

STATEMENT OF PERFORMANCE EXPECTATIONS

2016/17

To be read in conjunction with Careers New Zealand's
Statement of Intent 2015-2019

Our commitment to the Treaty of Waitangi

We acknowledge the special relationship accorded to Māori as tangata whenua by te Tiriti o Waitangi (the Treaty of Waitangi).

As a Crown entity we will demonstrate our commitment to the Treaty expressed through the principles of Partnership, Protection and Participation. Underpinning these principles is the theme of embracing the aspirations of Māori, and Māori achieving success as Māori. We discuss the practical actions to enact our commitment throughout the Statement of Performance Expectations.

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Statement of Responsibility

The Statement of Performance Expectations has been prepared in accordance with the requirements of sections 149B–149M of the Crown Entities Act 2004.

The performance to be achieved by Careers New Zealand for the year ending 30 June 2017 that is specified in this Statement of Performance Expectations is as agreed with the Minister of Education.

Pursuant to the Crown Entities Act 2004, we acknowledge responsibility for the preparation of the statements of forecast service performance and forecast financial statements, including the appropriateness of the assumptions underlying the forecast financial statements and all other required disclosures.

We acknowledge the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of Careers New Zealand's performance and financial reporting.

Signed on behalf of the Board of Careers New Zealand.



Dale Karauria
Board Chair
Careers New Zealand
Mana Rapuara Aotearoa
30 June 2016



Murray Ward
Board Deputy Chair
Careers New Zealand
Mana Rapuara Aotearoa
30 June 2016

Part One

Setting the scene

Introduction

In May 2016 the Government announced its intention to transfer Careers New Zealand's functions into the Tertiary Education Commission. This was an outcome of the Careers System Review, and will combine the strengths and networks of both organisations to make for a more effective careers system for New Zealand. Legislation to enable the transition is scheduled for the third quarter of 2016/17, and, if passed, the actual transition will follow. In 2016/17 Careers New Zealand is committed to successfully delivering the work programme described in this Statement of Performance Expectations, while also working closely with the Tertiary Education Commission to ensure a smooth transfer of staff, resources and functions.

We continue our focus on getting young New Zealanders more career ready by supporting them to make informed choices about learning and work, in order to build a better future for themselves and New Zealand. We will continue to prioritise young New Zealanders between 11-24 years old, particularly Māori and Pasifika, and those from lower socio-economic backgrounds. We will do this through our online digital resources, the professional development services we provide for career influencers, and our work connecting employers and educators.

Our approach will continue to be digital by default, to reach the most people in the most appropriate and cost effective way. To more strongly reflect the central place of our digital resources, these are now the first group of services described in our 2016/17 Statement of Performance Expectations (SPE), reversing the order of the 2015/16 SPE and 2015-2019 Statement of Intent (SOI).

This SPE describes how we will continue to implement the strategic direction set out in our 2015-2019 SOI. Last year was the first year covered by the SOI and it was a successful year for us - we are starting from a great place. A recent survey by Nielsen showed 70% of people aged 15-24 know about us and, of those who knew about us, 84% trust our information and advice. Our levels of staff engagement and morale at the start of the year had lifted to amongst the highest in the public sector - a lift on previous levels described by IBM Kenexa as "unprecedented". This provided the basis for a year in which we began successfully implementing new ideas and approaches. Through this we learned how we can build on and continue to improve these initiatives, and this is reflected in the mix of products and services we will deliver in 2016/17.

It was also a year of important developments for the education sector agencies. Following a shared vision and planning process between seven education agencies and the State Services Commission, we have committed to jointly addressing the key areas where we see the most need for, and the most potential impact of, a collaborative approach. Collectively we will jointly power up learners, parents, communities and employers to influence the quality of teaching and learning and lift achievement. We will also improve our information management and technology, providing the evidence, data and knowledge to allow these groups, education professionals and government agencies to make the best possible decisions. 2016/17 will be the first full year of putting this new way of working together as a more unified sector into practice.

Part One

Using the new Education System Stewardship Blueprint as a guide, we have some new points of emphasis for 2016/17 for how we can most effectively implement our strategy and make our most significant contribution to New Zealand's education and employment future.

Our three new key points of emphasis are:

- ensure we are taking a system and sector view, working jointly with others and understanding where we can make our greatest contribution and impact. This will involve working with others to make use of big data to understand needs and better target products and services and work in a more joined up way. We will work more collaboratively by partnering with government agencies from the education, employment and social services sectors
- be more focused on how we can assist employers by gaining a deeper understanding of their needs and together helping build the skilled workforce New Zealand needs in the 21st century
- collaborate more with private and not-for-profit sector partners to develop tools and initiatives and bring them to customers more quickly through use of prototyping approaches

We look forward to a year in which our passionate and expert staff, working with all our stakeholders, reach more young New Zealanders with even better careers information, resources and advice. We continue to work towards making every young New Zealander career ready so they, and New Zealand, have the best future possible.



Dale Karauria
Board Chair
Careers New Zealand
Mana Rapuara Aotearoa
30 June 2016



Keith Marshall
Chief Executive
Careers New Zealand
Mana Rapuara Aotearoa
30 June 2016

CAREER READY

Why we're here

We help people make informed learning and work choices so they, and the country, will have a better future.

We help boost skills and employment, and reduce long-term welfare dependence.

Who we are

We are career experts. We help people navigate their career journey.



Our work helps grow a skilled workforce and improves outcomes for young people by connecting learning to work and enhancing career-related services.

What we do

We are a hub for independent career information and advice. Our strategy for 2015–2019 focuses on young people, Māori and Pasifika through:

Developing

new and existing digital tools and resources to help people make informed learning and work choices.

Delivering

professional development services for those influencing other people's career choices, to help them provide informed career support.

Connecting

educators and employers to improve career pathways at important transition points in people's learning and work lives.

Relevant and effective for Māori and Pasifika

Our Purpose

Our central purpose is “helping people make informed learning and working choices, so they, and the country, will have a better future”. When young people are making learning and work choices that work for them and help them reach their aspirations, everyone benefits.

Good career decisions have a positive flow-on effect for individuals, families and communities, as well as for business productivity and the economy. By ensuring New Zealanders have the information they need about skill gaps, employment growth areas and relevant education opportunities, we in turn support the labour market needs of employers.

In progressing our central purpose we want to achieve a significant improvement in the ability of young New Zealanders, especially Māori and Pasifika, to make informed learning and work choices.

To help gauge progress on this high level impact we will track an indicator of the career management competency of young people (see boxed text). In the 2015/16 year, we completed a pilot study to establish a methodology and baselines, which we will report on in our 2015/16 Annual Report. In future years we will track and report on this indicator annually, expecting to see an overall upward trend, reflecting the efforts of all career influencers across the system.

Career influencers contribute to increasing the career management competency of young people. Raising the quality of career education provision is particularly important. From 2016/17, we will track and report the aggregate percentage of all education providers who agree that our programmes and services have helped improve the quality of their career education provision. The target for 2016/17 is 80%.¹

Career Management Competencies

Career Management Competencies are a framework describing the skills, knowledge and attributes young people need to make informed learning and work choices. The competencies needed vary for different stages of an individual's progress through education and into employment. They are complementary to other frameworks such as 21st Century skills and employability skills.

Developing young people's career management competencies should be a central objective for everyone working with young people on their careers education and development. Gauging the collective impact of everyone's efforts in an area as complex as careers development is difficult, but the acquisition by young people of career management competencies can be an important indicator. If the New Zealand careers system is working well we should see an increase in the career competencies of young people.

In late 2015/16 Careers New Zealand piloted an approach to assess career management competencies at a national level in a form which we can repeat annually. This will enable us to build up a picture of progress in the careers system from year to year.

Because of the many variables affecting careers education and development, we would not necessarily expect to see “straight line growth” but we do expect to see a trend of improvement over time. In particular, because of the prioritisation of our activities, we expect to see significant improvements in the career management competencies of young Māori and Pasifika in the coming years.

We will also assess progress through the following indicators (numbers in brackets indicate contributing measures in this SPE):

- more New Zealanders, particularly in priority groups², accessing our digitally delivered products and services (1,2)
- more New Zealanders, particularly in priority groups, reached by our work with employers and with career influencers in schools, the community and families/whānau/aiga (8,9,11,14)
- increased levels of satisfaction with all our products and services by all users, including career influencers and employers (3,4,5,6,7,10,12,13,15,16,17).

A diagram showing the links to government priorities, our strategy and annual performance measures is included on pages 8-9.

¹ This is an aggregate of performance measure 11 and performance measure 16. It is also a performance measure in the 2016/17 Information Supporting the Estimates (ISE).

² We prioritise young New Zealanders between 11-24 years old, particularly Māori and Pasifika, and those from lower socio-economic backgrounds.

What we do

In our Statement of Intent we describe our three interlinked strategic intentions. They are:

- developing and delivering new and existing digital tools and resources to help people make informed learning and work choices
- delivering professional development for career influencers, providing resources and build the capability of career influencers to help them provide informed career support
- connecting educators and employers to improve career pathways at important transition points in people's learning and work lives.

Our focus is on young New Zealanders between 11-24 years old and the key transition points they are progressing through. We want to assist them to achieve the skills and qualifications that will enable

them to secure satisfying, sustainable work. Within this age group we will have a particular emphasis on reaching young Māori and Pasifika, and those from lower socio-economic backgrounds.³ We will continue to have a geographic prioritisation of our efforts, reflecting the importance of Christchurch and Auckland to the future of New Zealand.

We will continue to provide a wide and rich range of information about occupations through our digital channels, and focus particularly on better connecting employers and education in five industry areas: information technology, agribusiness, health, engineering and science.

In measuring our performance, we will collect data in a way that enables analysis against our demographic, ethnic and regional prioritisation. We will report on these metrics in our Annual Report.

Project Kāmehameha and Project Lumana'i

Understanding the career aspirations of Māori and Pasifika young people is essential for us to be more responsive and better meet their needs.

In 2014/15 we undertook a research project into the career aspirations of rangatahi, named Project Kāmehameha. As a part of the project we surveyed over 1,300 rangatahi and conducted focus groups to provide us with valuable information about rangatahi career needs and aspirations.

The findings of Project Kāmehameha have been used to improve the responsiveness of our digital tools and resources, as well as to better tailor and deliver our professional development services for Māori. Project Kāmehameha aligns with the Skilled and Safe Workplaces workstream in the Business Growth Agenda and the priorities in the Tertiary Education Strategy.

In 2015/16 we undertook a similar Pasifika focused research project, Project Lumana'i. The project involved a series of focus groups conducted with Pasifika youth and their aiga, alongside reviews of Careers New Zealand resources, products and services.

Project Lumana'i aligns with other key pieces of research we have conducted into the career aspirations of Pasifika youth. It will be a critical underpinning for ensuring Careers New Zealand's responsiveness to the career needs of Pasifika youth.

³ We will also support those who have become disengaged/are at risk of disengagement from learning and employment, and those with special educational needs.

Linking Government priorities to annual performance measures

This diagram summarises information from Careers New Zealand Statement of Intent 2015–2019 and Statement of Performance Expectations 2016/2017.

Key Government priorities for Careers New Zealand

Our central purpose

Business Growth Agenda – Skilled and Safe Workplaces workstream

- Lifting the achievement of young people
- Strengthening tertiary education
- Delivering vocational education and training that lifts skills
- Moving people off benefits and into work
- Making the job market more responsive

Better Public Services

- Increase the proportion of 18 year olds with NCEA Level 2 or an equivalent qualification
- Increase the proportion of 25–34 year olds with advanced trade qualifications, diplomas and degrees (at Level 4 or above)
- New Zealanders can complete their transactions with the Government easily

Tertiary Education Strategy

- Delivering skills for industry
- Getting at-risk young people into a career
- Boosting achievement of Māori and Pasifika

Education strategies, plans and initiatives

- Ka Hikitia and Tau Mai Te Reo
- Pasifika Education Plan
- Youth Guarantee
- Vocational Pathways
- Achievement, Retention, Transitions
- Trades Academies
- Lifting the quality of teaching

Helping young people make informed learning and working choices, so they, and the country, will have a better future

A significant improvement in the ability of young New Zealanders, especially Māori and Pasifika, to make informed learning and work choices. (Measured through an increase in career management competency, particularly for our priority groups.)

Four-year success goals

Developing and delivering new and existing digital tools and resources that help people make informed learning and work choices

People, especially young people 11-24, Māori and Pasifika, can easily find and access the tools and resources they need, and these tools meet their needs.

Delivering professional development services for career influencers

Significant improvements in the informed career support educational institutions, communities, whānau, aiga, families and other influencers are providing to young people.

Connecting educators and employers to improve career pathways at important transition points

Better connections and stronger information flows between educators and employers are supporting improved learning and work transitions.

Annual performance measures

Digital tools and resources

Careers New Zealand website:

- Number of New Zealand-based web visits
- Availability of website
- % of users who agree that the website is easy to use, relevant to their needs and easy to understand
- % of users from priority groups who agree that the website is relevant to their needs
- % of users who agree our online quizzes and tools improved their understanding of their learning and/or work choices

Professional development services

Reach of work with career influencers to young people, particularly from priority groups

Capability building programmes for education providers

- % of Year 7-13 schools actively using Career Education Benchmarks
- Number of education providers participating
- % satisfied that these helped improve the quality of their career education provision

Capability building programmes for whānau/aiga/families, community groups and organisations

- Number
- % satisfied that these helped them to better support young people's success in work and learning

Online resources for career influencers

- Usage and usefulness of online resources

Connecting educators to employers

Industry focused events connecting education and employment

- Number
- % of participating schools and employers/employers' organisations that agree Careers New Zealand's initiatives have been effective in improving connections between education and employment
- % of participating young people who agree Careers New Zealand's initiatives have improved their ability to make learning and work choices
- % of Māori and Pasifika participants

Organisational Health and Capability indicators

Awareness of Careers New Zealand

Staff Turnover

Investment in staff – leadership development programme; programme to increase Māori and Pasifika cultural competency of all staff

Health and safety – zero-harm health and safety strategy

Part Two

What we will achieve and how our performance will be assessed

Digital tools and resources

Our digital and online services are cost-effective channels for connecting with our customers. We will use the most effective channels to directly provide people with independent information, digital tools, resources and advice to help them make informed learning and work choices.

Digital channels are critical to increasing our reach and influence. Our careers.govt.nz website currently receives over 4 million New Zealand-based visits annually and we expect this to continue increasing. The average user spends over five minutes on the website and almost half of New Zealand-based users are repeat visitors.

Our website includes easy-to-follow job summaries and the ability to compare employment outcomes and earning potential of investing in tertiary education. It is supported by other digital channels including web chat and social media platforms. We continue to provide an Advice Line phone service, though use of this has declined in recent years as more people access resources through our website and the quality of the information available has steadily improved.

An increasing number of customers access the website via a range of mobile devices including smartphones, tablets and gaming consoles. Mobile devices now make up nearly half of all visits to the Careers New Zealand website, and the numbers of mobile device visits in 2015/16 were up almost a third from the previous financial year, with this trend set to continue in future. Responding to this trend in 2015/16 we undertook a major project to make the website more mobile responsive, which we will continue building upon in 2016/17.

We have a range of online quizzes and tools to help young people explore their options and build their careers skills and knowledge. We will continue to develop and improve these in 2016/17.

A key focus will be on ensuring all our quizzes and tools are mobile responsive, so that young people can use them on their preferred devices. In 2015/16 we completed our Skills Transition Tool project and launched Skills Builder to help 25-34 year olds with limited qualifications link the experience and skills they have got. The tool supports them to find pathways to a more secure and satisfying career, for example, by identifying and attaining a relevant Level 4 or above qualification. We will continue to improve this tool during 2016/17. In 2016/17 we will also be introducing an important new tool, Profile Builder, building on the success of our current CV Builder tool (see boxed text).

We want to see that people, especially young people aged between 11-24, Māori and Pasifika, can easily find and access the tools and resources they need, and that these tools meet their needs. We will improve the impact of our digital tools and resources and extend our reach by:

- delivering timely information and advice to assist the learning and work choices of our audiences
- effectively using modern digital channels, such as mobile, to increase customer engagement, making our information mobile ready and able to be accessed in ways that best meet our customers' needs
- collating, analysing, translating, personalising and packaging our products and services for different audiences
- gaining improved insights into our customers and the usability of resources to inform further development and improve access to information. We will be building on the insights we have already achieved through Project Kāmehameha (for young Māori) and Project Lumana'i (for young Pasifika)
- working with stakeholders on the evaluation of specific tools and resources.

In 2016/17 we will track progress against the following performance measures:

Performance measure ⁴	Estimated actual 2015/16	Target for 2016/17
1 Number of New Zealand-based web visits to the Careers New Zealand website	4.2 million	4.4 million
2 Availability of the Careers New Zealand website per quarter	≥99.5% of time each quarter	≥99.5% of time each quarter
3 Percentage ⁵ of users who agree that the Careers New Zealand website is easy to use	75%	80%
4 Percentage of users who agree that the content on the Careers New Zealand website is relevant to their needs	75%	80%
5 Percentage of users who agree that the content on the Careers New Zealand website is easy to understand	New measure	80%
6 Percentage of users from priority groups who agree that the content on the Careers New Zealand website is relevant to their needs	New measure	80%
7 Percentage of users who agree that our online quizzes and tools improved their understanding of their learning and/or work choices	New measure	Establish baseline

Profile Builder

In 2016/17 we will undertake a programme of work to develop the Profile Builder tool for the careers.govt.nz website.

Profile Builder will replace our CV Builder tool. Users will create a profile and extract a CV by taking key pieces of structured information provided by the user. The CV can be saved and accessed again online using our My Career Portfolio registration, or sent to an email address. With over 125,000 people accessing our current CV Builder between 1 July 2015 and 31 March 2016, the CV Builder tool is a popular resource on our website.

Profile Builder will significantly improve the user experience by providing a mobile friendly format, as well as including improved information gathering, more variety in CV templates, an enhanced capability for the user to share their CV, and improved integration opportunities for third party work brokers, potential employers and other government agencies. We will include greater feedback from employers and other key stakeholders which will improve the quality and relevance of the templates, and overall increase the value of the tool for the user.

⁴ Where a measure mentions the Careers New Zealand website it is specifically referring to www.careers.govt.nz.

⁵ Our website performance measures will be determined by responses to an online satisfaction questionnaire completed by visitors to the website.

Professional development services

Young people receive advice and information about their learning and work choices from a range of sources that collectively we refer to as “career influencers”. Career influencers may be professionals, for example school careers advisors, for whom it is their main focus, and teachers and school leaders for whom it is an important aspect of their jobs. Other career influencers are informal – key among these for most young people are families, for Māori their whānau and for Pasifika their aiga.

We deliver professional development workshops and programmes to build the skills of career influencers to help them give informed support to young people, and better help young people to find and use the career resources available online from our website. We prioritise working with lower decile schools, and whānau and aiga from lower socio-economic backgrounds, as this is the most effective way to reach young Māori and Pasifika.

The backbone of this work is a series of professional development workshops that we run across the country. These are structured around key components (dimensions) of the Career Education Benchmarks (see boxed text on page 14). Workshop attendees receive follow-up support via phone and email, and high priority schools can also receive face-to-face support from our career professionals. Our website contains information, tools and resources relevant to informing and supporting career influencers, which we will continue to improve.

Rangatahi Futures is an example of a programme designed to boost a school’s capability to deliver career education to support young Māori. Rangatahi Futures is a professional development programme with accompanying classroom resources. We rolled the programme out nationally in 2015/16 and will continue to deliver the programme to more schools in 2016/17, in addition to rolling out an online Rangatahi Futures resource package for use by schools.

In 2016/17 we will be delivering Malaga, a professional development programme targeted towards supporting schools to ensure Pasifika students achieve their career potential. Malaga will be delivered to schools with high Pasifika rolls and will be supported by an appropriate suite of online tools and resources.

The research we have undertaken shows that some of the most significant influencers on a young person’s career decision making are their family, whānau, aiga and communities, especially for Māori and Pasifika youth. We deliver programmes to support informal influencers in their communities, at times in collaboration with other education sector or governmental agencies.

Over the next four years we want to see significant improvements in the informed career support that educational institutions, communities, whānau groups, families and other influencers are providing to young people. In 2018/19 we intend commissioning a third party review of careers education to thoroughly assess progress in the schools sector.

In 2016/17 we will track progress against the following performance measures:

Performance measure	Estimated actual 2015/16	Target for 2016/17
8 Deliver online resource packages for Rangatahi Futures and Malaga	New Measure	Roll-out completed
9 Number of education providers participating in Careers New Zealand capability building programmes	300	350
10 Percentage of participating education providers that are satisfied that the capability building programmes have helped improve the quality of their career education provision	85%	85%
11 Number of families/whānau/aiga, community groups and organisations (including Māori organisations) receiving careers capability building programmes ⁶	325	325
12 Percentage of families/whānau/aiga, community groups and organisations (including Māori organisations) that are satisfied that the programme helped them to better support young people's success in work and learning	New measure	85%
13 Percentage of career influencers reporting that Careers New Zealand online resources provided tools and activities that are useful for them assisting others	75%	75%

In addition to the measures above there are three key trend indicators we will monitor and report on in our Annual Report:

- percentage of Year 7-13 schools actively using Career Education Benchmarks
- number of young people who are reached through our capability building programmes to Year 7-13 schools
- usage of our online resources by career influencers.

Baseline data for these indicators will be reported in our 2015/16 Annual Report.

⁶ These may include Careers New Zealand programmes or inter-agency programmes that Careers New Zealand delivers in co-operation with others.

Career Education Benchmarks

The Career Education Benchmarks are a series of three good practice guides tailored to different stages of the transition from education and training into the workforce. They are a central means of lifting quality and consistency of careers teaching and careers education across the system. At their core is lifting the career management competencies of young New Zealanders. All of the professional development programmes we run are focused on one or more aspects of the Benchmarks.

Through the Benchmarks, we support organisation-wide improvement for schools and tertiary organisations, as well as the professional career influencers in them. The Education Review Office recently found that schools with the most successful careers education and guidance had worked with Careers New Zealand and used the Benchmarks to review and improve their practices.⁷

We have revised the Secondary Benchmarks and will publish an updated version including adding a number of good practice examples for how the Benchmarks have been successfully implemented and used in secondary schools.

In 2016/17 we will continue to focus on developing practical tools and resources to assist education providers in implementing the benchmarks and improving their performance against them.

“One of the maths teachers was teaching a junior class and could see that the students were not engaging with it, so she started to relate it to careers. They logged on to the Careers New Zealand site and she showed them some of the jobs they were interested in that had a requirement for maths.

She told me that many of the students had ideas of what they wanted to do, but hadn't realised how important maths was to that pathway. They were reluctant students and she used careers education to address that.

Using the Benchmarks as a guide has given us a new way of doing things. It was a bit stressful for me putting it all together, but it was worth it.

I'd like to encourage other schools to use the Benchmarks because of the breadth that it gives the students.”

Christine Cusack

Careers Co-ordinator
Otahuhu College

⁷ Education Review Office, "Careers Education and Guidance: Good Practice", May 2015.

Connecting educators to employers

One of our key roles in the education sector is providing opportunities for employers to communicate their skills needs to the education sector and young people.

We help to connect educators and employers to assist young people at important transition points in their learning and work lives. This benefits young people by making education and training more relevant and helping them see practical career pathways. It benefits employers by helping them develop a workforce with the skills, qualifications and motivation they need. In 2016/17 we will continue to focus our efforts on working with five nationally significant industries: information technology, agribusiness, health, engineering and science.

Through our digital channels the labour market needs of employers and the realities of the world of work are communicated to young New Zealanders, especially young Māori and Pasifika. These include online videos where employers and their employees speak directly to young people about work in their industry. Alongside our digital channels we also facilitate and provide opportunities for in person interaction between educators, employers, and young people.

Face-to-face initiatives we will continue to support in 2016/17 will include Work Inspiration (see boxed text on page 16), industry focused education to employment events, and customised local and regional initiatives.

We will continue to deliver industry focused events that bring together a range of employers, educators and trainers. These have the purpose of helping young people to get a better understanding of the options available to them and how to pursue these. For some of these events young people will be direct participants, others will focus on updating educators and other influencers on developments in industry and the skills needed by employers. This will enable them to better support the young people they work with. We will position these events so they connect to other services and products to maximise their impact, for example, using online resources, professional development workshops and linking in to our other deliveries such as Work Inspiration.

We also develop and support local and regional initiatives that respond to specific labour market needs. Christchurch is an area where we will continue these activities as part of the ongoing reconstruction effort, and Auckland is another focus area for these activities.

Overall we aim to see our work leading to better connections and stronger information flows between educators and employers.

Part Two

In 2016/17 we will track progress against the following performance measures:

Performance measure	Estimated actual 2015/16	Target for 2016/17
14 Number of industry focused events connecting education and employment	New measure	≥10
15 Percentage of participating schools that agree Careers New Zealand's initiatives have been effective in improving connections between education and employment*	75%	80%
16 Percentage of participating employers/employment organisations that agree Careers New Zealand's initiatives have been effective in improving connections between education and employment	75%	80%
17 Percentage of participating young people that agree Careers New Zealand's initiatives have improved their ability to make learning and work choices*	75%	75%

*Not all initiatives will have direct participation from all stakeholder groups

We will also monitor a trend indicator of the percentage of Māori and Pasifika participants reached by our initiatives. This will include those directly participating and also the demographic profile of the schools and other education and training organisations we work with. We will report on this in our Annual Report.

Work Inspiration

Work Inspiration is an employer-led work exploration programme that provides meaningful and inspiring introductions to the world of work for young people. It is an internationally proven model, and in New Zealand the programme is self-funding and demand-driven. It is managed by Careers New Zealand and is supported by the Education to Employment Connections Charitable Trust.⁸

Careers New Zealand brokers the relationships between businesses and education providers. We are responsible for supporting businesses to deliver the programme and in tailoring and developing the programme to ensure it is reflective of the unique New Zealand context and especially that it is meeting the needs of Māori and Pasifika students. A number of businesses delivered Work Inspiration programmes in 2015/16, including Toyota, Waipuna Hotel, local government and a number of small businesses.

The young people who participated in Work Inspiration reported that they have gained increased confidence, a much better understanding of the industry and how businesses work, and that the programme "helped to confirm what I really want to do". The businesses who have delivered Work Inspiration felt that participating in the programme was a good way of communicating what they are looking for with young people, and provided them with useful insights into their potential future workforce.

⁸ A registered charity, with donee status. Its objectives are the advancement of education relating to career transition, career pathways and workforce opportunities, and the advancement of any other charitable objectives or purposes beneficial to young people and the community, relating to career transition, career pathways and workforce opportunities.

Prospective Financial Statements

Statement of Forecast Service Performance

Careers New Zealand appropriations

Careers New Zealand is funded through Vote Education (Non-Departmental Output Expense: Provision of Information and Advisory Services). The table below summarises Careers New Zealand's appropriations. This is defined in the Budget 2016 Estimates of Appropriations for Vote Education.

Statement of cost of services		
\$000	Group estimated actual 2015/16	Group forecast 2016/17
Revenue		
Funding from the Crown	15,541	15,563
Interest revenue	158	150
Other revenue	713	1,104
Total revenue	16,412	16,817
Total expenditure	16,262	16,817
Surplus/(deficit)	150	0

Forecast Financial Statements

Part Two contains the information required by section 149E(2)(b) and section 149G of the Crown Entities Act 2004, to be reported against in Careers New Zealand's Annual Report for 2016/17.

Financial management in Careers New Zealand

Careers New Zealand's financial management is based on the following key elements:

- a robust budgeting process with regular forecast updates three times each year
- a conservative investment strategy for term investments with established financial institutions
- established and documented internal controls including policy and procedures, financial delegations and a planned internal audit programme
- regular reporting and monitoring through cost-centre managers to our Senior Leadership Team, the Finance and Risk Committee of the Board, Board, Ministry of Education (as monitoring agent) and Minister of Education
- a capital expenditure management framework including planning, budgeting and reporting
- continually looking for opportunities for collaboration across government to ensure ongoing efficiencies and operating savings, for example, co-locating with other government agencies.

Forecast statement of comprehensive revenue and expenditure

Revenue (\$000)	Group estimated actual 2015/16	Group forecast 2016/17
Funding from the Crown	15,541	15,563
Interest revenue	158	150
Other revenue	713	1,104
Total Revenue	16,412	16,817
Expenditure (\$000)		
Personnel costs	9,535	10,283
Depreciation and amortisation expense	463	627
Other expenditure	6,264	5,907
Total Expenditure	16,262	16,817
Surplus/(deficit) and total comprehensive revenue and expenditure	150	0

Forecast statement of changes in equity

\$000	Group estimated actual 2015/16	Group forecast 2016/17
Taxpayers' equity as at 1 July	4,364	4,514
Surplus/(deficit) and total comprehensive revenue and expenditure	150	0
Taxpayers' equity as at 30 June	4,514	4,514

Forecast statement of financial position		
Assets (\$000)	Group estimated actual 2015/16	Group forecast 2016/17
Current assets	4,521	3,553
Non-current assets	1,932	2,915
Total Assets	6,453	6,468
Liabilities (\$000)		
Current liabilities	1,939	1,954
Total liabilities	1,939	1,954
Closing equity	4,514	4,514
Forecast statement of cash flow		
Cash flows from operating activities (\$000)	Group estimated actual 2015/16	Group forecast 2016/17
Operating receipts	16,299	16,636
Receipts from interest	158	150
Operating payments	(15,846)	(16,193)
Net cash flows from operating activities	611	593
Cash flows from investing activities (\$000)		
Purchase of property, plant and equipment	(377)	(250)
Purchase of intangible assets	(935)	(1,360)
Net cash flows from investing activities	(1,312)	(1,610)
Net increase/(decrease) in cash and cash equivalents	(701)	(1,017)
Cash and cash equivalents at the beginning of the year	5,034	4,333
Cash and cash equivalents at the end of the year	4,333	3,316

Notes to the forecast financial statements

The forecast financial statements are based on policies and approvals in place as at April 2016 and are GST exclusive. The forecast for 2016/17 is prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and complies with Public Benefit Entity (PBE) Standards.

The forecast financial statements set Careers New Zealand's activities and planned performance. Use of this information for other purposes may not be appropriate.

Actual results may vary from the information presented here and the variations may be material.

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

A breakeven position is forecasted for 2016/17.

The statements have been prepared with the following assumptions:

1. The \$1.61 million investment in fixed assets is the forecast possible spend for the capital programme. The main capital investment will be focused on our digital and online services. As in previous years, there is no undertaking or guarantee that capital purchases will meet this level. Actual capital expenditure will be based on specific business cases approved by the Chief Executive and Senior Leadership Team.
2. Other revenue may vary. In line with significant efforts made in revenue generation during 2015/16, we are expecting to secure similar contracts during 2016/17 and we will also continue to actively explore new revenue opportunities. Some of these opportunities will be realised through the Education to Employment Trust, a controlled trust of Careers New Zealand.
3. Continued increased investment in marketing costs in relation to our website and online products to support and increase our reach and effectiveness.
4. Other expenditure is based on the assumption efficiency savings will continue to be realised during the year.
5. The Skills Transition and Migrant Futures funding will be fully spent.
6. Personnel costs are based on the organisational structure implemented in April 2015.

Statement of accounting policies

Reporting entity

Careers New Zealand is a Crown Entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. Careers New Zealand's ultimate parent is the New Zealand Crown.

Our functions and responsibilities are set out in the Education Act 1989 and are funded primarily by government through Vote Education. The primary objective of Careers New Zealand is to provide services that support Government's key priority areas, as opposed to that of making a financial return. Accordingly, Careers New Zealand is designated as a Public Benefit Entity (PBE) for financial reporting purposes.

The consolidated financial statements of the Group comprise Careers New Zealand and its controlled trust, Education to Employment Trust which is a registered charity with donee status. The Trust's objectives are the advancement of education relating to career transition, career pathways and workforce opportunities and the advancement of any other charitable object or purpose beneficial to young people and the community, relating to career transition, careers pathways and workforce opportunities.

Basis of preparation

Statement of compliance

The forecast financial statements have been prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP.

The forecast financial statements comply with Tier 2 PBE accounting standards. This includes Public Benefit Entity Financial Reporting Standard 42: Prospective Financial Statements (PBE FRS 42).

Careers New Zealand is eligible to report in accordance with the Tier 2 PBE accounting standards as expenses are less than \$30 million and there is no public accountability.

Measurement basis

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

Functional and presentation currency

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

Judgement and estimations

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

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

Significant accounting policies

Revenue

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

Interest income is recognised using the effective interest rate method.

Basis of consolidation

The consolidated prospective financial statements combine the financial statements of Careers New Zealand and its controlled trust, Education to Employment Trust, as at 30 June 2017 (Group).

A controlled trust is an entity over which the Group has the power to govern the financial and operating policies.

The financial statements of the controlled trust are prepared for the same reporting period as Careers New Zealand using consistent accounting policies.

All inter-entity balances and transactions have been eliminated in full.

Leases

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

Cash and cash equivalents

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

Debtors and receivables

Debtors and other receivables are initially measured at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

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

Investments

Investments represent term deposits held with banks with maturities of three months or less.

Property, plant and equipment

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

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

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. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive revenue and expense.

Subsequent costs

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

Depreciation

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

Office Equipment

three to five years (33%-20%)

Computer Equipment

three to four years (33%-25%)

Motor Vehicles

four years with estimated residual value (25%)

Leasehold Improvements

over the useful life of the lease.

Fixed assets costing more than \$2,500 are capitalised. All other assets costing less than \$2,500 are to be expensed as minor assets in the year of purchase.

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

Intangible assets

Software acquisition and development

Intangible assets consist of acquired and internally developed software.

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

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

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the statement of comprehensive revenue and income on a straight-line basis over the useful life of the asset.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Licenses

three to four years (33%-25%)

Digital Tools

three to four years (33%-25%)

Videos

three years (33%)

Implementation of Core Systems

four years (25%)

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

Employee entitlements

Short-term employee entitlements

Employee benefits that Careers New Zealand expects to be settled within 12 months after the end of the period in which the employee renders the service are measured 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 that Careers New Zealand anticipates it will be used by staff to cover those future absences.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis.

The net amount of GST recoverable from or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet. The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

Taxation

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

Commitments

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

Other liabilities and provisions

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

Contingent assets and contingent liabilities

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

Taxpayers' funds

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

Changes in accounting policies

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

Comparatives

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impractical to do so.

Appendices

Appendix A: Our Statutory Functions

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

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

Appendix B: Letter of Expectations – key excerpts

The Minister of Education's Letter of Expectations for Careers New Zealand (CNZ) for 2015/16 remains in force.

Key excerpts of the letter relevant to this SPE are:

Strategic focus for CNZ

CNZ is an important contributor to goals and priorities for the education system as well as those focused on improving New Zealand's economic performance. My Letter of Expectations for 2014/15 outlined the connections between government priorities and CNZ's work. These connections remain relevant and I expect CNZ to continue supporting these goals and priorities, particularly in the following areas:

- Better Public Services;
- The Tertiary Education Strategy (TES); and
- The Skilled and Safe Workplaces workstream of the Business Growth Agenda.

Improving transitions between levels of study and from study to employment

CNZ's core functions in providing careers information, advice and guidance can make a significant contribution to improving pathways and transitions. I expect CNZ to focus on ensuring that people can access accurate and relevant information that will inform their decisions about learning and work.

CNZ continues to have a role in connecting educators and employers and I would like CNZ to consider how its work can better connect schools, tertiary education providers, and employers to encourage smooth transitions for learners.

Delivering more effectively for Māori, Pasifika and people from lower socio-economic backgrounds

As CNZ creates information resources and establishes its work programmes, CNZ must ensure that these address the needs of these groups.

I expect that CNZ will continue to support the Māori education strategy, Ka Hikitia Accelerating Success 2013–2017, Tau Mai Te Reo – The Māori Language in Education Strategy 2013–2017, the Pasifika Education Plan 2013–2017, and consider how it supports Priority 3 of the TES – Boosting achievement of Māori and Pasifika. CNZ should ensure that it is well connected to other agencies' work in these areas and that its work for Māori and Pasifika is informed by these guiding documents.

Supporting quality teaching

A significant focus for the education system is supporting and improving the quality of teaching to deliver better outcomes for students. As part of this broader initiative, I expect that CNZ will use its careers knowledge and expertise to build careers capability and practice in schools.

Operating expectations for CNZ

- Responding to the Performance Improvement Framework review results;
- Effective strategic planning and information on results; and
- Consider opportunities for commercialising CNZ's work that may emerge.

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