



Annual Report

FOR THE YEAR ENDED 30 JUNE 2011

2010/11



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Career Services Annual Report for the year ended 30 June 2011
Presented to the House of Representatives pursuant to section 150(3) of the Crown Entities Act 2004

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Governance

SECTION

“ [We] think and work systemically...to view the problems and challenges just as they are experienced by individual New Zealanders. ”

1

CHIEF EXECUTIVE'S REPORT



Career Services is the leading careers support agency for all New Zealanders - particularly young people, Māori and Pasifika - needing information, advice and support to make life-defining decisions. Our organisation works with careers advisors and specialists to provide relevant, high quality careers programmes and services.

People of all ages, particularly our young people, need to develop skills so that they can confidently manage their careers. To be well prepared for making career decisions that will shape employment, economic and social opportunities, people need easy access to the best possible information and advice on education, training and employment. Having this information helps people to make better decisions with confidence. That confidence will prepare them to pursue their interests and career goals in the labour force. This improves the likelihood of individuals' and employers' expectations being met, which in turn supports government's economic and social objectives.

In reality, for individuals there is a complex range of career options to be considered. The career development path for each individual is not always clear, easily defined or accessible. In addition, those who provide careers advice and guidance (to help others to develop and manage their own careers) work in a dynamic environment. They need access to careers resources and information.

A broad cross-sector view enables Career Services to think and work systemically. We view the problems and challenges just as they are experienced by individual New Zealanders. Therefore, we have a strong central role while working across government and the sector in the careers system.

The careers system we are striving to develop is more user-centric, defragmented, integrated and effective. This will improve access to the vast amount of information available from education providers, advisors, employers and government agencies. Our work will also help New Zealanders to develop skills to utilise this information to make great career decisions.

Career Services has passion, commitment, innovation and client focus. These are essential to our organisation's confident journey towards development of an excellent careers system for New Zealanders.

As an organisation we have set ourselves the challenge of developing New Zealand's careers system, and through this system, clearly contributing to the key economic and social goals of the government. Career Services' focus is making a significant contribution to the enduring future vitality, security and wellbeing of all New Zealanders.

A handwritten signature in black ink, appearing to be 'Graeme Benny', written over a light, textured background.

Graeme Benny
Chief Executive
31 October 2011

“ Career Services is tackling the challenge of building a cohesive, accessible, efficient and effective careers sector ”

CHAIRPERSON'S REPORT



As a Crown entity, Career Services is uniquely positioned to drive improvements in the careers sector. Vested in us is the responsibility to hold on behalf of and provide to the people of New Zealand an-all-of-sector view and be the central hub for unbiased and comprehensive information that can help them make informed decisions about their career choices. We also have a duty to make that information easily and freely accessible. The sector, however, is broad, with careers-related services available across numerous government and private institutions. Our challenge therefore includes building relationships across agencies and institutions and building our leadership role for the whole system.

As part of this leadership role we have an important contribution to make in existing (and new) programmes like Youth Guarantee and Whānau Ora, and to support the Māori and Pasifika education strategies.

The direction we are taking and the relationships we are building must be beneficial and value for money. Career Services is transforming into a more efficient and effective service provider while exercising greater stewardship through our all-of-sector presence. In 2010/11 the name of our organisation changed from Career Services to Careers New Zealand. This change reflects the focus and overall mission we have: to lead the sector and contribute to the nation's economic and social goals. Work started in 2010/11, and now ongoing, was highlighted by Careers New Zealand hosting a summit attended by over 40 senior leaders focusing on how a high-quality careers system could assist our country's economy.

Our leadership in the sector is aimed at ensuring that more New Zealanders access the careers-related information they need. We help people to be better equipped to make work, training and education decisions. Better decisions will ensure more successful transitions for individuals and contribute to our country's labour supply and skills needs. This will help to create a more productive workforce as well as realising individual economic and social opportunities.

I would like to finish by thanking the Career Services Board, in particular our outgoing members Trudie McNaughton and Marjolein Lips-Wiersma, deputy chair Brent Kennerley and especially chair Kaye Turner for their excellent contributions and commitment. I am pleased with the progress and achievements of 2010/11 and look forward to working with our new Board and management in taking up the opportunities and challenges of guiding Careers New Zealand, as we will formally be known, in 2011/12.

I am happy to present, on behalf of the Board, this Annual Report to the Minister of Education.

A handwritten signature in black ink, appearing to read 'Arthur Graves', written over a light grey circular stamp or watermark.

Arthur Graves
Board Chair
31 October 2011

BOARD MEMBERSHIP



Back (l-r): Carl Pascoe, Markerita Poutasi, Chris Meade and Tina Wehipeihana-Wilson.

Front (l-r): Bill Noble, Arthur Graves and Murray Ward

In 2010 Career Services gained a new chief executive, a new board chairperson and four new board members. Serving prior to 2010 are the Board's chairperson Arthur Graves and board members Carl Pascoe and Tina Wehipeihana-Wilson.

Arthur Graves was appointed the Board's chairperson in September 2010 and has been a board member since July 2006. He is the Deputy Chief Executive of Whitireia Community Polytechnic. Arthur has been active in numerous leadership roles in both education and sport throughout his career, including Chairperson of the NZ Secondary Principals' Council, Education West Coast and Chairman of both Canterbury Cricket and the Victory Park Board (Lancaster Park).

Chris Meade joined the Board in September 2010. Chris is Executive General Manager, HR, for Downer NZ, a global infrastructure company with an annual turnover of \$1.2 billion. She has held various senior managerial positions at companies such as Meadow Fresh, Fonterra and Waitemata Health. Chris is a member of the Human Resources Institute of New Zealand, a member and past chair of the Employer Champions Group and a member of the Major Companies Group.

Bill Noble joined the Board in September 2010 and is Deputy Chair. Bill was the principal of Fairfield Intermediate School for over 20 years. He was the National President of New Zealand Educational Institute. Bill has also worked as a New Zealand Educational Institute councillor and industrial advocate since 1978, was on the Institute's National Executive for 14 years and chaired the Institute's Professional Committee for seven years. Bill was on the Ministers Advisory Committee for the New Zealand Primary and Intermediate School Curriculum. He was also the National President of the New Zealand Association of Intermediate and Middle Schools. He is a member of the New Zealand Pure Breed Suffolk Association.

Carl Pascoe joined the Board in January 2005. He is a self-employed consultant based in Christchurch. He has previously been a member of the Equal Opportunities Tribunal, Chair of the Nelson Bays Regional Employment and Access Council and a branch manager for IHC. Carl was until December 2009 a ministerial appointee to the Christchurch Polytechnic Institute of Technology and is currently a director of a number of private sector companies.

Governance

Section

1

Markerita Poutasi joined the Board in September 2010. Markerita is Chief Executive of the Pacific Cooperation Foundation - a public/private sector partnership delivering programmes in the Pacific and New Zealand. She is a board member of the BEST Pasifika Leadership Foundation. She has a legal background and has worked as an associate Crown Counsel on Treaty issues for the Crown Law Office, and as a solicitor specialising in Treaty issues, family law and civil cases.

Murray Ward joined the Board in September 2010. Murray has a background in IT and a 30-year career with Datacom Systems Ltd. He is an independent director for seven commercial companies, of which he is chair of four. He is involved as an advisor to e-Centre - Massey University's business incubator. His passion is golf and he is on the board of New Zealand Golf Inc.

Tina Wehipeihana-Wilson (Ngāti Tukorehe, Ngāti Raukawa, Muaupoko) joined the Board on 1 January 2005. Tina is chairperson of the Board Finance and Risk Committee. Tina is the CFO for Taupo Moana Group and is the Managing Director of Tem Corp Ltd (operating company), which provides financial management and business consultancy services to Māori organisations. She is a board member of the Lotteries Grants Board and the Funding Information Service. She chairs the Finance and Risk Committee for the Funding Information Service. Tina is particularly interested in the ongoing economic, cultural and social development and upskilling of Māori.

GOVERNANCE PHILOSOPHY

Role of the Board

Career Services is governed by a minister appointed board who are responsible for communicating with the Minister and other partners to ensure their views are reflected in: Career Services' planning; delegating responsibility for achievement of specific objectives to the Chief Executive; monitoring organisational performance towards achieving objectives; accounting to the Minister on plans and progress against these objectives; and maintaining an effective internal control system.

Board membership

Board members are appointed by the Minister of Education. Appointments are made based on members having the appropriate skills and knowledge to enable the functions of the Board to be carried out competently.

Conflicts of interest

The Board maintains a register of interests and ensures board members are aware of their obligation to declare interests as specified under the Crown Entities Act 2004 section 151(1).

Board Finance and Risk Committee

Career Services' Finance and Risk Committee is made up of the Board's chairperson and two other nominated board members. During 2010/11 Tina Wehipeihana-Wilson chaired the Finance and Risk Committee. The committee is supported by the Finance Manager and the Accountant, who is its secretary. This group meets at least eight times a year in advance of board meetings, to provide an in-depth review of the financial reports and any board papers that have a potential organisational risk or performance impact. The committee also meets at least once a year with external auditors, independently of the officials, to obtain direct assurance concerning the financial systems and controls at Career Services.

Internal Audit

The Board has overall responsibility for maintaining effective internal control systems. Internal controls include the policies, systems and procedures that have been established to ensure that specific objectives are achieved. This responsibility is

acknowledged through this report's signed Statement of Responsibility.

Career Services has an internal audit function, which is responsible for monitoring its internal control system and the quality and reliability of financial and other information reported to the Board. Internal Audit operates independently of operational management and reports its findings directly to the Board's Finance and Risk Committee. Internal Audit liaises closely with the external auditors, who review the internal control system to the extent necessary to support their audit opinion.

Accountability

The Board meets up to ten times a year to monitor the progress made towards its strategic objectives and to ensure that Career Services' work and activities are aligned with the Board's direction. Board members also undertake an annual whole-of-board self-review. This enables them to evaluate specific areas such as purpose, performance, conformance and culture, and identify areas for development.

Risk management

The Board is ultimately responsible for the management of risk to Career Services. Risks are monitored on a regular basis as part of the strategic planning process. This ensures that risk management processes and strategies are reviewed and clearly outlined in Career Services' Statement of Intent.

Legislative compliance

The Board is committed to carrying out its legislative duties as outlined in the Crown Entities Act 2004. The Chief Executive has delegated responsibilities from the Board to develop systems and programmes to identify compliance issues and ensure all staff are aware of their legislative requirements. The Board is also responsible for ensuring that Career Services is appropriately resourced and staffed to provide the services that are outlined in our Output Agreement. Furthermore, the Board aims to be a good employer as defined in the State Sector Act 1988. Activities undertaken relating to the "good employer" criteria are outlined in the EEO and Good Employer section of this Annual Report.

Organisation

SECTION

“ We are New Zealand’s career experts. ”

2

WHO WE ARE

Our role

Career Services is a Crown entity, established on 23 July 1990 under the Education Act 1989. In May 2011 Career Services began trading under the Careers New Zealand brand. On 30 August 2011, the name legally changed to Careers New Zealand, as per Education Amendment Act 2011 No 66.

We are New Zealand's careers experts, providing information, advice and guidance so people can make informed decisions about their career and learning paths. While we have a particular focus on supporting young people, our advice and resources are available for people of all ages, at all stages of their careers.

Our Vision

Mana Rapuara Aotearoa – Leading careers in New Zealand

Our Mission

- To lead, drive and build capability in the New Zealand careers sector
- To be the New Zealand government expert on careers education and the careers system
- To build New Zealanders' ability to make smart decisions about work, education and training
- To demonstrate the benefit of smart career decisions to the social and economic advancement of New Zealanders and New Zealand.

Our Values

Manaakitanga – Our relationships are productive and proactive, and critical to our success. We are considerate to each other and responsive and hospitable to others.

Resilience – We are confident, resourceful, optimistic and ready to meet any challenge.

Making a difference – As leaders of the careers sector we improve social and economic outcomes for New Zealanders. We add value, and are innovative and decisive.

(OUR NEW VISION, MISSION AND VALUES WERE INTRODUCED IN SEPTEMBER 2011)

Organisation

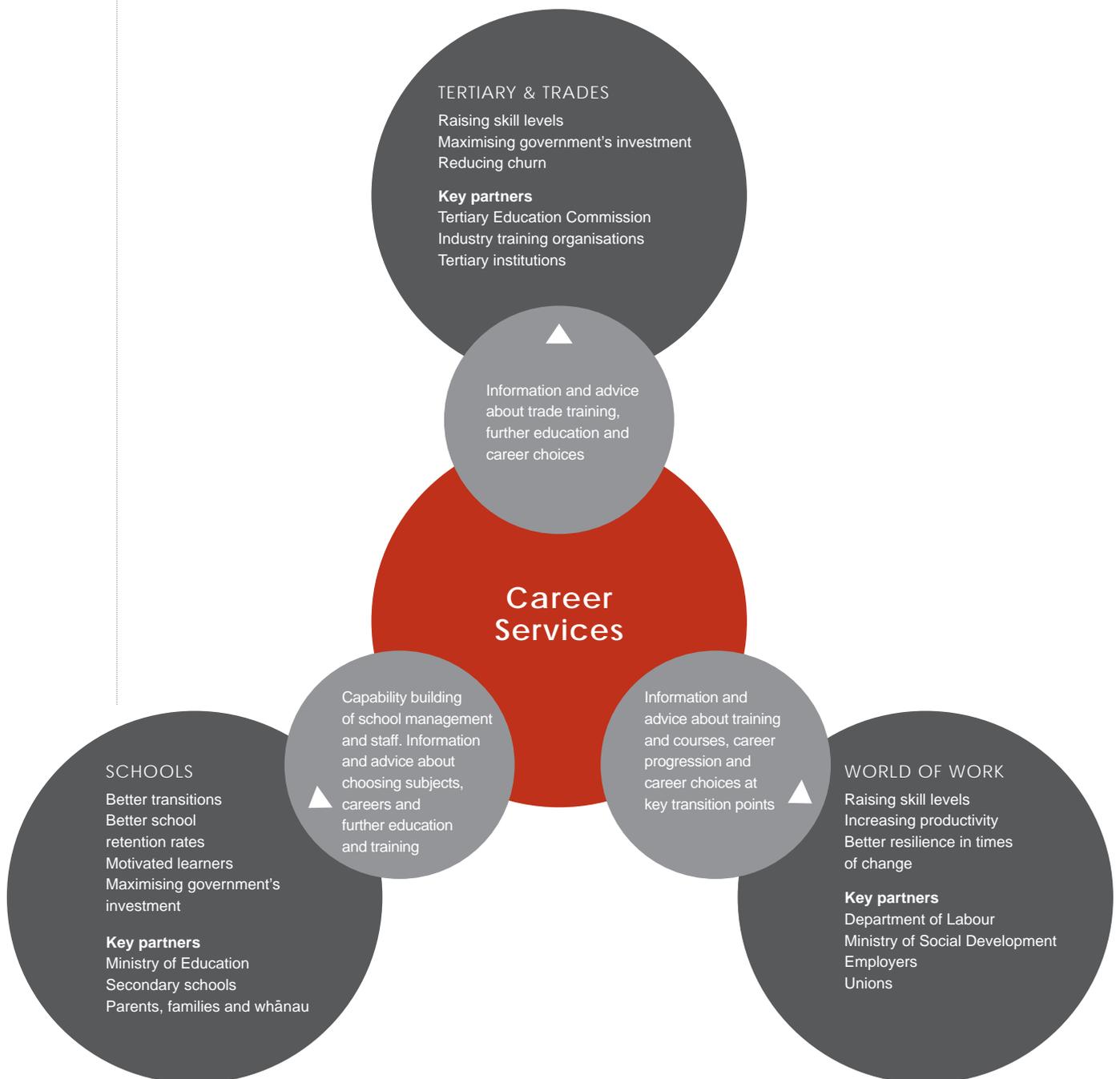
Section

2

Sectors we work with

We operate across the education, labour market and social development sectors, working with the Ministry of Education, the Department of Labour, the Ministry of Social Development and other government agencies on actions and policies where a career component is important.

We also work with local government, schools, tertiary providers, community-based organisations, business leaders, unions, influencer groups and end users of our service.



ORGANISATION MAP

Overview of Career Services at 30 June 2011



EEO AND GOOD EMPLOYER

Introduction

In 2010/11 Career Services continued to build people capability, systems and processes to deliver new and expanded public services, and to improve efficiency and productivity.

Investing in people and skills

Throughout the year Career Services invested in employee development in a number of ways.

We reviewed the capability requirements for our main occupational groups to align with strategic goals. These capability specifications will form the basis for workforce recruitment and development ensuring that staff have the skills and knowledge needed now and in the future.

A successful joint venture with the Learning State ITO means there are now new workplace-based career qualifications. Implementation of these qualifications will provide knowledge development for our own employees, and potentially for providers of careers education externally.

During the year our operational staff received training in:

- new approaches for delivery of services to schools to improve the performance of schools in student transitions to higher education, training and employment
- Webchat career support services
- Te Tūkirunga, Career Services' new model for careers engagement with whānau.

We make an ongoing investment in collective and individual leadership development. This is supported by our implementation of newly developed guidelines for identifying high potential in future leaders.

Retention and capacity

At the end of 2010/11 Career Services had 155 individual staff and 146 full-time equivalent permanent staff members and one vacancy. Overall staff numbers reduced slightly through attrition. Staff resourcing requirements are shifting as a result of more web-based services.

Good employer and employment practices

Career Services' employment practices meet the requirements of 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.

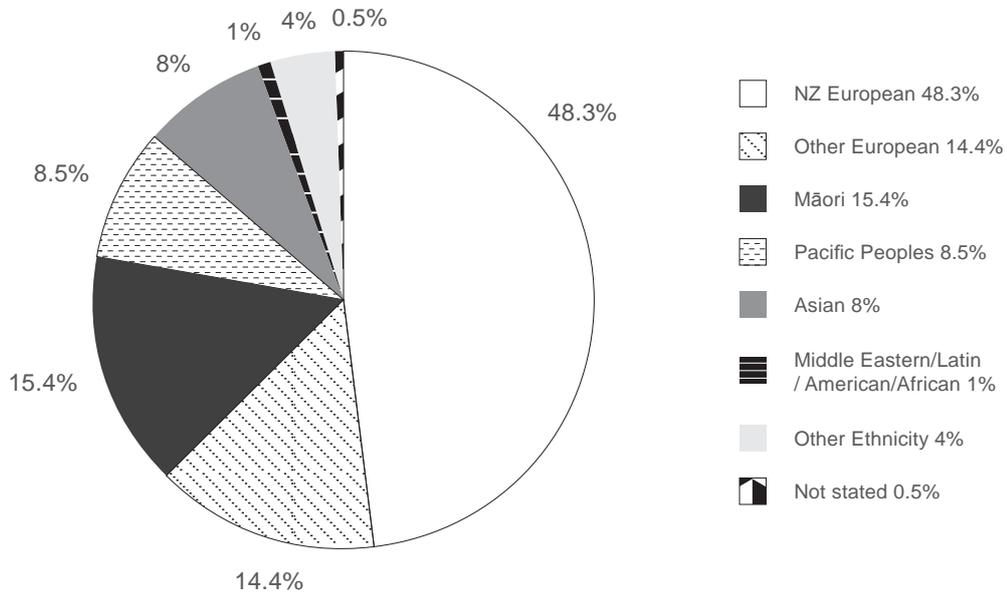
We monitor staff engagement, turnover and the workforce makeup including Equal Employment Opportunities (EEO) target groups. We use the good employer elements as a framework for EEO initiatives.

Disability

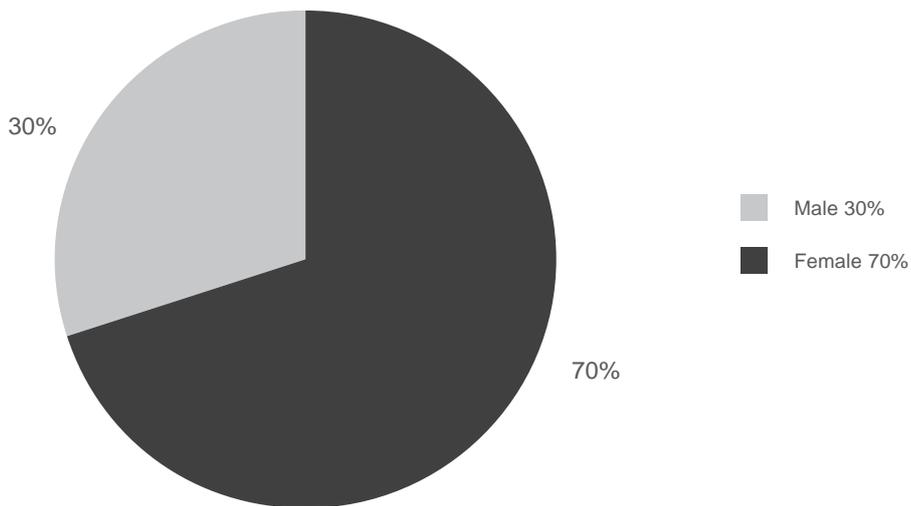
Two percent of permanent employees declared a physical, sensory or other type of disability.



ETHNICITY PROFILE AS AT 30 JUNE 2011



GENDER PROFILE AS AT 30 JUNE 2011



Organisation

Section

2

Good employer element	Achievements
Leadership, accountability and culture	<ul style="list-style-type: none"> · Te Pouārahi representation in senior management · Criteria for identifying and developing high potential developed and implemented · Te Reo, tikanga and Treaty of Waitangi training delivered · EEO responsibilities in position descriptions
Recruitment, selection and induction	<ul style="list-style-type: none"> · All new staff received local and national induction · Māori and Pacific staff retention plan in progress · Diversity requirements for appointment panels in place
Employee development, promotion and exit	<ul style="list-style-type: none"> · Development plans for all staff · Career development programme in place
Flexible work practices and design	<ul style="list-style-type: none"> · Flexible work options available
Fair remuneration, recognition and employment conditions	<ul style="list-style-type: none"> · A range of non-monetary benefits available · Performance development framework provides for performance recognition · Ideas Hub implemented as a mechanism for employee ideas and recognition · External pay relativities are monitored and inform annual remuneration approach
Maintaining a positive work environment (including preventing and dealing with harassment and bullying)	<ul style="list-style-type: none"> · Staff engagement levels maintained and higher than State sector benchmark · Standards of integrity and conduct training included in induction · Allegations or complaints dealt with promptly · Harassment and bullying awareness education programme developed
Maintaining a healthy and safe workplace	<ul style="list-style-type: none"> · Local and national health and safety information and training · Staff representatives in place and trained

INFORMATION AND COMMUNICATIONS TECHNOLOGY

We ensure that we use our limited funding and resources as effectively as possible.

The Knowledge Management & Technology team (KM&T) initiated and is leading a substantial programme of work while focusing on:

- moving from a cost centre to a value centre
- making a step change while reducing costs
- using ICT as an enabler to deliver more efficient and effective services (that support us, our clients and the economy).

KM&T is a participant in cross-sector inter-agency projects, and we are one of the few agencies selected to be on the Common Capability Planning Group – Telecommunications, an all-of-government project. We are active in ICT education sector projects. Notably, we have heavy involvement in developing the Business Systems Intelligence Tool, which will allow agencies to capture, in real time, costs, risks and opportunities such as:

- licensing costs
- whether ICT issues are being addressed by vendors
- strategic insights.

Our development approach is requirements driven with full collaboration of key partners.

Our chief information officer (CIO), supported very ably by our capable KM&T people, was one of three finalists in the 2011 CIO of the Year Award. It is a huge achievement for such a small organisation as Career Services to reach the finals (where the overall winner was one of New Zealand's larger banks).

We were chosen because of KM&T's innovation and key successes which fit with Career Services' overall business strategy.

These key successes are integral to lifting Career Services' performance and service delivery. At a high level and in practice, KM&T is transforming the way Career Services does business. We are developing and implementing better management of our ICT assets and analysis of our business and, as noted, our capability in this area is allowing us to operate in and lead cross-sector and inter-agency projects. This proactive approach enables us to monitor and identify issues before they have an impact on our business. Our automated reports save time and improve our responses.

By transforming the way we do business, we now have greater command of costs, and are in a better position to identify needs and negotiate purchase of non-core services. A good example of this work in action is our internal telecommunications review. The outcome will be improved service delivery utilising smart solutions with enhanced features which result in significant savings in telecommunications expenses.

In addition, we embarked on work to protect and improve the security of our IT and network. Overall, KM&T's involvement in a broad and diverse range of critical projects is making career services across agencies and sectors easier to deliver to more people.

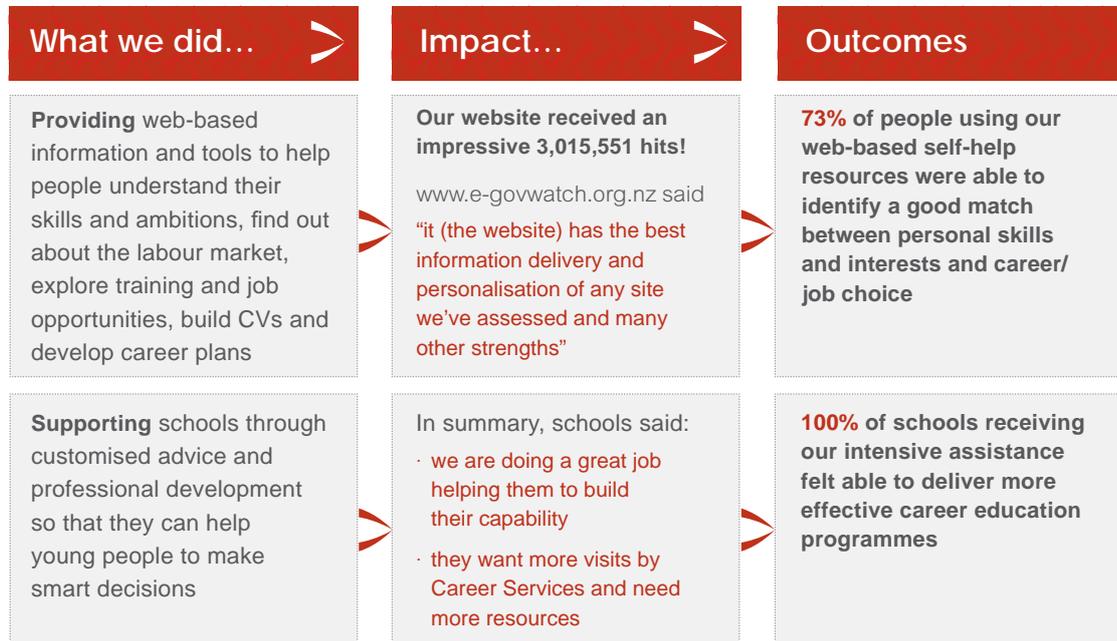
Activities

SECTION

“ [The Career Services workshop has] given me a boost of confidence in life...and the direction that I want to go into for the future. ”

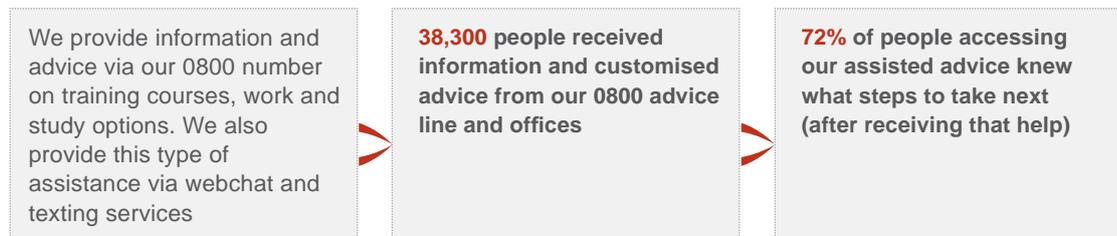
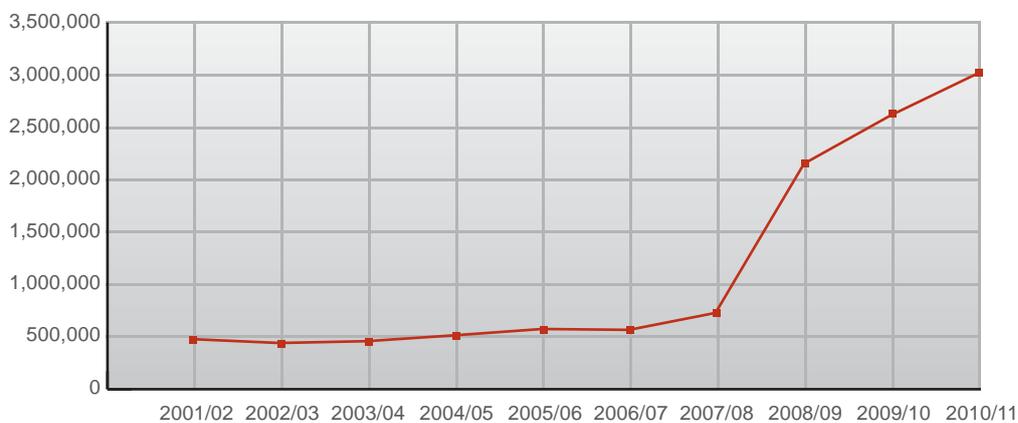
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YEAR AT A GLANCE – HIGHLIGHTS



Visits to the Career Services website 2001/02 to 2010/11

i 82% of our website users would recommend the website to others
 Career Services Outcome Evaluation 2011



i 95% of our clients found our services extremely useful (25%), very useful (42%) and useful (28%)

i 64% found our services helped them to make decisions about their careers/job options by a large (33%) or a reasonable (31%) amount

Activities

Section

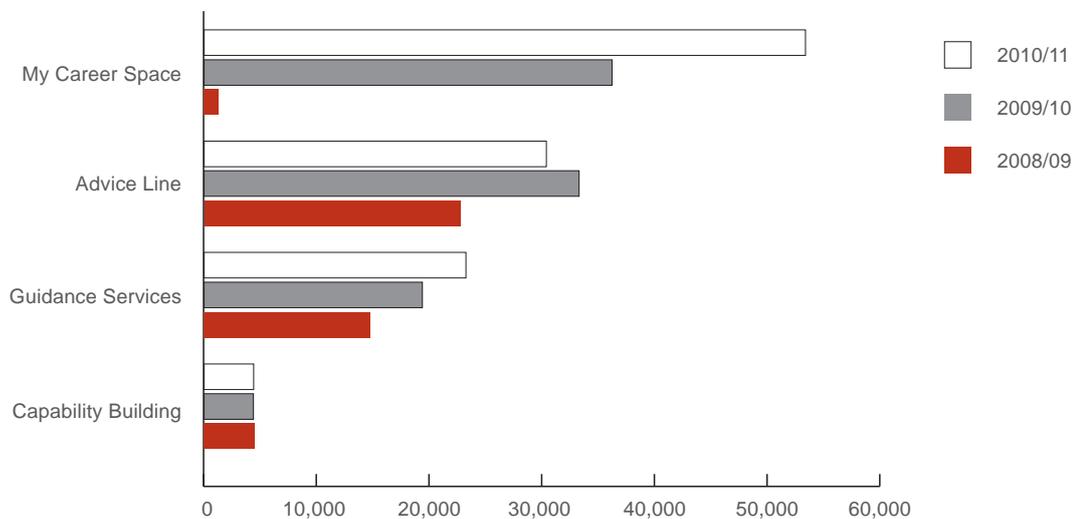
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We are enhancing existing and developing new integrated self-help services that many users access. Our 2010/11 advice services included approximately 5,380 emails, 1,320 text messages, 2,600 webchats and 1,760 follow-up calls. We delivered 65 guidance and 46 capability-building sessions in tertiary organisations. We are making changes to our web-based services.

For example, the Canterbury Job Matcher, and My Career Space which gives individuals a secure online careers portfolio. We maintain a steady provision of tailored capability-building work to help extend the reach of our knowledge, and to help, for example, schools to provide careers education and support to students and families/whānau.



NUMBER OF PEOPLE USING SELECTED CAREER SERVICES

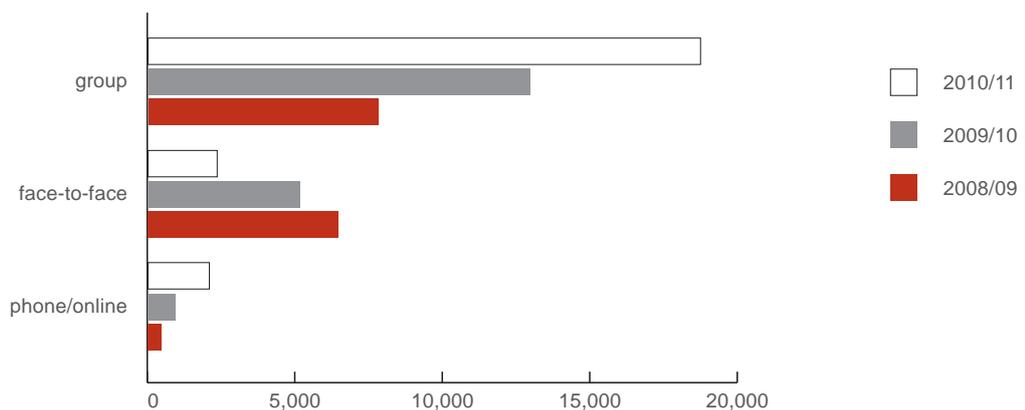


The overall volume of our guidance services is increasing, which reflects our focus on more cost-effective group delivery, phone and webchat-based guidance. Individuals can access face-to-face guidance if this is the best method to meet their needs.

Fifteen and eleven per cent of our guidance was delivered via group workshops to Māori and Pasifika secondary students respectively.



TYPES OF GUIDANCE SERVICES USED



WHAT WE DO

Our services are designed to enable people to self-manage their careers throughout their lives. A key part of this vision is to ensure New Zealanders know when and how to access career information and services as well as supporting others through better career conversations. By using a range of channels, people can access our services in their own time and in a way that best meets their needs. We are government's independent expert on careers.

We work with anyone in New Zealand interested in career information: school students and their families; young people interested in further study or an apprenticeship; workers looking for a career change or wanting to update their skills; Māori and Pasifika families and communities; people facing redundancy; and recent migrants wanting to know more about working in New Zealand. We help people to navigate through these transition points and the changing world of work.

We provide information, resources and services under these four areas:

1. Web-based services provide individuals and influencers with:

- up-to-date, comprehensive and accurate job, industry, course and training and labour market information
- targeted career information and tools for educators and career practitioners and personal stories (real-life accounts about people's careers)
- online career tools such as CV4Me (CV wizard)
- secure e-portfolios known as My Career Space
- up-to-date and timely messages via social media networks.

2. Assisted advice is delivered through our network of regional offices and our 0800 Advice Line which also provides general careers information. We provide advice about careers, jobs and training courses. Through a needs assessment system we ensure referral to in-depth guidance services if callers' needs cannot be met in other ways:

- webchat
- a texting service for requesting career information
- follow-up calls to check whether people need further information or help, an opt-in appointment reminder service and a "tips of the day" service.

3. Guidance services to assist people in developing their career management abilities are delivered through a range of channels (telephone, email, webchat and in person) which maximises the accessibility of:

- customised career planning (in a group setting) delivered to secondary school Māori and Pasifika students, prospective tertiary students, migrants and refugees
- customised career planning guidance delivered to individuals in person, over the telephone and now via the web.

4. Capability-building services are activities that raise the skills of people who are career influencers. This includes:

- delivering information sessions to influencers on the value and role of career information, advice and guidance and how they can support others making career decisions and having career conversations
- building capability of schools, workplaces, whānau/aiga/families and communities to increase their awareness of, support for and delivery of high-quality career education.

“ The consultant pointed out areas of my past work experience that can be very useful for the future, she advised me how to use that work experience in a positive way... It hugely widened the range of my CV details.”

Activities

MĀORI AND PASIFIKA

At Career Services our strength is in our ability to reach across the careers sector. We deliver services and information for people at different stages of life seeking different types of career information, advice and guidance. Our work supports the Māori and Pasifika education strategies (*Ka Hikitia – Managing for Success* and the *Pasifika Education Plan*).

The education strategies and our work focus on developing opportunities, empowering individuals, families/ whānau and communities to make good decisions and realise potential at various stages of a person's life.

We are making ourselves an even more responsive, agile leader in the careers sector. In 2010/11 we provided careers education and information to the following approximate numbers of Māori and Pasifika:

Māori	
Advice Line (and regional office assisted advice)	1,870
General/group assisted advice	1,060
Career Guidance	700
Rangatahi hui (students)	3,580

Pasifika	
Advice Line (and regional office assisted advice)	1,120
General/group assisted advice	600
Career Guidance	430
Fono/So'o (students)	2,470

We estimate that we had roughly 700,000 unique web users:

- 133,000 of whom identified at least in part with Māori ethnicity
- 84,000 of whom identified at least in part with Pasifika ethnicity.

2010 Survey of students

- 90% of Māori and 100% of Pasifika said we helped them by a reasonable or large amount
- 95% of both Māori and Pasifika either made a careers-related decision or had the information they needed to make a decision
- of the number who made a careers related decision, compared to six months prior, Māori increased 19 percentage points to 64% and Pasifika increased 27 percentage points to 74%

In late 2010, students we had worked with previously that year responded to a survey of the longer-term impact of our advice and guidance. Their information reflected the helpfulness of our services and their ability to make a decision and to identify information they still needed.

However, we know that there is still a significant opportunity to improve the number of Māori and Pasifika students achieving in school and in gaining qualifications, skills and employment. Our work helps Māori and Pasifika individuals and communities to attain better economic and social outcomes. The broad foundations of this area of interest mean we must work with other agencies, organisations and communities. For example, we ran a series of workshops, to raise awareness of NCEA among whānau, with the New Zealand Qualifications Authority.

We are proactive in researching, developing and implementing opportunities that efficiently and effectively address the issues. Te Tūkirunga, aligned with the outcomes-focused whānau empowering approach of Whānau Ora, is one such opportunity we are actively leading.

“ As a stay-at-home mum I have been out of work for five years and [the Career Services website] just helped me with making my decision to study and also confirmed that I am interested in a lot of things that were suggested in the career quiz, which was really helpful. ”

Te Tūkirunga

The first stage of the Whānau Decision Making Project implemented in 2009/10 has been the catalyst for exciting work to improve career services and outcomes for Māori. The original pilot led by us and implemented in partnership with Te Puni Kōkiri and the Ministry of Education led to the development of our new whānau-focused careers guidance model. The design of a culture-based careers guidance model is an important first for New Zealand. Our model works with the group decision-making dynamic of Māori youth, their whānau and those who directly influence them. The guidance model builds on the interaction between the person at the centre of the guidance and the significance this person gives to consulting their whānau and others of direct influence.

Using our new whānau careers guidance model, Te Tūkirunga, we are exploring our new ability to deliver a flexible and adaptable programme structure for capability building and practical task-oriented guidance for careers consultants.

The research behind this approach has also helped us to start developing resources tailored for whānau, and in kura kaupapa and Alternative Education settings. The sustained nature of structured programme engagement combines with a flexibility that lets people opt in and out at various stages according to their needs. This approach is helping professionals to provide the guidance that empowers whānau to make informed careers-related decisions. Our work in this area is vital for improving economic and social outcomes for whānau, communities and New Zealand.

Pasifika – directions and actions

Career Services is playing a lead role in advancing the objectives of the Interagency Group for the *Pasifika Education Plan*. The work we continue to do is contributing to the *Pacific Economic Action Plan* and the *Pacific Women's Economic Development Plan*.

We continue to improve our Pasifika-specific online careers advice and guidance. Our strategy encompasses Pasifika adults in occupations at risk from the economic challenges of the 2008/09 recession. In addition, we provide Pasifika-focused capability building for professionals and deliver customised group guidance for Pasifika youth.

We are working actively with the Ministry of Pacific Island Affairs. Researching Pasifika adolescents' careers pathways in 2010/11 is an example of our collaborative effort. Involving 1,000 students, the research is the largest longitudinal project focused on Pasifika youth careers. The project also raises Pasifika youth awareness of future labour market needs, seeks to raise their aspirations and help them think about future study choices. We also developed a careers information leaflet designed to address language and internet barriers. This resource presents information in Cook Island Māori, Niuean, Samoan, Tongan and Tokelauan. Anecdotal evidence suggests this specific resource and approach is well received by communities in South Auckland. There may be an opportunity to include Fijian and Tuvaluan if a wider distribution goes ahead. This information resource and an online learning plan for young Pasifika will contribute to work led by the Ministry of Pacific Island Affairs on a Pacific languages framework.

CANTERBURY RECOVERY

The major and ongoing significant seismic activity in Canterbury has caused major loss, damage, distress and disruption, affecting many people. Part of the post-earthquake distress for some of Canterbury's people has been the impact of job losses following the earthquakes.

Chief Executive Graeme Benny has been tasked with optimising the function of the careers system in Canterbury, and leading new approaches to match and connect supply and demand. This work is directly linked to his membership of the Canterbury Employment and Skills Board. Career Services identified three priorities to support this work, and guide our approach in Canterbury:

- gaining and sharing accurate and timely labour market information in a rapidly evolving environment
- supporting schools and youth at risk to ensure young people have every opportunity for tertiary and trades training and to make their contribution to the economy and community
- supporting a wide range of colleagues in other agencies with capability-building services and resources so the language and intent of career conversations is well understood and widely disseminated.

Our Christchurch staff moved as quickly as possible to resume business despite the loss of their office and damage to their own property. They are well supported by Career Services to operate with more flexibility and mobility. Their work includes providing seminars on career planning and job seeking to redundant workers. That work is delivered via a rapid response team with the Inland Revenue Department and Work and Income.

Our Canterbury recovery work is innovative and is leading the way for future developments that could be used more widely in New Zealand. For example, Career Services' website professionals quickly added a new tool to our online support for Canterbury, to match job seekers' skills with jobs in Canterbury. That online tool has received some 19,500 hits since April 2011, and over 90% of those resulted in clicks to jobs advertised on the TradeMe website.

Another innovation involves communication within our organisation. With intermittent phone services in the days after the earthquake, our 0800 Advice Line adapted their text service to allow Christchurch staff to use it as a conduit to contact offices outside of Christchurch. This action will be built into business continuity procedures.

The Christchurch team also kept up contact with the Limited Service Volunteers (LSV) programme. A senior officer with the Burnham Camp LSV programme wrote shortly after the February earthquake: *"Your outstanding team with the collaborative support from WINZ Work Broker team and the Job Connect team have produced results never before experienced on the LSV course ... the results produced this time round for trainees directly into jobs prior to graduation is just amazing."*

In 2010/11 we have progressed collaborative work with a number of government agencies, focusing on short to medium-term opportunities in Canterbury to maintain our services and support the overall recovery effort. In the longer term, this high level of collaboration will help Career Services to reach a wider audience.

YOUNG PEOPLE, YOUTH GUARANTEE, BENCHMARKS, CDMA AND SCHOOLS

Young people

Career Services is involved in helping young people make successful transitions from school to higher education, skills training and employment. We work with schools, tertiary education and trades training providers, and the workforce/employment sector. Where possible, we work collaboratively with other government agencies to deliver services that best match the needs of young people.

We also use information to improve our services. An excellent example is our use of ICT, working online innovatively and with tailored information to reach more people and respond to their particular needs. In schools we build capability to deliver useful and comprehensive careers education. We also deliver group guidance and build capability focused on Māori and Pasifika settings. We work with tertiary education and trades training providers to increase skills in the wider labour force. In the workforce/employment sector we help young people respond to labour and employment challenges.

Most of our delivery is the provision of information, advice, guidance and capability building. To do this we reach more young people through those from whom they seek careers-related advice (for example, family/whānau, teachers and careers consultants). Therefore, we continue to build strong effective relationships with our stakeholders to extend our reach, so that we can make young people aware of the advice and guidance they can access, the information that is available and choices they can make.

Youth Guarantee

Youth Guarantee supports the Government's education priority for all young people to have the skills and qualifications to contribute to their and New Zealand's future. Career education helps students to understand how their skills and interests can lead them to particular occupational paths and helps them develop and realise their ambitions. Good information about learning and career options is a critical component of the Youth Guarantee programme.

Career Services contributes to implementing Youth Guarantee by working with schools and parents, to help them support young people in making decisions about subject choices, tertiary training and work. Our work with schools builds their ability to support students to stay engaged with learning and make informed decisions about further education and training, whether in secondary, tertiary or work-based learning. We also deliver services to young people themselves, through our range of web-based, phone-based and personal guidance channels. These include our innovative secure e-portfolio service (My Career Space) where individuals can save their CVs and results of their activities on the Careers website.

“ Information on the website is relevant, helpful and useful to my students when making career decisions, e.g. writing CVs, job requirements, prepare for interviews. I always refer students/non-students to the website for guidance and to help prepare them for their future. ”

Activities

Section

3

Career Education Benchmarks

We are working in partnership with a broad range of representatives of the education/careers sector to develop and implement robust and authoritative benchmarks for careers education. This ongoing programme of work will help improve the advice and guidance young people (and families/whānau) receive.

Career Decision-Making Abilities

In 2010/11 we commissioned a survey in eight schools of students intending to leave school at the end of 2010. This survey repeated the Career Decision-Making Abilities (CDMA) project conducted in 2007. The evaluation contributes to our knowledge about building on and improving existing resources, information and support to assist young people and their influencers to make better tertiary and trade training decisions. Results of the CDMA survey were by necessity largely focused on students' perceptions of their own levels of CDMA. The survey did, however, note in regard to Career Services:

- *Awareness of Career Services is moderate.*
- *There is a real need and opportunity to raise awareness and communicate Career Services' offerings to students.*

Of those students intending to leave school, three-quarters (76%) are at least moderately confident about making career decisions. Four in ten (39%) are very confident, but at the other end of the scale, a quarter (24%) of school leavers have low levels of confidence. Therefore, there are opportunities to improve students' confidence. It was found that students' CDMA confidence is noticeably based on having clear career direction. However, students need to be made more aware of information and tools that can assist them to reach wise decisions. The tools are already available, though, can be improved as could the consistency of information.

The survey noted that raising students' awareness of Career Services is a key start to making students more aware of information and tools that could assist them. Progress has already been made in this area. Some 57% of students intending to leave school used Career Services in 2010, up from 47% in 2007. Of those in 2010, Māori students were more likely than NZ European students to have used Career Services – 73% and 53% respectively.

However, Māori are generally over-represented in the number of school students leaving without NCEA Level 1 qualifications, and significantly under-represented at the level of University Entrance. It is quite likely that careers guidance has a significant role to play in addressing these matters. We also commissioned a small evaluation of careers group guidance for Māori and Pasifika secondary students separately to the CDMA project. Of the 57 Māori and Pasifika respondents, 41% and 69% respectively said that after guidance they were more confident about future options. Nevertheless, 5% of the Māori students were less confident. As noted elsewhere in this document, we have developed a new whānau-focused careers guidance model, Te Tūkirunga. We believe that Te Tūkirunga will have significant positive outcomes for Māori.

Schools

We have the resources to work with about 60 schools to help them develop and implement careers education plans. Schools are selected on the basis of need, willingness and success factors, with a focus on low-decile schools. We may have to work with some schools for two to three years before they are able to implement school-wide career education plans. In 2010/11 we worked with 58 schools, whose rolls totalled 40,800 including approximately 7,930 Māori and 5,500 Pasifika students.

RAISING AWARENESS OF OUR SERVICES

Our work largely involves providing careers information, advice and guidance. In October 2010 we commissioned a survey of 600 young people and their influencers to measure public awareness of our brand, which can be related to the public's use of our services. As the CDMA survey also found, there is an opportunity to increase awareness of Career Services and what we do.

Overall, the first (46%) and mostly widely used (98%) means of looking for careers, study or training information is online. Second to the internet is advertising (24% as the first place checked, and 94% used overall).

Survey respondents were initially nearly twice as likely to have been aware of one of two main jobs websites (30% for each site) as of the Career Services website (16%). However, once shown our website, 62% said they had visited it. Our website is our main point of contact with the public and, although use of our website has increased significantly in recent years, there continues to be a great opportunity to increase public awareness and consciousness of Career Services and what we provide.

Following use of the internet and advertising as most widely used sources of careers information is talking to friends (88%) and talking to families (83%). This likely reflects the significance people place on a variety of sources and being able to discuss information with people who might support and influence them. As a first source of careers information, 21% of respondents preferred talking to someone.

Overall, the need to be able to contact someone to discuss careers is addressed by our national Advice Line and guidance services. Our work on the new whānau-focused careers guidance model, Te Tūkirunga, builds on the importance of personal relationships. Reflecting the overall statistics, 22% of the 94 Māori respondents preferred to get careers information from someone in person. Similarly, 16% of 92 Pasifika respondents preferred to speak with someone.

In general, these findings are mirrored in the ways we are channelling our efforts to reach people. As shown previously in this document, most users of our services in 2010/11 reached us via the internet, then our Advice Line and then through group guidance services. This generally confirms that we are focused on delivering the services people seek. This will continue to be a very important focus of what we do, in addition to tackling the challenge of leading a diverse sector to provide for the various needs of those seeking careers advice and guidance.

Performance

SECTION

“ Being able to identify career paths and opportunities throughout life helps individuals, and this contributes to our nation’s economic and social well-being. ”

4

Statement of Responsibility

For the year ended 30 June 2011

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Requirements under the Crown Entities Act 2004 section 155.

- The Board and management of Career Services accept responsibility for the preparation of financial statements and statement of service performance and for the judgements made in them.
- The Board and management are responsible for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- In the opinion of the Board and management of Career Services, the annual financial statements and statement of service performance for the financial year ended 30 June 2011 fairly reflect the financial position and operations of Career Services.



Arthur Graves
Board Chair
31 October 2011



Tina Wehipeihana-Wilson
Board Member
31 October 2011

Section

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TO THE READERS OF CAREER SERVICES' FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

The Auditor General is the auditor of Career Services (the Crown Agent). The Auditor General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Crown Agent on her behalf.

We have audited:

- the financial statements of the Crown Agent on pages 29 to 54, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Crown Agent on pages 55 to 61.

OPINION

In our opinion:

- the financial statements of the Crown Agent on pages 29 to 54:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Crown Agent's:
 - financial position as at 30 June 2011; and
 - financial performance and cash flows for the year ended on that date.
- the statement of service performance of the Crown Agent on pages 55 to 61:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects, for each class of outputs for the year ended 30 June 2011, the Crown Agent's
 - service performance compared with the forecasts in the statement of forecast service performance for the financial year; and
 - actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2011. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

BASIS OF OPINION

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

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments we consider internal control relevant to the Crown Agent's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal

control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Crown Agent's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing financial statements and a statement of service performance that:

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

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

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

RESPONSIBILITIES OF THE AUDITOR

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

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Crown Agent.



Clint Ramoo, Audit New Zealand, On behalf of the Auditor General, Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of Careers Services (the Crown Agent) for the year ended 30 June 2011 included on the Crown Agent's website. The Crown Agent is responsible for the maintenance and integrity of the Crown Agent's website. We have not been engaged to report on the integrity of the Crown Agent's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 31 October 2011 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Performance: Financial Statements

SECTION

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Statement of Comprehensive Income

For the year ended 30 June 2011

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	Notes	Actual 2010/11 \$000	Budget 2010/11 \$000	Actual 2009/10 \$000
REVENUE				
Crown revenue	2	15,082	15,082	15,082
Interest income		142	120	172
Other revenue	3	448	700	1,570
Total revenue		15,672	15,902	16,824
EXPENSES				
Employment costs	4	11,075	11,000	10,789
Occupancy expenses		1,176	1,176	1,168
Depreciation and amortisation expense	9,10	510	710	644
Board fees and honorarium	19	111	110	97
Other expenses	5	3,042	3,156	4,369
Total expenses		15,914	16,152	17,067
Net surplus/(deficit) for the year		(242)	(250)	(243)

The accompanying accounting policies and notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2011

Section

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	Notes	Actual 2010/11 \$000	Budget 2010/11 \$000	Actual 2009/10 \$000
CURRENT ASSETS				
Cash and cash equivalents	6	2,897	2,610	3,311
Debtors and other receivables	7	165	350	180
Inventories	8	16	40	37
Total current assets		3,078	3,000	3,528
NON-CURRENT ASSETS				
Property, plant and equipment	9	1,166	1,050	829
Intangible assets	10	476	840	459
Total non-current assets		1,642	1,890	1,288
Total Assets		4,720	4,890	4,816
LIABILITIES				
Current liabilities				
Creditors and other payables	11	1,026	1,150	919
Taxes due and payable	12	237	110	102
Employee entitlements	13	775	920	850
Provisions	14	107	120	100
Total current liabilities		2,145	2,300	1,971
NON-CURRENT LIABILITIES				
Employee entitlements	13	-	30	28
Total liabilities		2,145	2,330	1,999
Net assets		2,575	2,560	2,817
EQUITY				
General funds		2,575	2,560	2,817
Total Equity		2,575	2,560	2,817

The accompanying accounting policies and notes form part of these financial statements.

Statement of Movement in Equity

For the year ended 30 June 2011

	Notes	Actual 2010/11 \$000	Budget 2010/11 \$000	Actual 2009/10 \$000
BALANCE AT 1 JULY				
Net surplus/(deficit)		(242)	(250)	(243)
Total recognised income and expense		2,575	2,560	2,817
Balance at 30 June		2,575	2,560	2,817

The accompanying accounting policies and notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2011

	Notes	Actual 2010/11 \$000	Budget 2010/11 \$000	Actual 2009/10 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Crown revenue		15,082	15,082	15,082
Interest received		142	120	172
Receipts from other revenue		509	700	1,361
Payments to suppliers		(4,136)	(6,011)	(5,810)
Payments to employees		(11,279)	(9,557)	(10,743)
GST (net)		137	(112)	(118)
Net cash from operating activities	15	455	222	(56)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of property, plant and equipment		75	-	26
Purchase of property, plant and equipment	9	(643)	(260)	(488)
Purchase of intangible assets	10	(301)	(90)	(86)
Disposal of investment				0
Net cash from investing activities		(869)	(350)	(548)
Net increase/(decrease) in cash and cash equivalents		(414)	(128)	(604)
Plus cash and cash equivalents at beginning of year		3,311	3,076	3,915
End of period cash and cash equivalent carried forward	6	2,897	2,948	3,311

The GST (net) component of operating activities reflects the net GST paid to the Inland Revenue Department (IRD). The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The net GST paid to IRD includes the GST relating to investing activities.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the Financial Statements

Section

4

NOTE 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2011

Reporting entity

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

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

The following financial statements report on the activities of Career Services for the year ended 30 June 2011 and were approved by the Board on 31 October 2011.

Basis of preparation

Statement of compliance

The financial statements of Career Services have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with NZ IFRSs, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement basis

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of certain items of property, plant and equipment, and the measure of equity investments and derivative financial instruments at fair value.

Functional and presentation currency

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

Changes in accounting policies

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

Early adopted amendments to standards

The following amendments to standards have not been early adopted:

NZ IFRS 7 Financial Instruments: Disclosures

NZ IAS 24 Related Party Disclosures (Revised 2009)

Significant accounting policies

Revenue

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

Revenue from the Crown

Career Services is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of Career Services meeting its objectives as specified in the Statement of Intent.

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

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Sale of publications

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

Provision of services

Revenue derived through the provision of services to third parties is recognised in proportion to the stage of completion at the balance sheet date. The stage of completion is assessed by measuring the services performed to date as a percentage of total services to be performed.

Leases

Career Services leases office premises. These leases are classified as operating leases. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

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

Debtors and other receivables

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

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

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

Investments

At each balance date Career Services assesses whether there is any objective evidence that an investment is impaired.

Bank deposits

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

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

For bank deposits, impairment is established when there is objective evidence that Career Services will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into receivership or liquidation, and default in payments are considered indicators that the deposit is impaired.

Notes to the Financial Statements

Section

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Inventories

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

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

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

Property, plant and equipment

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

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

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Career Services and the cost of the item can be measured reliably.

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

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

Subsequent costs

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

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

Depreciation

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

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

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

Intangible assets

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

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

Costs associated with the development and maintenance of Career Services' website is recognised as an expense when incurred. Major new developments enhancing the website's service potential are capitalised.

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

Amortisation

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

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

Impairment of non-financial assets

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements

Section

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Employee entitlements

Short-term employee entitlements

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

Career Services 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 Career Services anticipates it will be used by staff to cover those future absences.

A liability and expense is recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are payable beyond 12 months after the end of the period in which the employee renders the related services, such as long service leave and retirement leave, have been calculated on an actuarial basis.

The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information
- the present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. This inflation factor is based on the expected long-term increase in remuneration for employees.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

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

Provisions

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

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

Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income tax

Career Services is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Budget figures

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by Career Services for the preparation of the financial statements.

Cost allocation

Direct costs are charged to specific outputs based on the productive hours recorded on staff time sheets.

Indirect costs are allocated to output classes on the basis of time recorded by staff on output activities.

Definition of terms:

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

For the year ended 30 June 2011, direct costs accounted for 68% of Career Services' total costs (2010: 68%).

There have been no changes to the cost allocation method since the date of the last audited statements.

Critical accounting estimates and assumptions

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

Property, plant and equipment useful lives and residual value

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

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

Notes to the Financial Statements

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Career Services minimises the risk of this estimation uncertainty by:

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

Career Services has not made significant changes to past assumptions concerning useful lives and residual values.

Retirement and long service leave

Note 13 provides an analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities.

NOTE 2: REVENUE FROM CROWN

Career Services has been provided with funding from the Crown for the specific purposes of Career Services as set out in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2010: nil).

	2010/11 \$000	2009/10 \$000
Crown revenue	15,082	15,082
Total Crown revenue	15,082	15,082

NOTE 3: OTHER REVENUE

	2010/11 \$000	2009/10 \$000
Contract services and fees	408	760
Commercial products	40	18
International conference and symposium	0	792
Total	448	1,570

NOTE 4: EMPLOYMENT COSTS

	2010/11 \$000	2009/10 \$000
Salaries and wages	10,377	10,032
Employer contributions to defined contributions plans	308	318
Increase/(decrease) in employee entitlements (Note 13)	(103)	(7)
Other employment costs	493	446
Total employment costs	11,075	10,789

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

NOTE 5: OTHER EXPENSES

	2010/11 \$000	2009/10 \$000
Audit fees for financial statement audit	40	38
Staff travel	457	514
Impairment of receivables	3	0
Loss on sale of property, plant and equipment	3	180
Website development expenses	0	2
Inventories consumed	28	28
Consultancy	570	1,208
Additional provision make good	6	14
Communication expenses	746	666
Marketing expenditure	426	647
Other expenses	763	1,072
Total other expenses	3,042	4,369

NOTE 6: CASH AND CASH EQUIVALENTS

	2010/11 \$000	2009/10 \$000
Cash on hand and at bank	217	196
Cash equivalents - term deposits	2,670	3,102
- accrued interest on term deposits	10	13
Total cash and cash equivalents	2,897	3,311

In accordance with its investment policy, all Career Services' term deposits are short term with maturity dates of three months or less. Their carrying value approximates fair value. All short-term deposits were either with Westpac Banking Corporation or The National Bank. At 30 June 2011 short-term deposits were for an average of 80 days (2010: 80 days) with a weighted average effective interest rate of 3.58% pa (2010: 3.90%).

Notes to the Financial Statements

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NOTE 7: DEBTORS AND OTHER RECEIVABLES

	2010/11 \$000	2009/10 \$000
DEBTORS	61	81
Less: Provision for impairment	(3)	0
Total debtors	58	81
OTHER RECEIVABLES		
Prepayment	107	99
Total other receivables	107	99
Total debtors and other receivables	165	180

The carrying value of receivables approximates their fair value.

As at 30 June 2011, all overdue debtors have been assessed for impairment and appropriate provisions applied, as detailed below:

	Gross \$000	2010/11 Impairment \$000	Net \$000	Gross \$000	2009/10 Impairment \$000	Net \$000
Not past due	0	0	0	73	0	73
Past due 1–30 days	53	0	53	6	0	6
Past due 31–60 days	5	0	5	1	0	1
Past due 61–90 days	0	0	0	1	0	1
Past due >90 days	3	3	0	0	0	0
Total	61	3	58	81	0	81

The provision for impairment has been calculated based on expected losses for Career Services' pool of debtors.

Expected losses have been determined based on an analysis of Career Services' losses in previous periods, and a review of specific debtors.

At 30 June 2011 Career Services has identified no insolvent debtors and did provision for bad debts of \$3K. (2010: nil).

NOTE 8: INVENTORIES

	2010/11 \$000	2009/10 \$000
Inventory held for the use in the provision of goods and services	16	37
Total inventories	16	37

The write down of inventories held for distribution amounted to nil (2010: nil). No inventories are pledged as security for liabilities.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Office equipment \$000	Computer systems \$000	Motor vehicles \$000	Leasehold improvements \$000	Total
COST OR VALUATION					
Balance at 1 July 2009	452	1,361	674	333	2,820
Additions	2	311	175	0	488
Disposals and adjustments	(155)	(98)	(57)	0	(310)
Balance at 30 June 2010	299	1,574	792	333	2,998
Balance at 1 July 2010	299	1,574	792	333	2,998
Additions	113	261	246	24	644
Disposals and adjustments	(72)	(378)	(191)	0	(641)
Balance at 30 June 2011	340	1,457	847	357	3,001
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at 1 July 2009	433	1,078	428	295	2,234
Depreciation expense	12	157	35	16	220
Eliminate on disposal	(155)	(95)	(35)	0	(285)
Balance at 30 June 2010	290	1,140	428	311	2,169
Balance at 1 July 2010	290	1,140	428	311	2,169
Depreciation expense	25	145	59	19	248
Eliminate on disposal	(72)	(375)	(135)	0	(582)
Balance at 30 June 2011	243	910	352	330	1,835
CARRYING AMOUNTS					
At 30 June 2009	19	283	246	38	586
At 30 June and 1 July 2010	9	434	364	22	829
At 30 June 2011	97	547	495	27	1,166

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

Career Services does not own land or buildings and does not carry out revaluations.

There are no restrictions over the title of Career Services' property, plant and equipment, nor are these assets pledged as security for liabilities.

Property, plant and equipment's work in progress balance is \$289K (2010: \$227K).

Notes to the Financial Statements

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NOTE 10: INTANGIBLE ASSETS

	Acquired software \$000	Total \$000
COST		
Balance at 30 June 2009	3,215	3,215
Additions	85	85
Disposals	(261)	(261)
Balance at 30 June 2010	3,039	3,039
Balance at 1 July 2010	3,039	3,039
Additions	301	301
Disposals	(133)	(133)
Balance at 30 June 2011	3,207	3,207
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES		
Balance at 1 July 2009	2,237	2,237
Amortisation expense	424	424
Disposals	(81)	(81)
Balance at 30 June 2010	2,580	2,580
Balance at 1 July 2010	2,580	2,580
Amortisation expense	262	262
Disposals	(111)	(111)
Balance at 30 June 2011	2,731	2,731
CARRYING AMOUNTS		
At 1 July 2009	978	978
At 30 June and 1 July 2010	459	459
At 30 June 2011	476	476

Intangible assets' work in progress balance is \$14K (2010: \$100k).

There are no restrictions over the title of Career Services' intangible assets, nor are any intangible assets pledged as security for liabilities.

NOTE 11: CREDITORS AND OTHER PAYABLES

	2010/11 \$000	2009/10 \$000
Creditors	484	493
Income in advance	41	0
Accrued expenses	501	426
Total creditors and other payables	1,026	919

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

NOTE 12: TAXES DUE AND PAYABLE

	2010/11 \$000	2009/10 \$000
Fringe benefit tax	4	4
GST	233	98
Total taxes due and payable	237	102

NOTE 13: EMPLOYEE ENTITLEMENTS

	2010/11 \$000	2009/10 \$000
CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:		
Accrued salaries and wages	97	44
Annual leave	653	745
Sick leave	25	29
Retirement and long service leave	0	32
Total current portion	775	850
NON-CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:		
Retirement and long service leave	0	28
Total employee entitlements	775	878

In determining the appropriate discount rate, Career Services considered the interest rates on NZ government bonds which have terms to maturity that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns.

Notes to the Financial Statements

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NOTE 14: PROVISIONS

	2010/11 \$000	2009/10 \$000
CURRENT PROVISIONS ARE REPRESENTED BY:		
Lease make-good	107	100
Total provisions	107	100

Movement for lease make-good provision is as follows:

	2010/11 \$000	2009/10 \$000
Balance at 1 July	100	86
Additional provisions made	7	14
Balance at 30 June	107	100

Lease make-good

In respect of a number of its leased premises, Career Services is required at the expiry of the lease term to make good any damage caused to the premises from installed fixtures and fittings and to remove any fixtures or fittings installed by Career Services. In many cases, Career Services has the option to renew these leases, which impacts on the timing of expected cash outflows to make good the premises.

The cash flows associated with the lease make-good provision are expected to occur by 31 July 2012.

Information about Career Services' leasing arrangements is disclosed in note 16.

NOTE 15: RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FROM OPERATING ACTIVITIES

	2010/11 \$000	2009/10 \$000
Net surplus/(deficit)	(242)	(243)
ADD /(LESS) NON-CASH ITEMS:		
Depreciation and amortisation expenses	510	644
Increase/(decrease) in bad and doubtful debts	3	0
Increase/(decrease) in non-current employee entitlements	(28)	(14)
Total non-cash items	485	630
ADD/(LESS) ITEM CLASSIFIED AS INVESTING ACTIVITY:		
(Gains)/losses on sale of property, plant and equipment	3	180
Total items classified as investing activities	3	180
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS:		
(Increase)/decrease in accounts receivable	162	3
(Increase)/decrease in inventories	22	(17)
Increase/(decrease) in revenue in advance	41	(300)
Increase/(decrease) in operating accounts payable	(89)	(207)
Increase/(decrease) in GST	135	(118)
Increase/(decrease) in taxes payable	0	(5)
Increase/(decrease) in current employee entitlements	(70)	7
Increase/(decrease) in provisions	8	14
Net movements in working capital items	209	(623)
Net cash from operating expenses	455	(56)

Notes to the Financial Statements

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NOTE 16: CAPITAL COMMITMENTS AND OPERATING LEASES

Capital commitments

Career Services did not have any capital commitments at 30 June 2011 (2010: nil).

Operating leases as lessee

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

	2010/11 \$000	2009/10 \$000
Not later than one year	766	750
Later than one year and not later than five years	1,273	911
Later than five years	17	73
Total non-cancellable operating leases	2,056	1,734

Career Services has 17 property leases. None have been sublet.

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

Career Services does not have the option to purchase these assets at the end of the lease term.

There are no restrictions placed on Career Services by any of its leasing arrangements.

NOTE 17: CONTINGENCIES

Contingent liabilities

There were no contingent liabilities at 30 June 2011 (2010: nil).

Contingent assets

Career Services has no contingent assets (2010: nil).

NOTE 18: RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

Related party transactions

Career Services is a wholly owned entity of the Crown. The Government significantly influences the role of Career Services in addition to being its major source of revenue.

Career Services enters into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Career Services would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

Contracts with the Ministry of Education were for \$15.082 million (2010: \$15.082 million) which was 97% of total revenue for the year ended 30 June 2011 (2010: 91%).

Other than those described above, there have been no transactions between Career Services and any related parties.

Key management personnel compensation

	Actual 2010/11 \$000	Actual 2009/10 \$000
Salaries and other short-term employee benefits	1,172	1,145
Post-employment benefits	0	0
Other long-term benefits	0	0
Termination benefits	0	0
Total key management personnel compensation	1,172	1,145

Key management personnel include all Board members, the Chief Executive and the Senior Management Team.

Notes to the Financial Statements

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NOTE 19: BOARD MEMBER REMUNERATION

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

	2010/11 \$000	2009/10 \$000
K Turner (former Chairperson)	10	19
A Graves (former member, now Chairperson)	27	12
M Lips-Wiersma (former member)	3	12
B Kennerley (former Deputy Chair)	5	15
T McNaughton (former member)	3	12
T Wehipeihana-Wilson	12	12
C Pascoe	12	12
W Noble	12	0
C Meade	9	0
M Poutasi	9	0
M Ward	9	0
Total Board member remuneration	111	94

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

Career Services has not provided any indemnity during the financial year to any member, office holder or employee.

Career Services has effected Directors and Officers Liability cover during the financial year in respect of the liability or costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2010: nil).

NOTE 20: EMPLOYEE REMUNERATION

The following table shows the number of people who earned \$100,000 or more in the financial year ended 30 June 2011.

Earnings	Number of people 2010/11	Number of people 2009/10
\$100,000-\$109,999	6	7
\$110,000-\$119,999	1	0
\$120,000-\$129,999	0	2
\$130,000-\$139,999	0	0
\$140,000-\$149,999	1	0
\$150,000-\$159,999	1	1
\$160,000-\$169,999	2	1
\$170,000-\$179,000	0	0
\$180,000-\$189,000	0	0
\$190,000-\$199,000	0	0
\$200,000-\$209,999	1	0
\$210,000-\$309,999	0	0
\$310,000-\$319,999	0	1
Total employees	12	12

During the year ended 30 June 2011, severance payments of \$20,393.32 were made (2009/10: none).

NOTE 21: EVENTS AFTER BALANCE SHEET DATE

There were no significant events after the balance sheet date (2010: None).

NOTE 22: CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

	Actual 2010/11 \$000	Actual 2009/10 \$000
LOANS AND RECEIVABLES		
Cash and cash equivalents (note 6)	2,897	3,311
Debtors and other receivables (note 7)	165	180
Total loans and receivables	3,062	3,491
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Creditors and other payables (note 11)	1,026	919
Total financial liabilities measured at amortised cost	1,026	919

Notes to the Financial Statements

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NOTE 23: FINANCIAL INSTRUMENT RISKS

Credit risk

In the normal course of its business Career Services incurs credit risk from trade debtors and transactions with financial institutions. There are no significant concentrations of credit risk. Career Services has a credit and debt collection policy which is used to manage this exposure.

Career Services does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics due to the large number of customers included in Career Services' customer base. The credit risk on cash at bank and short-term investments is limited as Career Services spreads its business amongst a number of AA-rated counterparties. The credit risk relating to cash at bank and short-term investments is insured by the Government Deposit Guarantee Scheme up to a maximum of \$1,000,000 per depositor per guaranteed institution.

Career Services places funds on short-term deposits with registered banks.

The fair value of other financial instruments is equivalent to the carrying amount disclosed in the statement of financial position.

Interest rate risk

Career Services has no significant exposure to interest rate risk.

Particular investments and exposure to any one financial institution are limited and in accordance with Career Services' investment policy.

Liquidity risk

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

In meeting its liquidity requirements Career Services maintains a target level of investments that must mature within three months or less.

The table below analyses Career Services' financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 6 months \$000	Between 6 months and 1 year \$000	Between 1 and 5 years \$000
2009/10			
Creditors and other payables	919	0	0
Total	919	0	0
2010/11			
Creditors and other payables	1,026	0	0
Total	1,026	0	0

NOTE 24: CAPITAL MANAGEMENT

Career Services' capital is its equity, which comprises accumulated funds and retained earnings. Equity is represented by net assets.

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

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

NOTE 25: EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

Explanations for significant variations from Career Services' budgeted figures in the Statement of Intent are as follows:

	SOI Budget \$000	Actual \$000	Variance \$000
Capital expenditure	1,150	945	205
Depreciation and amortisation expense	710	510	200

The underspend on capital was mainly caused by saving of intangible assets. This was also the main cause for the variance on depreciation.

Consolidated Statement of Cost of Services

For the year ended 30 June 2011

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OUTPUT CLASS 1 (M26 PROVISION OF INFORMATION AND ADVISORY SERVICES)

Services purchased by the Minister of Education:

During the 2010/11 financial year, Career Services reclassified the outputs into the following four outputs:

	2010/11 Actual \$000	2010/11 Budget \$000
OUTPUT 1 WEB-BASED SERVICES		
Revenue	4,050	4,050
Expenditure	3,859	4,050
Surplus/(deficit)	191	nil
OUTPUT 2 ASSISTED ADVICE SERVICES		
Revenue	2,582	2,582
Expenditure	1,254	2,582
Surplus/(deficit)	1,328	nil
OUTPUT 3 GUIDANCE SERVICES		
Revenue	5,550	5,550
Expenditure	6,506	5,550
Surplus/(deficit)	(956)	nil
OUTPUT 4 CAPABILITY-BUILDING		
Revenue	2,900	2,900
Expenditure	3,654	2,900
Surplus/(deficit)	(754)	nil

	2009/10 Actual \$000	2009/10 Budget \$000
OUTPUT 1 WEB-BASED SERVICES		
Revenue	4,050	4,050
Expenditure	4,254	4,050
Surplus/(deficit)	(204)	nil

OUTPUT 2 ASSISTED ADVICE SERVICES		
Revenue	2,582	2,582
Expenditure	2,704	2,582
Surplus/(deficit)	(122)	nil

OUTPUT 3 GUIDANCE SERVICES		
Revenue	5,550	5,550
Expenditure	5,425	5,550
Surplus/(deficit)	125	nil

OUTPUT 4 CAPABILITY-BUILDING		
Revenue	2,900	2,900
Expenditure	3,087	2,900
Surplus/(deficit)	(187)	nil

OUTPUT CLASS 1 (CONSOLIDATED)

	2010/11 Actual \$000	2010/11 Budget \$000	2009/10 Actual \$000	2009/10 Budget \$000
All Ministry outputs				
Revenue	15,082	15,082	15,082	15,082
Expenditure	15,273	15,082	15,470	15,082
Surplus/(deficit)	(191)	nil	(338)	nil

OUTPUT CLASS 2 (THIRD PARTY CONTRACTS)

Career planning and related services

	2010/11 Actual \$000	2010/11 Budget \$000	2009/10 Actual \$000	2009/10 Budget \$000
Revenue	445	700	1,570	1,500
Expenditure	638	1,070	1,597	2,368
Surplus/(deficit)	(193)	(370)	(27)	(868)

Consolidated Statement of Cost of Services
For the year ended 30 June 2011

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OUTPUT CLASSES CONSOLIDATED (INCLUDING THIRD PARTY CONTRACTS)

	2010/11 Actual \$000	2010/11 Budget \$000	2009/10 Actual \$000	2009/10 Budget \$000
ALL OUTPUTS				
Revenue	15,527	15,782	16,652	16,559
Expenditure	15,911	16,152	17,067	17,450
Surplus/(deficit)	(384)	(370)	(415)	(868)
Net non-output related revenue	142	120	172	118
Surplus/(deficit) as per the statement of financial performance	(242)	(250)	(243)	(750)

Non-Financial Statement of Service Performance

PREFACE TO THE STATEMENT OF SERVICE PERFORMANCE NON-FINANCIAL MEASURES

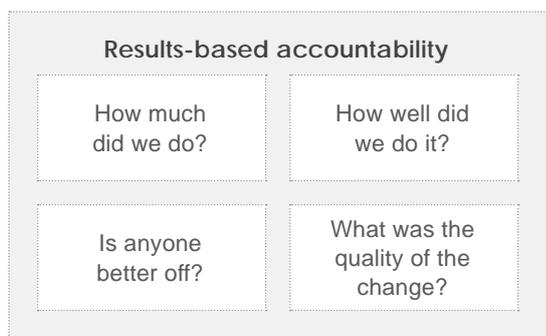
Career Services continues to anticipate and respond to the career-related needs of people in New Zealand. Being able to identify career paths and opportunities throughout life helps individuals, and this contributes to our nation's economic and social wellbeing. The 2008/09 global recession accentuated the need for energetic effective government leadership in the careers sector. Our response is dynamic, and we are monitoring our delivery to help us provide services that meet the diverse needs of our many clients. Since 2008/09, we have introduced or refined approximately half of our current performance measures to keep pace with our strong strategic response, changes in the use of technology and client needs. It has not been practical to establish service-wide performance baselines all at once.

However, we are implementing the most relevant, accurate and useful monitoring of our services to enhance our leadership role in the careers sector.

This adaptive approach has, however, given rise to a situation where we are reporting against measures which we will refine for 2011/12. For three 2010/11 measures, we are reporting only those clients who made a careers-related decision after receiving our advice and guidance. This excludes those who gained the advice and guidance that they thought enabled them to make a decision in the future. We intend to modify the related measures to include both clients who made careers-related decisions and those who believe that they have been given the advice and guidance to do so in the future.

RESULTS-BASED ACCOUNTABILITY

We have developed an outcomes framework and an indicator matrix that help us monitor the results we are achieving. The diagram below shows the four results-based accountability categories reflected in the Statement of Service Performance.



Statement of Service Performance 2010/11

Non-Financial Measures (Output Agreement/Forecast Service Performance) and Results for the year ended 30 June 2011

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WEB-BASED SERVICES

We provide web-based information and tools (such as quizzes and wizards) to help people understand their skills and ambitions, find out more about the labour market, explore training and job opportunities and develop career plans and CVs.

Measures	SOI 2010/11	Result 30 June 2011	Result 30 June 2010	Result 30 June 2009	Comments
OUTCOMES					
% of people using web-based self-help resources who can identify a good match between personal skills and interests and career/job choice	88%	73%	90%	87%	In the data we removed less relevant attributes to improve accuracy of the measure, resulting in a lower score. By the same approach, the 2009/10 result would have been 76% (not 90%).
% who have made a career-related decision aided by our services	70%	46%	-	-	New measure in 2010/11. The 46% result excludes an additional 33% who gained the information they needed to make a decision in the future.
QUANTITY					
Number of visits from New Zealand-based people accessing web-based career information	2,500,000	3,015,551	2,612,689	2,150,488	We expect that the number of visits will continue to increase and then reach a natural plateau.
Number of My Career Space registrations	20,000	53,154	-	-	Established in 2009/10, My Career Space is an online personal portfolio for saving, for example, job research and an updatable CV. Information from this service will help us learn more about users so that we can improve services.
QUALITY					
% of people accessing online information who find it useful and meaningful	80%	92%	92%	79%	Quality measures are intended to ensure information is meeting the needs of users.
% of people who say our website is easy to use and up-to-date	75%	63%	82%	72%	The words <i>up-to-date</i> have been added for 2010/11. 77% said our website was easy to use, and 72% said it was up-to-date. 63% <i>strongly agreed</i> or <i>agreed</i> to both.

ASSISTED ADVICE

We provide information and advice about training courses, work and study options through our 0800 advice line and our offices. We also provide texting services, webchat, feedback on CVs and follow-up to see if people have all the information they need and that they understand it. Following a needs assessment, we may refer people to our more in-depth guidance services.

Measures	SOI 2010/11	Result 30 June 2011	Result 30 June 2010	Result 30 June 2009	Comments
OUTCOMES					
% of people accessing assisted advice know what steps to take next	89%	72%	66%	88%	The 2010/11 target was based on 2008/09 performance of 88%. 66% at 30 June 2010 might reflect changes whereby Advice Line provided needs assessment and could refer users to our other services. The next year reported a 6 percentage point increase.
% of people who made a decision aided by our services	65%	39%	44%	-	The 39% and 44% results each exclude an additional 34% who gained the information they needed to make a decision in the future.
QUANTITY					
Number of people receiving information and customised advice	45,000	38,309	46,799	62,317	We expect numbers to continue to decline as more and more New Zealanders are accessing services available through our website. An additional 13,400 people are estimated to have been assisted at careers expos.
QUALITY					
% of calls answered in 20 seconds	80%	82%	82%	-	SOI targets align with national and international best practice for contact centres.
% of calls abandoned	<5%	5%	6.90%	-	Pilot phone and "txt" projects were included in our core business in 2008/09. The services were delivered via our 0800 Advice Line contact centre.
% of people who find the advice they receive useful in meeting their needs	94%	86.50%	82%	93%	The 2010/11 measure has changed from "meets their needs" to <i>useful in meeting their needs</i> . This reflects more referrals to our other services, fewer callers and increasing use of our web-based resources.

“ I’m looking at changing careers and [the Advice Line staff] have been extremely helpful and have returned my calls and done everything to help me.”

Statement of Service Performance

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GUIDANCE SERVICES

We provide focused, tailored group career skills sessions for Māori and Pasifika secondary school students, prospective tertiary students, migrants and refugees.

We also provide face-to-face or telephone guidance with a career consultant for people assessed as needing more in-depth guidance. This helps them understand their learning and career options and develop career decision-making skills. We have established webchat guidance in 2010/11, while exploring other online guidance options.

Measures	SOI 2010/11	Result 30 June 2011	Result 30 June 2010	Result 30 June 2009	Comments
OUTCOMES					
% of students attending group sessions who have a greater understanding of how to make effective learning and career decisions	82%	95%	97%	-	New measure in 2009/10
% of migrants and refugees attending group sessions who have a better understanding about how to make effective career decisions in a New Zealand context	82%	67%	79%	-	New measure in 2009/10 (2010/11 sample = 30 margin of error ±17.9%)
% of others attending group sessions who have a greater understanding of how to make effective learning and career decisions	82%	88%	-	-	New measure <i>Others</i> refers to clients in, for example, CV writing workshops not designed specifically for, for example, migrants or students.
% of people receiving one-to-one guidance who report that they can identify relevant learning and career pathways	97%	89%	88%	96%	Measure changed from being broadly defined by a range of service users in 2008/09 to a narrower definition in 2009/10.
% of guidance clients who have made a decision aided by our services	70%	43%	-	-	The 43% result excludes an additional 36% who gained the information they needed to make a decision in the future.
QUANTITY					
Number of people receiving guidance in a group or one-to-one session	15,000	23,143	19,294	14,706	We are delivering an increasing volume of in-depth guidance via group-based contact and focused one-on-one phone-based contact.
QUALITY					
% of students who found the group sessions met their needs	97%	91%	84%	96%	New measure in 2008/09
% of migrants and refugees who found the group session met their needs	98%	77%	82%	98%	New measure in 2008/09 (2010/11 sample = 30 margin of error ±17.9%)
% of people receiving one-to-one guidance who found the session met their needs	96%	85%	87%	95%	New measure in 2008/09

CAPABILITY BUILDING SERVICES

We support schools through customised advice and professional development so they can support young people in making smart career decisions.

We also work with parents and whānau to build their ability to support young people with making learning and career decisions.

Measures	SOI 2010/11	Result 30 June 2011	Result 30 June 2010	Result 30 June 2009	Comments
OUTCOMES					
% of people attending skills-building sessions who feel better able to help others with career decisions	93%	83%	93%	92%	The skills-building sessions are reaching out to broader audiences and possibly more skilled clients who are already well equipped to help others but seeking information on, for example, how to use our resources.
% who have helped someone make a decision as a result of attending a skills-building session	70%	45%	-	-	New measure to assess the proportion of people who have had both the opportunity and were able to use what they have learnt.
% of schools that found Career Services resources and/or workshops improved their understanding about career education	87%	76%	83%	85%	With the introduction of a new measure below, we can see exceptional use of our limited resources to support schools receiving <i>intensive</i> assistance. However, looking at the 76% result, staff at some schools not receiving <i>intensive</i> assistance commented that they did not have as easy access to Career Services staff, changes to our website were not welcome, more hardcopy information is desired and some school managers did not support careers education.
OUTCOMES					
% of schools receiving intensive assistance that feel able to deliver more effective career education programmes	82%	100%	94%	-	New measure in 2009/10
QUANTITY					
Number of people attending sessions	3,500	4,379	4,361	-	New measure in 2009/10 Previously we reported the number of sessions (274 in 2008/09).

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CAPABILITY BUILDING SERVICES CONTINUED

Measures	SOI 2010/11	Result 30 June 2011	Result 30 June 2010	Result 30 June 2009	Comments
QUANTITY					
Number of schools receiving assistance	200	383	355	408	Includes schools whose staff attend our professional development days as well as those schools receiving ongoing customised advice.
Number of schools we worked with intensively to assist them to develop and implement career education plans	50	58	59	-	New measure in 2009/10. We have capacity to work intensively with about 50-60 schools selected on the basis of need, willingness and success factors. We may have to work with some schools for two to three years before they are able to implement school-wide career education plans.
QUALITY					
% of people who found the skills-building sessions met their needs	82%	90%	96%	-	New measure in 2009/10
% of schools that found our assistance met their needs	82%	89%	94%	-	New measure in 2009/10
% of schools that found the intensive assistance met their needs	90%	98%	94%	-	New measure in 2009/10

Statement of Service Performance

PERFORMANCE IMPROVEMENT ACTIONS

Action	SOI 2010/11	Result 30 June 2011	Comments
Increase efficiency and improve services to the public through Career Services' new service delivery approach	All guidance clients who want it are receiving follow-up contact.	We provide an established post-guidance email check-in service.	A soft-test of post-guidance face-to-face check-in had a low uptake. The service was not established.
	Volume of individual face-to-face guidance reduces to below 3,500 clients.	2,341	These outputs support our approach of making services online and via phone more accessible and responsive to individual user needs, while increasing our reach via group sessions.
	Volume of guidance delivered by phone or online continues to increase, with at least 1,500 services delivered.	2,076	
Improve the effectiveness of our services over the medium term	Measured by the percentage of people who have made a career-related decision or who have helped others to make a career-related decision, the effectiveness of services increases between 2009/10 and 2010/11 results.	Clients either making a career-related decision or gaining information to do so increased to 79% from 78%. 45% of those who attended a capability building session helped others to make a career-related decision.	A new measure monitoring whether people have helped others to make a career-related decision recorded a positive result in its first year.
Make further savings to administration expenditure and other overheads	Savings through cross-sector initiatives and collaborative approaches such as IT procurement are identified and realised by 30 June 2011.	We reviewed providers and chose a single telecommunications supplier. We expect this to deliver significant savings in telecommunications costs whilst simplifying telecommunications management (in 2011/12). By signing up to the All-of-Government Desktop and Laptop purchasing agreement we expect savings of up to 30%. Completed financial analysis of the All-of-Government Multifunctional Devices purchasing agreement (scanner copiers) is expected in the first quarter of 2011/12.	

Glossary

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Career – A person's progress through work and education throughout their lives.

Career management – Career management involves: understanding one's own education, training and employment abilities and strengths; developing positive attitudes and motivation; being able to seek, obtain and use information, advice and guidance to make wise career-related decisions and act on these; and balancing work and life.

CV4Me – CV4Me is an interactive online tool that will create a CV for you based on the information you provide.

Group guidance – A group of clients working under the guidance of a Career Services consultant to increase their career management awareness and abilities. Guidance helps people understand their learning and career options and develop career decision-making skills.

Influencers – All individuals and groups who are influential in an individual's life and who play a role in their career decision-making process.

Integrated self-help services – A connected set of online career information, advice, guidance and capability-building tools and products that are easily accessed and navigated by a client with minimal personal assistance.

Ka Hikitia – Māori Education Strategy that specifically refers to the development of career planning models for rangatahi (younger generation) and their whānau.

Labour market information – Data about the structure and workings of a labour market, and the various factors likely to influence it.

Migrant – Someone who has entered New Zealand on a temporary basis (as a visitor, worker or student) or through the New Zealand Residence Programme.

My Career Space – Electronic portfolio on our website where people can securely store their CVs, employment information and results from careers-related quizzes, etc.

NCEA – New Zealand's National Certificates of Educational Achievement (NCEA) are national qualifications for senior secondary school students.

Needs assessment – A set of criteria that assesses client needs and provides clients with the list of services they qualify for.

Online guidance – The range of career-related guidance offered through forums/discussion boards, wikis, online guidance tools and information.

Refugee – In general, a person recognised by our government under the Immigration Act 2009 as being of genuine refugee status (or, in general, a person in the immediate family of a refugee).

Stakeholders – Any organisation, person or group of people who have a personal or professional interest in any aspect of Career Services' work and who need to be kept informed about it.

Tertiary education – Tertiary education comprises all involvement in post-school learning activities. It includes foundation education, such as adult literacy, certificates and diplomas, bachelor degrees, industry training and modern apprenticeships, adult and community education and postgraduate qualifications.

Te Tūkirunga – A whānau-focused careers guidance model for engaging and working with whānau in the career decision-making process.

Trade(s) training – A form of tertiary education that provides vocational education and training, which may include off-the-job and on-the-job workplace learning for industry trainees and modern apprentices resulting in an NZQA recognised qualification.

Web chat guidance – Direct one-on-one chat or text-based group chat using tools such as instant messengers (e.g., our current solution of Bold Chat) or MiRC (internet relay chat). Online guidance will be provided through this medium.

Whānau decision-making – He hanga kaupapa a whānau – Assisting whānau to identify steps they can take to achieve the goals that will lead to successful outcomes for their whānau.

Young New Zealanders – All people living in New Zealand aged between 12 and 25.

“ I had a fair idea of what I wanted to do but didn't know what to do or how to learn to get the job, [Career Services] put me on the right track. ”

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