



# Statement of Intent

FOR THE YEARS 2012/13–2014/15

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# 2012-15



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# Careers New Zealand Statement of Intent for the years 2012/13-2014/15

| PAGE | CONTENTS  |
|------|---|
| 1    | Preamble  |
| 2    | Board Chair's overview                            |
| 3    | Chief Executive's foreword                        |
| 4    | Who we are and our operating context              |
| 8    | Strategy, outcomes, impacts                       |
| 15   | Outputs and initiatives                           |
| 18   | Forecast statement of service performance 2012/13 |
| 21   | Organisational improvement and capability         |
| 24   | Financial information                             |
| 32   | Governance, accountability and risk management    |
| 34   | Appendices  |

## Preamble

This Statement of Intent has been prepared in accordance with the requirements of sections 141 and 142 of the Crown Entities Act 2004.

It describes the three-year vision and strategies and one-year operating intentions of Careers New Zealand – an education sector Crown entity. Careers New Zealand is the government's expert on careers, providing leadership and expertise across the careers system, raising the overall quality of career development services, developing career resources and providing services directly to the public to help them make smart decisions about education, training and work.

Signed on behalf of the Board of Careers New Zealand:



Arthur Graves  
Board Chairperson  
Careers New Zealand  
21 May 2012



Bill Noble  
Chairperson  
Careers New Zealand  
21 May 2012

## Board Chair's overview

I am pleased to present Careers New Zealand's Statement of Intent for the period 2012/13 – 2014/15. Over the next three years Careers New Zealand will lead significant and lasting improvement to the New Zealand careers system and the quality of careers assistance in New Zealand. An excellent careers system that utilises the capabilities of all careers stakeholders is essential for the successful support of career decision-making by learners and all New Zealanders. Good career decisions mean improved qualifications and skills that meet labour market needs. A more highly qualified and skilled workforce means higher productivity and faster economic growth. Our work enables New Zealanders to develop their "career competency" - to make the most of their opportunities. By implementing change in the short term, we create a solid platform for continued economic prosperity in the long term.

The work of Careers New Zealand in leading the careers sector is vital. Careers New Zealand is uniquely positioned to co-ordinate and lead the careers system in New Zealand. As an organisation we are dedicated to careers and skills development. We provide services, directly or through work with third parties, that assist people in the education system, workforce or in transition between the two – we provide an "all age service". We work across the education and labour market sectors, and provide important linkages and information channels between the two. Careers New Zealand has a wealth of knowledge, practical experience and resources to draw on as we lead the improvement of the careers system to be more responsive to the needs of young people, families, communities, education providers and business.

Through working with agencies such as the new Ministry of Business, Innovation and Employment, the Ministry of Education and the Tertiary Education Commission, we will help ensure the better matching of skills supply and demand for New Zealand, and the development of a highly skilled, and highly productive, workforce. We will undertake this work at both national and regional levels.

A challenge for careers professionals and influencers is achieving a balance between raising and supporting aspirations, and making sure choices are made with a realistic assessment of the labour market. We see our role, and the role of the careers system, as both lifting aspirations and horizons, and ensuring that decisions are made within a realistic framework. Providing readily available, user friendly information on labour market trends, linked to learning and skills pathways, is an area we will build on in 2012/13.

During the next three years Careers New Zealand will lead and co-ordinate the development of a careers system that will improve educational and career outcomes, build a highly skilled work-force and contribute to New Zealand's economic growth. I am confident in the ability of our committed staff to respond to the challenges and opportunities that arise, and continue to deliver excellent results.



Arthur Graves  
Board Chair  
Careers New Zealand

## Chief Executive's foreword

This Statement of Intent continues Careers New Zealand's shift in strategic direction towards leading and building an excellent careers system and contributing to New Zealand's economic growth. It builds on foundations we have laid during the current financial year.

During 2011/12 we hosted an inaugural National Careers Summit in Wellington, continued to develop the Auckland careers network "Capable Auckland" and launched a dedicated website, "Canterbury Careers", to help match skills and employment needs in the changing Canterbury labour market. We led the development and implementation of the Career Education Benchmarks for secondary schools, a self-review tool that enables schools to assess and improve the careers development support they provide. The benchmarks are a backbone for future careers improvement in the schools sector. We also developed and tested models for building the skills of communities to support the career development of their young people, particularly focussing on working with Māori whānau and Pasifika āiga.

In 2012/13 we will concentrate resources on building career networks and working in four intensive regional initiatives that take an integrated approach to careers development and skills development. This approach will involve schools, tertiary organisations, families, employers, community groups and local and central government. We will concentrate our resources to make the greatest contribution to the educational engagement and achievement of Māori and Pasifika learners and learners from low socio-economic backgrounds. We will focus on improving transitions between study, training, and work, and helping ensure that the skills and qualifications learners are acquiring match the opportunities available in the labour market.

As a key part of our contribution to improving the careers system, we will provide assistance to secondary schools in the benchmark self-review process and in subsequent improvement activities, and we will also introduce benchmarks for the tertiary sector and for Years 7 and 8 in schools.

We will continue to provide information and resources for all participants in the careers system through our website, and we will continue to innovate and develop our on-line presence.

Improving the labour market information we have available to provide an improved decision-making context for young people will be a priority in this area.

During 2012/13 we will also be exploring how the careers system can better meet the needs of young people with special education needs. We will provide services to assist other groups with particular needs, such as migrants and refugees and workers facing redundancy.

We also continue to provide direct assistance to individuals through our 0800 advice line, web-chat and in face-to-face settings. Our focus in this area is on cost-effective delivery that reaches people with the appropriate level of information and advice they need.

We work within a fiscally constrained environment, and are committed to continuous improvement in both the effectiveness and efficiency of our service delivery. We contribute to better public services in three significant ways:

- Strategic shift – improving the careers system to leverage the impact of our resources and achieve greater value for money.
- Operational shift – greater use of technology reaching more individuals, in ways that suit their needs.
- Realising internal efficiencies while maintaining a focus on excellent service – for example through shared services initiatives with other agencies.

Over the next three years we will continue to maintain our focus on providing efficient services, and delivering an effective career system that supports the realisation of the talents and potential of all New Zealanders.



Graeme Benny  
Chief Executive  
Careers New Zealand

## Who we are and our operating context

Careers New Zealand is the government's centre of expertise and resources on career development. We provide a central point of leadership and co-ordination for the careers sector and for the wider careers system. We are a Crown entity established under the Education Act 1989,<sup>1</sup> governed by a board which is responsible to the Minister of Education.

We operate across the span of the education sector from Years 7 and 8 through to tertiary. We also work with adults, outside the education field and across sectors – working with industry groups and employers, social development agencies and communities.

This positioning and scope of our operations makes us uniquely placed to play a leadership and co-ordination role in the careers system. Through the establishment of career networks, we facilitate and support greater connection and understanding between employers and providers so skills match employers' needs and employers understand the skills and qualifications their employees have. This is part of our contribution to developing a more skilled workforce and helping drive economic growth.

Career planning, thinking and development is not just what someone does once they are in the workforce. Each person's career is a life-long journey that often has many changes of direction, job, interest or application of skills. The education and training sectors are the first places where each individual needs to start their career thinking. However, planning for the future and ensuring long-term career flexibility continues long after individuals have left the education sector.

A critical time for anybody in their life is the early transition phase through post-secondary school training into the workforce, as decisions made at this time will significantly benefit or constrain future opportunities.

A key foundation of improving the careers system is creating and improving networks, flows of information and supply and demand signals within the system. To do this, we will continue to deepen our understanding of learner and other end-user needs and what works best for different communities and stakeholders.

The careers system needs to work cohesively to ensure the best match and alignment between:

- an individual's aspirations and skills
- the learning and skills development paths they choose
- the training and skills development services of the tertiary education sector
- the skills requirements of employers and the economy.

These are skills supply and demand factors in the labour market. Improving the efficiency and effectiveness of how these factors are matched and aligned is a key way of developing a more skilled workforce and promoting economic growth. We want to see that all New Zealanders have access to connected and cohesive sources of careers information and support that enable them to make decisions that will get them into work that is right for them and right for New Zealand's future economic prosperity.

We work to improve career outcomes for all New Zealanders – as such, we are an 'all age' service. However, our priority is on those New Zealanders most needing support and assistance. We have a strong emphasis on improving results for Māori and Pasifika, young people from low socio-economic backgrounds and other priority groups such as learners with special needs and refugees and migrants. In the period of this Statement of Intent, we will be focusing resources to maximise impact on improving the career outcomes of people from priority groups.

Careers New Zealand actively supports the development of good career skills, particularly through the intermediate and secondary school years, tertiary education and training and in the transition into employment. We tailor our services and our resource allocation to meet special circumstances, for example, our work in the Canterbury recovery effort, our regional focus in Auckland and our focused work with Māori and Pasifika communities.

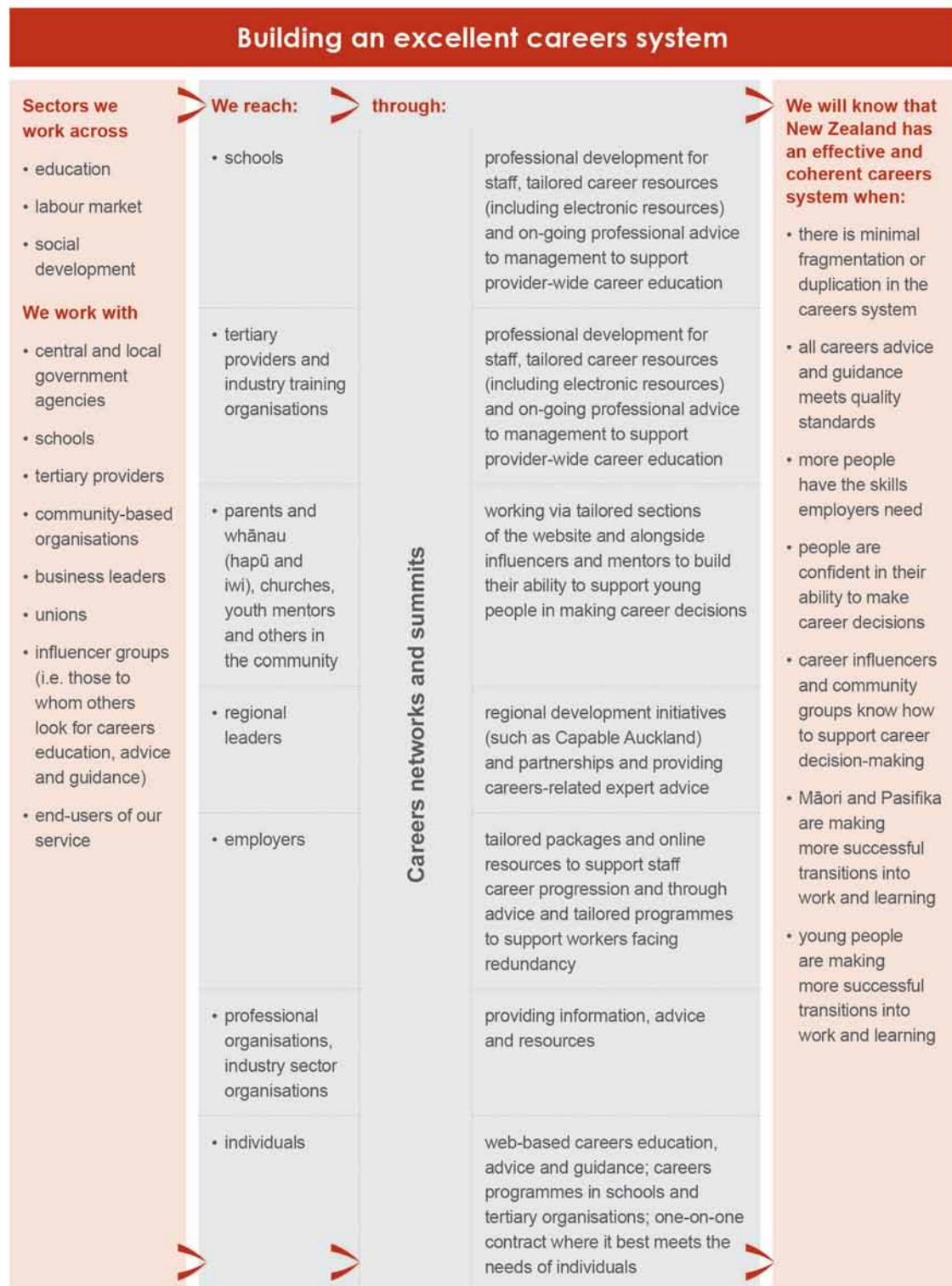
<sup>1</sup> A formal description of Careers New Zealand's statutory responsibilities is attached as Appendix 1

The diagram below shows how we contribute to education and socio-economic outcomes and government goals (our intervention logic).



## Who we are and our operating context

The diagram following illustrates how we work to build an excellent careers system.





The **careers system** is a complex mix of stakeholders, providers and influencers that contribute to the delivery of education, skills development, career development support and employment for New Zealanders. The system involves many stakeholders, interventions and interactions.

The **careers sector** is a subset of the careers system and comprises career practitioners, educators and professional bodies such as the Career Development Association of New Zealand (CDANZ) and the Careers and Transition Education Association (CATE). Providing leadership, co-ordination and shared standards and understanding of good practice among these core career professionals is a key lever to improving the career system. By facilitating improvements in the careers sector, we positively impact on the careers system as a whole.

While we are already seeing improvements in co-ordination and co-operation, the careers system in New Zealand still faces significant challenges in overcoming fragmentation, ensuring good communication and improving the flow of signals and information. Careers New Zealand provides an important link between the compulsory education sector, tertiary and private training organisations, private careers practitioners and the labour market and employers.

Our **operating environment** helps determine how we implement our strategic direction, to make our impact as an organisation, what mix of services to deliver and where to allocate our resources. Our understanding of our operating environment reflects the integral nature of the careers system to the education system, the economy and to social wellbeing. The following are key influences in Careers New Zealand's current operating environment:

- Continuing economic uncertainty. While the New Zealand economy has recovered somewhat since 2008/09, the global economic climate remains uncertain.
- Government resources are tightly constrained, and there are strong expectations for government agencies to deliver better public services within these constraints.

- Modern economies demand higher skills – to compete internationally, New Zealand needs to continue to lift skills and qualifications across the board and raise achievement for Māori learners, Pasifika learners, learners from lower socio-economic backgrounds and learners with special needs, in particular.
- We have on-going issues with high numbers of youth becoming 'NEET' – not in education, employment or training. Again, Māori and Pasifika are disproportionately affected.
- New Zealand is experiencing relatively high unemployment compared to the recent past, particularly for young people, Māori and Pasifika.
- Conversely, in some areas of the economy, we are experiencing skills shortages.
- The preceding points indicate some significant issues with a mismatch of supply and demand in the labour market. While there will always be some level of mismatch, there are opportunities to reduce this, with consequent socio-economic benefits.
- The growth of Auckland as New Zealand's 'international city' has a concentration of economic opportunities and career system issues.
- In the on-going recovery effort in Canterbury, there are opportunities and also challenges of matching skills to a changing labour market.
- Rapid changes in information technology and communications affect demand for skills in the labour market and also raise opportunities for Careers New Zealand to deliver its services more efficiently and effectively.
- We work in co-operation with other government agencies, in particular, contributing to the goals of Ka Hikitia: Managing for Success; the Pasifika Education plan; Success for All – Every School, Every Child; the Tertiary Education Strategy and the Youth Guarantee and Youth Pathways; and the Government's targets for better public services.

The careers system contains many elements of good practice but, overall, remains fragmented and not effective enough in meeting the needs of learners and other users and the needs of the economy. Real change is needed to address the issues and opportunities identified above.

## STRATEGIC GOALS

In 2010/11, we introduced three new strategic goals to guide the application of our organisational expertise and resources and provide the most effective value-for-money services. These strategic goals drive our shift in emphasis to using our expertise to lead and build the effectiveness of the careers sector as a whole. This Statement of Intent outlines how we will continue to implement our strategic goals over the next three years.

These three strategic goals guide and drive our activities:

- Contribute to economic growth
- Build an excellent careers system
- Lead the careers sector.

Careers New Zealand works through three major groups of outputs to achieve our goals. These outputs are mutually reinforcing and interact to provide an integrated service across the careers system and careers sector and to individuals.

### **1. We provide leadership and co-ordination to the careers system and careers sector.**

We facilitate improved communication and the exchange of ideas and good practice. This careers system-level work is increasingly important to New Zealand, and it is at the core of our strategic direction. We provide information, forums and advice to develop more integrated approaches to skills development, such as skills development planning and matching with economic needs at local, regional and national levels. This is a growing focus of our work that is a direct contributor to economic growth.

Careers New Zealand has significant intellectual capital and a strong reputation in the career development field. Leveraging these is the best way to drive system-level improvements in the provision of careers support for all New Zealanders, which in turn leads to better learning and employment choices, a more skilled workforce and greater economic growth.

### **2. We build the ability of others to provide career development services and support.**

By working through others and building their skills, we ensure that we maximise our reach to as many New Zealanders as possible.

We work with career professionals, schools and tertiary organisations to help develop their ability to provide high-quality careers support. We also assist communities, parents, welfare and support agencies who influence the career choices of others. Good careers advice achieves a balance between raising aspirations and goals (and hence skill levels) and ensuring decisions are made with a realistic appreciation of economic needs and opportunities.

### **3. We provide services directly to individuals to assist them to build their career competence and make good learning and work decisions.**

These services are at a variety of levels of intensity and delivered through a range of channels/methods (such as the internet, an 0800 phone line or face to face where appropriate).

While our emphasis on direct delivery to individuals has reduced, it is still an important part of our services mix and continues to be the most appropriate way to reach some audiences and effect change. We work on a continuous improvement basis to ensure the mix of direct services we provide is meeting the needs of learners and other users and represents the most efficient use of resources.

Underpinning and contributing to the careers system work and our direct work with individual clients are the web-based information, resources and interactive tools. A growing focus of our work in this area is developing information and tools that directly assist in matching education and training choices and skills development with economic needs and realities, for example, our Canterbury Careers website.

By these mechanisms, we ensure that our collective knowledge and expertise is readily accessible and widely available. Maximising access to and availability of our information, systems, tools and processes for all New Zealanders is a key focus for our organisation.

Specific activities and outputs for 2012/13–2014/15 will include:

### **1. Leadership and co-ordination of the careers system and careers sector – improving the matching of the supply of skills and demand for skills in the labour market**

- Developing, implementing, co-ordinating and leading nationally and regionally based career networks and regional career strategies to improve the relevance, accessibility and ease of use of the career system to New Zealanders. These networks provide one-stop-shop up-to-date information for users and also provide forums for stakeholders to generate ideas, actions and improvements to the system. They are a key way of improving the linkages and communication between industry/employers, local government and educators to improve the matching of skills and employment opportunities to improve economic growth.
- Hosting career summits – periodic strategic and tactical venues by which all system stakeholders and their networks can contribute to continuous improvement of the system.
- Providing improved information on skills supply and demand in the labour market to assist in individual career decision-making, the provision of advice by third parties and decisions by educators and industry.

### **2. Building the ability of others to provide career development services and support**

- Regionally focused initiatives will channel our resources into particular areas of high need, where significant numbers of our priority clients live. We will build sustainable careers development capability in organisations we work with (for example, schools, tertiary organisations, community groups and iwi). We will also be working to ensure a better functioning careers system in these areas – in particular, better matching of skill supply and demand in the regional/local labour market leading to sustained economic growth. Part of this will be through improving skills development planning in these areas by working with local authorities and industry organisations.

- Working with schools, tertiary providers and other organisations to improve the career development services they provide and with key career influencers to improve their ability to make a positive difference. The use of career education benchmarks, a self-review tool, is key to this work. Careers New Zealand led the development and implementation of career education benchmarks for secondary schools and the tertiary sector in 2011/12 and will do the same for Years 7 and 8 schools in 2012/13. Much, though not all, of this work will take place within the regionally focused initiatives mentioned above.
- We will also work with key career influencers in communities to improve our understanding of their needs and improve their ability to provide good career support to their young people.

### **3. Providing career development services directly to individuals ...**

- Providing direct advice and guidance to over 50,000 individuals through a range of channels, for example, web-based, phone and face to face. These services are provided in a mix of one-to-one and group settings.

#### **... across all outputs**

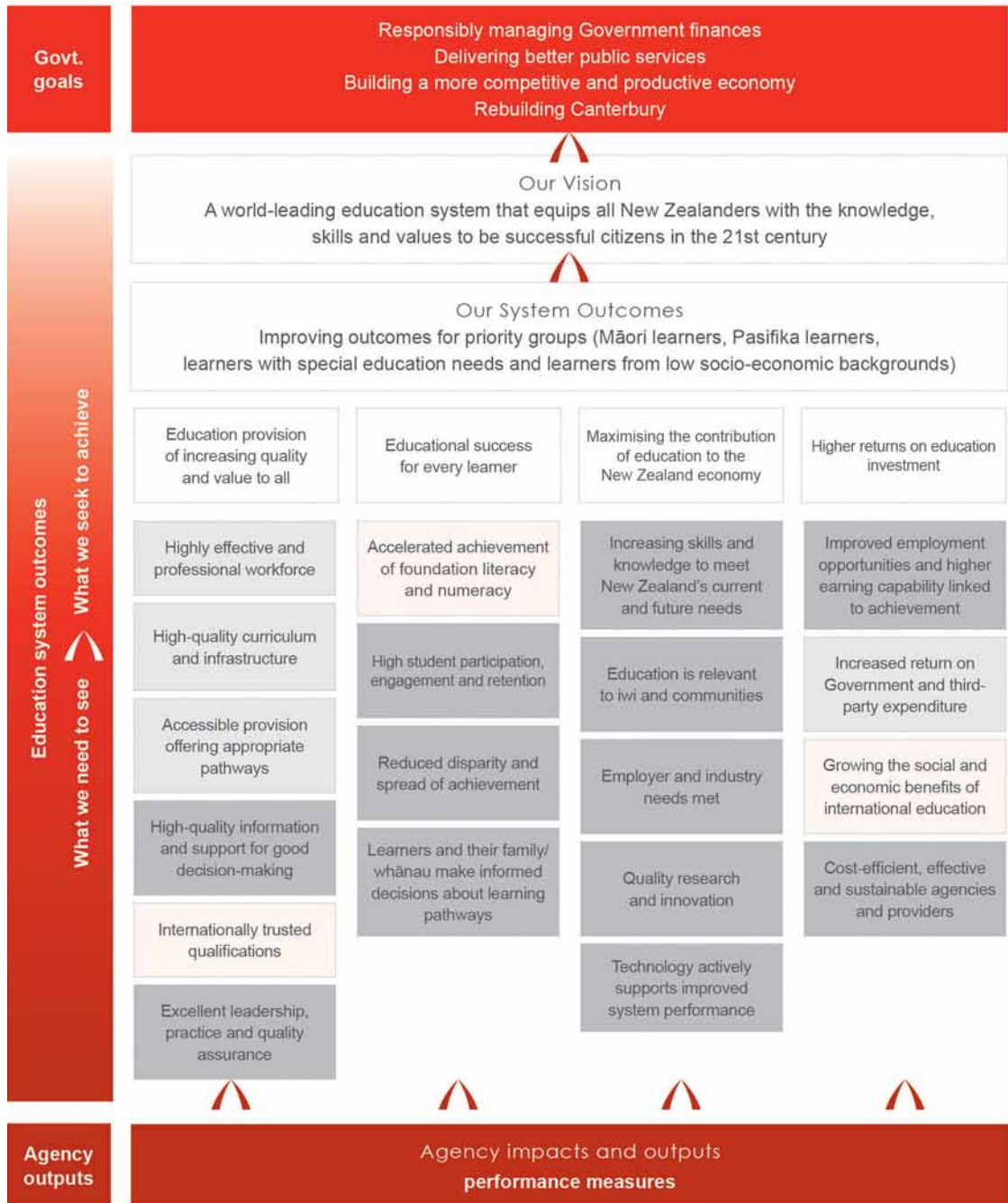
- Providing one-stop-shop information and support platform for all New Zealanders. Careers New Zealand will continue to maintain and enhance the careers information resources and tools for use by all organisations and individuals. The primary vehicle for this is the internet.
- Developing innovative mechanisms for ensuring that all New Zealanders can access all the information they need to make great career decisions. Establishing and maintaining information and communication tools to support system-wide improvements, for example, regional websites are a new subset of our existing information and tools.

# Strategy, outcomes, impacts

## EDUCATION SECTOR OUTCOMES

Careers New Zealand is one of the seven agencies<sup>2</sup> working co-operatively to support the achievement of the Government's key goals. Each entity has identified the education system outcomes that are

most central to its work and that it contributes the most to. Careers New Zealand's main areas of contribution are highlighted in the diagram.



<sup>2</sup> Careers New Zealand, Ministry of Education, Tertiary Education Commission, New Zealand Qualifications Authority, New Zealand Teachers Council, Education New Zealand and Education Review Office. Further detail on education-sector collaboration and on the roles and responsibilities of each are included in Appendix 2.

Through the delivery of our outputs and the impacts of our work we contribute to these key career-centred outcomes:

- Economic growth
- More productive businesses
- Reducing levels of educational and employment disengagement (particularly of priority groups)
- Increasing education achievement levels (particularly of priority groups)
- Young people making better transitions in their education and work lives (particularly priority groups)
- A more highly skilled workforce.

Increasing positive social and economic outcomes also reduces social and economic costs such as unemployment and crime.

A key goal for Careers New Zealand is ensuring New Zealanders are 'career competent' – a lead-in measure for our contribution to higher-level economic and societal outcomes. In 2011/12, we are establishing a baseline measurement of career competence, and we will periodically remeasure this to gauge the impact of our work across the careers system.

Our work on improving the matching of labour market supply and demand factors – through the establishment of careers networks and summits, working with all participants in the system and providing improved information and tools to match supply and demand – is a direct contributor to economic growth.

As our efforts improve the careers system, we will progressively see positive shifts in outcome indicators, focusing on young people and the key priority groups of Māori and Pasifika. We appreciate that many factors and activities impact on these outcomes, and thus they need to be interpreted in that regard. We will continue to expand our understanding and evidence of the linkages between our interventions and these outcomes during 2012/13.

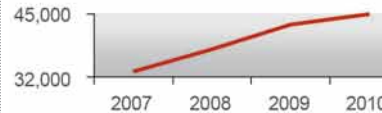
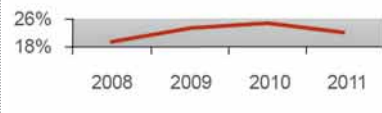
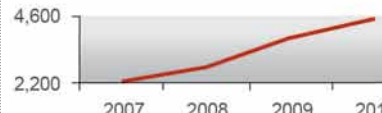
We will also monitor national and regional economic growth, skill levels and productivity trends, using any changes in these parameters as a measure of where we need to focus our energy and potentially measure how our contribution is having effect. In particular, we will evaluate our impact on these indicators when assessing our intensive regional interventions.

Strategy, outcomes, impacts

# Strategy, outcomes, impacts

## Outcome indicators

The table below illustrates trends in some key outcomes to which Careers New Zealand contributes.

| High-level outcome  | Measure  | Target (and target trend)   | Trend (Note that the 2008/09 recession had an impact on NEET rates.)                 |
|---|--|---|--|
| More young people make successful transitions into work and learning                        | Percentage of young people not in employment, education or training    | The NEET rate (trend series) is less than the previous year ( <b>decreases</b> over time) |    |
|   | Number of tertiary and trade qualification completions (18–24 years)   | The number of completions is greater than the previous year ( <b>increases</b> over time) |    |
| More Māori, Pasifika and priority groups make successful transitions into work and learning | Percentage of young Māori not in employment, education or training     | The NEET rate is less than the previous year ( <b>decreases</b> over time)                |  |
|   | Percentage of young Pasifika not in employment, education or training  | The NEET rate is less than the previous year ( <b>decreases</b> over time)                |  |
|   | Number of Māori (18–24 years) with tertiary or trade qualifications    | The number is greater than the previous year ( <b>increases</b> over time)                |  |
|   | Number of Pasifika (18–24 years) with tertiary or trade qualifications | The number is greater than the previous year ( <b>increases</b> over time)                |  |

## IMPACTS

The significant and enduring changes that result as a consequence of the services we deliver are our impacts. As we are increasingly focusing our work on improving careers system performance and indirectly influencing outcomes for users, we have two key types of impact: the effects our work is having on the careers system and organisations within it and the improvement in results for learners and other users – based on their increased career competence. For all of the impacts identified below, we particularly want to see positive change for the priority groups of Māori, Pasifika, learners from low socio-economic backgrounds and learners with special education needs.

### **Impact on the careers system**

We are leading the development of a high-quality, cohesive and learner/user-centred careers system. That system will be co-ordinated, coherent and provide a consistent high-quality approach to careers support in New Zealand.

An initial indicator of careers system improvement will be improved communication and information-sharing between system participants, as evidenced by functioning regional networks that are appropriately representative and supported by regional strategies and regionally tailored information sources. We aim to have six career networks established or in development by the end of 2012/13.

### **Impact on the matching of skills supply and demand in the labour market**

A consequence of a better functioning careers system will be improved matching of skills supply and demand in the labour market. We expect to see improved co-ordinated use of labour market and education/training information nationally and regionally. We will also have an impact in this area through activities that are directly focused on improving skills-matching.

We aim to establish a national skills-matching initiative during 2012/13 at least four regional skills development strategies. We will evidence the impact of our work through user feedback of our direct services and assessment of user and stakeholder perceptions of the career's system's effectiveness in helping match skills supply and demand.

### **Impact on careers sector organisations**

We are aiming to see good career development practice become standard across the intermediate, secondary and tertiary education sectors. This will be evidenced through reference to career education benchmarks. Over time we will be able to evidence increased meeting of the benchmarks, indicating widespread good practice in the sector. We are aiming to see at least 50% adoption of the Career Education Benchmarks in the secondary sector in 2012/13, and at least 50% of public tertiary organisations committed to or using the Tertiary career Education Benchmarks.

### **Impacts on career influencers (other than career professionals and educators)**

The impact we are seeking is that career influencers, such as families, can positively contribute to career decision-making people in their community. As an indicator of this impact we expect that career influencers who we have worked with will have a good understanding of key careers concepts, the careers system and how to effectively use it. This will be evidenced through independent assessment of the knowledge gained by influencers through the work of Careers New Zealand.

## Strategy, outcomes, impacts

### **Impacts for learners and other users**

A key impact of our work is that people, particularly young people from priority groups, have increased career-competency and can make smart career decisions. In late 2011/12 we are completing a survey that will establish a baseline for gauging future impact in this area.

We will also measure impact in this area by surveying users of Career New Zealand's direct services to individuals to ensure they are getting the information and assistance they need.

As a result of our work we expect to see improved engagement, achievement and transitions for young people. In the areas where we will be working intensively in 2012/13 we will establish baseline data to enable the assessment of the impact of our work to improve the careers system on the users of the system. We will also monitor national trends as discussed in the section on outcomes earlier.

### **Impacts on improving results for priority groups**

When we measure and assess impacts, we will disaggregate to identify results achieved by priority groups. We will concentrate our resources to ensure they reach the priority groups. By 2014/15, we aim to have worked intensively with secondary schools covering 90% of Māori and Pasifika learners. We will develop similar targets for intermediate and tertiary during 2012/13.

### **Evaluation**

Our on-going evaluation programme is aimed at ensuring our services are meeting users' needs and making the desired impact at the individual and societal levels. The programme is based on:

- identifying the contribution our activities are making to improving the careers system
- continuing to build on a core of information about the effectiveness of our services, whether we are meeting people's needs and how we can improve services
- examining users' total experience with our integrated services – web, phone, face to face.

Our focus in 2012/13 will be on improving our evaluation of impacts and their contribution to improved outcomes and establishing targets for impacts where these are still needed (and appropriate). We will also be focusing on the

evaluatory framework for our intensive local/ regional initiatives. We will work with the Ministry of Education and other agencies to improve alignment of impact measures across agencies and to achieve cost efficiencies in evaluation. We will report on our on-going evaluation of impacts in our 2012/13 Annual Report.



## Outputs and initiatives

### OUTPUTS AND INITIATIVES

This section describes the outputs we will deliver and initiatives we will undertake to achieve the desired impacts and contribute to the outcomes. Over the next three years we will focus on improving the careers system and extending our reach by supporting others to deliver careers advice and guidance to more New Zealanders. By extending our influence to more New Zealanders we will be able to make a larger impact and be more effective:

- Working to make the careers system and careers sector more efficient and effective, raising the effectiveness of component organisations (such as schools and tertiary providers) and improving the results for learners and other end-users.
- Working to ensure more efficient and effective matching of skills supply and demand in the labour market, encouraging a higher-skilled workforce and economic growth.
- Building the foundations of career self-management by improving career education programmes in schools, for example, through the implementation and support of Career Education Benchmarks (Secondary and Intermediate).
- Improving career education programmes of tertiary providers, for example, through the implementation and support of Career Education Benchmarks (Tertiary).
- Working with communities (particularly Māori and Pasifika) to build their ability to positively influence the career decisions of their young people. We will develop partnerships (for example, with iwi organisations) to ensure that we achieve the greatest reach in this work.
- Building the skills of parents, teachers, youth mentors and career professionals to improve their ability to equip others – particularly Māori, Pasifika and young people – to make good learning and career decisions.
- In 2012/13 and beyond, we will be developing initiatives in specific high-need localities to concentrate our efforts and achieve greater impact.

- We will undertake a project in conjunction with the Ministry of Education and others to ensure our services are, benefiting learners with special education needs.

We are continuing to build on the considerable progress we have made in reaching many more people at a reduced cost per person.

Our approach helps New Zealanders to have effective career discussions and make good career decisions without necessarily requiring a direct intervention through Careers New Zealand.

#### Career summits and career networks

In 2011, we ran an inaugural National Careers Summit in Wellington, attended by a cross-section of leaders and influencers from the education and training sectors, community organisations and industry. The summit helped identify issues with the New Zealand careers system, such as its fragmentation and lack of co-ordination, and resulted in a plan of action to address these. In 2012/13 and beyond, we intend building on the summit model and running a mix of regional and national summits as appropriate. We are determined that the summits are not simply ‘talk fests’ but lead to actual actions and improvements in the careers system. The summits can act as precursors for or complement career networks and as a catalyst for regional initiatives.

Building on the example of Capable Auckland (see below), Careers New Zealand will lead the establishment of career networks. Usually, these will be on a regional basis, but we may also look at other models (for example, industry sectors) if these are appropriate. The purpose of the networks is to bring key players in the careers system into regular contact to foster improved information and idea-sharing, sharing of good practice and increased co-ordinated and co-operative actions to fill gaps in the existing provision of career development services and information.

## Outputs and initiatives

### **Auckland**

Auckland is a key focus for Careers New Zealand, both as an engine of economic growth and as an area where there are significant opportunities to see improvements in the education and career outcomes for Māori and Pasifika. In 2010, we established Capable Auckland as a network for educators, career professionals, community and local government groups and industry representatives. Capable Auckland currently has around 175 members and holds regular meetings at Careers New Zealand's Mount Eden offices. It has already established itself as a successful forum for creating an more integrated careers system in Auckland, and in 2012/13, we expect it will play a role in co-ordinated careers initiatives in South Auckland.

### **Canterbury**

We are delivering tailored career support services to staff affected by redundancies and have established a dedicated website – Canterbury Careers – to support people whose work and education have been affected by the earthquakes. Canterbury Careers is part of our work with the Canterbury Education and Skills Board (CESB) and contributes to the rebuild of the Canterbury region through publicising the employment and training opportunities available and helping people to identify the skills they need in a changed environment. This will help match the supply of labour to the employment opportunities available in the greater Christchurch region. Canterbury Careers is the online location for those wanting to learn about changes in the labour market in greater Christchurch and the challenges and opportunities these bring. It enables users to find jobs, assess their skill set and learn of training opportunities and the potential outcomes from these. The Canterbury Careers website leverages off the existing features of the main Careers New Zealand website, including access to comprehensive careers information, self-help tools and an online chat function.

Under the auspices of the reformed CESB, we have been invited to lead a new programme of work to develop a 'best possible' careers system for Canterbury. The programme uses resources and skills available across the region and will build systems, processes and mechanisms that deliver career development services to users.

### **Intensive local programmes to lift career achievement**

In 2012/13 and beyond, we will be developing initiatives in specific high-need localities to concentrate our efforts and achieve greater impact. We will work with local schools, tertiary organisations, community and iwi groups and business to provide co-ordinated services to improve career outcomes in that locality. We will explore the use of clusters of organisations and networks to make most effective use of resources. South Auckland and Christchurch are two areas already chosen for initiatives, and we will be developing two other initiatives during the year. These initiatives will be in lower socio-economic areas with high Māori and/or Pasifika populations.

### **Information and tools to improve the matching of labour market supply and demand**

An increasing area of emphasis for us is on providing tools and information that will have a direct impact on productivity and economic growth. We are improving the information available to users that signals the likely demand for particular skills and qualifications, nationally and regionally. Our quality labour market information and emphasis on the importance of entrepreneurship and innovation as career pathways will support New Zealand's economic growth. We will continue to provide national information and also develop local regional labour market and employment opportunities to support regional economic growth.

The communication of signals within the careers system around skills supply and demand can be improved to better meet the needs of three key stakeholder groups: learners and other users, employers and the education sector and related government agencies. We intend working with partners such as the Ministry of Education, the Tertiary Education Commission, the new Ministry of Business, Innovation and Employment to establish a national skills matching initiative. We will also work with local government, chambers of commerce, economic development agencies and other regional community partners to develop regional and local skills development strategies, attuned to specific local circumstances and needs.

## **Benchmark development and implementation**

A key foundation of our work to help improve the effectiveness of the careers system is the progressive introduction of Career Education Benchmarks as a self-assessment and practice improvement tool for schools and tertiary organisations. In 2011/12, we led the development and introduction of benchmarks for secondary schools and will be supporting their implementation during 2012/13 and beyond. In early 2012/13, we expect to implement benchmarks for the tertiary sector, which were developed during 2011/12.

In 2012/13, we will be supporting their introduction across the tertiary sector, with an emphasis on public tertiary organisations and larger private organisations. In 2012/13, we will develop and implement benchmarks for Years 7 and 8 schools.

When completed, the series of benchmarks will provide a shared understanding and guide to improvement for career development across the education spectrum. They will provide both a tool for improvement and a means of measuring progress.

## **Improved delivery through use of ICT**

Smart use of technology has been key to increasing our reach and effectiveness in recent years, and we will continue to focus on this area during the period of this Statement of Intent.

The internet and new media are crucial for our communication with young people, and we will maximise the use of emerging internet technologies to work interactively with target groups, especially young people, in a cost-effective manner. We will continue to provide careers leadership via online forums and communities to reinforce 'best practice' careers tools and models for influencers of our target groups. We will maximise the Government's investment in the ultra-fast broadband network rollout across urban and rural communities.

An on-going programme of development will include new and enhanced career, training, employment and learning tools via:

- customised self-help e-learning modules for key target groups, including youth, Māori and Pasifika
- career learning interventions that leverage social media and online communities, including Facebook, Twitter and Trade Me
- web-conferencing technologies to support schools and tertiary organisations
- co-creation and collaboration of data, video and text content from employers, business, industry and government.

## **Direct advice and guidance to individuals**

We continue to offer direct careers advice and guidance to individuals, either one to one or in groups (particularly for Māori and Pasifika students, in conjunction with our work with schools).

Our integrated direct service delivery approach works on the basis that e-services and phone services (for example, the careers website, our 0800 service, web-chat and texting) are the main points for people to access careers information and advice. People move seamlessly between different delivery modes, for example, someone using the website who isn't sure what to do next can access expert advice through web-chat or by phone. If it's clear that someone needs more intensive assistance and they are in one of our priority groups, they may be directed to a group career planning workshop or a guidance session. Services such as web-chat guidance and phone guidance are now an established part of our service offer and have resulted in demonstrable operating efficiencies. Our approach is to make limited resources stretch as far as they can.

The next section details the forecast delivery of our services in 2012/13.

# Forecast statement of service performance 2012/13

## PREAMBLE

### Government funding

Careers New Zealand is funded by the government through Vote Education – Non-departmental Output Expense – Provision of Information and Advisory Services (M26). The purchase of outputs within this appropriation is solely by the Minister of Education and is detailed in the Statement of Intent of Careers New Zealand. During 2011/12, Careers New Zealand received \$15.082 million (GST excl.) through Vote Education.

### Scope of appropriation

Providing information on government education policy and programmes, general information, advisory programmes and services to the public, community groups, industry and the education community.

### Summary of outputs

Careers New Zealand provides the following services:

| Services   | Indicative cost (\$000 GST excl.) |
|--|-----------------------------------|
| Leading the careers system, improving careers skills, knowledge and information in New Zealand | \$15,082                          |

### Other contracts

We also have a number of contracts with other government departments (primarily the Ministry of Social Development) and private organisations, such as businesses going through a period of redundancy. These services and resources are purchased directly on a commercial basis. All commercial revenue will be based on the sale of services and resources that comply with Careers New Zealand's legislated functions.

## Leading the careers system, improving careers skills, knowledge and information in New Zealand

| Outputs                           | Est actual 2011/12 | Est. vol. 2012/13  | Quality (and timeliness if applicable)  |
|-----------------------------------|--------------------|--|---|
| Career networks                   | New measure        | Six networks in place or under development during financial year   | End-of-year evaluation indicates that 80%+ of network participants: <ul style="list-style-type: none"> <li>· found the network useful to their careers-related work</li> <li>· believed it was improving the functioning of the careers system in their region.</li> </ul>  |
| Career summits                    | New measure        | Three summits held during financial year   | Post-summit evaluation indicates that 80%+ of summit participants: <ul style="list-style-type: none"> <li>· found the summit useful to their careers-related work</li> <li>· believed it provided a base for improving the careers system in their region.</li> </ul>   |
| Skills supply and demand matching | New measures       | Three regional sub-websites in operation by end of year<br><br>(one regional website in operation 2011/12) | At least three regional websites in operation and responding to regional supply-demand matching.<br><br>87% of users surveyed respond that the websites are easy to use, up to date and relevant to their needs and that they enhanced their career decision-making skills.   |
|                                   | New measure        | National skills-matching partnership initiative  | Careers New Zealand has successfully contributed to the development, leadership and implementation of a national skills-matching partnership delivering improved outcomes for the three key stakeholder groups (users, employers and education sector/government agencies).<br><br>Year one measure: partners in initiative rate Careers New Zealand's contribution as "very good" or better. |
|                                   | New measure        | Local/regional skills development strategies   | At least four regional skills development partnerships established with councils, EDAs, chambers of commerce or similar regional community partners.<br><br>Year one measure: partners in initiative rate Careers New Zealand's contribution as "very good" or better.  |

| Outputs   | Est actual 2011/12 | Est. vol. 2012/13   | Quality (and timeliness if applicable)   |
|---|--------------------|---|--|
| Provision of careers information, resources and tools   | 3,670,000          | Web hits 3,500,000  | 87% of users surveyed respond that the website is easy to use, up to date and relevant to their needs and that they enhanced their career decision-making skills.  |
|   | 53,000             | My Career Space registrations 70,000  |  |
| Implement local/regional intensive initiatives  | New Measure        | Four initiatives  | Four initiatives in establishment phase or beyond by end of year.<br>Project targets being met.  |
| School systems improvement and professional development   | 63                 | Intense support – at least 60   | 100% of schools receiving assistance deliver improved career development services.   |
|   | New Measure        | Assisted self-review using benchmarks – at least 80   | 100% of schools completing assisted self-review have plan for improvement established.   |
|   | 300                | Initial or on-going professional development interventions – up to 180 schools                                  | 100% of schools receiving assistance are satisfied that Careers New Zealand's input helped them (or will help them) deliver improved career development services.  |
| Assistance for tertiary organisations, other career-related organisations and career influencers. | 15                 | Up to 40  | 100% of organisations assisted are satisfied that Careers New Zealand's input helped or will help them deliver improved career development service (for tertiary and career-related organisations) or provide appropriate careers support (for career influencers) |
| Implementation and support of Career Education Benchmarks   | New measure        | Tertiary benchmarks introduced;<br>intermediate benchmarks developed and implemented                            | By the end of 2012/13:<br><ul style="list-style-type: none"> <li>· 50%+ of secondary schools are using the benchmarks</li> <li>· 50%+ of public tertiary organisations are committed to or using the benchmarks.</li> </ul>  |
| Direct advice and guidance to individuals   | 60,000             | Total number all services = 50,000–55,000 clients (est. 6,000 to Māori and Pasifika learners in group settings) | 85% of people have made a career decision aided by our services or have all the information they need to make a decision.  |

Note: If a volume estimate is 'at least', it is a high priority area; if a volume estimate is 'up to', it is lower priority, and if there is no comment, it is a largely demand-driven measure. This will be used to guide any prioritisation of resources required during the year.

## Organisational improvement and capability

### OVERVIEW

Along with the improved value for money we aim to achieve through our shift in emphasis to leading the careers system and working through others, we will also proactively look for every opportunity to contribute to or participate in the government's better public services initiative.

We will continue to actively participate in a range of cross-agency shared services and proactively seek out and identify new opportunities to enhance organisational efficiency and the services we provide to New Zealanders, both within the education sector and at an all-of-government level.

Redirecting our collective expertise to lead and build the effectiveness of the careers sector as a whole will enable us to provide the most efficient value-for-money use of our organisational resources. Underpinning a flexible, appropriately skilled workforce is our on-going development of an agile cost-effective ICT service. Innovative web-based information, resources and interactive tools are a key way in which we make our collective knowledge and expertise readily accessible to organisations and individuals.

To ensure Careers New Zealand's ability to develop and deliver sector leadership, we are aligning our organisational design and structure to leverage off Careers New Zealand's collective expertise and intellectual capital. This expertise is critical to building an excellent careers system that adds value to the government's investment in education and that reaches more New Zealanders.

### PRODUCTIVITY, PERFORMANCE IMPROVEMENTS AND CAPABILITY

We focus on six drivers of productivity to effect performance improvements and build organisational capability for the future.

| Productivity driver                          | Actions   |
|--|---|
| Leadership and management capability         | <ul style="list-style-type: none"> <li>Continue to build individual and collective leadership capability at all levels.</li> <li>Provide active leadership of the careers system and develop capacity for partnerships with others.</li> <li>.</li> </ul>   |
| Encouraging innovation and use of technology | <ul style="list-style-type: none"> <li>Continue to grow capability for development of new and enhanced web-based services.</li> <li>Improve information technology infrastructure for effective delivery of services and internal communications.</li> <li>Leverage shared services to improve efficiency and reduce cost.</li> </ul>   |
| Investing in people and skills               | <ul style="list-style-type: none"> <li>Regularly review the capability requirements for our main occupational groups to inform workforce recruitment and development.</li> <li>Utilisation of cost-effective and rigorous recruitment processes to ensure we achieve best value for money.</li> <li>Continue to shape our workforce to ensure we have the skills and capacity to expand and enhance service delivery, to build the capability of others and provide active leadership of the careers system.</li> <li>Implementation of Te Ataahia strategy to raise cultural competence and expand our ability to ensure improved career development services for Māori and Pasifika.</li> </ul> |

| Productivity driver   | Actions   |
|---|---|
| Increasing our efficiency and effectiveness   | <ul style="list-style-type: none"> <li>· Reduce leasehold costs and share facilities with other agencies.</li> <li>· Continue to support flexible work practices.</li> <li>· Continue to align performance and accountability mechanisms with strategic objectives.</li> <li>· Improve business processes.</li> </ul>   |
| Leading and contributing to strong networks and collaboration with external stakeholders and shared services partners | <ul style="list-style-type: none"> <li>· Identify opportunities for sharing HR services across the wider state sector, including our participation in the Quick Start project.</li> <li>· Collaborate with other education sector agencies to identify talent and create secondment and professional development opportunities.</li> <li>·</li> </ul>   |
| We measure our impact   | <ul style="list-style-type: none"> <li>· Measure through our evaluation framework.</li> <li>· Adopt and adhere to professional practice quality assurance process.</li> <li>· Measure staff engagement annually and use the results to improve engagement and productivity of staff.</li> <li>· Measure staff capability through: <ul style="list-style-type: none"> <li>- individual staff performance and capability</li> <li>- effectiveness of training.</li> </ul> </li> <li>· Measure retention and capacity including: <ul style="list-style-type: none"> <li>- staff engagement and organisational climate</li> <li>- ensuring essential functions are maintained and redirecting resources as opportunities arise</li> <li>- critical vacancies are filled successfully.</li> <li>-</li> </ul> </li> </ul> |



## EMPLOYMENT PRACTICES

Careers New Zealand's employment practices meet the responsibilities laid out in section 118 of the Crown Entities Act 2004 to be a good employer. We aim to have a diverse workforce capable of delivering effective services to our priority client groups and to provide an employment environment where each individual can contribute to the best of their potential. We monitor staff engagement and turnover and workforce composition in the context of equal employment opportunities (EEO). The 'good employer' elements inform our framework for EEO initiatives.

We have a process to ensure that employees who have declared a disability are able to participate productively in Careers New Zealand and enjoy the same or similar (to the extent that a disability may restrict) employment-related opportunities as their colleagues.

## ICT

Careers New Zealand is an information and knowledge organisation, and providing expertise about careers and learning is our core business. We have developed a knowledge strategy and framework to maximise opportunities for sharing our expert knowledge and information. We are also acutely aware of our critical role as the co-ordinator and source of accessible information and knowledge on education, training, skills development, personal development and employment opportunities for all New Zealanders. We are committed to serving the needs of all New Zealanders by ensuring we remain New Zealand's leading provider of careers information, products and services.

A robust ICT platform is essential to underpin our knowledge management strategy and framework. Our overarching vision is the development of an innovative, agile, cost-effective ICT service, where technology increases the efficiency, impact and reach of our services. The recent completion of a telecommunications business transformation project has provided a number of direct business benefits, including reduced telecommunications costs, mobility improvements and enhanced security and network capacity. Our overall approach is driven by the need to move from a silo-based structure to the collaborative development and use of ICT across the education sector.

Strategies to enable our vision include:

- Using ICT as an enabler to deliver more efficient and effective services:
  - Through streamlining business processes via the use of technology, our business productivity increases through a smarter allocation of time and resources.
  - Through introducing elastic ICT technologies such as cloud computing that do not require significant upfront investment or large support teams, our risk of underutilised infrastructure and specialised skill sets is reduced.
- Implementing innovative ICT tools and methods of working:
  - Through enabling the use of uncoupled technologies including virtualisation, wireless and cellular networking, and smart devices, we can maximise the utility of our ICT services to reach as many users and clients as possible through flexible and mobile working practices.
- Enhancing sector collaboration:
  - We are members of the Common Operating Environment Project Governance Group. One of the key goals of this membership is to drive savings and efficiencies across government in the procurement of software and plan for the transition to cloud services.
  - We are represented on the Common Communications Capability Planning Group – an all-of-government programme of work delivering network services, secure email and unified communications.
- Exploring shared-services options:
  - We are members of the Education Sector ICT Management Committee mandated to drive efficiencies across the sector and utilise all-of-government ICT services where savings will be realised.

## Financial information

### FINANCIAL STRATEGY

Financial strategy is an integral part of the overall organisational strategy in Careers New Zealand. Careers New Zealand's financial strategy over the next three years is based on the following key elements:

- Achieving a break-even or better operating result.
- A robust capital expenditure management framework including planning, budgeting, reporting, appraisal and monitoring processes to maintain sustainable equity ratios, adequate working capital requirements and acceptable rate of return on capital projects.
- Robust budgeting processes with regular updates three times each year.
- Conservative investment strategy for term investments with established financial institutions.

- Established and documented internal controls including policy and procedures, financial delegations and a planned internal audit programme.
- Regular reporting and monitoring requirements including the Careers New Zealand Finance and Risk Committee of the Board, the management, the Minister of Education and cost centre managers.

Develop and implement shared services across support services to improve efficiencies and save operating expenses, for example, co-locating with other government agencies.

### CAPITAL EXPENDITURE INTENTIONS

|  | Actual<br>2010/11<br>\$000 | Estimated<br>Actual<br>2011/12<br>\$000 | Forecast<br>2012/13<br>\$000 | Forecast<br>2013/14<br>\$000 | Forecast<br>2014/15<br>\$000 |
|--|----------------------------|---|------------------------------|------------------------------|------------------------------|
| <b>FORECAST CAPITAL EXPENDITURE</b>        |                            |   |                              |                              |                              |
| Office equipment                           | 113                        | 11                                      | -                            | -                            | -                            |
| Computer systems                           | 261                        | 276                                     | 290                          | 315                          | 237                          |
| Motor vehicles                             | 246                        | 60                                      | 150                          | 111                          | 170                          |
| Leasehold improvements                     | 24                         | 181                                     | -                            | 25                           | 35                           |
| <b>Total Property, Plant and Equipment</b> | <b>644</b>                 | <b>528</b>                              | <b>440</b>                   | <b>451</b>                   | <b>442</b>                   |
| Intangible Assets                          | 301                        | 182                                     | 160                          | 149                          | 158                          |
| <b>Total Intangibles</b>                   | <b>301</b>                 | <b>182</b>                              | <b>160</b>                   | <b>149</b>                   | <b>158</b>                   |

All capital expenditure requirements are reviewed at least annually.

The most significant component of the capital expenditure programme relates to maintaining our computer environment.

We intend to monitor our capital expenditure to ensure the annual total spend is aligned with the yearly depreciation expense.

We are involved in a number of shared services initiatives which may affect our capital requirements in future years.

## FORECAST FINANCIAL PERFORMANCE 2012/2013

The following tables describe Careers New Zealand's forecast financial performance. They should be read in conjunction with the accompanying notes.

|  | Actual<br>2010/11<br>\$000 | Estimated<br>Actual<br>2011/12<br>\$000 | Forecast<br>2012/13<br>\$000 | Forecast<br>2013/14<br>\$000 | Forecast<br>2014/15<br>\$000 |
|--|----------------------------|---|------------------------------|------------------------------|------------------------------|
| <b>STATEMENT OF COMPREHENSIVE INCOME</b> |                            |   |                              |                              |                              |
| <b>Revenue</b>                           |                            |   |                              |                              |                              |
| Output agreement funding                 | 15,082                     | 15,082                                  | 15,082                       | 15,082                       | 15,082                       |
| Other revenue                            | 448                        | 410                                     | 550                          | 550                          | 550                          |
| Interest                                 | 142                        | 138                                     | 160                          | 160                          | 160                          |
| <b>Total revenue</b>                     | <b>15,672</b>              | <b>15,630</b>                           | <b>15,792</b>                | <b>15,792</b>                | <b>15,792</b>                |
| <b>Expenditure</b>                       |                            |   |                              |                              |                              |
| Personnel                                | 11,075                     | 10,790                                  | 10,800                       | 10,800                       | 10,800                       |
| Depreciation                             | 510                        | 505                                     | 600                          | 600                          | 600                          |
| Other expenditure                        | 4,329                      | 4,035                                   | 4,392                        | 4,392                        | 4,392                        |
| <b>Total expenditure</b>                 | <b>15,914</b>              | <b>15,330</b>                           | <b>15,792</b>                | <b>15,792</b>                | <b>15,792</b>                |
| <b>Surplus (deficit)</b>                 | <b>(242)</b>               | <b>300</b>                              | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| <b>PROSPECTIVE BALANCE SHEET</b>         |                            |   |                              |                              |                              |
| Current assets                           | 3,078                      | 3,138                                   | 3,075                        | 3,075                        | 3,075                        |
| Non-current assets                       | 1,642                      | 1,837                                   | 1,900                        | 1,900                        | 1,900                        |
| <b>Total assets</b>                      | <b>4,720</b>               | <b>4,975</b>                            | <b>4,975</b>                 | <b>4,975</b>                 | <b>4,975</b>                 |
| Current liabilities                      | 2,145                      | 2,100                                   | 2,100                        | 2,100                        | 2,100                        |
| Non-current liabilities                  | -                          | -                                       | -                            | -                            | -                            |
| <b>Total liabilities</b>                 | <b>2,145</b>               | <b>2,100</b>                            | <b>2,100</b>                 | <b>2,100</b>                 | <b>2,100</b>                 |
| <b>Closing equity</b>                    | <b>2,575</b>               | <b>2,875</b>                            | <b>2,875</b>                 | <b>2,875</b>                 | <b>2,875</b>                 |
| WC                                       | 933                        | 1,038                                   | 975                          | 975                          | 975                          |
| WC ratio                                 | 1.43                       | 1.49                                    | 1.46                         | 1.46                         | 1.46                         |
| Surplus/(deficit)                        | (242)                      | 300                                     | -                            | -                            | -                            |

|  | Actual<br>2010/11<br>\$000 | Estimated<br>Actual<br>2011/12<br>\$000 | Forecast<br>2012/13<br>\$000 | Forecast<br>2013/14<br>\$000 | Forecast<br>2014/15<br>\$000 |
|--|----------------------------|---|------------------------------|------------------------------|------------------------------|
| <b>PROSPECTIVE CASH FLOW STATEMENT</b> |                            |   |                              |                              |                              |
| <b>Operations</b>                      |                            |   |                              |                              |                              |
| Operating receipts                     | 15,591                     | 15,492                                  | 15,632                       | 15,632                       | 15,632                       |
| Receipts from interest                 | 142                        | 138                                     | 160                          | 160                          | 160                          |
| Operating payments                     | (15,278)                   | (15,330)                                | (15,192)                     | (15,192)                     | (15,192)                     |
| <b>Net operating</b>                   | <b>455</b>                 | <b>300</b>                              | <b>600</b>                   | <b>600</b>                   | <b>600</b>                   |
| <b>Investments</b>                     |                            |   |                              |                              |                              |
| Fixed assets                           | (869)                      | (700)                                   | (600)                        | (600)                        | (600)                        |
| <b>Net investment</b>                  | <b>(869)</b>               | <b>(700)</b>                            | <b>(600)</b>                 | <b>(600)</b>                 | <b>(600)</b>                 |
| <b>Financing</b>                       | -                          | -                                       | -                            | -                            | -                            |
| <b>Net change</b>                      | <b>(414)</b>               | <b>(400)</b>                            | -                            | -                            | -                            |
| Opening cash                           | 3,311                      | 2,897                                   | 2,497                        | 2,497                        | 2,497                        |
| <b>Closing cash</b>                    | <b>2,897</b>               | <b>2,497</b>                            | <b>2,497</b>                 | <b>2,497</b>                 | <b>2,497</b>                 |

#### PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

|                                       |              |              |              |              |              |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Taxpayers' equity as at 1 July</b> | <b>2,817</b> | <b>2,575</b> | <b>2,875</b> | <b>2,875</b> | <b>2,875</b> |
| Net surplus/(deficit)                 | (242)        | 300          | -            | -            | -            |
| <b>Taxpayers equity as at 30 June</b> | <b>2,575</b> | <b>2,875</b> | <b>2,875</b> | <b>2,875</b> | <b>2,875</b> |

#### Notes

The prospective financial statements are based on policies and approvals in place as at March 2012 and are GST exclusive. The forecast for 2011/12 is prepared under NZ GAAP.

They set out Careers New Zealand activities and planned performance. Use of this information for other purposes may not be appropriate.

Note that actual results are likely to vary from the information presented here and that the variations may be material.

These forecast financial statements have been prepared on the basis of assumptions as to future events that Careers New Zealand reasonably expects to occur, associated with the actions Careers New Zealand reasonably expects to take, as at the date that this information was prepared.

These statements comply with FRS 42: Prospective Financial Statements.

The statements have been prepared with the following assumptions:

- 1) Government funding will remain the same as previous year.
- 2) Capital expenditure is based on specific business case approval by the Chief Executive.
- 3) Other contract revenue is likely to vary from the information presented. As these contracts are contestable, there is no guarantee this can be achieved.

## ACCOUNTING POLICIES

### Reporting entity

Careers New Zealand is a Crown Entity in terms of the Crown Entities Act 2004 and was established under the Education Act 1989.

Careers New Zealand is funded primarily by government through Vote Education. Its primary objective, therefore, is to provide services that support government's key priority areas rather than to make a financial return. Accordingly, Careers New Zealand has designated itself as a public benefit entity for the purposes of the New Zealand equivalents to the International Financial Reporting Standards (NZ IFRS).

These statements have been prepared in accordance with the Crown Entities Act 2004.

The trading name is Careers New Zealand – Mana Rapuara Aotearoa and is referred to in this document as Careers New Zealand.

The forecast financial statements that follow comprise the forecast activities of Careers New Zealand for the year ended 30 June 2012.

### Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting practice. They comply with NZ IFRS and other applicable financial reporting standards, as appropriate for public benefit entities.

### Measurement basis

Measurement and recognition rules applied in the preparation of the financial statements and schedules are consistent with generally accepted accounting practice. The financial statements have been prepared on a historical cost basis.

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 the New Zealand dollar.

### Judgement and estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Revenue

Revenue is recognised when earned and is reported in the financial period to which it relates. Interest income is recognised using the effective interest rate method.

## Financial information

### Cost allocation

Direct costs are charged to specific outputs based on the estimated productive hours.

Indirect costs are allocated to outputs on the basis of time estimated by staff on output activities and other appropriate cost drivers such as actual usage, staff numbers and floor area.

#### Definition of terms

- Productive hours are hours estimated by task and activity that make up the outputs.
- Direct costs are costs that are causally linked to outputs.
- Indirect costs are all other costs, which include financial and administration costs, computer systems and depreciation.

### Financial instruments

Careers New Zealand is party to financial arrangements as part of its everyday operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the balance sheet, and all revenue and expenses in relation to financial instruments are recognised in the income statement.

Designation of financial assets and financial liabilities by individual entities into instrument categories is determined by the business purpose of the financial instruments, policies and practices for their management, their relationship with other instruments and the reporting costs and benefits associated with each designation.

All foreign exchange transactions are translated at the rates of exchange applicable in each transaction. Careers New Zealand does not carry any balances in foreign currencies.

### Financial assets

Cash and cash equivalents include cash on hand, cash in transit, bank accounts and deposits with a maturity of no more than three months from date of acquisition.

Other financial assets have been designated as receivables and prepayments. Receivables and prepayments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables and prepayments are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Receivables and prepayments issued with a duration of less than 12 months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired. Interest, impairment losses and foreign exchange gains and losses are recognised in the income statement.

A provision for impairment of receivables is established when there is objective evidence that Careers New Zealand will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest rate method.

### Financial liabilities

Financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities entered into with a duration of less than 12 months are recognised at their nominal value. Amortisation and, in the case of monetary items, foreign exchange gains and losses are recognised in the income statement.

## Property, plant and equipment

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

Where an asset is acquired for nil or nominal consideration, the asset will be recognised initially at fair value, where fair value can be reliably determined, with the fair value of the asset received less costs incurred to acquire the asset also recognised as revenue in the income statement.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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. In most instances, an item of property, plant and equipment is recognised at its cost. 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 income statement.

### 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.

### Depreciation

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

- Office equipment – three to five years.
- Computer systems – three to four years.
- Motor vehicles – four years with estimated residual value.
- Leasehold improvements – over the useful life of the lease.
- Office equipment, computer systems, office furniture and fittings less than \$2,500 and leasehold improvements less than \$5,000 are expensed in the year of purchase.

The residual value and useful life of an asset is reviewed and adjusted if applicable at the end of each financial year.

## Intangible assets

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated:

- Technical feasibility.
- Ability to complete the asset.
- Intention and ability to sell or use.
- Development expenditure can be reliably measured.

Expenditure incurred on research of an internally generated intangible asset is expensed when it is incurred. Where the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the useful life of the asset. Assets with indefinite useful lives are not amortised but are tested at least annually for impairment.

Intangible assets with finite lives are reviewed at least annually to determine if there is any indication of impairment. An intangible asset with an indefinite life is tested for impairment annually. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the income statement unless the asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

Software assets that are not an integrated part of the related hardware have been accounted for as intangible assets at cost. Amortisation of intangible assets is provided on a straight-line basis over their useful lives. The useful lives are all finite and have been estimated at three to four years.

### **Inventories**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Publications inventories are valued at the lower of cost and net realisable value.

The write-down from cost to current replacement cost or net realisable value is recognised in the income statement.

### **Leases**

Careers New Zealand leases office premises. As all risks and ownership are retained by the lessor, these leases are classified as operating leases. Operating lease costs are expensed in the period in which they are incurred.

### **Provision for employee entitlements**

#### Short-term benefits

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the income statement when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid. The liability for long-term employee entitlements is reported as the present value of the estimated future cash outflows.

Employee benefits that Careers New Zealand expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date and sick leave.

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

#### Long-term benefits

Entitlements that are payable beyond 12 months are calculated as the present value of the estimated future cash outflows.



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

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. The net amount of GST recoverable from or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet. The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement. Commitments and contingencies are disclosed exclusive of GST.

### **Taxation**

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 2004. Accordingly, no charge for income tax has been provided for.

### **Commitments**

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

### **Other liabilities and provisions**

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

### **Contingent assets and contingent liabilities**

Contingent liabilities and contingent assets are recorded in the statement of contingent liabilities and contingent assets at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

### **Taxpayers' funds**

This is the Crown's net investment in Careers New Zealand.

### **Changes in accounting policies**

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information.

## **OTHER FINANCIAL INFORMATION**

### **Borrowing policy**

Borrowing is governed by the Seventeenth Schedule, Section 15 of the Education Act 1989.

### **Pricing strategies**

All services and resources delivered by Careers New Zealand are sold on a commercial basis. For the current output agreement and other services and resources delivered in the commercial sector, prices are set on either time-based, product or project pricing. Commercial services are sold in a contestable market. Non-contestable services, as supplied via the output agreement, are delivered on the basis that the Crown as purchaser may have access to full disclosure of costs.

### **Projected result**

The contract for Crown purchase has been calculated on the basis of cost. The majority of other contract work revenue is derived from contestable contracts with other government organisations on a cost-recovery basis.

## Governance, accountability and risk management

### GOVERNANCE

Careers New Zealand is governed by a Board reporting to the Minister of Education. Board members represent the school and tertiary sectors, business and industry, and community development organisations. Māori representation is included. The Board is guided by a governance manual, which sets out its obligations and responsibilities. Board members also undertake an annual self-appraisal process.

#### Current Board membership

| Name                      | City/Town  | Date of original appointment | Expiry date of present term |
|---------------------------|------------|------------------------------|-----------------------------|
| Arthur Graves (Chair)     | Wellington | 17 July 2006                 | 19 September 2011           |
| Bill Noble (Deputy Chair) | Hamilton   | 20 September 2010            | 19 September 2013           |
| Chris Meade               | Auckland   | 20 September 2010            | 19 September 2013           |
| Markerita Poutasi         | Auckland   | 20 September 2010            | 19 September 2013           |
| Rob Strathdee             | Wellington | 2 November 2011              | 2 November 2014             |
| Murray Ward               | Auckland   | 20 September 2010            | 19 September 2013           |
| Tina Wehipeihana-Wilson   | Taupo      | 1 January 2005               | 30 August 2012              |

### REPORTING TO THE MINISTER OF EDUCATION

Careers New Zealand will consult with the Minister of Education on:

- areas of work that are closely aligned with the government's objectives
- any major capital investments
- proposals for major changes to the scope of our business,

Careers New Zealand will provide quarterly reports to the Minister of Education with:

- a summary of key results and highlights
- any emerging issues
- a description of any major new projects
- evaluation results
- significant variances and risks.

More detailed reporting (financial reporting and performance reporting against our output measures) will be provided separately to the Ministry of Education.

## RISK MANAGEMENT

We are regularly monitoring all organisational risks and reporting through our finance and risk committee to the Board. The organisation reports regularly to the Chief Executive and Senior Management Team on all operational levels risks. In the event that our monitoring identifies an issue or risk, we proactively assess the severity and likelihood, and immediately develop a risk management/mitigation intervention and plan. We will bring any critical or significant risks and appropriate strategies to address them to the attention of the Minister and our monitoring agency, the Ministry of Education, should they arise.

| Risk  | Mitigation  |
|---|---|
| <ul style="list-style-type: none"> <li>Financial<br/>For example, changes to our funding and loss of interest on our investments due to the recession.</li> </ul>   | <p>We monitor, reforecast and adjust expenditure throughout the year.</p>   |
| <ul style="list-style-type: none"> <li>Policy<br/>Not contributing sufficiently to achieving the government's priorities.</li> </ul>  | <p>We ensure the services we deliver contribute to Government's priorities by working closely with the Minister's office and the Ministry of Education.</p>   |
| <ul style="list-style-type: none"> <li>Service delivery<br/>For example, an inability to meet increased demand for services due to the economic recession or one-off events such as the Christchurch earthquake.</li> </ul> | <p>By channelling users to lower-cost services such as the website and Advice Line (where appropriate), we can ensure everyone can access careers information and advice, while concentrating resources on priority groups and areas.</p> |

## Appendix 1

### STATUTORY FUNCTIONS

We are a Crown Agent, established on 23 July 1990 under the Education Act 1989.

| Statutory functions  | How we implement these   |
|--|--|
| <p>(a) To establish and maintain a database of information about occupations and about post-compulsory education and training:</p> <p>(b) To make that information available to the public and to institutions, private training establishments, learners, and other interested bodies and persons:</p>                                  | <p>Through our comprehensive website, which includes information about occupations (including video clips of people in those occupations and links to current vacancies). Our work in improving the careers system is key to ensuring improved use and application of the information we have available.</p> |
| <p>(c) To provide—</p> <p>(i) Training and assistance to persons who advise about occupations; and</p>   | <p>Through providing professional development sessions to careers advisors, school staff, tutors and others in the community to build their capability to support others in making smart career decisions.</p>   |
| <p>(ii) Career advice and associated counselling relating to post-compulsory education and training:</p>   | <p>Through our 0800 contact centre, online advisory services, group career advisory sessions and individual guidance services (delivered online, by phone and face to face).</p>   |
| <p>(d) To liaise with, and monitor the needs of, institutions, private training establishments, learners and other bodies and persons with respect to:</p> <p>(i) Information, training, and advice relating to occupations;</p> <p>(ii) Career advice and associated counselling relating to post-compulsory education and training</p> | <p>Through our careers programme development and support work with schools, tertiary providers and community organisations and, increasingly, through leading the careers sector (including developing benchmarks for quality career education).</p>   |
| <p>(e) To provide support services for the purpose of promoting transition education that prepares learners for employment, or further education and training, or both.</p>  | <p>Through our website, our capability-building work with schools and other providers and our 0800 contact centre.</p>   |

### EDUCATION SECTOR AGENCIES' ROLES AND FUNCTIONS

Collaboration across the education sector fosters the synergy needed to achieve a greater impact on learner achievement. Careers New Zealand works closely with the education agencies directly involved in the leadership and management of the education sector.

The collaboration ranges from formal oversight by chief executives (for example, the Education Sector ICT Standing Committee, which takes a sector view on key technology investments) to informal exchanges of information between our teams.

Where initiatives will have an impact on multiple agencies (for example, online moderation, Youth Guarantee or changes to tertiary information), we seek contributions from all relevant agencies. These contributions include input to project direction and governance, resources to undertake work or changes in the agency's own processes in support of the initiative.

In its drive to improve the efficiency and effectiveness of the public sector, the Government is identifying and integrating similar or related services. Education sector agencies have been working together for some time using a range of shared services and will continue to identify opportunities to continue this on a sector and all-of-Government basis. Careers New Zealand takes an active role in both education sector and cross-sectoral initiatives.

The seven education sector agencies have clearly delineated roles, responsibilities and functions within the wider education system. They have well developed policy tools and levers to effect change within their areas of responsibility. These roles and functions are defined in the Education Act 1989 and the Crown Entities Act 2004. A description of the roles and function of the agencies other than Careers New Zealand follows.

The **Ministry of Education** is a core Government department and the lead advisor on the entire education system. The Ministry also fulfils a sector leadership role across education sector agencies. It has substantial operational responsibility across the early childhood and schooling areas, providing funding, setting standards, developing national guidelines and curriculum standards, managing the school property portfolio and providing services to schools, early childhood services, learners and communities. The Ministry advances the government's priorities through a range of levers, including funding, intervention, regulation and information.

The **Tertiary Education Commission (TEC)** has the statutory responsibility of funding and monitoring the tertiary sector while maintaining the academic freedom and institutional autonomy of tertiary providers. TEC's primary levers for achieving the government's priorities for education are funding and associated accountability levers. Through the Investing in a Plan mechanism, TEC buys a series of educational outcomes across the tertiary sector, while leaving the decisions as to how these outcomes are achieved to the providers. TEC also has some powers to intervene in underperforming tertiary providers.

The **New Zealand Qualifications Authority (NZQA)** has responsibilities extending across the senior secondary and tertiary sectors, through its primary roles of developing and maintaining New Zealand's educational qualifications framework, administering the National Certificate of Educational Achievement (NCEA) and quality assuring the non-university tertiary sector. NZQA advances the government's priorities through its management of regulatory and quality assurance levers across the tertiary sector, including private providers where the government has no other levers. Through these levers, NZQA has the ability to determine which tertiary providers are able to offer which qualifications and the standards to which those providers will be held. NZQA more directly determines the educational standards that are needed to achieve success against the national qualification NCEA.

## Appendix 2

The **New Zealand Teachers Council** is the professional body for the teaching profession and has a greater level of autonomy from the Crown than the other education sector agencies. The Council is responsible for setting and maintaining the standards by which teachers can gain and maintain membership of the teaching profession. They also engage in research and other professional projects to support the teaching profession and support the maintenance of professional standards through competence and discipline processes and judicial bodies. The Council advances the government's priorities through these regulatory levers, ensuring the quality of the workforce in the schooling and early childhood education sectors.

**Education New Zealand (ENZ)** is a new Crown entity, established (on 1 September 2011) to lead the government's drive to grow international education and to manage the government's investment in international education promotion and offshore activities. Its role is to give effect to the government's international education policies through a range of marketing, promotional and representational functions.

The **Education Review Office (ERO)** is a core Government department. It advances the government's educational priorities through evaluations of the quality of education and care in schools and early childhood services and of the implementation of government education priorities in these sectors. Its independence from schools and early childhood services, as well as from the agencies that set the policies and standards, allows it to provide assurance and information to Government about the quality of education services and sector performance. Creation and provision of information leading to improvement at the institution and system level is one of ERO's levers. Its independence also provides an accountability lever, in that ERO can make authoritative judgements on action to be taken by schools or early childhood services or interventions by other education agencies.



