



Career Services

Statement of Intent

**1 July 2005 to 30 June 2008**

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## **Vision**

All New Zealanders will achieve their life goals and maximise their contribution to society by using the best career information, advice and guidance.

## **Mission**

High quality service delivery and sector leadership of career information, advice and guidance

## **Core values**

Quality and integrity  
Creativity and innovation  
Respect for diversity  
Responsiveness to Maori/Iwi aspirations  
Mutually beneficial relationships  
Empowering people

## **Strategic positions**

High quality service deliverer  
Credible sector leader.

## Overview from Board Chair

I am pleased to present Career Services' Statement of Intent for 2005/06.

Career information, advice and guidance (CIAG) is becoming increasingly important and topical in New Zealand and overseas. OECD, World Bank and European Union reviews of career guidance over recent years have provided valuable information on the important inter-relationship between careers policy and delivery. The results of these reviews are currently being analysed to determine what learning can be applied in the New Zealand context.

As New Zealand's leading provider of quality, independent career information, advice and guidance, we have an important role in contributing to New Zealand's social and economic growth by maximising people's and the country's potential. CIAG provides a link between education, the labour market and the skills, interests and abilities of New Zealanders. It assists a wide range of New Zealanders to participate fully in the labour market, education system and other parts of society through making informed decisions about their future.

Assisting people to make career and learning decisions that best match their skills, knowledge, interests and wider life circumstances to work opportunities, leads to increased labour market efficiency. This is a result of people gaining satisfaction and motivation from applying themselves in areas best suited to their circumstances. Similarly, making tertiary education decisions based on sound, impartial information and advice maximises the likelihood of the investment made by students and government paying off. To ignore the wider context in which career and learning decision making occurs is to deny the inter-relationship between work or study and wider aspects of peoples' lives.

Career Services makes a significant contribution to government policy across a wide range of areas. Our advice is based on the strong knowledge of the careers industry and extensive national and international networks. It is underpinned by ongoing research that demonstrates the contribution career planning makes to economic and social goals.

This document is presented to the Minister of Education pursuant to Section 41 of the Public Finance Act 1989. It provides information on the following:

1. The objectives of Career Services;
2. The nature and scope of the activities to be undertaken;
3. The performance targets by which Career Services may be judged in relation to its objectives;
4. A statement of accounting policies; and
5. Information on internal capability, including risk management.

In addition, this document provides information on Career Services' strategic direction, framework and strategies and ensures alignment with the outcomes desired by Government.

A handwritten signature in black ink that reads "Patricia McKelvey MBE". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Patricia McKelvey  
Board Chair

# PART A – STRATEGIC OVERVIEW

## Legislative Framework & Governance

Career Services is a Crown entity established on 23 July 1990 under the provisions of the Education Act 1989, and the Education Amendment Act 1993, to assist in the achievement of government education, training and employment goals through the provision of high quality information, advice and guidance services. These services, designed to assist people to make informed career choices, include:

- The production, dissemination and interpretation of up-to-date, neutral, accurate and accessible career information through a variety of media;
- Liaising with, and assessing the needs of, people who use career information;
- The provision of training and support in the application and use of this information;
- The provision of support for career education across the secondary school curriculum;
- The provision of career guidance.

Our relationship with government and the wider state sector has been strengthened and formalised with the introduction of the Crown Entities Act<sup>1</sup>. The main aims of the Act are to improve the quality of governance, clarify the relationship between Minister, Board and the organisation, and to increase the discipline relating to choice of organisation form and governance regime.

Career Services is governed by a Board which reports to the Minister of Education. The Board is responsible to the Minister for governing the organisation and setting the strategic direction for Career Services. The Board operates under a robust set of policies and procedures and meets on a monthly basis. The Board includes representatives from the school and tertiary education sectors, business and industry, and community development organisations and includes Maori representation.

Career Services Board takes cognisance of the State Services Commission guidelines on Board Appointments and Induction. In addition it has access to best practice information from the Institute of Directors. The Board is committed to effective and efficient practices and also undertakes an annual self-review.

In addition, the Board has appointed a Finance and Audit Sub Committee (BFAC). All significant expenditure proposals are reviewed by BFAC as are the monthly financial reports and financial strategy/budget papers.

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<sup>1</sup> The Public Finance (State Sector Management) bill was enacted on 16 December 2004 and came into effect on 25 January 2005. This bill included the creation of the Crown Entities Act.

## Our Context

Career Services is the Government agency responsible for providing career information, advice and guidance to all New Zealanders. We make an important contribution to New Zealand's social cohesion and growth in the global economy and are clear about the important and impartial role we play for government in the work we do. Demand is increasing for contribution by us to key government strategies and initiatives.

Career information, advice and guidance improves the ability of people to make links between the education system and labour market. This enables them to develop their potential within the labour market and wider society. Our work, in association with active labour market policies that promote high quality, sustainable employment, also contributes to social equity. This is especially the case when it is made accessible to all New Zealanders, at all stages of life. Our services and resources are aligned to the differing needs of all New Zealanders and aim to help people and groups develop career management skills that can be applied throughout the lifespan.

Access to impartial career information, advice and guidance, that results in informed decision-making, is becoming increasingly important as our economy and society change. All New Zealanders, regardless of where they live and work, need access to a level of career information and assistance that meets their needs and equips them for the future. This will help maximise the potential of New Zealanders as well as government's investment in education, social development, the labour market and the economy.

## The External Environment

Skill and labour shortages have become a key issue as unemployment has reduced. These shortages are likely to continue, and potentially worsen, as our ageing population and low birth rate result in a shrinking working-age population.

There has been a similar pace of change in the tertiary environment, with the rapid expansion and diversification of tertiary providers and courses. As a result, making decisions about tertiary education has become more complex.

In addition, there is increasing recognition by individuals, employers and government of the importance of maintaining a healthy work-life balance. Recent research indicates that New Zealanders rate quality of life as being more important to them than other factors that influence career decision making, such as wages and salaries, and potential to increase personal wealth.<sup>2</sup> Government direction and policies are consistent with this trend, placing an emphasis on balancing work, family, recreation and personal development, and recognising the social and economic benefits of doing this.<sup>3</sup>

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<sup>2</sup> Growth & Innovation Advisory Board, *Summary of Research on Growth & Innovation, April 2004*, p3.

<sup>3</sup> In the *Speech from the Throne, August 2002*, the Prime Minister said "my government believes that work is but one dimension of living and should not crowd out and distort family life, recreation and personal development. An integrated and balanced family-friendly work/life programme will be developed". Work has since been progressed in line with this direction.

In this environment we must pay attention to ensuring the differing needs of individuals and groups are catered for, particularly for those whose presence and success in the labour market will become increasingly important to New Zealand's economy, and those who require specialised assistance to achieve in the workforce. This includes Maori, Pasifika, migrants, mature workers and people with disabilities. By increasing our involvement in government policy development and expanding our use of technology, Career Services is continuing to build an integrated package of services and resources that caters for these diverse needs.

## Operating Environment

Career Services is the leading provider of career information, advice and guidance services in New Zealand. We aim to provide a highly accessible, seamless service to all New Zealanders and assist more people to make informed learning and career decisions.

### **Delivery points**

Over recent years we have established a comprehensive platform from which New Zealanders can access services. There are three main delivery points:

**In Person: CareerCentres** are offices which provide free career information and advice services, as well as career guidance services to individuals (fee-based but free to people who meet eligibility criteria) and services to schools and communities. There are 16 CareerCentres nationwide. The geographic spread of CareerCentres allows quality services to be provided to both rural and urban communities by staff strongly linked to local networks.

**Online: KiwiCareers** is a website with New Zealand's most comprehensive range of career information. It contains over 650 general job outlines, industry overviews, labour market information, course and training information and links to other useful websites. A feature recently introduced to KiwiCareers is *Pathfinder*, New Zealand's most in-depth and effective online career guidance programme.

**By Phone: CareerPoint** is a freephone careers information service. Its advisors are trained to answer questions about career information, job profiles, course information, training options and labour market information. CareerPoint has most contact with people by phone, but can also be contacted by fax, e-mail, post and 'online chat.'

### **Range of Services**

We have developed a range of services and resources, which ensures they are relevant, accessible and meet the diverse needs of New Zealanders. These range from Government-funded intensive career guidance, to assisting school students and influencers, to selling career services and resources commercially.

In addition to raising awareness of the availability of our services and resources, we continue to support a range of influencers to increase awareness of the value of using



these throughout the whole lifetime. Our services and resources can be broken down by the people and organisations we deliver to:

### **All New Zealand individuals, organisations and employers**

Career information and advice through CareerPoint, CareerCentres and KiwiCareers, which includes:

- local, regional and national up-to-date labour market information
- comprehensive information on jobs, industries, tertiary courses and funding options.

Career guidance, either face to face in CareerCentres or online on KiwiCareers.

Career guidance includes:

- assistance setting career, job and training goals
- help with making job and training decisions
- CV preparation
- job search strategies and coaching.

### **State and State Integrated schools**

- Advice and assistance for career influencers and management
- Professional development and other training for career educators
- Assistance to support the development of plans for year 10 students in Designing Careers pilot schools
- Targeted assistance for students identified as needing additional career information, advice and guidance (identified Maori and Pasifika students, at-risk year 10-13 students in Designing Careers pilot schools)
- Online and printed career education resources.

### **Parents, refugees/migrants and influencers in the community**

Sessions/seminars on the value and role of career information, advice and guidance, and how to access services.

### **Intending tertiary students**

Sessions, information, resources and online chat service to aid informed tertiary education decision making

### **Government organisations**

- Policy advice, ensuring a careers dimension is considered as part of all relevant policy development
- Work capacity and vocational assessment procedures for workplace injury clients (eg: for Accident Compensation Corporation)
- Specialist career planning work with clients (eg: for Ministry of Social Development - Work & Income)

## **Outcomes of our work**

Career Services' work is an important part of government's progress towards meeting its education, labour market, social equity and economic wellbeing goals. Our contribution to these goals is achieved through the delivery of services and resources to individuals and groups, which produce positive outcomes for New Zealanders, both directly and through the wider contribution they make to our society and the economy.

The direct outcomes of our work are improved transitions from school to further training and work, and informed study and career decision-making. These outcomes have a flow-on effect to wider society and contribute to the following key government goals:<sup>4</sup>

- **Improve New Zealanders' skills**  
Foster education and training to enhance and improve the nation's skills so that all New Zealanders have the best possible future in a changing world. Build on the strengthened industry training and tertiary sectors to ensure that New Zealanders are among the best educated and most skilled people in the world.
- **Grow an inclusive, innovative economy for the benefit of all**  
Develop an economy that adapts to change, provides opportunities and increases employment, and reduces inequalities while increasing incomes for all New Zealanders. Focus on the Growth and Innovation Framework to improve productivity and sustainable economic growth.
- **Reduce inequalities in health, education, employment and housing**  
Reduce the inequalities in our society and offer a good future for all by better co-ordination of strategies across sectors, and by supporting and strengthening the capacity of Maori and Pasifika communities. This ensures that all groups are able to participate fully in all aspects of society and enjoy the benefits of improved production.
- **Strengthen national identity and uphold the principles of the Treaty of Waitangi**  
Celebrate our identity in the world as people who support and defend freedom and fairness, who enjoy arts, music, movement and sport, and who value our diverse cultural heritage, and resolve at all times to endeavour to uphold the principles of the Treaty of Waitangi.
- **Maintain trust in government and provide strong social services**  
Maintain trust in government by working in partnerships with communities, providing strong social services for all, building safe communities and promoting community development, maintaining credibility with New

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<sup>4</sup> Department of Prime Minister and Cabinet, *Key Government Goals to Guide the Public Sector in Achieving Sustainable Development*, October 2002.

Zealanders, working constructively in Parliament, and promoting a strong and effective public service.

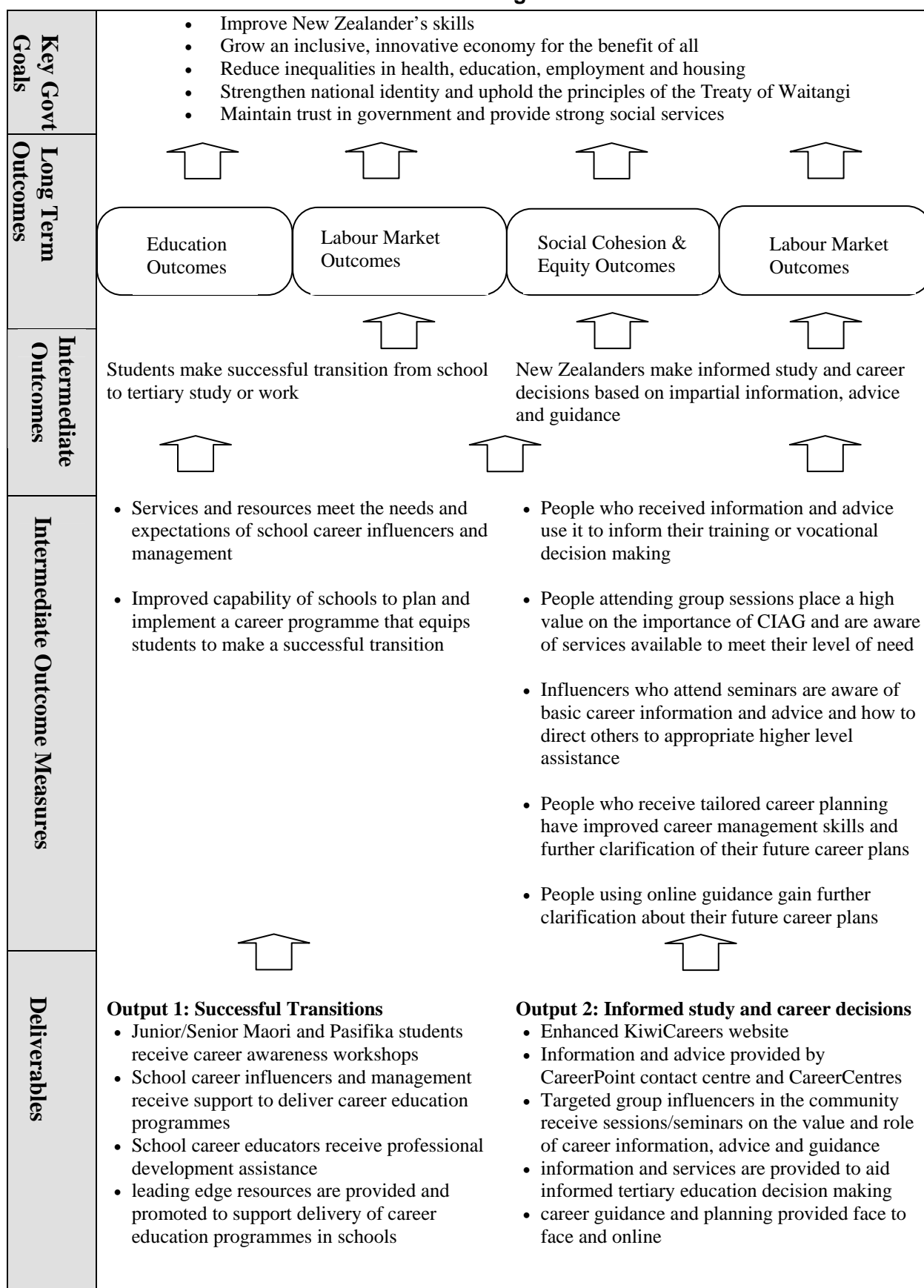
Career Services last year introduced a greater focus on outcomes to our Output Agreement<sup>5</sup>. We will continue to refine this focus in 2005/06, to enable more flexible, outcomes-oriented services and resources. This provides real benefit to the people we work with by enabling them to receive services and resources that are tailored to their needs.

We have progressively improved our strategic framework over the past few years to better demonstrate how our services and resources link to outcomes and government's goals. The diagram below shows how our services and resources directly produce outcomes that in turn flow into long term benefits.

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<sup>5</sup> Prior to 2005/06 the Output Agreement was called the 'Purchase Agreement'

## Career Services' Strategic Framework



## **Measuring Outcomes**

Career Services has an active programme of evaluation to measure the immediate outcomes of our work. These are conducted by an external evaluation company. As well as producing outcomes information, these evaluations are used to continuously improve our services and resources so they meet the needs of people they are being delivered to.

## **Strategic Direction**

The Career Services Board has agreed two strategic positions with supporting strategies. These provide us with a framework to meet the expectations outlined in the Statement of Intent and Purchase Agreement, while also creating an environment where people are aware of the importance of career development in their lives and have ready access to high quality career information, advice and guidance.

Our future will be built around a range of well integrated services and resources, backed up by strong financial management and leadership. The high quality of our services, resources, staff and advice to government will enable us to maintain our position as a credible leader in the careers sector.

The Strategic Positions and Strategies are:

### **1. High Quality Service Deliverer**

#### **Strategies**

- a. Continually revitalise services and resources
- b. Enhance our key strategic alliances
- c. Improve access, integration and awareness of our services and resources
- d. Ensure ongoing quality of our services and resources

### **Credible Sector Leader**

#### **Strategies**

- a. Inform and influence government policy based on sound, impartial evidence, research and practical industry experience.
- b. Build the capability of key career influencers
- c. Model best practice

## Linking strategies with success measures

The strategies adopted by the Career Services Board are set out in the Strategic Plan and built into our National Business Plan. The Board has approved a number of 'Measures of Success' in achieving these strategies. These are also stated in the Strategic Plan and form the basis of specific measurable targets developed by individual business units for inclusion in their individual business plans and the National Business Plan.

### 1. High Quality Service Deliverer

Strategy	Measures of Success
a. Continually revitalise our services and resources	<ul style="list-style-type: none"> <li>Services and resources are recognised as being up-to-date and produce desired outcomes</li> <li>Demand for services and resources is strong, and met as per Purchase Agreement requirements</li> </ul>
b. Enhance our key strategic alliances	<ul style="list-style-type: none"> <li>Active participation in relevant educational, social, economic and labour market policy development achieved</li> <li>Sustainable relationships with key stakeholders enhanced</li> <li>Collaborative outcomes are developed</li> </ul>
c. Improve access, integration and awareness of our services and resources	<ul style="list-style-type: none"> <li>Services and resources meet client and stakeholder expectations</li> <li>Demand for services and resources is strong, and met as per Purchase Agreement requirements</li> <li>Access and awareness needs of target groups, including Maori and Pasifika, are recognised and improvements made in addressing these needs</li> </ul>
d. Ensure ongoing quality of our services and resources	<ul style="list-style-type: none"> <li>Quality standards achieved, as per Purchase Agreement</li> <li>Services and resources meet client and stakeholder expectations</li> </ul>

### 2. Credible Sector Leader

Strategy	Measures of Success
a. Inform and influence government policy based on sound impartial evidence, research and	<ul style="list-style-type: none"> <li>Active participation in key national and international policy development relevant to careers achieved</li> <li>Policy advice is of high quality</li> </ul>

practical industry experience	<ul style="list-style-type: none"> <li>• Sustainable relationships with key government stakeholders further developed and maintained</li> </ul>
b. To build the capability of key career influencers	<ul style="list-style-type: none"> <li>• Increased capability of key career influencers with whom we work</li> <li>• Services and resources meet the needs and expectations of key career influencers</li> </ul>
c. Model best practice	<ul style="list-style-type: none"> <li>• Services and resources are recognised as being up-to-date and produce desired outcomes</li> <li>• Career Services demonstrates evidence of best practice as an employer</li> </ul>

## Key priorities for Achieving our Strategies

### Improving Access

Career Services aims to encourage all New Zealanders to access and use career planning and information services and resources, through our three main delivery points: KiwiCareers, CareerPoint and CareerCentres. In doing this, we follow a Strategic Marketing Strategy (see page 21 for details) and make significant and innovative use of technology.

KiwiCareers last year introduced an online career guidance and planning tool 'Pathfinder,' which provides New Zealanders with better access to career guidance. During 2005/06 KiwiCareers will introduce a number of other enhanced features, which will improve the ability of people to access the information useful to them. Examples of this are a skills search engine and more dynamic and accessible labour market information.

CareerPoint contact centre provides a mostly telephone-based service that extends beyond normal office hours, giving access to career information and advice to a wide cross section of New Zealanders, including those from remote locations, the disabled, those who do not have access to the internet as well as those who for whatever reason find it difficult to access one of our 16 offices. CareerPoint continues to refine the accessibility of its career information and advice, adding an online chat facility in 2002 and investigating delivery options such as text messaging and different marketing techniques.

CareerCentres work collaboratively with the community and with government agencies to improve accessibility to their career information, advice and guidance. Sessions and seminars are held with community, iwi and migrant organisations to promote the value of effective career information, advice and guidance and raise awareness of the range of services available.

CareerCentres, CareerPoint and KiwiCareers put a lot of effort into improving access by promoting our services and information with groups such as employers and tertiary

institutions and by attending a range of events, such as career expos around the country.

### **Using High Quality Research**

Career Services believe strongly in the value of high quality research and development. We are committed to promoting and engaging in outcomes based research as part of our leadership role within the careers industry.

In addition to evaluating our services and resources, we will continue to provide input and work collaboratively on research projects being conducted by government agencies and individuals in New Zealand. Last year we worked closely with other government agencies to develop a paper comparing New Zealand with the 10 features of career guidance systems published by the OECD. This has resulted in the identification of a number of areas for continued work. We will continue to progress this during 2005/06, to ensure good information is available about the provision of career information, advice and guidance in New Zealand. This information can then be used as a basis for improving the systems we have here and to establish how we compare internationally.

We also contribute to international research, discussion and best practice. We are members of the European Commission's expert group on lifelong guidance, through which views and experience from across the guidance world are actively exchanged via a 'virtual community' on the internet. We are represented at a senior level within the International Association of Educational and Vocational Guidance by our Chief Executive, Lester Oakes.

### **Participation in Policy Development**

As a government agency straddling the education, labour market, social and economic sectors, we place high importance on collaborating with a range of other government agencies. Based on our involvement in research and evaluation, our practical knowledge of the careers industry and extensive national and international networks, we will continue to provide high level policy advice to government on the benefits of career information, advice and guidance and the role it plays in informed decision making, lifelong guidance and maximising people's potential.

### **Development Strategy**

Career Services main focus is to meet the expectations of government by delivering high quality services and resources that cater to the diverse needs of New Zealanders.

The increasing demand for Career Services' participation in government strategies and initiatives provides the opportunity to expand the quality, scale and scope of our services and resources. We will continue to respond to this demand in a managed way, ensuring we maintain the capacity to meet our Output Agreement requirements.



## **Collaborative Relationships**

A key objective of our development strategy is to lift New Zealanders' understanding of the value CIAG adds to career decision-making, and of the practical benefits this can have on their economic and social circumstances. Strong relationships with other agencies and organisations, and the people we serve, will be pivotal to us achieving this strategy.

We work in collaboration with other government agencies and career industry professionals with a shared vision of enhancing the expertise of others, and growing the quality and range of services and resources. We are committed to developing sustainable, long-term relationships because these add the best value to the delivery and outcomes for mutual clients.

As a core government agency in the education sector, we participate in collaborative information sharing within the sector. This ranges from pan sector governance bodies, such as the Chief Executive ICT Standing Committee, to operational working groups and more policy oriented groups such as the Tertiary Education Advisory Forum. We will continue to place an emphasis on this engagement, and to share information that benefits the education sector as a whole.

## **Focus on People and Participation**

Career Services contributes to the achievement of government's goals by aligning our services and resources to the differing needs of all New Zealanders.

We provide career information, advice and guidance directly to targeted individuals and under-represented groups to assist them to participate in the labour market, education sector and other parts of society. This helps them make choices that lead to the best outcomes for them, their children and the wider community.

Our primary focus is on specific groups who are identified as being of key importance to New Zealand's future, or of particular need. We will this year be undertaking client analysis to improve our understanding of specific groups who are under-represented and how best we can connect with them. This will inform our future work with targeted groups.

Our focus on differing groups and needs is consistent with the 2003 OECD international review, which noted ease of access, capacity to meet differing client needs, attention to key transition points and flexible, innovative service delivery among 10 key features of successful lifelong guidance systems.

## **Youth and Schools**

Development of career awareness and informed decision making in all young people is critical to ensure a successful transition from school to tertiary education and working life. Access to impartial career information, advice and guidance is becoming a more important part of this process, as the number of subject choices at school and post school continue to multiply. In this environment, we are growing our role as an

effective, quality provider of career information and advice to school students and their influencers. This will improve the ability of students to make informed career decisions that take into account all relevant factors, including changes to the qualification structure.

Our main focus is to raise the capability of career influencers and management within schools, by supporting them to deliver career education programmes that are consistent with standards in the National Administration Guidelines. This is the best way of ensuring that career education becomes engrained in the school curriculum and that students of all ages receive career education that makes an impact and is appropriate to their age. In addition to this core work, we will remain heavily involved in delivering the *Designing Careers* pilot programme, to improve career education in around 75 schools nationwide.

### **Improving Outcomes for Maori and Pasifika**

Career Services is committed to improving outcomes for Maori and Pasifika by delivering effective and culturally appropriate services. Maori and Pasifika will make up a greater proportion of the main working-age population in coming decades because these groups are youthful and have higher birthrates compared to the rest of the population.<sup>6</sup> Maximising the skills, qualifications and potential of Maori and Pasifika will improve New Zealand's capability and economy.

A range of high quality programmes are delivered to students and communities throughout New Zealand. Career decision-making presentations and interactive workshops are delivered to around 4,500 secondary age Maori and Pasifika students annually. A number of workshops are also delivered to Maori and Pasifika groups and organisations, aimed at improving their capability to deliver career information, advice and guidance services. People identifying as Maori and Pasifika currently make up more than 20 percent of information and advice inquiries to CareerPoint and CareerCentres<sup>7</sup>. KiwiCareers provides over 900 web pages of content in te reo and some of our paper resources are also in te reo.

### **Mature Workers**

Career Services is committed to assisting people to make career choices at every age and stage of life. The career decisions of mature workers will become more important to New Zealand's economy and society in the future, as the median age of the labour force increases. This is likely to occur due mainly to ageing of the "baby boomer" population<sup>8</sup>. The labour market will need to become more flexible to meet the needs of these workers.

Career Services will, over coming years, develop our role in helping to match the skills and interests of mature workers with appropriate opportunities. A first step in

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<sup>6</sup> Department of Labour, *WorkINSIGHT, Issue 5 November 2004*, p 12; Ministry of Social Development, *The Social Report te purongo oranga tangata 2004*, p. 15, Ministry of Pacific Island Affairs, *Post Election Briefing for the Incoming Minister of Pasific Island Affairs, July 2002*, pp 27-28.

<sup>7</sup> 23% of people making information and advice enquiries to CareerCentres and CareerPoint during 2002/03 and 2003/04 identified as Maori or Pasifika.

<sup>8</sup> Source: Statistics New Zealand website. An older labour force is likely even with higher levels of net migration.

this will be looking at ways to raise awareness of the changing workforce and the benefits that can be achieved by accessing career information, advice and guidance.

### **Refugees and Migrants**

Refugees and migrants from various ethnic groups, particularly those from Asia, are also likely to increase as a proportion of the workforce.<sup>9</sup> Career Services recognises the increasing importance of delivering effective and appropriate career information, advice and guidance to refugees and migrants. Refugees and migrants often have skills needed in the labour market, particularly in the current climate of skill and labour shortages, but lack language skills and/or localised cultural knowledge of what is expected by the labour market. This can act as a barrier to their entering the labour market. We will continue to tailor our service delivery to better meet the needs of refugees and migrants, and to work with others who are engaged in settlement initiatives.

### **Tertiary Sector**

Career Services plays a key role in relation to the Tertiary Education Strategy. Particularly relevant to our work is the objective to equip learners to make informed choices about career and learning options. Our Informed Tertiary Education Decision Making Initiative is a vital plank in government's provision of career and training information and advice to intending tertiary students.

During 2005/06 we will continue our development of a neutral information platform. This will help people make decisions about their training investment, based on the full range of options relevant to their skills, talents and interests, across the tertiary sector. The 2005/07 Statement of Tertiary Education Priorities (STEP) recognises this as making an important contribution to improving learning outcomes. The STEP notes the need to ensure students and learners make informed choices, based on accurate factual information about course options and career paths. It also identifies other priority areas where Career Services can make an important contribution to helping improve learning outcomes:

- improving the connection between the tertiary education sector and the rest of the education system, to help school leavers move into appropriate tertiary education
- assisting students and learners at key transition points during the educational process.<sup>10</sup>

In doing this we will make use of recent research on student decision making, which is applicable to the New Zealand context<sup>11</sup>. Increasing our profile in the tertiary sector and working closely with stakeholders to enhance our role as New Zealand's independent tertiary information and advice provider will also improve the value of government's investment in this sector.

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<sup>9</sup> According to recent projections, the percentage of Asians in the workforce will increase from 6.7% in 2001 to 12.5% in 2021. However, the accuracy of this projection is dependent on immigration flows.

<sup>10</sup> Office of the Minister of Education, *Statement of Tertiary Education Priorities 2005/07*, p 28.

<sup>11</sup> Massey University, *Student Decision-Making by Prospective Tertiary Students; A review of existing New Zealand and overseas literature*, 2005.

## Internal Capability

Continuing to strengthen our internal capability is an area of focus for Career Services. This is about ensuring we are able to deliver our planned outputs and achieve our desired outcomes. The key areas of internal capability focus for 2005/06 are people, information technology, Maori responsiveness and risk management.

### **Human Resources Management**

Career Services is committed to demonstrating good employer practice and meeting legislative requirements. This is shown by a range of human resources initiatives and policies that reflect our core values and legislative requirements, and promote a positive working environment and work-life balance. The Career Services Board and management recognise the critical influences these initiatives and policies have on our development and success.

We are taking a more strategic approach to building our “people” capability and are aligning our human resources policies and practices more closely with the public service as follows.

- We have adopted the goal of Career Services being an employer of choice – this will drive further human resources initiatives
- We have implemented the Government-funded State Sector Retirement Savings Scheme. Although we were not included in the scheme we have had agreement from government to fund the employer costs from within our base line.
- Improving relativities and parity in pay and conditions of employment
- The public service code of conduct is included in all employment agreements.

A Learning and Development Framework will be implemented over the next year to develop organisational capability and to support individual career development. This will set out the training and development opportunities across Career Services and will include nationally delivered standard training such as induction.

We continue to seek ways to minimise health and safety issues in the workplace and have established an employee participation programme. An employee assistance programme is also in place for all staff to access on a confidential basis and trends are monitored by management.

Equal Employment Opportunity (EEO) guidelines are contained within the HR manual with an EEO plan developed annually by the CE and approved by the Board.

Staff statistics including turnover, ethnicity and gender are regularly monitored and included in an annual report to the Board.

Our human resources policies support the achievement of organisational outputs by:

- recruiting and retaining staff with the appropriate knowledge, skills and experience to deliver high quality services;
- an active policy of recruiting and retaining staff from Maori and Pasifika communities to ensure appropriate delivery to those communities while at the same time contributing to the wider organisational context. Currently over 28% of Career Services' workforce is of Maori and Pasifika origin with a robust recruitment and retention strategy operating to attract appropriately qualified Maori and Pasifika staff into the organisation;
- providing regular performance feedback to staff in achievement of their annual performance agreements and work plans;
- staff remuneration systems which actively support the organisation's direction and goals;
- reviewing management performance and style by staff and peer managers;
- completing an organisational climate survey every second year.

Our human resource policies are regularly updated and available to all staff via our intranet. Our Individual Employment Agreement and human resources are updated where appropriate to reflect employment legislation changes.

### **Maori Responsiveness**

Career Services recognises its responsibility to ensure that the needs of Maori, as both a priority client group and a Treaty partner are being appropriately identified and addressed. We are aware of the disparity between Maori and non-Maori in education achievement, labour market participation and other social and economic indicators. We are committed to delivering effective career development outcomes for Maori and our business and strategic planning process will:

- take account of the Treaty of Waitangi, and in particular the Crown's position on Treaty issues;
- contribute to the Government's strategic goals to reduce disparity between Maori and non-Maori with respect to educational achievement and labour market participation;
- require collaboration with other organisations delivering outputs for Maori;
- ensure Career Services provides quality programmes that deliver positive outcomes for Maori clients;
- review and monitor performance measures to assess progress towards strategic goals, objectives and outputs and changes in outcomes for Maori; and

- contribute towards building the capacity and knowledge of Māori providers to achieve positive outcomes in education, training and employment through Maori lead and managed initiatives.

### **Strategic Marketing**

An aim that drives our marketing is to increase the knowledge that currently exists about the value of career information, advice and guidance. A Marketing Strategy has been developed to guide marketing activity until 2006/07. Following a clear strategy for marketing will ensure the best outcomes and value for money are gained from the marketing of our role and services.

Marketing emphasis will continue to include:

- raising the profile and awareness of Career Services among the general public and business audiences;
- Raising the awareness among Maori and Pasifika of the agency in general, the services available and how to access these services;
- Demonstrating a strong industry leadership role;
- Promoting career information, advice and guidance to targeted markets;
- Ensuring that all marketing and promotion of the organisation is aligned and incorporates all resources, services and delivery arms as seamless parts of Career Services.

### **Strategic Information Technology**

Career Services supports our role as leader in the careers industry with investment in appropriate technology. This investment is designed to maximise the effectiveness of internal systems and processes while providing an information technology platform which enables access for all New Zealanders to high quality career information and planning services.

Over the last two years our information technology focus has largely been on upgrading the career information management system that supports the KiwiCareers career information website. With enhancements to the KiwiCareers website completed in the 2005/06 financial year, our focus will shift to looking at the role of our information technology systems in maintaining common client information across the organisation.

Career Services contributes to the cross sector integration of ICT investment, and the effective and efficient use of the data held, by actively participating in the E-Government and E-Education forums, working parties and projects.

## **Financial strategy**

Career Services has had a period of sustained growth with additional funding being received in the last three budgets.

The financial parameters focus on the following key areas:

- Integrate the new budget initiatives and consolidate the existing services and resources
- Target a breakeven position in the medium term
- Reinvest working capital in asset capital replacement maintaining operating capacity
- Concentrate on contractual revenue that contributes to the strategic aims.

Career Services has a comprehensive system of financial reporting and monitoring.

Significant expenditure proposals are reviewed by BFAC as are the monthly financial reports and financial strategy/budget papers.

Reporting to the Board is supported by an extensive monthly internal reporting and monitoring of individual managers, who then feed back variance/revised forecast analysis to their executive managers.

## **Risk Management**

Career Services aims to remain a high quality, pro-active, responsive, financially viable organisation recognised as the industry leader in our field.

A review of Career Services strengths, weaknesses, opportunities and threats was conducted recently to gain a clear understanding of risks which could hinder organisational and business development opportunities. This review showed we are in an excellent position to sustain a period of growth, but also highlighted a risk of the pace of growth, and increasing demands and expectations associated with this, placing stress on our infrastructure.

This risk was addressed through a review of our delivery and organisational model in 2004/05, which included the efficiency and effectiveness of our operational, financial, corporate support and governance environments and structures. The aim of the review was to ensure our foundations are well-established to deliver quality services now and in the future. Initial findings and recommendations have been reached. The recommendations from this review will form the basis of strategic and business planning over this and coming years.

Risks are divided into five categories:

- Strategic: affects Career Services' ability to achieve its goals
- Financial: may result in a loss of assets or income
- Operational: affects an ongoing management process
- Compliance: relates to compliance with laws, regulations and internal processes
- Reputation: relates to damage to Career Services' external reputation and profile

The Risk Management Strategy identifies the risk category, and aligns it with likely results and mitigation strategies.

See Appendix IV for full details of the risks identified and managed by Career Services.



## PART B – FORECAST STATEMENTS

### Overview of Output Classes/Services 2005/06

#### **Government Funding**

Career Services is funded by the Government through Vote Education – Non-departmental output class 05 - Provision of information and advisory services. The purchase of outputs within this output class is solely by the Minister of Education and is detailed in the Output Agreement between the Minister of Education and the Board of Career Services.

Total income via the purchase agreement with the Minister of Education in 2005/06 is \$13.955 million

#### **Commercial Funding**

Career Services also delivers services and resources purchased directly by other parties on a commercial basis.

We will maintain the level of business secured from these markets. Activity will be based primarily on continuation of existing key contracts at existing levels.

The Ministry of Social Development (Work and Income), through its regional contracts, is expected to remain a major commercial client in 2005/06. In addition, the Accident Compensation Corporation (ACC) will continue to be a significant client.

At a local level, a range of contract work will be undertaken for public and private sector organisations, as well as individual fee-paying clients. All commercial revenue will be based on the sale of services and resources that comply with the legislated functions of Career Services.

## Summary of Outputs

		Price \$000s GST Incl.
<b>Output Class:</b>	<b>Provision of Information &amp; Advisory Services</b>	<b>\$13,955</b>
<b>Outputs:</b>	<b>1. Successful Transitions</b> This output provides for students making successful transitions from school to tertiary study or work.	<b>\$3,244</b>
	<b>2. Informed study and career decisions</b> This output provides for New Zealanders to make informed study and career decisions based on impartial information, advice and guidance.	<b>\$10,093</b>
	<b>3. Policy advice to Minister of Education</b> This output provides for the Minister having a heightened awareness of careers work, and career work being included in wider government policies through the Minister.	<b>\$618</b>

## Output Schedule

### **Non Departmental Output Class 05: Provision of Information and Advisory Services**

*Cost \$13.955m (inclusive of GST)*

The key deliverables arising from this Output Class are:

1. development and provision of an independent career information system;
2. promotion within training and employer organisations of the development and accessibility of career information;
3. advice and guidance to individuals on how to best use career information;  
provision of tailored career guidance services to people who meet the criteria for delivery of the service;
4. supporting and updating school staff and other influencers of career decision making in the use and application of career information;
5. responding to information requests from government and its agents and providing advice on policy development.

### **Output 05:1 Successful Transitions**

*Students make successful transitions from school to tertiary study or work*

*Cost \$3,243,751*

<b>Objectives</b>	<p>Career influencers in selected state funded secondary and Year 7 &amp; 8 schools receive the professional support they need to assist students make successful transitions by delivering a career education programme that meets the standards set by the National Administrative Guidelines.</p> <p>Students with differing needs have access to an appropriate level of career information, advice and guidance to improve their likelihood of making a successful transition.</p>
<b>Key Outputs</b>	<p>Support selected state funded schools to deliver career education programmes to National Administration Guidelines standard by providing services to school students, teachers and management, both individually and as groups.</p> <p><b><i>Provide advice and assistance to school management and career educators</i></b>, to support the development and implementation of career education programmes being delivered appropriately and effectively in the curriculum:</p> <ul style="list-style-type: none"><li>• Provide school career educators with professional development assistance, so they have the skills, knowledge and support to correctly and appropriately provide career information, advice and guidance to others.</li><li>• Provide schools participating in the <i>Designing Careers</i> pilot with support to develop individual learning and career plans for year 10 students.</li><li>• Provide professional development to staff in pilot schools in relation to individual learning and career plans, and the management of year 10-13 students at risk of not making a successful transition from school.</li></ul> <p><b><i>Provide targeted assistance to students identified as needing additional career information, advice and guidance</i></b>:</p> <ul style="list-style-type: none"><li>• Provide customised career awareness that meets the needs of Senior and Junior Maori and Pasifika students.</li><li>• Support schools participating in <i>Designing Careers</i> to manage Year 10-13 students who have been identified as at risk of not making a successful transition from school.</li></ul> <p><b><i>Provide, promote and develop leading edge career education resources</i></b> to support delivery of school career education programmes, including:</p> <ul style="list-style-type: none"><li>• a package of paper, online and electronic resources to support planning and delivery of school career education programmes, as agreed with the Ministry of Education</li><li>• providing all state funded secondary schools with an updated</li></ul>

<ul style="list-style-type: none"> <li>• version of CareerQuest training career educators in use of The Real Game and other resources where required</li> <li>• promotion and information about available resources, including a Career Education Resource Catalogue, linking resources with relevant outcomes in the National Assessment Guidelines.</li> </ul>	
<b>Key Deliverables</b>	<b>Performance Measures</b>
<p>Support school career influencers and management to deliver career education programmes to National Administration Guidelines standard, by providing:</p> <ul style="list-style-type: none"> <li>• advice and assistance to school management and career educators to support development and implementation of career education programmes and policies</li> <li>• professional development assistance to career educators</li> <li>• <i>Designing Careers</i> pilot schools with assistance to support the development of plans for year 10 students.</li> </ul> <p>Provide targeted assistance for students identified as needing additional career information, advice and guidance, by providing:</p> <ul style="list-style-type: none"> <li>• identified Maori secondary students with career awareness assistance</li> <li>• identified Pasifika secondary students with career awareness assistance</li> <li>• assistance to meet the needs of identified at risk Year 10-13 students in <i>Designing Careers</i> pilot schools</li> </ul> <p>Provide, promote and develop leading edge career education resources to support delivery of school career education programmes. This includes:</p> <ul style="list-style-type: none"> <li>• a package of online, electronic and paper resources to support career education in schools</li> </ul>	<p style="text-align: center;"><b>Quantity</b></p> <p>300-350 schools</p> <p>300-350 schools</p> <p>75 schools</p> <p>3400-3800 students</p> <p>900-1100 students</p> <p>75 schools</p> <p>Resources produced and made available, including updated version of CareerQuest</p>

<ul style="list-style-type: none"> <li>online and paper resources to support teacher and student development of individual learning and career plans, as part of the <i>Designing Careers</i> pilot.</li> </ul>	<p>Resources developed and made available</p>
<p><b>Quality</b> CareerCentres quality assurance processes, including peer review and staff training, documented and adhered to.</p>	<p>Internal audit completed</p>
<p>Client and stakeholder feedback processes in place for services and resources.</p>	<p>Feedback received and acted on appropriately</p>
<p>The Real Game meets contracted standards.</p>	<p>Any changes reviewed and accepted by contractor</p>
<p><b>Timeliness</b></p>	
<p>All services delivered in the timeframes agreed with schools.</p>	<p>100%</p>
<p><b>Outcome Measures</b></p>	
<p>External evaluations will be commissioned to assess the contribution of output one deliverables to the following outcomes:<sup>12</sup></p>	
<ul style="list-style-type: none"> <li>75% of school career influencers and management receive services and resources that meet their needs and expectations</li> <li>75% of schools receiving assistance from Career Services have an improved capability to plan and implement a career programme that equips students to make a successful transition</li> </ul>	<p>Evaluations undertaken by 4th quarter reporting deadline</p>

<sup>12</sup> Evaluation measures were changed in 2003/04 from a client satisfaction focus to an outcomes focus. Measures remain at 75% for 2005/06 while benchmark results for these outcomes are established.

**Output 05:2 Informed study and career decisions**

*New Zealanders make informed study and career decisions based on impartial information, advice and guidance*

*Cost*  
*\$10,093,333*

<b>Objective</b>	<p>Study and career decisions are made using impartial career, training and labour market information, made available on the internet, telephone, e-mail, fax and face-to-face.</p> <p>New Zealanders have access to advice and guidance to help them interpret career, training and labour market information, delivered in a form appropriate to their needs.</p>
<b>Key Outputs</b>	<p>Develop and promote an internet-based national career information system (KiwiCareers), which is an independent and comprehensive source of career, training and labour market information, and appropriate to a wide range of people.</p> <ul style="list-style-type: none"><li>• Provide relevant career related information by industry, employment training and funding organisations via the internet.</li><li>• Integrate internet based career information produced by other organisations into KiwiCareers.</li><li>• Ensure gaps in the provision of career information via the internet have been addressed.</li><li>• Promote use of the national system (KiwiCareers) by career information providers and career information seekers.</li><li>• Ensure users can access outlook projections for industry and occupational descriptions in KiwiCareers.</li><li>• Ensure changes in the labour market and tertiary education sector are reflected by the career information system.</li><li>• Provide a search engine to match skills to occupations.</li><li>• Prevent access to inappropriate or offensive material via the national system (KiwiCareers) by end users.</li></ul> <p>Provide access to career information and advice, both inside and outside of working hours, through a range of delivery channels to meet differing client needs. These include an 0800 contact centre (CareerPoint), face to face (CareerCentres), email, fax and letter.</p> <p>Provide identified groups within the community with one or more session on the value and role of career information, advice and guidance and how to access services. These sessions aim to increase the knowledge of the participants, as well as enabling them to pass this knowledge to others. They will focus on groups who are identified as being most at need of assistance. This will include:</p> <ul style="list-style-type: none"><li>• Iwi groups</li><li>• parent groups</li><li>• migrant groups.</li></ul>

Provide information and services to aid informed tertiary education decision making.

Provide intermediate and high level career planning services. Intermediate level assistance will be provided via an online career guidance and planning tool on the KiwiCareers website. High level individualised, one-on-one, tailored career guidance will be provided by CareerCentres. The targeted groups for face-to-face tailored career planning services are:

- long term unemployed
- those with low qualifications
- at risk youth
- displaced workers
- those employed in at risk industries or occupations
- those returning to work after an extended period out of the workforce
- low income earners
- older workers who are under-employed
- migrants and refugees
- people with disabilities who need to adapt to new work opportunities
- those who have experienced major life crises and need to re-establish their careers

These groups need additional assistance to participate and achieve in the labour market. Within these groups there is a focus on Maori and Pasifika people.

<b><i>Key Deliverables</i></b>	<b><i>Performance Measures</i></b>
<b><i>Enhance National Career Information System</i></b>	Quantity
Research, produce and publish on KiwiCareers website career, occupation, training and labour market information.	
• Career information items produced.	900-1000
• Web pages or descriptions produced in Maori.	900-1000
• Regional labour market items produced.	550-650
• Three to five year occupational and industry outlook projections produced.	650-750
Maintain databases, navigation, search engines and links that support the provision of occupation, training and labour market information on KiwiCareers website.	
• Central KiwiCareers web pages produced.	1400-1500
• Programmes of study listed in KiwiCareers maintained.	5000-6500



<ul style="list-style-type: none"> <li>• Web links to external organisations maintained.</li> </ul>	6000-8000
<b><i>Provide information and advice</i></b>	
People who receive career information/and or advice via CareerPoint contact centre or local CareerCentres.	60,000 – 70,000
New Zealand based users who receive career information via the KiwiCareers website.	350,000-400,000
Provide one or more session to target groups (including migrants and refugees) on the value and role of career information, advice and guidance and how to access services.	270-310 events
Provide information and services to aid informed tertiary education decision making.	Update provided each quarter
<b><i>Provide career guidance and planning</i></b>	
Career guidance and planning provided face-to-face to targeted New Zealanders, including migrants and refugees.	5,900-6,300
Career guidance and planning provided on the KiwiCareers website.	Quarterly report, including numbers of new registrations and active accounts
<b>Quality</b>	
Client and stakeholder feedback processes in place for CareerCentres, KiwiCareers and CareerPoint.	Feedback received and acted on appropriately
CareerCentre, KiwiCareers and CareerPoint quality assurance processes, including peer/supervisor review and training, documented and adhered to.	Manuals updated, reviews completed, internal CareerCentre audit completed
<b>Timeliness</b>	
Percentage of time KiwiCareers can be accessed by users.	99%
Percentage of time CareerPoint is available during its operating hours.	100%

<p>Information and advice services provided by CareerCentres delivered within agreed timeframes.</p> <p><b>Outcome Measures</b></p> <p>External evaluations will be commissioned to assess the contribution of output two deliverables to the following outcomes:</p> <ul style="list-style-type: none"> <li>• 75% of NZers who received information and advice from Career Services used it as part of their training or vocational decision making process</li> <li>• 75% of participants of groups receiving career seminars/sessions place a high value on the importance of career information, advice and guidance and are aware of service available to meet their level of need</li> <li>• 75% of influencers receiving career seminars/sessions have awareness of basic career information and advice and how to direct others to appropriate higher level assistance where needed</li> <li>• 75% of targeted New Zealanders receiving tailored career planning gained improved career management skills and further clarification of their future career plans</li> <li>• 75% of people using online guidance gained further clarification about their future career plans</li> </ul>	<p>100%</p> <p>Evaluations undertaken by 4<sup>th</sup> quarter reporting deadline</p>
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**Output 05:3 Policy advice to Minister of Education**

*Minister has heightened awareness of careers work and career work is included in wider government policies.*

*Cost  
\$617,417*

<b>Objectives</b>	<p>Minister and agent are informed with up-to-date and relevant information.</p> <p>Agencies are made aware of career-related implications of policies while they are being developed.</p> <p>All responses and contributions are provided in a timely manner, based on national and international evidence and practical industry experience.</p>
<b>Key Outputs</b>	<p>Respond to requests for information, advice and/or correspondence from the Minister or agent of the Minister.</p> <p>Respond to requests for information, advice and/or correspondence from other agencies or individuals, including drafting answers to parliamentary questions, responding to Official Information Act enquiries and to requests from parliamentary committees.</p> <p>Collaborative work with other government agencies in the education, labour market and social development sectors, in particular the Ministry of Education, Tertiary Education Commission and other education agencies, Department of Labour, Ministry of Social Development, Te Puni Kokiri and Ministry of Pacific Island Affairs in the provision of policy advice.</p>
<b>Key Deliverables</b>	<b>Quantity</b>
<p><b>Quantity</b></p> <p>Policy advice services to Minister and Ministry actioned.</p> <p>Contributions to development of wider government policy actioned.</p> <p><b>Quality</b></p> <p>Regular feedback received from the Minister’s office and Ministry of Education regarding their satisfaction with advice and correspondence provided.</p>	<p>50</p> <p>60</p> <p>Feedback received and acted upon</p>

All policy advice will meet the quality characteristics as described in the Cabinet manual.	100%
<b>Timeliness Measures</b>	
Requests for advice and/or correspondence drafted actioned within the specified timeframes.	100%

## Accounting Policies

### **Reporting Entity**

Career Services is a Crown entity formed under the Education Act 1989.

The forecast financial statements which follow comprise the forecast activities of Career Services for the years ended 30 June 2005 to 30 June 2008.

The statements have been prepared in accordance with the Public Finance Act 1989 and the Financial Reporting Act 1993.

The trading name is Career Services rapuara and is referred to in this report as Career Services.

### **Measurement basis**

The measurement base is historical cost.

### **Accounting policies**

#### *Revenue*

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

#### *Cost allocation*

Direct costs are charged to specific outputs based on the productive hours recorded on staff weekly timesheets. Indirect costs are allocated to output classes on the basis of forecast staff output activity.

#### *Receivables*

Receivables are stated at expected net realisable value, after providing for doubtful and uncollectable debts.

#### *Inventories*

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

#### *Investments*

Investments are all bank term or on call deposits and are recorded at the lower of cost of market value.

### *Leases*

Career Services 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.

### *Fixed assets*

All fixed assets are recorded at cost less accumulated depreciation.

### *Depreciation*

Depreciation is provided on a straight-line basis at rates, which will write off the cost of the assets less the estimated residual values over their estimated useful lives, which range from 3-10 years.

### *Provision for Employee Entitlements*

Provision is made in respect of Career Services liability for annual leave, long service leave and retirement/resigning leave. Liability for annual leave has been calculated on an actual entitlement basis at current rates of pay, while the other provisions have been calculated on an actuarial basis based on the present value of expected future entitlements.

### *Financial instruments*

Career Services is party to financial arrangements as part of its every day operations. Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position when a contractual obligation has been established. All foreign exchange transactions are recorded at the spot rate prevailing at the transaction date. No off-balance sheet instruments have been entered into.

### *Goods and Service Tax (GST)*

All monetary values are stated exclusive of GST except receivables and payables.

### *Cash*

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Career Services invests as part of its day-to-day cash management. Operating activities includes cash received from all revenue sources of the Career Services. Investing activities are those activities related to the acquisition and disposal of non-current assets.

### *Changes in Accounting Policies*

There have been no changes in accounting policies. All accounting policies have been applied on a basis consistent with those used last year.

## 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 Career Services are sold on a commercial basis. For the current Purchase 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 Purchase Agreement, are delivered on the basis that the Crown as purchaser may have access to full disclosure of costs.

### Projected surplus/deficit

The contract for Crown purchase has been calculated on the basis of cost.

The majority of commercial revenue is derived from contestable contracts with other government organisations on a cost recovery basis. Continued focus will be on ensuring that the Crown delivery reflects key Government goals.

### Financial Performance Indicators

GST exclusive	Estimated Actual 2004/05	Forecast2005/06	Forecast2006/07	Forecast 2007/08
Total Revenue (000's)	14,811	15,593	14,272	14,256
Total Cost (000's)	14,871	15,593	14,624	15,048
Surplus/Deficit (000's)	(60)	(0)	(352)	(792)
Working Capital (000's)	1,282	750	811	(122)
Working Capital Ratio	1.66	1.38	1.40	1.07
Equity Ratio	64%	63%	60%	57%
Profit (000's)	(60)	(0)	(352)	(792)
Cash Cover	1.07	1.07	1.06	1.0

See Appendix V for full summary statements and associated notes.

### Non-Trading Subsidiary Companies

Career Services has registered two non-trading companies, Career Services Ltd and Career Services rapuara Ltd. These companies have been registered for brand name protection purposes only and do not operate as trading entities.

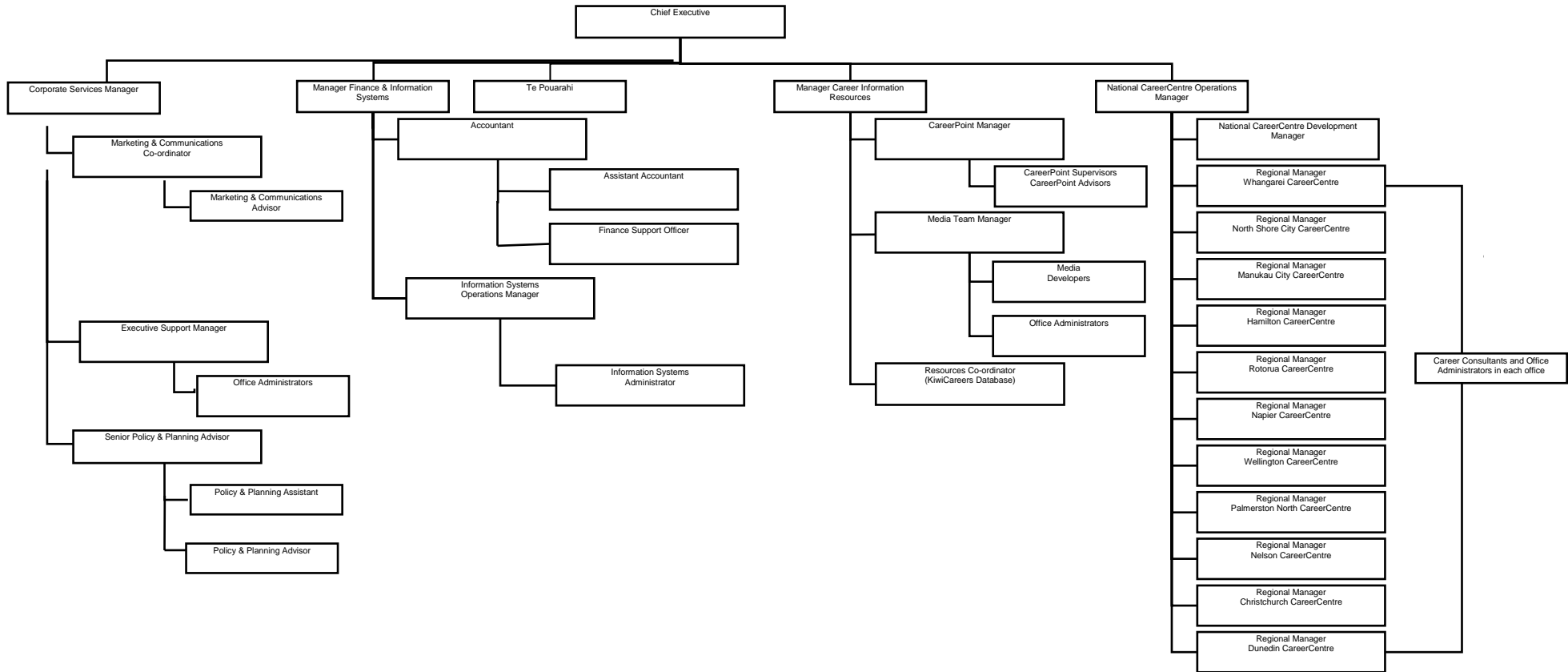
## PART C – OTHER INFORMATION

This section provides additional information to support this document. The following is included:

Appendix I	Organisational Chart
Appendix II	Career Services' Code of Conduct
Appendix III	Responsibilities of Parties
Appendix IV	Risks and Mitigation Strategies
Appendix V	Forecast Financial Statements



# Appendix I - Organisational Chart



## Appendix II - Code of Conduct

### 1 Introduction

1.1 This Code of Conduct specifies the responsibilities of the employer and the employee arising from the employment relationship.

### 2 Employer Responsibilities

2.1 In all dealings with the employee the employer undertakes to act as a good employer. This means the employer will operate a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment. This involves the provision of good and safe working conditions, an Equal Employment Opportunities (EEO) programme, the impartial selection of suitably qualified persons for appointment, opportunities for the enhancement of the abilities of individual employees and recognition of:

- the aims and aspirations of Maori;
- the employment requirements of Maori;
- the need for greater involvement of Maori in Career Services;
- the aims and aspirations and the cultural differences of ethnic or minority groups;
- the employment requirements of women, and
- the employment requirements of persons who are differently able.

2.2 The employer undertakes to consult employees before decisions are taken which will have a significant effect on the employment relationship.

2.3 The employer recognises the value of a motivated staff and is committed to enhancing the relationship between employer and employee within Career Services. To this end the employer undertakes to provide the employee with:

- clear statements of performance requirements for the position
- appropriate feedback and communication on work performance and,
- fair rates of remuneration for skill, responsibilities and performance.

### 3 Employee Responsibilities

3.1 The employee shall:

- comply with all lawful and reasonable instructions and written guidelines of Career Services;
- comply with the principles of the New Zealand Public Service Code of Conduct;
- carry out duties for Career Services diligently, faithfully and honestly;
- exercise care and skill in performing all duties;
- use her/his best efforts to promote the interests of Career Services;
- effectively and efficiently meet the performance requirements of the position;

- maintain appropriate and professional standards of dress, presentation, speech and conduct;
- use Career Services' assets, property and facilities for business (not personal) use only;
- show courtesy and respect to colleagues and clients;
- not bring Career Services into disrepute through the conduct of private or work related activities;
- not be absent from work without good cause and without informing Career Services;
- consult Career Services before undertaking any secondary employment;
- not undertake any activity (including secondary employment) which, in the opinion of Career Services, may adversely affect Career Services or the performance of the employee's duties;
- not incur any liability on the part of Career Services without proper authorisation;
- ensure that the employee's activities do not create any conflict of interest (whether real or perceived);
- adapt to changes in organisational structure, work methods and procedures.

#### **4 Training and Development**

- 4.1 The employee shall maintain on a continuing basis the contemporary levels of knowledge and expertise needed to meet the performance requirements of the position. Career Services will apply its resources to assist the employee to maintain and upgrade the required levels of knowledge and expertise.

## Appendix III - Responsibilities of Parties

### **Obligations of the Board**

General - The Board shall carry out, to the satisfaction of the Minister, all of its statutory responsibilities as specified in the *Education Act 1989*, Section 282.

Dealing with losses - Where a loss occurs on Career Services statement of financial performance, it is to be met from Career Services financial reserves.

Where a loss is too large to be met from Career Services operating financial resources the Minister should be advised within 20 days of the identification of the loss.

Levels of operating funds - Within 30 days of the tabling of Career Services Annual Report an analysis will be provided to the Ministry, which identifies the level of accumulated operating funds held by Career Services, how these funds developed, and are to be utilised. The Ministry and Career Services will recommend whether or not an equity withdrawal is appropriate and if so the level of such a withdrawal. The Minister of Education will make any decisions regarding actioning an equity withdrawal.

### **Ministerial Relationships and Reporting**

The Hon Trevor Mallard, Minister of Education, is the Minister responsible for Career Services.

Career Services will provide quarterly reports to the Minister of Education, with a copy to the Ministry of Education as agent for the Minister, which as a minimum contain:

- cumulative data on all performance measures and targets identified within the schedule of output classes and outputs
- explanation of variances from anticipated progress, including significant variance between financial and non-financial performance for the same output
- general comments about the nature of the work associated with each output
- general comment on any other work performed by Career Services to meet its statutory requirements
- financial statements with explanation of variances and estimated outturn including:
  - income and expenditure against the budget for each output class from January onwards
  - a statement of financial performance for Career Services against the budget for the period
  - a statement of financial position for Career Services against the budget for the period on a 6 monthly basis

- a statement of cash flows for Career Services against the budget for the period on a 6 monthly basis
- an output reconciliation statement
- an updated forecast for Career Services' statement of financial position for the year from December onwards.

Career Services will provide annual reports to the Minister of Education, with a copy to the Ministry of Education, in accordance with section 41 of the Public Finance Act 1989.

Career Services will also provide reports, as required, on its contribution to meeting Government's education objectives for Maori. These reports will relate to activities that have been developed specifically to focus on Maori and state why they were developed, the planned outcomes and Career Services progress towards these outcomes.

### **Maintenance of Organisational Capacity**

The Board will ensure that employees are appropriately skilled and resourced to undertake the delivery of the services purchased in this Document or through other purchase arrangements. Performance against this objective will be reported annually with the final quarterly report.

The Board will be a good employer as defined in the State Sector Act 1988.

### **Maintenance of Organisational Viability**

The Board will ensure the viability of Career Services in respect of the Crown's investment. The maintenance of organisational viability includes the following:

- Operating without deficit or with a negotiated short-term operating deficit based on a defined investment in the strategic direction and long-term viability of the organisation.
- Level of capital in organisation - The Board will ensure that positive Working Capital is maintained.
- Maintenance of taxpayer equity - The Board will ensure that the taxpayer's equity (Total Accumulated Funds/Total Assets) is maintained at a percentage of no less than 60% of total assets.

The maintenance of organisational viability will be established by the reporting of financial information against the projected financial statements contained in appendix four of this document.

## Appendix IV – Risks &amp; Mitigation Strategies

<b>Risk Category</b>	<b>Risk</b>	<b>Result</b>	<b>Mitigation Strategies</b>
<b>Strategic</b> (affects Career Services' ability to achieve its goals)	Career Services is unable to demonstrate measurable outcomes from CIAG.	<ul style="list-style-type: none"> <li>• Inability for Career Services to meet Government objectives.</li> <li>• Loss of funding from Government.</li> <li>• Change of stakeholder commitment to Career Services' objectives.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and maintain strong relationships with stakeholders;</li> <li>• Provide programmes which are capable of delivering positive career outcomes;</li> <li>• Specify measurable outcomes for all these programmes;</li> <li>• Have robust evaluation processes which are able to provide evidence of the value and effectiveness of all Career Services programmes; Provide evidence of the value of careers work to economic and social outcomes for New Zealand;</li> <li>• Debate with key stakeholders on what constitutes fair and reasonable outcomes in relation to level and cost of inputs.</li> </ul>
	Increase growth in demand for services exceeds Career Services ability to deliver.	<ul style="list-style-type: none"> <li>• Inability to maintain quality delivery.</li> <li>• Inability to maintain financial viability.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor HR and financial information and trends</li> <li>• Targeted marketing campaigns</li> <li>• Negotiate increased Purchase Agreement price to maintain the level of outputs</li> <li>• Conduct Future Proofing Career Services review</li> </ul>
	Impaired relationships with other education agencies due to sector reviews and	<ul style="list-style-type: none"> <li>• Reduction in whole of Government activity and associated flow on benefits to clients</li> </ul>	<ul style="list-style-type: none"> <li>• Take initiative in ensuring links are sustained and opportunities for dialogue maintained</li> </ul>

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<b>Risk Category</b>	<b>Risk</b>	<b>Result</b>	<b>Mitigation Strategies</b>
<b>Financial</b> (may result in a loss of assets or income)	Loss of commercial revenue.	<ul style="list-style-type: none"> <li>• Inability to deliver services.</li> <li>• Inability to maintain quality delivery.</li> <li>• Inability to maintain financial viability.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to delivery quality services;</li> <li>• Maintain strong relationships with commercial partners;</li> <li>• Demonstrate value from services.</li> </ul>
	Reduced rate of return on commercial contract revenue.	<ul style="list-style-type: none"> <li>• Inability to deliver services.</li> <li>• Inability to maintain quality delivery.</li> <li>• Inability to maintain financial viability.</li> <li>• Loss on commercial contracts are offset by Purchase Agreement funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to delivery quality services;</li> <li>• Maintain strong relationships with commercial partners;</li> <li>• Demonstrate value from services.</li> </ul>

<b>Risk Category</b>	<b>Risk</b>	<b>Result</b>	<b>Mitigation Strategies</b>
<b>Operational</b> (affects an ongoing management process)	Career Services' services and resources do not meet the needs of New Zealanders.	<ul style="list-style-type: none"> <li>• Inability for Career Services to meet Government objectives.</li> <li>• Loss of funding from Government.</li> <li>• Loss of credibility (see Vision – NZ's leading provider of CIAG)</li> </ul>	<ul style="list-style-type: none"> <li>• Do regular needs based assessment research</li> <li>• Modify existing or develop new programmes and services in line with the results of research into clients needs</li> <li>• Evaluate programmes to ensure they are meeting specified objectives</li> </ul>
	Insufficient staff trained to meet demand and quality standards.	<ul style="list-style-type: none"> <li>• Reduction in quality service</li> <li>• Lack of timeliness in delivery</li> <li>• Reduction in staff satisfaction</li> <li>• Increased staff turnover.</li> <li>• Inability to meet operational and</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment and retention strategies in place</li> <li>• Training and development programme in place</li> <li>• Forecasting of demand and monitoring of workloads undertaken</li> </ul>

		financial targets.	
	Inability to recruit and retain Maori and Pasifika staff.	<ul style="list-style-type: none"> <li>• Our ability to deliver appropriate services to Maori and Pasifika clients would be compromised.</li> </ul>	<ul style="list-style-type: none"> <li>• monitor staffing levels in direct delivery units to ensure that minimum staffing levels are maintained as outlined in the policy;</li> <li>• continue to implement the Maori traineeship policy;</li> <li>• Implementation of the Pasifika recruitment and retention policy;</li> <li>• Establish a process of ongoing consultation with Pasifika staff around recruitment and retention.</li> </ul>
	Information systems ‘fall over’ (internal and external systems).	<ul style="list-style-type: none"> <li>• Disruption to service continuity.</li> <li>• Unforeseen cost increases due to organisation reliance on information technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Planned upgrade of hardware on a three-year cycle to ensure reliability;</li> <li>• Development of in-house skills within the IT team;</li> <li>• Purchase of software upgrades which are tested and well supported rather than investing in ‘bleeding edge’;</li> <li>• Regular review of disaster recovery plan;</li> <li>• Maintaining relationships with a wide range of external providers familiar with the business that allows for support and back-up to key personnel.</li> </ul>
	Engaging in activities at the very edge or outside key direction of the organisation.	<ul style="list-style-type: none"> <li>• Lack of alignment with vision and mission.</li> <li>• Compromise other activity.</li> <li>• Loss of strategic focus.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing check of activity against mission and vision.</li> <li>• Sign off of activity as part of business planning.</li> </ul>
	Unplanned or unknown activity takes priority over	<ul style="list-style-type: none"> <li>• Inability to meet core services.</li> <li>• Inability to maintain quality delivery.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that planned activity and associated budget provision is well linked to the achievement of Career Services strategic position</li> </ul>



	planned activity.		<ul style="list-style-type: none"> <li>Ensure that any new initiatives are well communicated and planned throughout the organisation</li> </ul>
	Lack of long term planning with commercial clients.	<ul style="list-style-type: none"> <li>The annual contracting process with commercial clients does not provide for long term planning or effectively support the vision of Career Services.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a stakeholder plan that acknowledges the direction and priorities for key partner agencies, in particular where those priorities will be delivered through a ‘whole of government approach’;</li> <li>Continue to build strong relationships with stakeholders identified as critical at all levels of the organisation.</li> <li>Ensure that marketing plans include a focus on key purchasers.</li> <li>Market, promote and support career planning activities for the staff of key clients as an open part of the relationship.</li> <li>Value and use outcome evaluation results and other data gathered as a way of improving and developing services, resources and contract proposals.</li> </ul>

<b>Risk Category</b>	<b>Risk</b>	<b>Result</b>	<b>Mitigation Strategies</b>
<b>Compliance</b> (relates to compliance with laws, regulations and internal processes)	Failure to meet legislative requirements.	<ul style="list-style-type: none"> <li>Sanctions or fines imposed</li> <li>Pressure on financial performance and viability</li> <li>Lack of credibility</li> <li>Loss of reputation</li> <li>Increased activity on remedial/repair work</li> </ul>	<p>Ensure compliance requirements are well understood</p> <p>Delegated responsibilities and accountabilities are clear</p> <p>Monitoring processes in place</p>

<b>Risk Category</b>	<b>Risk</b>	<b>Result</b>	<b>Mitigation Strategies</b>
<b>Reputation</b> (relates to damage to Career Services' external reputation and profile)	<ul style="list-style-type: none"> <li>• Career Services is no longer seen as an industry leader.</li> </ul>	<ul style="list-style-type: none"> <li>• Competitors advance more quickly than Career Services into new markets eg. web-based guidance solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Effective strategic and business planning processes in place</li> <li>• Wider industry networks established nationally and internationally</li> </ul>

## Appendix V: Forecast Financial Statements

## Career Services

## Summary Financial Statements

	\$000					
	Actual 2002/03	Actual 2003/04	Estimated Actual 2004/05	Forecast 2005/06	Forecast 2006/07	Forecast 2007/08
<b>Financial Performance</b>						
<b>Revenue</b>						
Contractual Revenue	3,710	4,026	3,008	3,008	3,008	3,008
Direct Gov Purchase	7,972	8,785	11,597	12,404	11,161	11,162
Interest	119	163	206	181	102	86
<b>Total Revenue</b>	<b>11,801</b>	<b>12,974</b>	<b>14,811</b>	<b>15,593</b>	<b>14,272</b>	<b>14,256</b>
<b>Expenditure</b>						
Personnel	6,576	7,437	8,561	9,320	8,728	8,993
Depreciation	548	573	794	913	1,113	1,129
Provisions	-	3	-	-	-	-
Other	4,674	4,955	5,516	5,360	4,783	4,925
<b>Total Expenditure</b>	<b>11,798</b>	<b>12,968</b>	<b>14,871</b>	<b>15,593</b>	<b>14,624</b>	<b>15,048</b>
<b>Profit</b>	<b>3</b>	<b>6</b>	<b>(60)</b>	<b>0</b>	<b>(352)</b>	<b>(792)</b>
<b>Financial Position</b>						
Cash	2,053	2,280	2,500	2,010	2,088	1,120
Receivables	459	790	730	730	737	744
Current Investments	-	-	-	-	-	-
Term Investments	From Notes	-	-	-	-	-
Term Assets	1,211	2,197	2,231	2,764	2,352	2,248
<b>Total Assets</b>	<b>3,723</b>	<b>5,267</b>	<b>5,461</b>	<b>5,504</b>	<b>5,176</b>	<b>4,113</b>
Current Liabilities	1,719	2,059	1,948	1,990	2,014	1,742
Term Liabilities	36	30	30	32	32	32
Closing Equity	1,968	3,178	3,483	3,483	3,131	2,339
<b>Total Liabilities</b>	<b>3,723</b>	<b>5,267</b>	<b>5,461</b>	<b>5,504</b>	<b>5,176</b>	<b>4,113</b>
<b>WC</b>	<b>\$793</b>	<b>\$1,415</b>	<b>\$1,282</b>	<b>\$750</b>	<b>\$811</b>	<b>\$122</b>
<b>WC Ratio</b>	<b>1.46</b>	<b>1.85</b>	<b>1.66</b>	<b>1.38</b>	<b>1.40</b>	<b>1.07</b>
<b>Equity Ratio</b>	<b>53%</b>	<b>62%</b>	<b>64%</b>	<b>63%</b>	<b>60%</b>	<b>57%</b>
<b>Profit</b>	<b>\$3</b>	<b>\$6</b>	<b>(\$60)</b>	<b>\$0</b>	<b>(\$352)</b>	<b>(\$792)</b>
<b>CashFlows</b>						
<b>Operations</b>						
Operating Receipts	11,840	12,628	14,833	15,593	14,265	13,949
Operating Payments	(10,923)	(12,043)	(13,918)	(14,637)	(13,487)	(13,890)
<b>Net Operating</b>	<b>917</b>	<b>585</b>	<b>915</b>	<b>956</b>	<b>778</b>	<b>59</b>
<b>Investments</b>						
Fixed Assets	(383)	(1,562)	(1,000)	(1,446)	(700)	(1,026)
Investments	-	-	-	-	-	-
<b>Net Investment</b>	<b>(383)</b>	<b>(1,562)</b>	<b>(1,000)</b>	<b>(1,446)</b>	<b>(700)</b>	<b>(1,026)</b>
<b>Financing</b>						
Crown Capital Injection	-	1,204	305	-	-	-
<b>Net Change</b>	<b>534</b>	<b>227</b>	<b>220</b>	<b>(490)</b>	<b>78</b>	<b>(967)</b>
Opening Cash	1,519	2,053	2,280	2,500	2,010	2,088
<b>Closing Cash</b>	<b>2,053</b>	<b>2,280</b>	<b>2,500</b>	<b>2,010</b>	<b>2,088</b>	<b>1,120</b>

## Notes

The forecast financial statements are based on policies and approvals in place as at April 2005

## The Statements

Exclude the participation bid of \$889K GST ex.

Include baseline bid from the 2005/06 budget round (\$889K GST ex)

Recognise that the Designing Careers in Schools project funding ceases in 06/07

Assuming the Designing Careers Pilot has been ended on 30 June 2006

A loss is shown in 2006/07 to reflect the issues Career Services potentially faces if the this pilot is not rolled out as a project Career Services will potentially face a lag between completing this pilot and either finding alternative revenue sources or downsizing the organisation.

The Board and Management will work with the Ministry to minimise this impact

Given the current policy of focusing on DGP delivery and not actively seeking to increase other revenue in 2007/08 Career Services potentially faces increasing inflation and capped revenue and therefore a potential deficit  
 There are a range of initiatives that will be taken to address these challenges however as these are not yet policy they are not currently included in this model

	Estimated			
	Actual 2004/05	Forecast 2005/06	Forecast 2006/07	Forecast 2007/08
Total Operating Income/Expenses	100%	100%	98%	95%
Return on Total Assets	(1%)	0%	(7%)	(19%)
Return on Net Assets (Taxpayers Funds)	(2%)	0%	(11%)	(34%)
Return on Income	(0%)	0%	(2%)	(6%)
Liquid Assets	18%	14%	15%	8%
Salaries to Cost	58%	60%	60%	60%
Government Purchases To Total Income	78%	80%	78%	78%
Capital Expenditure to Depreciation	126%	158%	63%	91%
Cash Cover	1.07	1.07	1.06	1.00