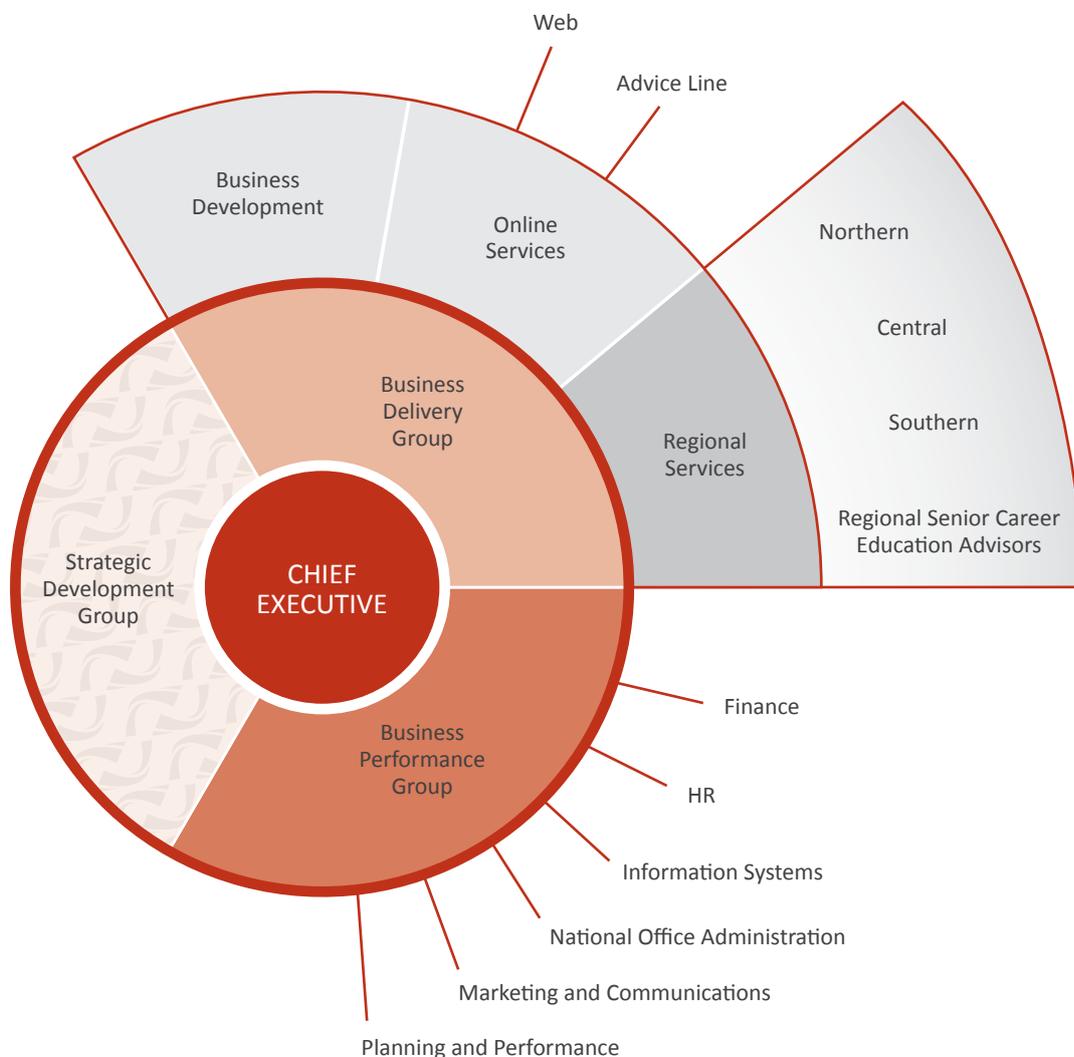


ORGANISATION MAP

Diagram 4 Careers New Zealand's three business groups and business units:³¹



³¹ The Senior Career Education Advisors are a mobile team bringing their expertise to wherever they are needed across the Northern, Central and Southern regions.

Organisation and Capability

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STAFF CAPABILITY, EEO AND GOOD EMPLOYER

Organisational health and capability

Introduction

In 2012/13 Careers New Zealand continued to build people capability, systems and processes to deliver new and expanded public services and to improve efficiency and productivity.

Careers New Zealand also volunteered for the State Services Commission's Performance Improvement Framework (PIF) review. In the fourth quarter of 2012/13 the external PIF review panel drafted a report for high-level feedback from Careers New Zealand and central agencies. The PIF report is expected towards the end of November, pending confirmation. The report will contribute to strategic planning by setting positive challenges to improve functioning of the organisation. Internal policies and strategies being implemented are already making or will introduce improvements to Careers New Zealand's operations and impact.

Our people

Investing in people and skills

Throughout the year Careers New Zealand invested in employee development in a number of ways. New regionally focused roles supporting the frontline have been created to ensure Careers New Zealand has the capability and capacity needed to strengthen the careers system and support key career influencers.³²

A key initiative in 2012/13 has been to identify critical competencies and capability gaps to build capability and confidence in staff. An analysis has been underway to clearly identify what success looks like. This work will support the Learning and Development Framework, recruitment, reward and recognition processes and other relevant people management tools. In the interim we have strengthened the learning and development policy and will be working closely with staff in the development of the performance development reports for 2013/14, ensuring objectives are both clearly articulated and align with our strategic intent.

In addition to the above, team leaders were provided with the opportunity to attend the Managers as Coaches refresher training. Careers New Zealand is also supporting two managers on the Aspiring Leaders programme.

Working with the Ministry of Education, Careers New Zealand is making available to staff the Ministry's learning and development tools and programmes on broad people management topics. Given the wide range of existing development options such as webinars, online training and classroom based training, this is a pragmatic option.

Retention and capacity

At 30 June 2013 CNZ had 121.25 full-time equivalent permanent staff members and three vacancies. Permanent staff numbers have reduced for a variety of reasons including attrition, a restructure and the creation of fixed term roles. The higher rate (%) of annualised turnover in 2012/13 is attributed partly to the number of departures representing an increasing proportion of a reducing total staff. It is envisaged that the rate of annualised turnover will reduce as the organisation settles following the restructure and changes in strategic focus. Throughout 2012/13, Careers New Zealand has continued working to ensure the retention of staff and continuity of institutional knowledge within ongoing budget constraints. Feedback from the annual workplace survey and via the State Services Commission's Performance Improvement Framework review has resulted also in action to improve the stability of staffing levels.

³² Senior Career Education Advisors and Community Engagement Facilitators

Comparative data:	June 2008	June 2009	June 2010	June 2011	June 2012	June 2013	
Permanent Workforce (FTE)	158	151	146	146	135	Perm	121.25
						Fixed Term	9.5
Vacancies (FTE)	9	2	8	1	6	Permanent	3
						Fixed Term	2
Total establishment (FTE)	167	153	154	147	141	130.75	
Annualised turnover (permanent staff)	14%	15%	11%	17%	20%	21%	

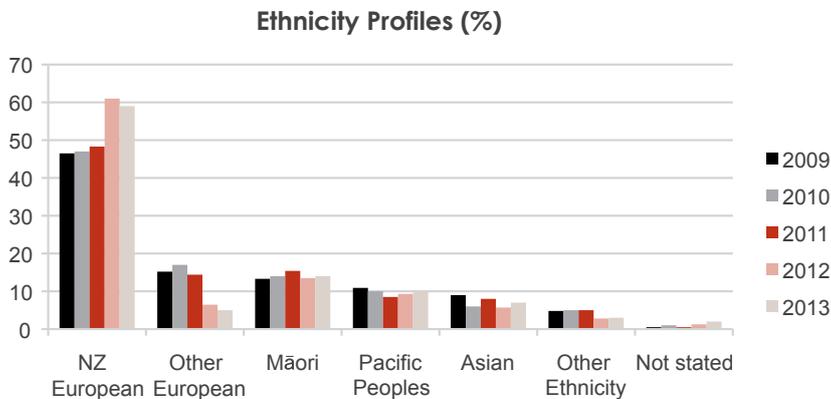
Good employer and employment practices

Careers New Zealand's employment practices meet the requirements of section 118 of the Crown Entities Act 2004 to be a good employer. Careers New Zealand aims 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. Staff engagement, turnover and the workforce makeup, including Equal Employment Opportunities (EEO) priority groups, is monitored. The good employer elements are used as a framework for EEO initiatives.

Disability

Less than 3% of permanent employees declared a physical, sensory or other type of disability.

Ethnicity profile



Organisation and Capability

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Gender profile

%	2009	2010	2011	2012	2013
Female	70	70	70	69	74
Male	30	30	30	31	26

Good employer element achievements

RECRUITMENT, SELECTION AND INDUCTION

- All new staff receive local and national induction.

EMPLOYEE DEVELOPMENT, PROMOTION AND EXIT

- Development plans in place for all staff.
- Secondment opportunities provided within Careers New Zealand and across the public sector.

FLEXIBLE WORK PRACTICES & DESIGN

- Flexible work options available.

FAIR REMUNERATION, RECOGNITION AND EMPLOYMENT CONDITIONS

- A range of non-monetary benefits available.
- Performance development framework provides performance recognition.
- External pay relativities are monitored and inform annual remuneration approach.

MAINTAINING A POSITIVE WORK CLIMATE

- Staff engagement levels gauged through annual review and action plans developed to support continuous improvements.
- Standards of integrity and conduct training included in induction training programmes.
- Allegations or complaints dealt with promptly.

MAINTAINING A HEALTHY AND SAFE WORKPLACE

- Local and national health and safety information and training.
- Staff representatives in place and trained.

ICT AND KNOWLEDGE MANAGEMENT

Information Technology

Careers New Zealand has a highly mobile and disaggregated workforce - having reliable systems for the management and communication of our careers expertise is core to our business. We undertake continuous improvement to work cost effectively within our funding constraints.

The Careers New Zealand website (www.careers.govt.nz) combines information from other organisations such as the Ministry of Business, Innovation and Employment, the New Zealand Qualifications Authority and Statistics New Zealand. This information is integrated with our information on career development, jobs and industries and presented so that it is most useful to our audiences to assist them with their learning and career decisions or help them to assist others with their decisions.

In the last year, Careers New Zealand has initiated and completed a number of significant projects to meet the information and technology needs of the organisation.

Technology improvements have included:

- upgrading all staff to Windows 7 and removing Windows XP, in line with the all-of-government direction to remove Windows XP by 2014;
- relocating a number of regional offices to new premises, and when appropriate sharing premises with other agencies such as the Education Review Office and Department of Internal Affairs; and
- updating the job database on www.careers.govt.nz to improve information about jobs, how to enter the jobs and job opportunities.

Review of Publicly Accessible Information Systems

Careers New Zealand participated in the Security Review of Publicly Accessible Systems led by the Office of the Government Chief Information Officer.

On 5 June 2013, the State Services Commission announced its findings into the review of Publicly Accessible Information Systems. Careers New Zealand was one of the agencies named in the report because of disclosure of historical minor risks. Careers New Zealand continues to monitor our security in line with Government website and privacy standards.

All of Government initiatives

Careers New Zealand remains committed to all-of-government (AoG) initiatives where there is a definite value proposition through cost reduction, efficiency or benefits for cross agency collaboration. Key AoG initiatives we are involved in include:

- agreement for purchasing desktop and laptop computers; and
- Microsoft Enterprise licensing agreement.

Careers New Zealand is active in a number of inter-agency groups including the Education Sector Information Management Governance Group, ICT Management Committee and Optimise^{HR}.

Knowledge Management

Careers New Zealand

- Reviewed its Recordkeeping policy (started in 2012/13 and completed in 2013/14).
- Has begun in late 2012/13 a review of its digital information system, complemented by a review of the Privacy Policy (which also covers paper based information).

Financial Statements Careers New Zealand 2012/13

Prepared under New Zealand equivalents to
International Financial Reporting Standards

Statement of responsibility

FOR THE YEAR ENDED 30 June 2013

Requirements under the Crown Entities Act 2004 section 155.

- The Board and management of Careers New Zealand accept responsibility for the preparation of financial statements and statement of service performance and for the judgements made in them.
- The Board and management are responsible for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- In the opinion of the Board and management of Careers New Zealand, the annual financial statements and statement of service performance for the financial year ended 30 June 2013 fairly reflect the financial position and operations of Careers New Zealand.



Murray Ward
Board Chair
31 October 2013



Dale Karauria
Board Member
31 October 2013

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Independent Auditor's Report**To the readers of Careers New Zealand's financial statements and non financial performance information for the year ended 30 June 2013**

The Auditor General is the auditor of Careers New Zealand. 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 non financial performance information of Careers New Zealand on her behalf.

We have audited:

- the financial statements of Careers New Zealand on pages 57 to 78, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non financial performance information of Careers New Zealand that comprises the statement of service performance on pages 79 to 87 and the report about outcomes on pages 13 to 17.

Opinion

In our opinion:

- the financial statements of Careers New Zealand on pages 57 to 78:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect Careers New Zealand's:
 - financial position as at 30 June 2013; and
 - financial performance and cash flows for the year ended on that date.
- the non financial performance information of Careers New Zealand on pages 79 to 87 and 13 to 17:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects Careers New Zealand's service performance and outcomes for the year ended 30 June 2013, including for each class of outputs:
 - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2013. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Careers New Zealand's financial statements and non financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Careers New Zealand's internal control.

An audit also involves evaluating:

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

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

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

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

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

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

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

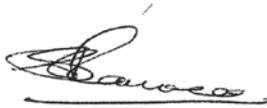
Responsibilities of the Auditor

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

Independence

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

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



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

Statement of comprehensive income

FOR THE YEAR ENDED 30 June 2013

	Notes	Actual 2012/13 \$000	Budget 2012/13 \$000	Actual 2011/12 \$000
REVENUE				
Crown revenue	2	15,082	15,082	15,082
Interest income		144	160	137
Other revenue	3	234	550	444
Total Revenue		15,460	15,792	15,663
EXPENSES				
Employment costs	4	10,118	10,800	10,386
Occupancy expenses		961	1,061	1,061
Depreciation and amortisation expense	9,10	585	600	514
Board members fees	19	96	110	111
Other expenses	5	3,214	3,221	3,125
Total expenses		14,974	15,792	15,197
SURPLUS AND TOTAL COMPREHENSIVE INCOME		486	-	466

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

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 30 June 2013

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	Notes	Actual 2012/13 \$000	Budget 2012/13 \$000	Actual 2011/12 \$000
Assets				
CURRENT ASSETS				
Cash and cash equivalents	6	3,666	2,775	2,974
Debtors and other receivables	7	120	295	255
Inventories	8	6	5	5
Total current assets		3,792	3,075	3,234
NON-CURRENT ASSETS				
Property plant and equipment	9	916	1,350	1,201
Intangible assets	10	458	550	524
Total non-current assets		1,374	1,900	1,725
TOTAL ASSETS		5,166	4,975	4,959
Liabilities				
CURRENT LIABILITIES				
Creditors and other payables	11	678	832	760
Taxes due and payable	12	231	215	196
Employee entitlements	13	717	809	739
Provisions	14	13	244	223
Total current liabilities		1,639	2,100	1,918
Total Liabilities		1,639	2,100	1,918
NET ASSETS		3,527	2,875	3,041
EQUITY				
General funds		3,527	2,875	3,041
TOTAL EQUITY		3,527	2,875	3,041

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

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 June 2013

	Actual 2012/13 \$000	Budget 2012/13 \$000	Actual 2011/12 \$000
BALANCE AT 1 JULY	3,041	2,875	2,575
Total comprehensive income	486	-	466
BALANCE AT 30 JUNE	3,527	2,875	3,041

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

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 June 2013

	Notes	Actual 2012/13 \$000	Budget 2012/13 \$000	Actual 2011/12 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Crown revenue		15,082	15,082	15,082
Interest received		144	160	137
Receipts from other revenue		326	550	343
Payments to suppliers		(4,423)	(5,000)	(4,435)
Payments to employees		(10,237)	(10,232)	(10,416)
GST (net)		33	40	(39)
Net cash from operating activities	15	925	600	672
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of property, plant & equipment		59	60	50
Purchase of property, plant and equipment	9	(159)	(350)	(407)
Purchase of intangible assets	10	(133)	(310)	(238)
Net cash from investing activities		(233)	(600)	(595)
Net increase/(decrease) in cash and cash equivalents		692	-	77
Cash and cash equivalents at the beginning of year		2,974	2,775	2,897
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	3,666	2,775	2,974

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

The accompanying notes form part of these financial statements.

Notes to the financial statements

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NOTE 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2013

REPORTING ENTITY

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

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

The financial statements for Careers New Zealand are for the year ended 30 June 2013, and were approved by the Board on 31 October 2013.

BASIS OF PREPARATION

Statement of Compliance

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

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

Measurement basis

The financial statements have been prepared on a historical cost basis, 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 Careers New Zealand is New Zealand dollars (NZ\$).

Changes in accounting policies

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

Careers New Zealand has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

Amendments to NZ IAS 1 Presentation of Financial Statements: The amendments introduce a requirement to present, either in the statement of changes in equity or the notes, for each component of equity, an analysis of other comprehensive income by item. Careers New Zealand has decided to present this analysis in the statement of changes in equity.

FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments) – The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments on the Careers New Zealand is that certain information about property valuations is no longer required to be disclosed. Note 9 has been updated for these changes.

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

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

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, Careers New Zealand is classified as a Tier 2 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means Careers New Zealand expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, Careers New Zealand is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

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

Revenue from the Crown

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

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

Interest

Interest income is recognised using the effective interest method. 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.

Notes to the Financial Statements

Section

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Leases

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

Cash and cash equivalents

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

Debtors and other receivables

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

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

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 comprehensive income. 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 Careers New Zealand assesses whether there is any objective evidence that an investment is impaired.

Bank deposits

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

After initial recognition investment in bank deposits 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 Careers New Zealand 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.

Inventories

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

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

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

Property, plant and equipment

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

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

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

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

Additions

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

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

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

Office equipment – three to five years	33%-20%
Computer 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.

Notes to the Financial Statements

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Intangible assets

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

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

Costs associated with the development and maintenance of Careers New Zealand's website are recognised as an expense when incurred. Major new developments 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 Careers New Zealand would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

Creditors and other payables

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

Employee entitlements

Short-term employee entitlements

Employee benefits that 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.

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

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; and
- 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 comprehensive income as incurred.

Provisions

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

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

The net GST paid to or received from the 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.

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Income tax

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

Budget figures

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

Cost allocation

Direct costs are charged to specific outputs based on the estimated productive time allocated to each output.

Indirect costs are allocated to output classes on the estimated productive time allocated to each output.

Definition of terms

Direct costs are costs that are linked to outputs.

Indirect costs are all other costs which include financial and administration costs, computer systems and depreciation.

For the year ended 30 June 2013, direct costs accounted for 69.7% of Careers New Zealand's total costs (2012: 69%).

Critical accounting estimates and assumptions

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

Property, plant and equipment useful lives and residual value

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

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

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

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

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

NOTE 2: REVENUE FROM CROWN

Careers New Zealand has been provided with funding from the Crown for the specific purposes of Careers New Zealand as set out in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2012: nil).

	2012/13 \$000	2011/12 \$000
Crown Revenue	15,082	15,082
TOTAL CROWN REVENUE	15,082	15,082

NOTE 3: OTHER REVENUE

	2012/13 \$000	2011/12 \$000
Contract services and fees	168	421
Commercial products	66	19
Gain on sale of property, plant and equipment	-	4
TOTAL	234	444

NOTE 4: EMPLOYMENT COSTS

	2012/13 \$000	2011/12 \$000
Salary and wages	9,580	9,833
Employer contributions to defined contributions plans	255	268
Increase/(decrease) in employee entitlements (Note 13)	(22)	(36)
Other employment costs	305	321
TOTAL	10,118	10,386

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

NOTE 5: OTHER EXPENSES

	2012/13 \$000	2011/12 \$000
Audit fees for financial statement audit	46	42
Staff travel	505	443
Website development expenses	10	0
Loss on sale of property, plant and equipment	10	0
Inventories consumed	25	10
Consultancy	897	697
Additional provision make good	0	140
Communication expenses	526	701
Marketing expenditure	354	420
Other expenses	841	672
TOTAL OTHER EXPENSES	3,214	3,125

Notes to the Financial Statements

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NOTE 6: CASH AND CASH EQUIVALENTS

	2012/13 \$000	2011/12 \$000
Cash on hand and at bank	349	264
Cash equivalents - term deposits	3,300	2,700
- accrued interest on term deposits	17	10
TOTAL CASH AND CASH EQUIVALENTS	3,666	2,974

In accordance with its investment policy, all Careers New Zealand term deposits are short-term with maturity dates of three months or less. Their carrying value approximates fair value. All short term deposits were either with Westpac Banking Corporation or ANZ. At 30 June 2013 short term deposits were for an average of 87 days (2012: 81 days) with a weighted average effective interest rate of 3.75% pa (2012: 3.55%).

NOTE 7: DEBTORS AND OTHER RECEIVABLES

	2012/13 \$000	2011/12 \$000
DEBTORS	21	119
Less: Provision for impairment	0	0
Total Debtors	21	119
OTHER RECEIVABLES		
Prepayment	99	136
Total other receivables	99	136
TOTAL DEBTORS AND OTHER RECEIVABLES	120	255

The carrying value of receivables approximates their fair value.

As at 30 June 2013, all overdue Debtors have been assessed for impairment and appropriate provisions applied, as detailed below:

	Gross \$000	2012/13 Impairment \$000	Net \$000	Gross \$000	2011/12 Impairment \$000	Net \$000
Not past due	21	0	21	119	0	119
Past due 1–30 days	0	0	0	0	0	0
Past due 31–60 days	0	0	0	0	0	0
Past due 61–90 days	0	0	0	0	0	0
Past due > 90 days	0	0	0	0	0	0
TOTAL	21	0	21	119	0	119

All receivables greater than 30 days in age are considered to be past due.

The provision for impairment has been calculated based on expected losses for Careers New Zealand's pool of debtors.

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

At 30 June 2013 Careers New Zealand has identified no insolvent debtors or provisions for bad debts. (2012: \$0k).

NOTE 8: INVENTORIES

	2012/13 \$000	2011/12 \$000
Inventory held for the use in the provision of goods and services	6	5
TOTAL INVENTORIES	6	5

The write down of inventories held for distribution amounted to nil (2012: 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 2011	340	1,457	847	357	3,001
Additions	30	225	0	152	407
Disposals and adjustments	(6)	(151)	(153)	(71)	(381)
Balance at 30 June 2012	364	1,531	694	438	3,027
Balance at 1 July 2012	364	1,531	694	438	3,027
Additions	0	77	61	21	159
Disposals and adjustments	(139)	(207)	(164)	(205)	(715)
Balance at 30 June 2013	225	1,401	591	254	2,471
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at 1 July 2011	243	910	352	330	1,835
Depreciation expense	29	191	93	11	324
Eliminate on disposal	(5)	(151)	(106)	(71)	(333)
Balance at 30 June 2012	267	950	339	270	1,826
Balance at 1 July 2012	267	950	339	270	1,826
Depreciation expense	34	219	97	34	384
Eliminate on disposal	(134)	(204)	(112)	(205)	(655)
Balance at 30 June 2013	167	965	324	99	1,555
CARRYING AMOUNTS					
At 30 June 2011	97	547	495	27	1,166
At 30 June and 1 July 2012	97	581	355	168	1,201
AT 30 JUNE 2013	58	436	267	155	916

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

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

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

Property, plant and equipment work in progress balance is nil (2012:\$0k).

Notes to the Financial Statements

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NOTE 10: INTANGIBLE ASSETS

	Acquired software \$000	Total \$000
COST		
Balance at 30 June 2011	3,207	3,207
Additions	238	238
Disposals	0	0
Balance at 30 June 2012	3,445	3,445
Balance at 1 July 2012	3,445	3,445
Additions	135	135
Disposals	(316)	(316)
Balance at 30 June 2013	3,264	3,264
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES		
Balance at 1 July 2011	2,731	2,731
Amortisation expense	190	190
Disposals	0	0
Balance at 30 June 2012	2,921	2,921
Balance at 1 July 2012	2,921	2,921
Amortisation expense	201	201
Disposals	(316)	(316)
Balance at 30 June 2013	2,806	2,806
CARRYING AMOUNTS		
At 1 July 2011	476	476
At 30 June and 1 July 2012	524	524
AT 30 JUNE 2013	458	458

Intangible assets work in progress balance \$47k (2012: \$28k).

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

NOTE 11: CREDITORS AND OTHER PAYABLES

	2012/13 \$000	2011/12 \$000
Creditors	383	488
Accrued expenses	295	272
TOTAL CREDITORS AND OTHER PAYABLES	678	760

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

	2012/13 \$000	2011/12 \$000
Fringe benefit tax (FBT)	4	2
Goods and services tax (GST)	227	194
TOTAL	231	196

NOTE 13: EMPLOYEE ENTITLEMENTS

	2012/13 \$000	2011/12 \$000
CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:		
Accrued salaries and wages	132	132
Annual leave	518	585
Sick leave	67	22
Total current portion	717	739
TOTAL	717	739

NOTE 14: PROVISIONS

	2012/13 \$000	2011/12 \$000
CURRENT PROVISIONS ARE REPRESENTED BY:		
Lease make-good	13	200
Onerous contract	0	23
TOTAL PROVISIONS	13	223

Movements for each class of provision are as follows:

	Lease make-good	Onerous contract
Balance at 1 July 2011	107	0
Additional provisions made	93	23
Balance at 30 June 2012	200	23
Balance at 1 July 2012	200	23
Additional provisions made	0	0
Amounts used	(187)	(23)
Balance at 30 June 2013	13	0

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Lease make-good provision

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

The provision allocated in 2012/13 relates to the lease make-good at the previous national office premises. The lease expired on 31 July 2012.

Information about Careers New Zealand's leasing arrangements is disclosed in note 16.

Onerous contract provision

Careers New Zealand had a non-cancellable lease for office space that is no longer used due to reallocation of the National and Wellington office in May 2012. The lease expired on 31 July 2012.

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

	2012/13 \$000	2011/12 \$000
Net surplus/(deficit)	486	466
ADD /(LESS) NON CASH ITEMS:		
Depreciation and amortisation expenses	585	514
Increase/(decrease) in bad and doubtful debts	0	(3)
Total non-cash items	585	511
ADD/(LESS) ITEM CLASSIFIED AS INVESTING ACTIVITY:		
(Gains)/Losses on sale of property, plant and equipment	10	(4)
Total items classified as investing activities	10	(4)
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS:		
(Increase)/decrease in accounts receivable	135	(85)
(Increase)/decrease in inventories	(1)	11
Increase/(decrease) in revenue in advance	0	(41)
Increase/(decrease) in operating accounts payable	(93)	(227)
Increase/(decrease) in GST	33	(39)
Increase/(decrease) in taxes payable	2	(2)
Increase/(decrease) in current employee entitlements	(22)	(35)
Increase/(decrease) in provisions	(210)	117
Net movements in working capital items	(156)	(301)
NET CASHFLOW FROM OPERATING ACTIVITIES	925	672

NOTE 16: CAPITAL COMMITMENTS AND OPERATING LEASES

Capital commitments

Careers New Zealand did not have any capital commitments at 30 June 2013 (2012: nil).

Operating leases as lessee

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

	2012/13 \$000	2011/12 \$000
Not later than one year	785	709
Later than one year and not later than five years	1,780	1,768
Later than five years	307	535
TOTAL NON-CANCELLABLE OPERATING LEASES	2,872	3,012

Careers New Zealand has sixteen 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.

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

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

NOTE 17: CONTINGENCIES

Contingent liabilities

There were no contingent liabilities at 30 June 2013 (2012: nil).

Contingent assets

Careers New Zealand has no contingent assets (2012: nil).

Notes to the Financial Statements

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NOTE 18: RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

Related party transactions

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

Significant transactions with government-related entities

Careers New Zealand has been provided with funding from the Ministry of Education of \$15.082m (2012: \$15.082m).

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

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

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

Careers New Zealand also received revenue from other government departments for the year ended 30 June 2013. Receipts from these government departments totalled \$118k (2012:\$238k). These receipts included revenue from Ministry of Social Development, Inland Revenue, Department of Corrections and the Department of Conservation.

Careers New Zealand also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2013 totalled \$327k (2012:\$307k). These purchases included the purchase of electricity from Meridian Energy Limited and Genesis Power Limited, air travel from Air New Zealand and postal services from New Zealand Post.

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

Key management personnel compensation

	Actual 2012/13 \$000	Actual 2011/12 \$000
Salaries and other short-term employee benefits	905	1,141
Post-employment benefits	0	0
Other long-term benefits	0	0
Termination benefits	7	53
TOTAL KEY MANAGEMENT PERSONNEL	912	1,194

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

NOTE 19: BOARD MEMBER FEES

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

	Actual 2012/13 \$000	Actual 2011/12 \$000
M Ward (Current Chairperson)	17	12
P Hughes (Former Chairperson)	14	0
A Graves (Former Chairperson)	5	32
T Wehipeihana-Wilson	2	13
C Pascoe (Former Member)	0	5
W Noble (Deputy Chair)	15	15
C Meade	12	12
M Poutasi	12	12
R Strathdee	9	10
D Karauria	10	0
TOTAL	96	111

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

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

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

No Board members received compensation or other benefits in relation to cessation (2012: nil).

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NOTE 20: EMPLOYEE REMUNERATION

The following table shows the number of people who earned \$100,000 or more in the financial year ending 30 June 2013.

Earnings	Number of people 2012/13	Number of people 2011/12
\$100,000 - \$109,999	1	2
\$110,000 - \$119,999	6	5
\$120,000 - \$129,999	2	3
\$130,000 - \$139,999	1	0
\$140,000 - \$149,999	1	0
\$150,000 - \$159,999	1	0
\$160,000 - \$169,999	0	1
\$170,000 - \$179,000	0	0
\$180,000 - \$189,000	0	0
\$190,000 - \$199,000	1	0
\$200,000 - \$209,999	0	0
\$210,000 - \$219,999	0	0
\$220,000 - \$229,999	0	1
\$230,000 - \$289,999	0	0
\$290,000 - \$299,999	0	1
\$300,000 - \$309,000	1	0
TOTAL EMPLOYEES	14	13

During the year ended 30 June 2013, five severance payments totalling \$212,270.69 were made (2012: \$83,976.96).

NOTE 21: EVENTS AFTER BALANCE SHEET DATE

There were no significant events after the balance sheet date.

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 2012/13 \$000	Actual 2011/12 \$000
LOANS AND RECEIVABLES		
Cash and cash equivalents (note 6)	3,666	2,974
Debtors and other receivables (note 7)	120	255
Total loans and receivables	3,786	3,229
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Creditors and other payables (note 11)	678	760
Total financial liabilities measured at amortised cost	678	760

NOTE 23: FINANCIAL INSTRUMENT RISKS

Credit risk

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

Careers New Zealand 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 Careers New Zealand's customer base. The credit risk on cash at bank and short term investments is limited as Careers New Zealand 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.

Careers New Zealand 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

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

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

Liquidity risk

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

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

Careers New Zealand holds a Westpac business card facility with a limit of \$20,000.

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

	Less than 6 months \$000	Between 6 months and 1 year \$000	Between 1 and 5 years \$000
2011/12			
Creditors and other payables	760	0	0
TOTAL	760	0	0
2012/13			
Creditors and other payables	678	0	0
TOTAL	678	0	0

Notes to the Financial Statements

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NOTE 24: CAPITAL MANAGEMENT

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

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

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

NOTE 25: EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

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

Statement of comprehensive income

Other income

Other revenue was less than budgeted by \$316,000 due to a decrease in non-output contract revenue.

Expenses

Employment costs were less than budgeted by \$682,000 mainly as a result of a number of staff movements early in the financial year, the reappointment of roles under our new business structure not being fully implemented until the second quarter of 2013 and a decrease in training and development costs.

Operating expenditure was slightly down and depreciation was reduced due to the delay in the capitalisation or postponement of a number of capital projects.

Statement of financial position

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

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

Statement of cash flows

Payments to suppliers were less than budget mainly as a result of the decrease in capital expenditure and operating expenditure.

Statement of service performance

STATEMENT OF COST OF SERVICES

FOR THE YEAR ENDED 30 June 2013

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

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

During the 2012/13 financial year, Careers New Zealand reclassified its previous two internal outputs into a single output - Leading the careers system, improving careers skills, knowledge and information in New Zealand.

	2012/13 Actual \$000	2012/13 Budget \$000
REVENUE		
Crown	15,082	15,082
Interest income	144	160
Other revenue	234	550
EXPENDITURE		
	14,974	15,792
TOTAL SURPLUS/(DEFICIT)	486	-

Comparable figures have not been presented due to the reclassification of outputs from 2012.

Statement of service performance

(Refers to pages 19-20 of Statement of Intent 2012/13)

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Careers New Zealand has undertaken a major transformation of focus from pure service delivery to an innovative system focused approach. As a result, a number of the significant activities are being conducted for the first time. Where this applies there are no prior results.

PERFORMANCE STATEMENT 2012/13 – KEY RESULTS AT 30 JUNE

Estimated performance 2012/13	Actual performance at 30 June 2013	Comment
<p>Output focus – Careers system leadership</p> <p>Career networks</p>		
6 networks in place or under development	ACHIEVED	<p>Our six networks are:</p> <ul style="list-style-type: none"> · Capable Auckland · Porirua Careers Network · Capable Whangarei · Capable Rotorua · Capable Western Bay of Plenty · Hornby Connect (Christchurch).
80% of participants found the network is useful in relation to careers work	50% Under target by 30 percentage points	<p>The result of 50% is based on respondents saying the networks were useful by either a large or reasonable amount.</p> <p>A further 25% replied 'somewhat' and another 12% 'a small amount'.</p>
80% of participants believe the network is improving the functioning of the careers system in their region	49% Under target by 31 percentage points	<p>The result of 49% is based on respondents saying the networks were improving the local careers system by either a large or reasonable amount.</p> <p>A further 19% replied 'somewhat' and another 14% 'a small amount'.</p>

PERFORMANCE STATEMENT 2012/13 – KEY RESULTS AT 30 JUNE

Estimated performance 2012/13	Actual performance at 30 June 2013	Comment Note: new measures unless previous results shown Note: any previous years' results are either shown or a reference is made to graphs in the body of this annual report which show previous results
Career summits		
Three	ACHIEVED	Summits were held in Auckland, Porirua and Otago. The Otago careers summit involved a series of three mini-summits as part of the annual Otago Careers Festival throughout May 2013.
80% of participants find summits useful in relation to careers work	58% Under target by 22 percentage points	The result of 58% is based on respondents saying the summits were of use to their careers related work by either a large or reasonable amount. A further 26% replied 'somewhat' and another 11% 'a small amount'.
80% of participants believe the summit provided a base for improving the careers system in their region	53% Under target by 27 percentage points	The result of 53% is based on respondents saying the summits were providing a base for career system improvement by either a large or reasonable amount. A further 24% replied 'somewhat' and another 13% 'a small amount'.
Skills supply and demand matching		
Three regional sub websites in operation by end of year	Objective ACHIEVED	In preference to three separate regional sub websites being built, one multi regional tool was installed on the main website providing for all New Zealanders regardless of region . This has the advantage of being on the same site as the whole range of Careers New Zealand's online resources and tools. Note: quality measures for the website are reported (see Provision of careers information, resources and tools below).

Statement of service performance

(Refers to pages 19-20 of Statement of Intent 2012/13)

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PERFORMANCE STATEMENT 2012/13 – KEY RESULTS AT 30 JUNE

Estimated performance 2012/13	Actual performance at 30 June 2013	Comment Note: new measures unless previous results shown Note: any previous years' results are either shown or a reference is made to graphs in the body of this annual report which show previous results
National skills matching partnership initiative	Objective being achieved by other means	The objective of the initiative was achieved through a range of other work, e.g. educators are already able to connect with employers through Careers New Zealand's networks, summits, the Otago Careers Festival, and by implementing best practice use of the Career Education and Development Benchmarks. Note: work previously linked to the initiative is continuing: information sharing with MBIE; and support for He Kai Kei Aku Ringa. Note: in the absence of the partnership initiative, the quality measure for this has not been included. Measures for other work e.g. with the Benchmarks are reported where relevant.
Four local/regional skills development strategies	ACHIEVED	Four local development strategies are being implemented in Flaxmere, Gisborne, Hamilton and Nelson. This work (with e.g. councils and EDAs) is part of Careers New Zealand strengthening local career systems.
Partners in initiatives rate Careers New Zealand's contribution as very good or better	Not achieved in year 1	Qualitative survey comments indicate that the intent of the partnerships is supported but it is too early for there to be any significant impact and outcomes on which partners would rate Careers New Zealand's contribution.
Implement local/regional intensive initiatives (Career Capable Communities)		
Four	ACHIEVED	A Career Capable Community programme has been established in each of these locations: South Auckland, Rotorua, Christchurch and Porirua (see pages 19-21 for information about the CCCs).
Project targets are being met	Major milestones ACHIEVED	Major events such as the careers summits and expos and launches of the Careers Education and Development Benchmarks were successfully facilitated. At least one Career Network was established in each of the Career Capable Communities. Work to build relationships with the education and business sectors is ongoing.

PERFORMANCE STATEMENT 2012/13 – KEY RESULTS AT 30 JUNE

Estimated performance 2012/13	Actual performance at 30 June 2013	Comment
		<p>Note: new measures unless previous results shown</p> <p>Note: any previous years' results are either shown or a reference is made to graphs in the body of this annual report which show previous results</p>

Output focus – Supporting key career influencers

Introduction and support of Career Development and Education Benchmarks

Tertiary and Year 7 & 8 benchmarks introduced	ACHIEVED	The Career Development Benchmarks – Tertiary was published in quarter one, and the Career Education Benchmarks – Year 7 & 8 was published in quarter three. The Career Education Benchmarks – Secondary was published in October 2011. Together these three cover the spectrum of education when high quality careers programmes are of significant value to learners.
50% of secondary schools are using the Benchmarks	69% EXCEEDED by 19 percentage points	322 secondary schools responded to the survey, of which 69% said they were using the Career Education Benchmarks.
50% of public tertiary education organisations are either using the Benchmarks or intending to	57% EXCEEDED by 7 percentage points	Of public tertiary education providers 36% were using the Career Development Benchmarks and 21% intended to. The remainder said they did not know – nobody said they would not. Note: this is based on a small sample – there are 29 organisations in total of which 14 responded to the survey.

Statement of service performance

(Refers to pages 19-20 of Statement of Intent 2012/13)

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PERFORMANCE STATEMENT 2012/13 – KEY RESULTS AT 30 JUNE

Estimated performance 2012/13	Actual performance at 30 June 2013	Comment Note: new measures unless previous results shown Note: any previous years' results are either shown or a reference is made to graphs in the body of this annual report which show previous results
School systems improvement and professional development		
Intense support – at least 60	48 Under target by 20%	Intense support is provided to schools which have completed Assisted Self reviews using the Career Education Benchmarks. The number of schools that had completed Assisted Self Review and were ready and willing to engage in Intense Support was less than anticipated. (Note: from 2013/14 Intense support is known as In-depth Support.) Previous years: 2011/12 65 ; 2010/11 58 ; 2009/10 59
100% of schools receiving Intense Support deliver improved career development services	83% Under target by 17 percentage points	The result is indicative due to the small sample size. The result is based on respondents saying Careers New Zealand helped them either a reasonable or large amount (top two result categories). The scale has two lesser positive categories below this, however all quality results reported in the Statement of Service Performance are based on the top two categories (unless otherwise stated).
Assisted Self Review using benchmarks – at least 80	93 EXCEEDED by 16%	Resources were allocated to the provision of Assisted Self Reviews (precursor to Intense Support) as not enough schools were ready to engage in Intense Support in 2012/13. As a result, the target of 80 was exceeded.
100% of schools completing assisted self review have a plan for improvement established	84% Under target by 16 percentage points	The result is indicative due to the small sample size, and is based on a 'yes' response. Generally, schools supported with Assisted Self Review were confident about their career education programmes and embraced the flexibility of the Career Education Benchmarks, picking what they focused on for development. That means a plan for improvement might not be a priority for a school at a given time, and the target of 100% is ambitious.
Initial or ongoing professional development interventions – up to 180 schools	246 EXCEEDED by 37%	As not enough schools were ready to engage in Intense Support in 2012/13, resources were allocated to the provision of professional development. As a result, the target of 180 was exceeded.

PERFORMANCE STATEMENT 2012/13 – KEY RESULTS AT 30 JUNE

Estimated performance 2012/13	Actual performance at 30 June 2013	Comment Note: new measures unless previous results shown Note: any previous years' results are either shown or a reference is made to graphs in the body of this annual report which show previous results
100% of schools receiving assistance are satisfied that Career New Zealand's input helped them (or will help them) deliver improved career development services	79% Under target by 21 percentage points	The result is based on the top two categories of response (satisfied and very satisfied with assistance received). Generally, each year schools receiving professional development support respond in the annual survey that they want more support and help. Hence the target of 100% is very ambitious. Due to limited resources, Careers New Zealand commits its most in depth support to schools provided with Intense Support, followed by schools supported with Assisted Self Reviews using the Career Education Benchmarks.
Assistance for tertiary organisations, other career-related organisations and career influencers		
Up to 40 organisations provided with assistance	27 Under target by 33%	This was a new service offer in its first year of implementation. Memorandums of Understanding were signed with 27 organisations to assist tertiary education providers using the Career Development Benchmarks – Tertiary. Careers New Zealand is reviewing the approach in order to make it easier for organisations to accept a service agreement. 2011/12 result: 24 (Note: this includes community organisations)
100% of organisations are satisfied that Careers New Zealand's input helped or will help them to deliver improved career services or support for career influencers	83% Under target by 17 percentage points	The remaining 17% said they didn't know or it was too early to tell yet – nobody said they were not helped. Note result is indicative only (small survey sample).

Statement of service performance

(Refers to pages 19-20 of Statement of Intent 2012/13)

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PERFORMANCE STATEMENT 2012/13 – KEY RESULTS AT 30 JUNE

Estimated performance 2012/13	Actual performance at 30 June 2013	Comment
		<p>Note: new measures unless previous results shown</p> <p>Note: any previous years' results are either shown or a reference is made to graphs in the body of this annual report which show previous results</p>

Output focus – Providing information, advice and resources

Web visits

Web visits (New Zealand based) 3,500,000	3,474,056 Under target by 0.7%	<p>Total visits (i.e. global) exceeded six million for the first time, a 14% increase compared to 2011/12. A temporary decrease in visits happened after a comprehensive update of job information on www.careers.govt.nz, which temporarily affected Google search information.</p> <p>(See pages 36-37 for previous results graphed.)</p>
87% of website users found that the website is easy to use, up to date and relevant to their needs and enhanced their decision-making skills.	58% Under target by 29 percentage points	<p>The result of 58% depended on each respondent agreeing with all four independent variables at the same time. The measure may be modified in the future. Separately these variables were:</p> <ul style="list-style-type: none"> · easy to use 84% (2011/12: 88%) · information was up to date 69% (2011/12: 74%) · users found what they were looking for 77% · the website helped in enhancing users' decision making 84% <p>(See pages 40-41 for results sorted by type of client.)</p>
My Career Space registrations 70,000	57,081 Under target by 18.5%	<p>The target of 70,000 registrations is an ambitious adjustment, increased from 50,000 after being surpassed twice in 2011 (53,154) and 2012 (54,191). The number of registrations continues to rise, albeit modestly by 5.33% in 2013.</p> <p>As part of wider online changes in 2013/14, My Career Space will not exist as it did in 2013/14. The new space 'My Career Portfolio' has improved functions and will be increasingly integrated with other online tools when resources and other factors enable this to be achieved.</p>

PERFORMANCE STATEMENT 2012/13 – KEY RESULTS AT 30 JUNE

Estimated performance 2012/13	Actual performance at 30 June 2013	Comment
<p>Note: new measures unless previous results shown</p> <p>Note: any previous years' results are either shown or a reference is made to graphs in the body of this annual report which show previous results</p>		

Direct advice and guidance to individuals		
Total number all services = 50,000–55,000 clients	38,348 Under target by 23%	The result reflects our shifting strategic focus away from direct delivery towards career system support. The new target for 2013/14 has been revised to 30,000. The revised target is supporting the internal shift in how resources are focused towards career system leadership, supporting key careers influencers, and providing information, advice and resources. (See pages 42-43 for previous results graphed.)
Estimated 6,000 clients in group settings focused on Māori and Pasifika learners	8,822 EXCEEDED by 47%	8,822 is part of the total of 38,348. A greater than anticipated proportion of the 38,348 were Māori and Pasifika learners in group settings. This reflects Careers New Zealand's focus on ensuring that services are reaching Māori and Pasifika priority audiences. 2011/12 result: 6,336
85% of clients have made a career decision aided by our services or they have all the information they need to make a decision	69% Under target by 16 percentage points	2011/12 result 82%. The result at 30 June 2013 may have been affected by a different survey approach being used due to budget constraints. Further consideration will be given to why there is a 13 percentage point difference in year to year results.

Glossary

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Advisory services	We provide direct assistance to individuals via our 0800 Advice Line phone number and online channels. We also work with key careers influencers and employers.
Benchmarks	See: Career Education and Career Development Benchmarks
Better Public Services	Government has set agencies 10 challenging Better Public Service results to achieve over the next five years. Each result area has a published plan. For more information see www.ssc.govt.nz .
Business Growth Agenda	An ambitious programme of work supporting New Zealand businesses to grow, in order to create jobs and improve New Zealanders' standard of living. For more information see www.mbie.govt.nz .
Career	The sequence and variety of (paid and unpaid) work roles that someone is involved in over a lifetime.
Career Capable Communities (CCCs)	<p>Communities in which we concentrate a mix of products, services and leadership to build the local careers system. The appropriate mix of products and services is determined in conjunction with communities. The aim is to establish enduring positive changes that deliver results on a large scale.</p> <p>We focus on communities where we can make the biggest difference. In particular, these are low socioeconomic communities with high proportions of Māori and Pasifika learners.</p>
Career Education and Career Development Benchmarks	<p>The Career Benchmarks are a self-review tool for intermediate, secondary and tertiary education providers to assess and improve the quality of their career education programmes and services.</p> <p>We assist schools and tertiary education providers to develop effective whole-of-organisation career programmes and to self-review against the Career Benchmarks. These were developed and published across 2011 to 2013. Our next Benchmarks document, to be developed in 2013/14, will provide guidance to assist employers with staff skills development.</p>
Career management competence	Making well-informed choices and decisions about work, life and learning, acting on career opportunities and articulating one's personal and marketable identity.
Career Networks	We facilitate Career Networks, which are localised groups of key education to employment leaders. They shape locally tailored careers system and sector action plans. The groups' members are influential people in the locality and are able to garner wide local support and drive momentum to build and improve the local careers system and develop the sector. All CCCs have at least one network, although networks are not confined to CCCs.
Crown Entities Act 2004 and Crown Entities Amendment Act 2013	The general rules for the establishment, governance, operation and accountability of Crown entities are set out in various Acts of Parliament, of which the Crown Entities Act 2004 and Crown Entities Amendment Act 2013 are central. See the Acts at www.legislation.govt.nz .

Education Act 1989	Careers New Zealand's functions are set out in Part 22 of the Education Act 1989. See the Act at www.legislation.govt.nz .
Impact	The contribution made to an outcome by a specified set of outputs, or actions, or both – Section 2(1) of the Public Finance Act 1989. Impact normally describes relatively immediate results directly attributable to an agency's outputs.
Influencers	People who influence the careers of others; key influencers include e.g. educators, family/whānau/aiga and those in business helping shape the professional development and careers of others.
National Certificate of Educational Achievement (NCEA)	The main national qualification for secondary school students in New Zealand. Standards that secondary school students achieve as part of NCEA can be used as building blocks for other qualifications. For more information see www.nzqa.govt.nz .
Outcome	A state or condition of society, the economy or the environment, including a change in that state or condition – Section 2(1) of the public Finance Act 1989.
Outputs	Final goods and services – that is they are supplied to someone outside the entity. They should not be confused with goods and services produced entirely for consumption within the Crown entity.
PAVE Pasifika	Programme helping Pasifika families become competent career managers and decision-makers, both for themselves and to support their children in making education and employment related decisions.
Skilled and safe workplaces	A work stream of the Business Growth Agenda aiming to improve the safety of the workforce and build sustained economic growth through a skilled and responsive labour market. For more information see www.mbie.govt.nz .
Under-employed worker	An under-employed worker is working fewer hours per week than that worker wants, or is in work that does not make optimal use of the worker's skills or aptitude for professional growth to bring more value for money and productivity to the business.
Vocational Pathways	A set of tools designed to make it easy for young people to see vocational options and to plan their education according to the jobs they are interested in. For more information see www.minedu.govt.nz .



