0
\$190,000 – \$199,000	1	1
\$200,000 – \$209,999	0	0
\$210,000 – \$219,999	0	0
\$220,000 – \$229,999	1	0
\$230,000 – \$289,999	0	0
\$290,000 – \$299,999	0	0
\$300,000 – \$309,000	0	1
<b>TOTAL EMPLOYEES</b>	<b>15</b>	<b>14</b>

During the year ended 30 June 2014, two severance payments totalling \$25,453 were made (2013: \$212,271).

### Note 21: Events after balance sheet date

There were no significant events after the balance sheet date.

## Part Four: Financial Statements

### Note 22: Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2013/14 \$000	Actual 2012/13 \$000
<b>Loans and receivables</b>		
Cash and cash equivalents (Note 6)	4,215	3,666
Debtors and other receivables (Note 7)	305	120
<b>Total loans and receivables</b>	<b>4,520</b>	<b>3,786</b>
<b>Financial liabilities measured at amortised cost</b>		
Creditors and other payables (Note 11)	747	678
<b>TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>	<b>747</b>	<b>678</b>

### Note 23: Financial instrument risks

#### Credit risk

Credit risk is the risk that a third party will default on its obligations to Careers New Zealand, causing Careers New Zealand to incur a loss.

In the normal course of its business Careers New Zealand is exposed to credit risk from cash and term deposits with banks and trade debtors. For each of these, the maximum credit exposure is represented by the carrying amount in the statement of financial position.

Careers New Zealand does not have any significant credit risk exposure. The credit risk on cash at bank and short term investments is limited as Careers New Zealand spreads its business with two registered banks that have a Standard and Poor's credit rating of AA-.

#### Interest rate risk

Careers New Zealand has no significant exposure to interest rate risk.

Particular investments and exposure to any one financial institution is limited and in accordance with Careers New Zealand's investment policy.

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## Part Four: Financial Statements

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### Liquidity risk

Liquidity risk is the risk that Careers New Zealand will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Careers New Zealand aims to maintain flexibility in funding by keeping committed credit lines available and manages liquidity risk by monitoring forecast and actual cash flow requirements.

In meeting its liquidity requirements, Careers New Zealand maintains a target level of investments that must mature within three months or less.

Careers New Zealand holds a Westpac Business Card Facility with a limit of \$20,000.

The table below analyses Careers New Zealand's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 6 months \$000	Between 6 months and 1 year \$000	Between 1 and 5 years \$000
<b>2012/13</b>			
Creditors and other payables	678	0	0
<b>Total</b>	<b>678</b>	<b>0</b>	<b>0</b>
<b>2013/14</b>			
Creditors and other payables	747	0	0
<b>TOTAL</b>	<b>747</b>	<b>0</b>	<b>0</b>

### Note 24: Capital management

Careers New Zealand's capital is its equity, which comprises accumulated funds and retained earnings. Equity is represented by net assets.

Careers New Zealand is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

Careers New Zealand manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure Careers New Zealand effectively achieves its objectives and purpose, whilst remaining a going concern.

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## Part Four: Financial Statements

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### **Note 25: Explanation of significant variances against budget**

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

#### **Statement of comprehensive income**

##### *Crown revenue*

Revenue increased by \$200,000 due to additional funding provided for the Skills Transition project.

##### *Other revenue*

Other revenue was \$159,000 more than budget due to an increase in non-output contract revenue.

##### *Expenses*

Employment costs were less than budgeted by \$453,000 mainly as a result of a number of staff movements during the financial year and specialised roles being transferred to operating expenditure. Savings were offset by a negative annual leave movement and slightly higher training and development costs.

Other operating expenditure was \$718,000 higher than budgeted mainly due to an increased costs associated with strategic projects, the relocation of our data centre, project management and research costs for the Skills Transition project and an increased investment in our evaluation programme during the year. Expo costs were also higher than anticipated.

Depreciation was slightly lower than the budget due to the delay in the capitalisation or postponement of a number of capital projects.

#### **Statement of financial position**

Capital expenditure was less than anticipated mainly due to the delay or postponement of capital projects.

The increase in the cash balance is a result of the surplus result at year end and the decrease in capital expenditure.



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## Part Four: Financial Statements

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### Statement of service performance

#### Statement of cost of services

FOR THE YEAR ENDED 30 JUNE 2014

Careers New Zealand is funded 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:

	2013/14 Actual \$000	2013/14 Budget \$000	2012/13 Actual \$000
<b>REVENUE</b>			
Crown	15,282	15,082	15,082
Interest income	153	140	144
Other revenue	359	200	234
<b>EXPENDITURE</b>	15,656	15,422	14,974
<b>TOTAL SURPLUS</b>	<b>138</b>	<b>-</b>	<b>486</b>





# Appendices

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## Part Five: Appendices

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### Appendix A – Our statutory functions

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

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

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## Part Five: Appendices

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### Appendix B – Our Board

#### Our Board

We are governed by a Board reporting to the Minister of Education. Our Board has seven members, and the Minister of Education is responsible for making new appointments to the Board.

The Board is responsible for the governance of the organisation, including setting the strategic direction and monitoring performance. The Board usually meets monthly.

#### 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 sits on the board of New Zealand Golf.

#### Chris Meade – Board member

Chris Meade joined the Board in September 2010. She is executive general manager, human resources, for Downer NZ, part of an Australasian infrastructure company with an annual turnover of \$1.2 billion in New Zealand. She has held various senior managerial positions at companies such as Meadowfresh, Fonterra and Waitemata Health. Chris is a member of the Human Resources Institute of New Zealand, a member and past chair of the Employer Champions Group and a member of the Major Companies Group.

#### John Ombler – Board member

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. Prior to his role with the State Services Commission, John served as general manager – research development and improvement with the Department of Conservation.

#### 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.

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## Part Five: Appendices

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### **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 21 years and is an active supporter of apprentice training. PACE offers a range of engineering services for both domestic and international clients. Steve has been a board member of the Taranaki Engineering Consortium for 13 years. Among other things, the consortium promotes engineering careers and supports skill development for those looking to establish a career in this sector. 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 adviser and investor in several private companies. Tim joined the Careers New Zealand Board in May 2014.



