

*Ministry of Pacific Island Affairs*

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# ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE

# 2014



New Zealand Government

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# Table of contents

<b>Part One: Overview</b>	<b>4</b>	<b>Part Five: Statement of Service Performance</b>	<b>25</b>
Chief Executive's overview for the year	4	Overview of the Ministry's performance against outputs for Policy Advice and Ministerial Servicing	25
Scope and Functions	6		
<b>Part Two: Reporting on the Ministry's operations</b>	<b>8</b>	<b>Part Six: Financial Statements</b>	<b>31</b>
Our Work	8	Statement of Accounting Policies	31
Our Priorities	9	Statement of Comprehensive Income	37
<b>Part Three: Managing the department</b>	<b>18</b>	Statement of Changes in Taxpayer Funds	37
Operating in a changing environment	18	Statement of Financial Position	38
Contributing to better public services	18	Statement of Cash Flows	39
Working together	19	Reconciliation of Net Surplus/ Deficit to Net Cash Flow from Operating Activities	40
People capability	19	Statement of Commitments	41
Our progress	20	Statement of Contingent Liabilities and Contingent Assets	41
<b>Part Four: Statement of Responsibility and Audit Report</b>	<b>21</b>	Statement of Departmental Expenditure and Capital Expenditure against Appropriations	41
Statement of Responsibility	21	Statement of Departmental Unappropriated Expenditure and Capital Expenditure	42
Independent Auditors Report	22	Notes to Financial Statements	43
		Non-departmental Statements and Schedules	52

# Part One: Overview

## Chief Executive's overview for the year

*I am pleased to provide this my second Annual Report from the Ministry of Pacific Island Affairs.*

Since my last report to you, I have worked to focus on *Better Public Service* priorities of education, youth skills and on training, and on Pacific languages. Each represented an area of activity offering significant opportunity for Pacific peoples to increase their participation and success. Alongside these priorities and the Ministry vision was our own focus on fostering a spirit of community enterprise, partnership and leadership in support of these priorities.

During the year we further refined our focus, increasingly devoting our effort to the role of parents and families in reinforcing the importance of education, which we recognise is critical in equipping Pacific peoples for success. Our commitment towards making a significant contribution to lifting educational outcomes reflects the increasing visibility, especially in Auckland of the Pacific with the growing size of our youth population relative to others. Our Pacific population is a young one: by 2026 one-in-eight New Zealanders will have some Pacific ancestry. The Ministry must equip tomorrow's young people to stand proud in the nation's economic, social and cultural landscape.

Our commitment to greater educational success is enshrined in the *Pasifika Education Plan 2013-2017*, which we co-authored in 2012 with the Ministry of Education.

The objective of the *Pasifika Education Plan* is to put Pasifika learners, parents, families and communities at the centre of the education system and outlines investment required in building their knowledge, voice and influence. From this foundation, our communities can demand better outcomes of their schools and education providers.

One example of the *Pasifika Education Plan* in action is *Pasifika Power UP*. Last year, with a focus on raising NCEA Level 2 achievement, we worked alongside the Ministry of Education to bring young people and their families together in their communities to learn and prepare for NCEA exams.

More than 1,700 people signed up to the *Pasifika Power Up* eight week challenge. Students received support on their NCEA subjects, for example, they got study tips and learned how to manage their time thanks to the guidance of tutors and mentors. Meanwhile parents had workshops explaining how NCEA works and how to design an education plan for their whole family.

Much more than a homework centre, *Pasifika Power Up* is an engagement model that recognises the strength and influence of Pasifika parents, families and communities when they come together. Toddlers, grandparents and everyone in between came to our Power Stations and they were all looked after as the support network of their family member sitting NCEA. We can use this model and the collective power of our communities to support success in a range of areas.

An encouraging impact of *Power Up* was that we saw people in our communities start, lead and drive their own support networks beneficial for themselves and their children and their children's education.

We have also focused on employment and skills for our young people. The Ministry has delivered a successful pilot programme, the *Pacific Employment Support Services (PESS)* scheme, designed to help reduce unemployment. *PESS* has now provided over 2,000 young Pacific people with tailored support. This includes pastoral care and mentoring, and literacy and numeracy training as well as the more usual career advice, training opportunities, and CV and interview skills. Importantly, the programme also placed over 500 young people in employment. In Budget 2014, Government supported an extension of the programme which is allowing us to continue with this excellent work.

To increase our impact we have enhanced our working relationships with other partner agencies such as the MOE, Ministry of Business, Innovation and Employment (MBIE),

Ministry of Social Development (MSD) and the Tertiary Education Commission (TEC).

As a small agency the Ministry can increase its impact by utilising its specialist knowledge and networks with the greater resources of larger agencies. We have had good examples of collaboration through our work with the Ministry of Education in delivering the *Pasifika Power Up* programme and the co-authoring the *Pasifika Education Plan* with them. We have also continued our work with MBIE on the Māori and Pasifika Trades Training programme, the *Pasifika Economic Strategy*, and supporting Te Puni Kōkiri with the commissioning approach for Whānau Ora.

Through collaboration with government partners, the Ministry will continue to align its work programme with the *Better Public Services* priorities.

We formalised one aspect of this in a Memorandum of Understanding (MoU) with (MoE) and we are currently finalising our Memorandum of Understanding (MoU) with the New Zealand Police, MBIE and Ministry of Health (MoH). We have achieved this because of the goodwill, guidance and efforts of other agencies, and I thank them all.

We have continued to foster leadership and entrepreneurship: in the public sector through our Pacific senior managers' leadership development programme which has now trained more than 60 people, in the business sector through the work of the Pacific Business Trust, and amongst our young people through the Prime Minister's Pacific Youth Awards. The 2013 awards held in December attracted more than 100 outstanding young people and recognised Pacific youth winners as leaders of today and the future.

We have continued to focus on leadership and governance, in part through strengthening our nominations service. Having identified the relatively small talent pool as a significant issue, we mounted a modest recruitment drive for newly skilled candidates for state sector and other boards.

over the last year and leading into our future the Ministry of Pacific Islands Affairs has looked at the demographics and geographic distribution of New Zealand's Pacific population with a view to how it could better serve the Pacific population and better live out our vision of 'Successful Pacific Peoples'.

The 2013 Census showed that 7.4% of the New Zealand population are Pacific peoples (295,941), with two-thirds of the population residing in the Auckland region (67%).

With that in mind, I announced in early December 2013 that we were looking to change the way we work and become a more outward-looking organisation and smarter agency. It makes good sense to boost our presence in Auckland so we can better connect and respond to the country's biggest – in fact the world's largest – Pacific community population.

This Ministry is about improving the lives of Pacific people. We want to do this with a passionate team, committed to the vision of 'Successful Pacific Peoples' and deeply connected to the communities we work with. We are looking forward to the year ahead.



*Pauline A Winter*

**Pauline A Winter**

Chief Executive

## Scope and Functions

### Our role and purpose

The Ministry of Pacific Island Affairs is the Crown’s principal advisor on policies and interventions for achieving better outcomes for Pacific people in New Zealand. All of our work is designed to enable and foster our vision of successful Pacific peoples. The Ministry advises the Government on policies and interventions for achieving better outcomes for Pacific peoples in New Zealand, which will have positive benefits for New Zealand.

We provide advice and information to government on the context, circumstances, issues and opportunities faced by Pacific communities in New Zealand. We also work with and advise Pacific communities on government policies, programmes and priorities which affect them.

The table below demonstrates the high-level approach the Ministry applies in meetings its vision, mission and goals.

<b>VISION</b>	<b>SUCCESSFUL PACIFIC PEOPLES</b>				
<b>MISSION</b>	<b>EFFECTING POSITIVE CHANGE FOR PACIFIC PEOPLES IN NEW ZEALAND</b>				
<b>GOVERNMENT GOALS</b>	<b>STRONGER ECONOMY – BETTER PUBLIC SERVICES</b>				
<b>OVERALL OUTCOMES</b>	<b>Pacific people’s earnings on a par with all New Zealanders’ earnings</b>				
<b>INTERMEDIATE OUTCOMES (MINISTERIAL PRIORITIES)</b>	<b>Improved outcomes for Pacific young people in education, training and employment</b>				
<b>IMPACTS OF MINISTRY OUTPUTS</b>	Effective interventions through the demonstration of innovative and effective guidelines and information on issues that affect Pacific peoples in New Zealand		Strong and effective relationships between government and Pacific communities		
<b>MINISTRY OUTPUTS</b>	Policy advice on issues that affect Pacific peoples in New Zealand	Demonstration of innovative approaches	Ministerial Servicing	Relationship building and information sharing with Pacific communities	Nominations of Pacific people to priority state boards

We achieve this in the following ways:

OUR ROLE	OUR WORK	OUR RATIONALE
<b>Policy advice on issues that affect Pacific peoples in New Zealand</b>	<ul style="list-style-type: none"> <li>We work in our communities to gather intelligence and data related to the ingredients of Pacific success, opportunities for development and the effectiveness of policies and interventions. This intelligence and other research evidence inform our own policy programme and our advice to Ministers and other government agencies</li> </ul>	<ul style="list-style-type: none"> <li>No other agency has responsibility for an overall focus on outcomes and impacts that makes a difference for Pacific people</li> <li>We provide a Pacific lens on the work of other government agencies</li> </ul>
<b>Demonstration of innovative ideas</b>	<ul style="list-style-type: none"> <li>Designing, implementing and evaluating pilot initiatives aligned to our priority areas</li> </ul>	<ul style="list-style-type: none"> <li>We are nimble and able to initiate and manage targeted small-scale pilot projects outside large mainstream programmes</li> <li>Our unique knowledge of Pacific dynamics and communities places us at the centre of programmes targeting Pacific peoples</li> </ul>
<b>Relationship building and information sharing with Pacific communities</b>	<ul style="list-style-type: none"> <li>Engaging and informing, Pacific communities</li> <li>Supporting community enterprise</li> <li>Sharing information and advice on government policies and initiatives</li> <li>Conducting, interpreting and facilitating two-way communication between government and Pacific communities</li> </ul>	<ul style="list-style-type: none"> <li>We are a government agency which not only mainly comprised of Pacific peoples but is also well connected to Pacific networks and Pacific communities in New Zealand</li> <li>We build and maintain trustful relationships with Pacific communities</li> <li>We facilitate and broker engagement between Pacific communities and government agencies</li> </ul>
<b>Nominations of Pacific people to priority state boards</b>	<ul style="list-style-type: none"> <li>Providing suitable Pacific nominees for boards and committees in the state sector</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion of Pacific people on boards adds value to business, especially in Auckland</li> <li>The Government wants state sector boards to take advantage of the diversity and unique skills offered by Pacific candidates</li> </ul>
<b>Pacific knowledge and Expertise</b>	<ul style="list-style-type: none"> <li>Working with and in Pacific communities to gather intelligence on issues, opportunities and the effectiveness of policies and interventions</li> </ul>	<ul style="list-style-type: none"> <li>With an understanding of the issues and opportunities facing Pacific New Zealanders, we work alongside Pacific communities to ensure new initiatives and approaches are targeted and effective in meeting improved outcomes for Pacific New Zealanders</li> </ul>
<b>Partnership and leadership</b>	<ul style="list-style-type: none"> <li>We ensure that our government partners are appropriately connected to Pacific communities and we facilitate the delivery of targeted interventions that improve outcomes for them</li> </ul>	<ul style="list-style-type: none"> <li>Rather than imposing defined answers, we recognise that the knowledge, capability and relationships required to create sustainable solutions exists in Pacific communities</li> </ul>

# Part Two: Reporting on the Ministry's Operations

## Our Work

The Ministry of Pacific Island Affairs is funded to fulfil two primary functions: to provide advice and information to government on the context, circumstances, issues and opportunities faced by Pacific communities in New Zealand; and to work with and advise Pacific communities on government policies, programmes and priorities that affect them.

In order to achieve its vision of Successful Pacific Peoples; the Ministry recognises that work to improve Pacific outcomes is best driven from Pacific communities. The challenge for the Ministry is to ensure the right resources are in the right place at the right time to provide the right type of intervention and advice where the need is greatest. This means focusing on providing relevant and valuable services in locations and channels that are accessible and convenient for Pacific communities.

In the last year we have continually reviewed and evaluated how we deliver and add value to Government's decision making and the design of interventions that benefit Pacific peoples across the country. We have considered how we can improve our visibility and effectiveness in our engagements with Pacific communities and with our key government partners at local and national levels. We have proposed to government an organisational structure to actively increase our focus on partnerships, greater integration between the Ministry's work with communities and its central office-based work, and more direct and smarter engagement with Pacific communities.

During the year in review we have consolidated our efforts for New Zealand's Pacific peoples, consistent with the direction outlined in our *Statement of Intent 2013-2016*. In our *Statement of Intent 2013-2016* we specified the following priorities:

- improved education participation and achievement
- improved outcomes for youth in training and employment

We have also worked to foster enterprising communities, to support our priorities.

In this annual report we identify the progress we have made towards the medium-term goals we set, detail specific projects we undertook to help achieve them, the lessons learned, and acknowledge the relationships we were able to broker or call on to stimulate change or otherwise make progress.

We have further refined our objectives and the mechanisms for reporting against them, and introduced a Pacific Analysis Framework to assist partner agencies to better develop and frame their policy and delivery of interventions to achieve improved outcomes for Pacific New Zealanders.

## Our Priorities

The Ministry worked in selected priority areas to contribute toward Government's objectives for Pacific peoples. The tables and information below shows the contribution we made, and the impacts of our own and other agencies' work.

### Education

PRIORITY	IMPROVED OUTCOMES FOR PACIFIC YOUNG PEOPLE IN EDUCATION				
<b>Outcome of our work and others</b>	<ul style="list-style-type: none"> <li>• Increase in Pacific (ECE) participation rates by 2016</li> <li>• Increase Pacific attainment in NCEA Level 2 or above by 2017</li> </ul> Steady increases have been achieved in all areas of education – Pacific ECE participation rates, Pacific attainment in NCEA Level 2. Through our collaborative projects with the Ministry of Education and other partners, we have contributed to these increases.				
<b>Intermediate outcome measurement and targets</b>	<b>Outcome</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15 forecast</b>	<b>Comment</b>
	Increase in Pacific ECE participation rates	88.1%	89.9%	91.7%	<i>Target 98 percent by 2016</i> The proportion of Pacific children who have been regularly attending ECE for at least six months before starting primary school has increased since last year. Date is based on the 12 month period to 31 March of each year.
	Increased Pacific attainment in NCEA Level 2 or above	68.1%	71.4%	74.7%	<i>Target 85 percent by 2017</i> The proportion of Pacific 18-year olds achieving an NCEA Level 2 or equivalent qualification has increased (3.3 percentage points) between 2012 and 2013. The highest level of increase compared with other groups.

PRIORITY	IMPROVED OUTCOMES FOR PACIFIC YOUNG PEOPLE IN EDUCATION	
<b>Ministry of Pacific Island Affairs outputs and their impacts</b>	<ul style="list-style-type: none"> <li>Policy advice on issues that affect Pacific peoples in New Zealand</li> <li>Develop policy advice on the most appropriate delivery models to increase participation in ECE, and achievement in education</li> <li>Support the implementation and monitor progress in achieving the targets in the <i>Pasifika Education Plan</i> (PEP)</li> <li>Demonstration of innovative approaches</li> <li>Identify and support community-based approaches that encourages ECE attendance and provision</li> <li>Relationship building and information sharing with Pacific communities</li> <li>Engage with Pacific communities, particularly in Auckland, to understand barriers to ECE participation</li> <li>Work with central and local government agencies, Pacific communities and the Top 25 schools to identify and support initiatives that raise Pacific student achievement in NCEA level 2.</li> </ul>	<p>We know we were successful because:</p> <ul style="list-style-type: none"> <li>worked with the Ministry of Education (MoE), Education Review Office (ERO), Pacific ECE experts and community representatives to define what is meant by 'good ECE practice' from a Pacific perspective.</li> <li>developed our own Ministry PEP implementation and reporting plan which describes how we will deliver on our specific targets and action in the PEP and how the PELMOS supported the enrolment of 203 children into ECE services</li> <li>worked with the Ministry of Social Development (MSD) to refer the non-participating children of Pacific beneficiaries in ECE services. The project supports the Social Obligations policy introduced in July 2013 and provided an opportunity for a collaborative initiative to occur between the Ministry, Ministry of Education and Ministry of Social Development. Attendees' satisfaction at the ECE referrals pilot workshops was rated at 9.6 out of 10</li> <li>worked with Top 25 schools on two Ministry-funded projects to target literacy and self-esteem amongst Pacific secondary school learners.</li> <li>Worked with the NZQA, Ministry of Education and Careers NZ to deliver the NCEA <i>ma le Pasifika</i> workshops. The workshops provided information about understanding NCEA, how parents can support their children in subject or career choices, understanding assessments, aiming for high achievement and engaging more with the school and teachers. Attendees' satisfaction at the workshops was rated at 9.1 out of 10.</li> </ul>

IMPACT AREA	IMPACT MEASURE	TARGET	INITIAL (2012/13)	CURRENT (2013/14)	2014/15 (FORECAST)
<b>Effective interventions through the demonstration of innovative projects and effective policy advice on issues that affect Pacific peoples in New Zealand</b>	Stakeholders understand successful Pacific-centred design and delivery. Measured by the Ministry's stakeholder survey	Average of all results will be 6 or better		8	Average of all results will be 6 or better
	High quality data and evidence is relevant and readily available to inform programmes and policies to improve outcomes for Pacific peoples. Measured by the Ministry's stakeholder survey	Average of all results will be 6 or better	New Measure	9.4	Average of all results will be 6 or better
<b>Strong and effective relationships between government and Pacific communities</b>	Frequent and effective engagement with key stakeholders will improve the value of government interventions for Pacific peoples. Measured by the Ministry's stakeholder survey	Average of all results will be 6 or better		8.2	Average of all results will be 6 or better

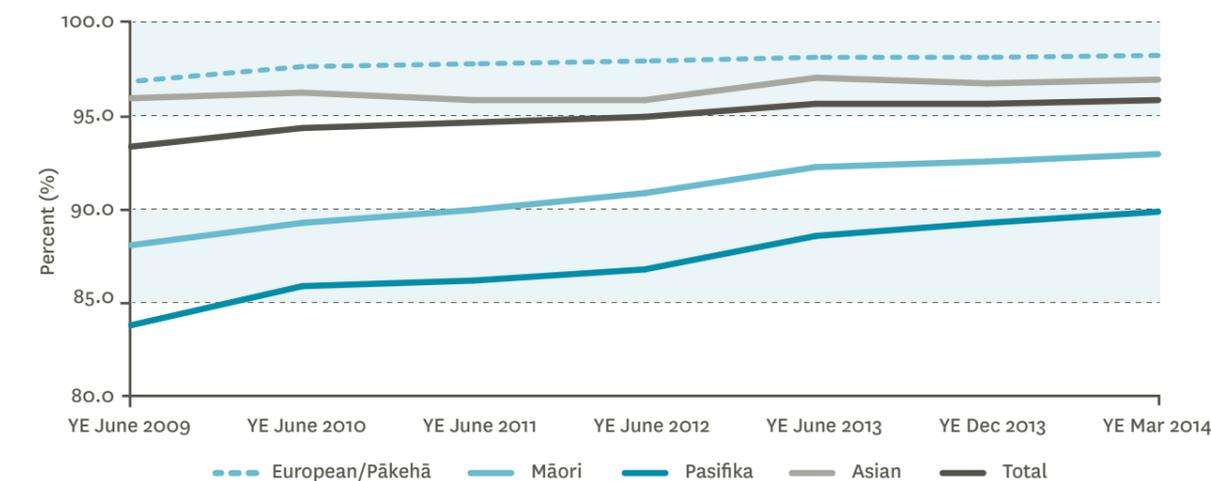
Table 1 Early Childhood Education Prior Participation by Ethnic groups.

	EUROPEAN / PAKEHA	MAORI	PASIFIKA	ASIAN	TOTAL
YE June 2009	96.9	88.1	83.8	96.0	93.4
YE June 2010	97.7	89.3	85.9	96.3	94.4
YE June 2011	97.8	90.0	86.2	95.9	94.7
YE June 2012	98.0	90.9	86.8	95.9	95.0
YE June 2013	98.2	92.3	88.6	97.1	95.7
YE Dec 2013	98.2	92.6	89.3	96.8	95.7
YE Mar 2014	98.3	93.0	89.9	97.0	95.9

\*For this table, students who identify with more than one ethnic group have been counted in each group they identified with. As a result, the sum of the students in each group may not add to the total.

Table 1 shows that Pacific Early Childhood participation has the biggest improvement since June 2009 by 6.1% point compared with the total increase of 2.5% over the same period.

Figure 1 Early Childhood Education Prior Participation by Ethnic groups

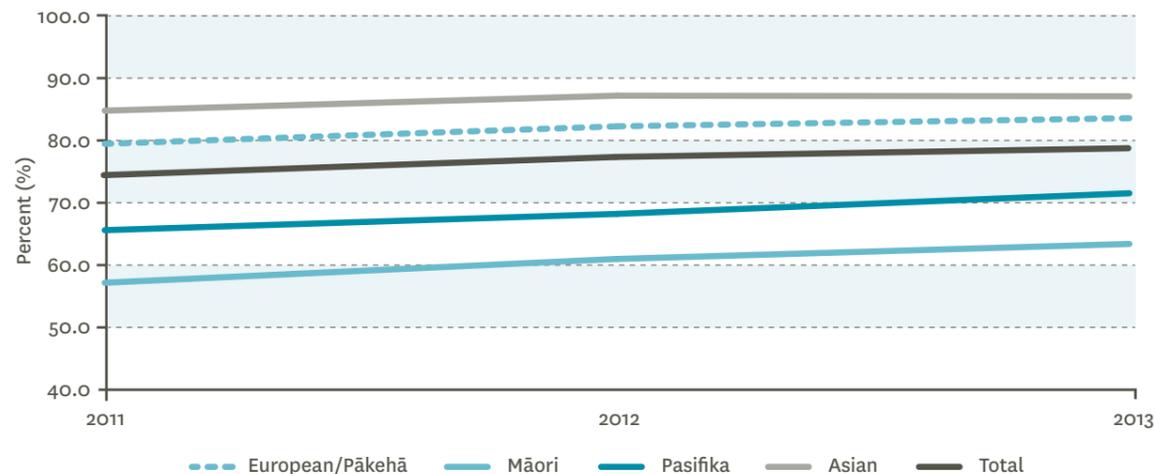


Source: Ministry of Education, Education Counts

Table 2 Percentage of 18 Year Old School Leavers with NCEA Level 2 or equivalent, by Ethnic group

	MAORI	PASIFIKA	ASIAN	EUROPEAN / PAKEHA	TOTAL
2011	57.1	65.5	84.6	79.3	74.3
2012	60.9	68.1	87.0	82.1	77.2
2013	63.3	71.4	86.9	83.4	78.6

Figure 2 Percentage of 18 Year Old School Leavers with NCEA Level 2 or equivalent, by Ethnic group



Source: Ministry of Education, Education Counts

The percentage of Pacific 18 year old with NCEA Level 2 or equivalent improved by 5.9% since 2011 to 71.4%. The national figure improved by 4.3% to 78.6% over the same period.



### Pasifika Education Plan 2013 – 2017 (PEP)

Our most significant and visible contribution to helping Pacific students do better, and the education system to be more responsive, was co-authorship of the *Pasifika Education Plan 2013-2017*.

More broadly, we have this year reviewed our relationship with the Ministry of Education through a refreshed Memorandum of Understanding noting the added-value contribution that this Ministry can make to Pacific achievement in specific areas. This closer working relationship has been echoed in Auckland, and in Wellington where our two Ministries’ teams have collaborated on initiatives contained in this report.

We undertook a campaign during the year, in conjunction with the Ministry of Education, to increase Pacific representation on school boards of trustees, one of the PEP’s targets. The results are positive with Pacific representation in Board of Trustees higher than it has been for many years. We worked with the MoE prior to the 2013 board elections to help Pacific communities understand why Pacific board membership is important to Pacific learners. We also encouraged them to vote in the elections, and encouraged Pacific parents to stand for election.

### Early childhood education

The PEP includes the *Better Public Services* target that the proportion of Pacific children starting school who have taken part in ECE will increase to 98 percent in 2016. Current data suggests that Pacific rates are trending upwards, but with attendance levels in 2014 hovering around 89.9 percent, there is room for improvement.

To build on the upward trend, we have initiated a range of initiatives to boost enrolment through actively engaging and mobilising Pacific communities. We have also taken a new approach, based on our policy work to better understand barriers to participation and our knowledge of Pacific

communities, to reach out to those unlikely to be exposed to the benefits of ECE in more conventional ways.

In March 2013, in partnership with the Ministry of Education, we established the *Pacific Early Learning Mobile Service (PELMOS)* to give non-participating Pacific parents an experience of early learning and to encourage them to enrol their children. The provider selected was the Fountain of Knowledge Trust which has 10 years plus experience working with Pacific children and their families in South Auckland. The service provider was charged with engaging Pacific parents and caregivers within their communities to encourage enrolment in ECE, promoting the benefits of a quality early learning experience, and providing information and advice on services and support available. PELMOS exceeded their contractual target with 203 children enrolled into ECE. In July 2013, the ‘Social Obligations’ policy was introduced by the Ministry of Social Development (MSD). Under this policy, working age beneficiaries have an obligation to enrol each dependent child aged three and over into an ECE service until they start school. Our project with the MSD aimed to contribute to ECE enrolments by providing Pacific parents with information on; the benefits of ECE for their child, the supports and entitlements available, the different types of ECE services available and what what services are available in their local community.

We have utilised existing relationships with Pacific language-centred organisations to identify opportunities in the ECE sector. As a result, we have continued work with the Ministry of Education on ethnic-specific, community-led certified playgroups. This has included continued support for *Ka’apuanga Ou Cook Islands* playgroup by providing advice on and practical assistance with funding applications from other agencies and local government. We have continued our work with the Tokelauan, Cook Islands and Tongan language groups to establish a consortium of three language playgroups that have partnered together, with the support of the Ministry of Education, in the Lower Hutt region.

### National Certificate of Educational Achievement Level 2

Our NCEA Level 2 activities; which aim to help more Pasifika students leave school with this qualification, is guided by a *Better Public Services* target encapsulated in the Pasifika Education Plan 2013-2017.

Our work in this area continues to focus on building family and parents' engagements with schools and in providing a Pacific perspective to the MoE policy development.

Last year, with a focus on raising NCEA Level 2 achievement, we worked alongside the Ministry of Education to deliver the Pasifika Power Up programme. The programme provided an opportunity to bring young people and their families together in their communities to them learn and prepare for NCEA exams.

More than 1,700 people signed up to the Pasifika Power Up eight-week challenge. Students received support on their NCEA subjects, got study tips and learned how to manage their time with support and guidance from tutors and mentors. Meanwhile parents had workshops explaining how NCEA works and how to design an education plan for their whole family. The programme provided an engagement model that recognises the strength and influence of Pacific parents, families and communities when they come together.

This year, our engagement with the principals of the *Top 25* schools has concentrated on reviewing our collaborative project on literacy, is aimed at raising literacy skills in five of the *Top 25* schools. Some of the key outcomes include: increased student and teacher connection, improved engagement and behaviour, better literacy and improved parental support.

An evaluation of the Achievers and Literacy projects will be due for completion at the end of 2014.

In addition to this work, we have led a project with the *Top 25* schools to develop an online resource, including a series of videos to celebrate Pacific learners' culture and identity and showcase success stories. Video clips of students talking about their journey towards success were posted on the Ministry's website and on YouTube. It received 40,000 hits within one week of posting and many visitors left messages of support and admiration for the students' efforts. As a result of the project, there is strong interest from schools to develop more materials to help enhance self-esteem amongst Pacific students.

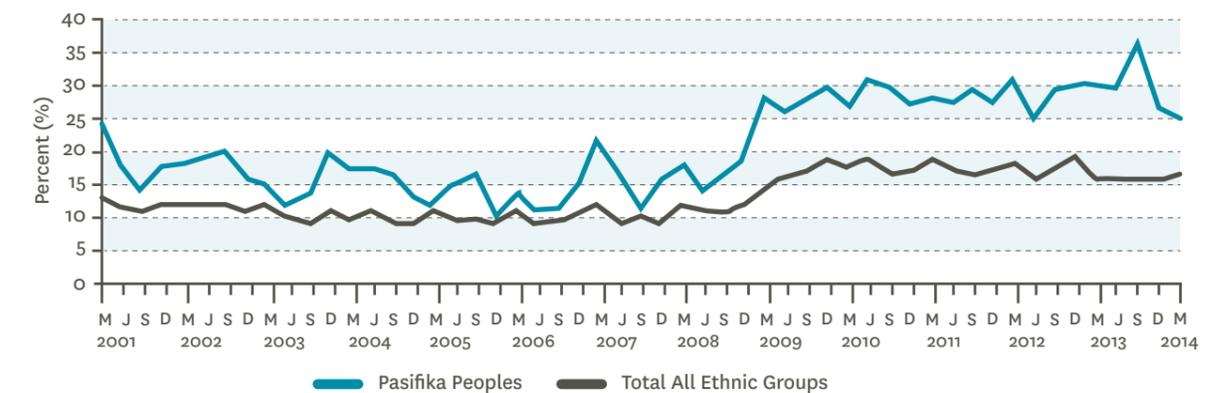
We worked with the NZQA, Careers NZ and the MoE to deliver the NCEA ma le Pasifika workshop programme with provides information about understanding NCEA, how parents can support their children in subject or career choices, understanding assessments, aiming for high achievement and engaging more with the school and teachers. We increased the reach of this programme by training some of our staff as facilitators (navigators) for the workshops, which has seen some workshops delivered in or translated into Pacific languages. Participants have reported a greater understanding of the NCEA system and of careers information, and greater confidence about getting support for their child's learning as a result of the workshops.

We have also contributed to raising NCEA Level 2 achievements through two other programmes: the Pacific Employment Support Services (PESS) and the Young Enterprise Scheme (YES).

### Youth skills and employment

PRIORITY	IMPROVED OUTCOMES FOR PACIFIC YOUNG PEOPLE IN TRAINING AND EMPLOYMENT				
<b>Outcome of our work and that of others</b>	<ul style="list-style-type: none"> <li>Increase in participation in training and employment for youth participating in Ministry-led programmes</li> <li>More Pacific youth engaged in employment and training through Pacific Employment Support Services (PESS) who are contracted to work intensively with young people to prepare them for work and place them in training and employment. Pacific youth unemployment has decreased to 24.9% in the March quarter of the Household Labour Force Survey from 30.0% a year ago. This is good compared with total youth unemployment which had a slight increase from 16.0% a year ago to 16.4% in the same quarter.</li> </ul>				
<b>Intermediate outcome measure and targets</b>	<b>TARGET</b>	<b>CURRENT (2013/14)</b>	<b>INITIAL (2012/13)</b>	<b>TREND</b>	
	Improved outcomes for youth in training and employment, reversing current Pacific unemployment trend	24.9%	30.1%	↓	
<b>IMPACT AREA</b>	<b>IMPACT MEASURE</b>	<b>TARGET</b>	<b>INITIAL (2012/13)</b>	<b>INITIAL (2012/13)</b>	<b>2014/15 (FORECAST)</b>
<b>Effective interventions through the demonstration of innovative projects and effective policy advice on issues that affect Pacific peoples in New Zealand</b>	Stakeholders understand successful Pacific-centred design and delivery. Measured by the Ministry's Stakeholder survey	Average of all results will be 6 or better		8	Average of all results will be 6 or better
	High quality data and evidence is relevant and readily available to inform programmes and policies to improve outcomes for Pacific peoples. Measured by the Ministry's stakeholder survey	Average of all results will be 6 or better	New Measure	9.4	Average of all results will be 6 or better
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Figure 3. Unemployment rate for Youth (15 - 24 years) by ethnic group



Source: Statistics New Zealand, Household Labour Force Survey, March 2014 Quarter

Results from our Pacific Employment Support Services (PESS) scheme continue to show promise. Designed to help reduce joblessness by expanding the pool of trained and qualified young Pacific people available for employment, PESS has now provided some hundreds of young Pacific people with tailored support. This includes pastoral care and mentoring, and literacy and numeracy training, as the more usual career advice, training opportunities, and CV and interview skills.

PESS providers have achieved the programme target of 500 employment placements. The programme is also contributing to a reduction in long-term welfare dependence based on the Ministry of Social Development advice which suggests that an individual who has spent three months in a job is more likely to achieve sustainable employment.

In Budget 2014, the Government approved an extension of the programme. We will look to build on the performance gains made over the last year and use this investment model approach to inform the work of other agencies supporting Pacific young people into employment and training.

Another approach to piloting small-scale programmes for Pacific young people has been a growing investment in Young Enterprise Scheme (YES). Since 2012, this collaboration has had a sharpened focus on young Pacific entrepreneurs by seeking to increase the number of young Pacific people in Yes. Further aims are to enable participants to gain more NCEA credits (Levels 2 and 3) in school, achieve NCEA Level 3, and aspire to future business careers or self-employment. Successful achievement of these aims will help to meet the Pasifika Education Plan's aim of increasing the number of Pasifika school leavers with University Entrance. In Budget 2014, the Government confirmed \$2.5 million of new operating spending over the next three years for youth enterprise initiatives such as YES.

Collaboration with the Pacific Business Trust (PBT) to support YES has included; sponsorship of a YES Award for Excellence in Pacific Business, a seed fund to assist Pacific teams with start-up costs for Young Enterprise Businesses, workshops for Pacific YES teams, appointment of an Enterprise Education Advisor to help raise the achievement of Pacific students in YES.

In 2013, 21 of the *Top 25* schools with the highest number of Pacific learners had learners in one or more Young Enterprise Trust programmes. *Top 25* school participation in YES increased by 50 percent from the previous year.

Within YES, Pacific student numbers grew 35 percent from 248 in 2012 to 336 in 2013. This was a relatively high increase compared with other ethnicities – the total number of students in YES increased by only six percent to 2,776. Just two percent of Pacific YES students dropped out last year, significantly below the national average of 3.4 percent for all YES students in 2013.

The highest-profile contribution to our youth engagement work is the annual Prime Minister's Pacific Youth Awards, offered for the fourth time in December 2013. Set up to celebrate, motivate and inspire young Pacific people to reach their full potential, the awards also celebrate our success in bringing them together with prominent businesses. Over 150 people attended the awards ceremony held at Parliament in December 2013, which attracted positive coverage in print and broadcast media.

#### *Other agreed priorities*

We supported the Government's commitment to reducing rheumatic fever rates amongst Pacific young people through membership of the Better Public Services rheumatic fever government reference group, and by providing practical help to ensure appropriate messaging for and dissemination to Pacific communities. We take a similar approach to the Prime Minister's Youth Mental Health Initiative, providing advice on Pacific issues and opportunities.

We also support Te Puni Kōkiri in managing and implementing *Whānau Ora* for Pacific communities. We were active in supporting the panel to select the new Pacific commissioning agency and in the development of the establishment phase of the new Pacific commissioning agency. We will continue to assist and support Te Puni Kōkiri in ensuring the effective and smooth implementation of the new commissioning approach for Pacific communities.

We have continued to work closely with the MBIE in the development of its Pasifika Economic Strategy. This has included the provision of policy and regional advice alongside the pre-business and start up services offered by the Pacific Business Trust. This work will continue and be focused on the development and implementation of action plans in collaboration with business leaders and philanthropic stakeholders.

We have continued to provide support and advice in relation to the Pacific membership of Regional Leadership Groups, (established late in the previous financial year). We have continued to focus on leadership and governance, in part through strengthening our nominations service. Having identified the relatively small talent pool as a significant issue, we mounted a wide ranging recruitment drive using Pacific social media networks to increase the number of newly skilled and potential leadership candidates for state sector and other boards. We have also focused our efforts on building the experience and knowledge of Pacific candidates by nominating them to non-state sector boards thereby providing a pathway and opportunity for consideration for appointment to higher-level state sector boards.

To further build Pacific governance and leadership capability, we have worked with the New Zealand Institute of Directors to develop a collaborative governance training programme. This has been done with a view to improving the quality of our nominations to state sector boards and building the skills of

community members who are interested in standing for school boards of trustees. This work is currently under way.

We have continued our work in supporting Pacific languages and culture by assisting New Zealand's Pacific communities to maintain and promote their heritage languages. This has included the support for the Community Action Plans (CAPs) owned and driven by seven New Zealand-based Pacific communities committed to ensuring their languages flourish. A key focus of our efforts has been the Pacific Language weeks, which revives heritage language and cultural initiatives which have grown significantly since Samoan Language Week was first celebrated in 2007. In the year under review, we have provided modest funding to support the promotion and celebration of seven Pacific Language weeks. As a result of our work with key partners in the Pacific community, many of the language week initiatives have been supported by the Pacific Education Centre, local schools, tertiary providers, workplaces, libraries, museums, early childhood centres and local and national radio programmes and non-government bodies.

We have also provided secretariat support and guidance to the Minister's Advisory Council. This has included the development of innovative approaches to strengthen the role and function of the Council to provide timely, appropriate and high-quality advice to the Minister on key issues affecting Pacific communities in New Zealand.

We also supported the Minister of Pacific Island Affairs with regional engagements with Pacific communities in five main centres across New Zealand, specifically in Auckland, Wellington, Christchurch, Dunedin and Invercargill. The regional engagements provided an opportunity for the Minister to outline the Government's priorities for Pacific communities and to connect and listen to their aspirations, priorities and issues that affect them. The engagements also provided an opportunity to discuss government programmes and initiatives relevant to the needs of Pacific communities.

# Part Three: Managing the Department

## Operating in a changing environment

To enable the Ministry to implement the findings of the Performance Improvement Framework (PIF) reviews of the Ministry and to strengthen Ministerial servicing and communications, the Chief Executive's office has been established to provide better coordination, oversight and direction to the work of the Ministry.

The Chief Executive has also led the review of the Ministry's operating environment to focus on strengthening the Ministry's relationships with Pacific communities and partner agencies across government. This process has led to a more explicit understanding of the added-value contribution that the Ministry offers to the policy and programme delivery work of our partner government agencies.

One of the most significant findings of the review was the need to be more connected with our communities. With nearly 70% of Pacific New Zealanders residing in Auckland and 80% of the Ministry based in Wellington, this desire for improved connection has precipitated a re-think of how our staff are distributed. While the majority of staff will continue to be based in Wellington, the number of Auckland staff will more than double from 7 to 15.

Our four-year business plan reflects our response to the current and anticipated demands of our operating environment. We have successfully reprioritised our resources with a particular focus on lifting educational achievement amongst Pacific young people especially in the Auckland region, in line with *Better Public Services* targets.

From December 2013 to March 2014, we undertook extensive collaboration with central government agencies on the development of the Ministry budget bids for the new operating model, for the extension of the Pacific Employment Support Service (PESS) pilot programme, and to strengthen our Minister's Advisory Council. These bids were completed within the time frame for Budget 2014; two of our bids (a new operating model and the PESS) were successful and announced in May 2014.

We have continued our focus on risk identification and mitigation, to ensure was meeting the needs of the Ministry and the Minister. We have implemented recommendations to improve the link between the risk profile and the Ministry strategy as well as strengthening monitoring, reporting and the identification of emerging risks. The Ministry's Audit and Risk Committee has also assisted the senior leadership team by advising on the content of the risk management framework.

This year we have continued our scoping work on the establishment of our Kupenga Pasifika – our knowledge hub – with the aim of storing, accessing and disseminating our Pacific knowledge and data more effectively. This work will continue into the next year and will enhance our ability to meet stakeholder demands and our own database for new knowledge.

## Contributing to Better Public Services

Led by the Chief Executive, the Ministry continues to focus on the efficiency of our systems and processes. The new operating model being implemented emphasises our reliance on effective and user-friendly technology, strengthened engagement with our communities and partner agencies, supported by efficient information management systems to capture the full breadth and scope of our activities. All Ministry staff will be equipped with up-to-date technology so we can deliver on and monitor our activities and results more effectively.

We have worked collaboratively with other agencies to deliver on *Better Public Services* targets with a focus on Pacific achievement. We have reviewed our staff resource deployment to strengthen our unique relationships with communities. We have fostered and supported community groups focused on heritage language retention and promotion, with church groups to encourage ECE provision and promotion and alongside the Ministry of Education mobilised parents and families to increase their awareness and knowledge of their children's NCEA achievement.

We have improved our financial and non-financial management, reflected in improved audit ratings overall.

## Working together

Throughout the past 12 months we have taken advantage of opportunities to collaborate with other government agencies. Most notably we have seconded a senior official from MBIE to assist us lead our Central regional team, and seconded a senior advisor from the Ministry of Health to act as our Ministerial liaison advisor working closely with the Minister and his staff. We continue to work with the MoE head office and regional staff, particularly in Auckland, in developing, funding and implementing new and innovative approaches for increasing Pacific ECE participation and NCEA Level 2 achievement, and with NZQA in delivering *NCEA ma le Pasifika* workshops. We have continued to work with TEC in implementing the *Māori and Pacific Trades Training Initiative*, and with Careers NZ on researching subject choices and career aspirations.

We are working closely with the MBIE to scope and implement economic initiatives under the National Economic Strategy through our representation as a member of the Chief Executives' Economic Forum.

We have initiated dialogue with the Property Management Centre of Expertise (PMCoE) to seek co-location options in Wellington. This will contribute to reducing our property footprint while also establishing opportunities to collaborate and share support services. We have continued to sign up to All-of-Government initiatives, particularly in ICT to improve the efficiency and effectiveness of our systems.

## People capability

The Ministry has made significant progress in implementing the recommendations of the 2011 review and the 2012 PIF follow-up review. During the year, progress has been made by the Ministry in providing more clarity on its objectives and priorities. Improvements have been evident in its Ministerial servicing function with the appointments of experienced liaison officers within the Minister's office, and significant efforts have been made in its work programme development and its alignment with government priorities. This has been driven by greater ownership and participation by staff throughout the organisation and the engagement of senior managers in the consultation process.

The new operating model being developed during the 2013/14 year concentrated on improving the Ministry's relationship management and intelligence gathering and analysis, supported by effective and timely internal and external communication and user-friendly contemporary technology. We have reinforced work on building stronger coordination internally, and the improvements the Ministry's use of management information systems to monitor performance and to improve its operations. Attention has been given in the new operating model to embedding the new organisational culture and structures.

In the latter half of the year, we have worked to provide greater focus and clarity on our priorities and increase engagement with Pacific communities. We have strengthened internal monitoring systems and continuous improvement processes.

We have reviewed the organisational structure of the Ministry to ensure greater responsiveness and flexibility in its senior Leadership Team, with a specific focus on thought leadership and agility, workforce development, and more investment in inter-agency collaboration and improvements in staff

# Part Four: Statement of Responsibility and Audit Report

## Statement of Responsibility

capability and strategic thinking. To this end we continue to convene internal Ministry theme teams chaired by selected staff to coordinate and provide direction to our regional and national contribution to our output plan and key priority areas.

In the area of workforce development and staff capability in particular, we have during the year embarked on a review of all job descriptions and functions, evaluated all Ministry internal policies and procedures with the aim of aligning them with current developments in human resources policies and procedures across government.

In terms of broader Pacific capability across government, the Ministry has also convened a group of senior Pacific public servants from key agencies across the public sector. The group meets quarterly to enhance collaboration across government on policy and service delivery initiatives targeting Pacific peoples. This group also contributes to growing senior Pacific public servants by identifying professional development and upskilling opportunities.

Through these efforts and others, the Ministry is building its own capability, the Pacific leadership of its partner agencies and the skills and capacity of the communities we serve.

In terms of the Public Finance Act 1989, as Chief Executive of the Ministry of Pacific Island Affairs, I am responsible for the preparation of the Ministry's financial statements and statement of service performance, and for the judgment made in them.

I have the responsibility for establishing, and I have established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, the financial statements and statement of service performance fairly reflect the financial position and operations of the Ministry for the year ended 30 June 2014.

In my opinion, the forecast financial statements fairly reflect the forecast financial position and operations of the Ministry for the year ending 30 June 2015.

## Our progress

ORGANISATIONAL HEALTH INDICATOR	BASELINE DATA / TRENDS
Stakeholder survey	Average of all results will be 3 <sup>1</sup> or better 2013 - 2014 - 8.3 <sup>2</sup> 2012 - 2013 - 4.2 <sup>3</sup>
Staff engagement survey	2012-2013 survey planned late 2013 (not completed) <sup>4</sup> 2011/12 grand medium score 4.01
Staffing ratios - frontline compared to back office	2013/14 front-line 63%: back office 38% 2012/13 front-line 72% : back office 28% 2011/12 front-line 76% : back office 24%
Improved independent auditor ratings	2013 - 2014 - Final audit yet to arrive 2012-2013 - Good 2011-2012 - Good
Independent review of policy advice (annual)	Mean score of 7 or better 2013/14 - 7.8 2012/13 - 7.3
Maintain or improve Minister's ratings of performance	Average of all results will be 7 or better 2013/14 - 7 2012/13 - 3

We maintain a gender balance at all levels of the organisation and comply with the provisions of being a 'good employer', including having fair and responsible employment practices

and policies for all employees. We have low levels of work-related accidents and injuries and continue to offer all staff access to a confidential employee assistance programme.

1. The average result displayed originally ranged from -1 to 5  
2. The average result of all baseline numbers for the stakeholder surveys has changed to 1 to 10, which was revised to reflect a wider stakeholder view of the Ministry's work  
3. This average result of all stakeholder surveys was based on a range of 1 to 5  
4. Due to the implementation of a new operating model, a decision was taken to carry forward the staff engagement survey in the 2014/15 financial year.

Countersigned by:



**Pauline A Winter**  
Chief Executive

30 September 2014



**Pauline A Winter**  
For Chief Financial Officer

30 September 2014

## Independent Auditor's Report

To the readers of the Ministry of Pacific Island Affairs' Financial statements, non financial performance information and schedules of non departmental activities

For the year ended 30 June 2014

The Auditor General is the auditor of the Ministry of Pacific Island Affairs (the Ministry). The Auditor General has appointed me, J R Smail, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, the non financial performance information and the schedules of non departmental activities of the Ministry on her behalf.

We have audited:

- the financial statements of the Ministry on pages 31 to 55, that comprise the statement of financial position, statement of commitments and statement of contingent liabilities and contingent assets as at 30 June 2014, the statement of accounting policies, statement of comprehensive income, statement of changes in taxpayers' funds, statement of departmental expenditure and capital expenditure against appropriations, statement of departmental unappropriated expenditure and capital expenditure and statement of cash flows for the year ended on that date and the notes to the financial statements that include other explanatory information;
- the non financial performance information of the Ministry that comprises the statement of service performance on pages 25 to 30 and the report about outcomes on pages 8 to 17; and
- the schedules of non departmental activities of the Ministry on pages 52 to 55 that comprise the schedule of non-departmental assets, schedule of non-departmental liabilities, schedule of non-departmental commitments and schedule of non-departmental contingent liabilities and contingent assets as at 30 June 2014, the statement of accounting policies, schedule of non-departmental expenses, statement of non-departmental expenditure and capital expenditure against appropriations, schedule of

non-departmental unappropriated expenditure and capital expenditure and schedule of non-departmental income for the year ended on that date and the notes to the schedules that include other explanatory information.

### Opinion

In our opinion:

- the financial statements of the Ministry on pages 31 to 55:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Ministry's:
    - financial position as at 30 June 2014;
    - financial performance and cash flows for the year ended on that date;
    - expenditure and capital expenditure incurred against each appropriation administered by the Ministry and each class of outputs included in each output expense appropriation for the year ended 30 June 2014; and
    - unappropriated expenditure and capital expenditure for the year ended 30 June 2014.
- the non financial performance information of the Ministry on pages 8 to 17 and 25 to 30:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Ministry's service performance and outcomes for the year ended 30 June 2014, including for each class of outputs:
    - its service performance compared with the 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.

- the schedules of non departmental activities of the Ministry on pages 52 to 55 fairly reflect, in accordance with the Treasury Instructions:
  - the assets, liabilities, contingencies and commitments as at 30 June 2014 managed by the Ministry on behalf of the Crown; and
  - the expenses, expenditure and capital expenditure against appropriations and unappropriated expenditure and capital expenditure for the year ended on that date managed by the Ministry on behalf of the Crown.

Our audit was completed on 30 September 2014. 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 Chief Executive 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, the non financial performance information and the schedules of non departmental activities 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, the non financial performance information and the schedules of non departmental activities. 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, the non financial performance information and the schedules of non departmental activities. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, the non financial performance information and the schedules of non departmental activities, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Ministry's preparation of the financial statements, the non financial performance information and the schedules of non departmental activities that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Ministry'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 Chief Executive;
- the appropriateness of the reported non financial performance information within the Ministry's framework for reporting performance;
- the adequacy of all disclosures in the financial statements, the non financial performance information and the schedules of non departmental activities; and
- the overall presentation of the financial statements, the non financial performance information and the schedules of non departmental activities.

# Part Five: Statement of Service Performance

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

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 Chief Executive

The Chief Executive is responsible for preparing:

- financial statements and non financial performance information that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the Ministry’s financial position, financial performance, cash flows, expenditure and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
  - fairly reflect its service performance and outcomes; and
- Schedules of non departmental activities, in accordance with the Treasury Instructions, that fairly reflect those activities managed by the Ministry on behalf of the Crown.

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

The Chief Executive’s responsibilities arise from the Public Finance Act 1989.

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, the non financial performance information and the schedules of non departmental activities and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

## 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 the Ministry.



**J R Smail**  
 Audit New Zealand  
 On behalf of the Auditor General  
 Wellington, New Zealand

*This section summarises our performance against the measures set out in the Information Supporting the Estimates of Appropriations.*

We have assessed whether we met each of the targets associated with each of these measures and have provided an explanation where there is a significant difference.

## Overview of the Ministry’s performance against outputs for Policy Advice and Ministerial Servicing MCOA.

The Ministry’s appropriation is defined as a Multi Class Output Appropriation in that it is split into two classes; however an appropriation breach only occurs if the total amount is overspent.

The Scope of the appropriation is as follows:

### Communications, Projects & Relationships

This output class is limited to ministerial servicing, nominations services, the development, and implementation

and monitoring of innovative projects and the establishment and maintenance of relationships with Pacific communities and key stakeholders, to improve outcomes for Pacific Peoples in New Zealand.

### Policy Advice

This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.



**Cost of the output Class D1 Policy Advice and Ministerial Servicing MCOA**

	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2013/14 \$000	Unaudited Forecast 2014/15 \$000
Communications, Projects & Relationships	4,562	4,372	4,562	4,542	5,177
Policy Advice	1,736	1,736	1,736	1,766	1,846
<b>Total Revenue Crown</b>	<b>6,298</b>	<b>6,108</b>	<b>6,298</b>	<b>6,308</b>	<b>7,023</b>
Communications, Projects & Relationships	112	-	127	131	48
Policy Advice	-	-	-	38	-
<b>Total Revenue Department</b>	<b>112</b>	<b>-</b>	<b>127</b>	<b>169</b>	<b>48</b>
Communications, Projects & Relationships	-	-	27	82	48
Policy Advice	-	-	-	10	-
<b>Total Revenue Other</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>92</b>	<b>48</b>
<b>Total Revenue</b>	<b>6,410</b>	<b>6,108</b>	<b>6,452</b>	<b>6,569</b>	<b>7,119</b>
Communications, Projects & Relationships	5,111	4,372	4,716	4,820	5,273
Policy Advice	1,516	1,736	1,736	1,490	1,846
<b>Total Expenses</b>	<b>6,627</b>	<b>6,108</b>	<b>6,452</b>	<b>6,310</b>	<b>7,119</b>
<b>Total surplus/loss</b>	<b>(217)</b>	<b>-</b>	<b>-</b>	<b>259</b>	<b>-</b>

**2013/14 ISE PERFORMANCE MEASURES**

	Note	2013/14 Budget Standard (Target)	2013/14 Actual Standard Results	Target Met	2012/13 Actual Results	Unaudited Forecast 2014/15
<b>POLICY ADVICE</b>						
Cost of policy advice per output hour	1	At most \$130	\$125	Yes	Not measured	At most \$130
Cost of policy advice per output hour updated	1A	N/A	\$161	N/A	Not measured	At most \$130
Policy advice delivered to the agreed respective work programmes and any subsequent amendments		100% of work programme completed	100%	Yes	100%	100%
Stakeholder report that information provided for first and second-opinion policy advice, was of high quality relevant and readily available, as rated on a scale of 1 (extremely dissatisfied) – 10 (extremely satisfied)	2	Average of all results will be 6 or better	2nd Opinion 8.6 <sup>5</sup>	Yes	1st Opinion 3 <sup>6</sup> 2nd Opinion 4.8 <sup>7</sup>	2nd Opinion 6
Technical quality of policy advice is delivered in accordance with agreed quality criteria assessed by an independent review (NZIER)	3	At least 70%	7.8 (70% on a 5-9 scale)	Yes	7.3	At least 70%
Ministerial satisfaction with the policy advice service, as per the common satisfaction survey	4	Average score of 7 or better for all policy-related questions	5.6 <sup>8</sup>	No	3 <sup>9</sup>	Average score of 7 or better for all policy-related questions

<sup>5</sup> Based on 7 completed surveys from a sample of 14 requests

<sup>6</sup> 1st opinion – This figure based solely on stakeholder satisfaction on a scale of 1-5

<sup>7</sup> 2nd opinion – based solely on stakeholder satisfaction on a scale of 1-5

<sup>8</sup> The rating reflects the average score from Minister Parata and Minister Lotu-Iliga - 5.6

<sup>9</sup> Based on stakeholder satisfaction on a scale of 1-5

	Note	2013/14 Budget Standard (Target)	2013/14 Actual Standard Results	Target Met	2012/13 Actual Results	Unaudited Forecast 2014/15
<b>RELATIONSHIP AND INFORMATION SHARING WITH COMMUNITIES</b>						
Ministerial satisfaction with the quality of MPIA's facilitation and engagement of community-led forums and events, as rated on a scale of 1 (extremely dissatisfied) – 10 (extremely satisfied)	5	Average of all results will be 6 or better	7.8 <sup>10</sup>	Yes	Not measured	Moved to Building Relationships (Supporting Community Change) Average of all results will be 6 or better
Increased use of the Ministry to advance Government projects	6	1-5%	52%	Yes	Not reported as 2012/13 year was the baseline year	30
Frequency of public events with Pacific communities MPIA coordinated or has a significant presence at		30-50	83	Yes	63	30-50
Stakeholder satisfaction with quality of MPIA's stakeholder engagement as rated on a scale of 1 (extremely dissatisfied) – 10 (extremely satisfied)	7	Average of all results will be 6 or better	9.4 <sup>11</sup>	Yes	4.2 <sup>12</sup>	Average of all results will be 6 or better
Stakeholder agency satisfaction with the effectiveness of MPIA's facilitation and engagement of community-led forums as rated on a scale of 1 (extremely dissatisfied) – 10 (extremely satisfied)	8	Average of all results will be 6 or better	7.8 <sup>13</sup>	Yes	NCEA 4.7 <sup>14</sup> ECE 4.4 <sup>15</sup>	Average of all results will be 6 or better

<sup>10</sup> The rating reflects the average score from Minister Parata and Minister Lotu-Iiga - 7.8  
<sup>11</sup> Based on 5 completed surveys from a sample of 5  
<sup>12</sup> Based on stakeholder satisfaction survey scale of 1-5  
<sup>13</sup> Based on 6 completed surveys from a sample of 6  
<sup>14</sup> The scale for these measures in the 2012/13 year was 1 (not satisfied) – 5 (very satisfied)  
<sup>15</sup> The scale for these measures in the 2012/13 year was 1 (not satisfied) – 5 (very satisfied)

	Note	2013/14 Budget Standard (Target)	2013/14 Actual Standard Results	Target Met	2012/13 Actual Results	Unaudited Forecast 2014/15
<b>MINISTERIAL SERVICING</b>						
Proportion of replies to Ministerial, Official Information Act (OIA) requests, Parliamentary Questions, briefings, speech notes delivered within the required timeframe		95%	99%	Yes	98%	95%
Ministerial satisfaction with quality of MPIA support as rated on a scale of 1 (extremely dissatisfied) – 10 (extremely satisfied)		Average of all results will be 7 or better	6.5 <sup>16</sup>	No	3 <sup>17</sup>	Average of all results will be 7 or better
<b>NOMINATION SERVICES</b>						
Number of nominees put forward for governance positions across the state sector		20	68	Yes	47	30
Number of Pacific people on the MPIA nominations database		350-400	433	Yes	470	400
<b>DEMONSTRATION OF INNOVATIVE IDEAS</b>						
Stakeholders are influenced and have a better understanding of Pacific-centred design and delivery models as rated on a scale of 1 (extremely dissatisfied) – 10 (extremely satisfied)	9	Average of all results will be 6 or better	8	Yes	New measure	Discontinued

<sup>16</sup> Based on both Minister's satisfaction levels averaged at 6.5  
<sup>17</sup> The scale for these measures in the 2012/13 year was 1 (not satisfied) – 5 (very satisfied)

# Part Six: Financial Statements

## Statement of Accounting Policies

For the year ended 30 June 2014

The performance measures contained in this table are those reported in the 2013/14 Information Supporting the Estimates.

**Note 1:** The actual result is based on the original cost of policy advice formula advised by Treasury, which included non-policy advice hours. The basis of the budget standard calculation could not be confirmed.

**Note 1a:** The updated actual result is based on the revised cost of policy advice formula advised by Treasury, which excludes non-policy advice costs.

**Note 2:** Based on agency feedback where second-opinion policy advice was sought from other agencies. The Ministry did not provide any first-opinion policy advice in this financial year.

**Note 3:** NZIER based assessment on a scale 5 – 9. The following interpretation is applied to NZIER’s assessment: 5 – Poor; 6 – Borderline; 7 – Adequate; 8 – Good; 9+ – Excellent.

**Note 4:** For the reporting period, the Ministry had a change of Minister. The Ministry had Hon Hekia Parata as Minister for period July 2013 – December 2013 and Hon Peseta Sam Lotu-liga for January 2014 – June 2014.

The overall score reflects the average score from Minister’s Parata and Lotu-liga Ministerial responses for the reporting period they were Minister.

**Note 5:** For the reporting period, the Ministry had a change of Minister. The Ministry had Hon Hekia Parata as Minister for period July 2013 – December 2013 and Hon Peseta Sam Lotu-liga for January 2014 – June 2014. The overall score reflects the average score from Minister’s Parata and Lotu-liga Ministerial responses for the reporting period they were Minister.

**Note 6:** New measure in 2013. This is an increase of 52 percent from baseline figure in 2013 of 24.

**Note 7:** Based on a sample of retrospective surveying from community groups

**Note 8:** Based on a sample of retrospective surveying from following government agencies (MoE, Treasury, NZQA, CNZ and EECA)

**Note 9:** Based on *NCEA ma le Pasifika* (NZQA) lead agency and *Pasifika Power Up* (MoE) lead agency. This measure discontinued for 2014/15 financial year.



### Reporting entity

The Ministry of Pacific Island Affairs (the Ministry) is a government department as defined by section 2 of the Public Finance Act 1989 and is domiciled in New Zealand.

For the purposes of financial reporting the Ministry is a public benefit entity.

The Ministry has reported on Crown activities that it administers.

### Reporting period

The financial statements of the Ministry are for the year ended 30 June 2014. The financial statements were authorised for issue by the Chief Executive of the Ministry on 30th September 2014.

### Basis of preparation

#### Statement of Compliance

The financial statements of the Ministry have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP) and Treasury instructions.

These financial statements have been prepared in accordance with NZGAAP, and comply with, New Zealand International Financial Reporting Standards (NZ IFRS), and other applicable financial reporting standards, as appropriate for public benefit entities.

#### Measurement Base

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 values are reported in thousands of dollars where marked with (\$’000). The functional currency of the Ministry is New Zealand dollars.

### Changes in accounting policies

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

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, the Ministry is classified as a Tier 2 reporting entity and it will be able to apply Reduced Disclosure Requirements Public Benefit Entity Accounting Standards (PAS). These standards have been developed by the XRB based on current international Public Sector Accounting Standards. The effective date of the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. This means the Ministry will transition to the new standards in preparing its 30 June 2015 financial statements. The Ministry assessment is there are minimal implications of the new Accounting Standards Framework.

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

#### Budget and forecast figures

The budget figures are those included in the *Information Supporting the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2014*, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present the updated budget information from the Supplementary Estimates. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies.

The forecast figures are based on the appropriations in the *Information Supporting the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2015*.

Budget and forecast figures have not been audited and therefore the audit opinion should not be considered as covering them.

**Revenue**

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

**Revenue Crown**

Revenue earned from the supply of outputs to the Crown is recognised as revenue when earned.

**Other Revenue**

Revenue earned from the supply of outputs to other entities and sponsorships from other agencies for programmes that enhanced the welfare of Pacific people. Revenue is recognised when earned.

**Cost allocation**

The Ministry has derived the costs of outputs using a cost allocation system that is outlined below.

“Direct Costs” are those costs directly attributed to an output. “Indirect Costs” are those costs that cannot be identified in an economically feasible manner with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on the number of full time equivalent per output. Depreciation and capital charge are charged on the basis of budgeted direct expenditure.

There have been no changes in the cost allocation system, since the date of the last audited financial statements.

**Debtors and other receivables**

Debtors and other receivables are recorded at estimated realisable value, after providing for impairment charges.

Impairment of a receivable is established when there is objective evidence the Ministry 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, and default on payments are considered indicators that the debtor is impaired.

**Leases**

**Finance leases**

A finance lease is a lease that transfers to the lessee, substantially all of the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

The Ministry has no finance leases.

**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 as they are incurred over the lease term.

**Non-current assets held for sale**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Income.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

**Property, plant and equipment**

Property, plant and equipment consists of leasehold improvements, EDP equipment, furniture and fittings, office equipment, and motor vehicles.

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

Individual assets, or group of assets, are capitalised if their cost is greater than \$3,000. The value of an individual asset that is less than \$3,000 and is part of a group of similar assets is capitalised.

**Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Ministry 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 disposal proceeds with the carrying amount of the asset.

Gains and losses on disposals are included in the Statement of Comprehensive Income.

**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 the Ministry and the cost of the item can be measured reliably.

**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 useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	8 years	12.0%
Office equipment	3 – 5 years	20.0%–28.8%
Motor vehicles	4 – 5 years	21.6%
EDP equipment	3 – 4 years	30.0%–36.0%

The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

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

**Intangible assets**

**Software acquisition and development**

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

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

Staff training costs are recognised as an expense when incurred.

### 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 decommissioned.

The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

The useful life and associated amortisation rate of the major class of intangible assets has been estimated as follows:

Acquired Software	30.0%	3.5 years
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### 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 the entity 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 Statement of Comprehensive Income.

### Creditors and other payables

Creditors and other payables are recorded at their face value.

### Employee entitlements

#### Short-term employee entitlements

Employee entitlements that the Ministry expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, sick and long service leave entitlements expected to be settled within 12 months.

The Ministry 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 the Ministry anticipates it will be used by staff to cover those future absences.

The Ministry recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

#### Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis, using a model provided by The Treasury.

### Superannuation schemes

#### Defined contribution schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, Kiwisaver and the Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Income as incurred.

### 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.

### Statement of cash flows

Cash and cash equivalents mean cash balances on hand and held in bank accounts.

Operating activities include cash received from all income sources of the Ministry and record the cash payments made for the supply of goods and services.

Investing activities relate to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

### Financial instruments

Financial assets and financial liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Statement of Comprehensive Income.

### Goods and services tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated 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 amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

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 statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### Income tax

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 2007. Accordingly, no charge for income tax has been provided for.

### Commitments

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

### Contingent assets and liabilities

Contingent assets and liabilities are disclosed at the point at which the contingency is evident.

### Taxpayers' funds

Taxpayers' funds are the Crown's investment in the Ministry and are measured as the difference between total assets and total liabilities.

### Critical accounting estimates and assumptions

In preparing these financial statements the Ministry has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### Retirement and long service leave

Note 11 provides an analysis of exposure in relation to estimates and uncertainties surrounding retirement, sick and long service leave liabilities.

The calculations of Employee entitlements are based on:

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

	30 June 2014	30 June 2013
Year 1	3.70%	2.71%
Year 2	4.04%	3.15%
Year 3+	5.50%	5.50%

A salary inflation factor of 3.5% (3.5% 2013) was also used. The discount rates were advised by Treasury and are based on the weighted average of government bonds 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.

### Forecast Financial Statements

The forecast financial statements have been compiled on the basis of existing government policies and Ministerial expectations at the time the statements were finalised. These have been prepared in accordance with FRS-42.

The actual financial results achieved for the 2014/15 are likely to vary from the forecast information presented, and the variations may be material. A key variation will be in relation to the timing of the restructuring costs which were included in the forecast presented. These have now been accounted for in the 2013/14 financial statements.

The significant forecast assumptions are as follows:

- the activities of the Ministry of Pacific Island Affairs will remain substantially the same as for the previous year.
- Personnel costs are based on 43 staff positions.
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2013/14 was used as the opening position for the 2014/15 forecasts.

## Statement of Comprehensive Income

For the year ended 30 June 2014

	Notes	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000	Unaudited Forecast 2014/15 \$000
<b>Revenue</b>						
Crown		6,298	6,108	6,298	6,308	7,023
Other	1	112	-	154	261	96
<b>Total Revenue</b>		<b>6,410</b>	<b>6,108</b>	<b>6,452</b>	<b>6,569</b>	<b>7,119</b>
<b>Expenditure</b>						
Personnel costs	2	4,474	4,032	3,930	3,946	4,437
Operating costs	3	2,050	1,935	2,409	2,251	2,452
Depreciation and amortisation	4	21	59	31	31	148
Capital charge	5	82	82	82	82	82
<b>Total Expenditure</b>		<b>6,627</b>	<b>6,108</b>	<b>6,452</b>	<b>6,310</b>	<b>7,119</b>
<b>Net Surplus</b>		<b>(217)</b>	<b>-</b>	<b>-</b>	<b>259</b>	<b>-</b>
Other Comprehensive Income		-	-	-	-	-
<b>Total Comprehensive Income</b>		<b>(217)</b>	<b>-</b>	<b>-</b>	<b>259</b>	<b>-</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements. Explanations of major variances against budget are provided in note 15. Information in the Estimates & Forecasts columns is not subject to an audit review.

## Statement of Changes in Taxpayers' Funds

For the year ended 30 June 2014

	Notes	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000	Unaudited Forecast 2014/15 \$000
Balance at 1 July		1,023	1,023	1,023	1,023	1,023
Total Comprehensive Income / (Loss) for the year		(217)	-	-	259	-
Capital injection		-	-	-	-	-
Return of operating surplus to Crown		-	-	-	(259)	-
<b>Balance at 30 June</b>		<b>806</b>	<b>1,023</b>	<b>1,023</b>	<b>1,023</b>	<b>1,023</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements. Explanations of major variances against budget are provided in note 15. Information in the Estimates & Forecasts columns is not subject to an audit review.

## Statement of Financial Position

As at 30 June 2014

	Notes	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000	Unaudited Forecast 2014/15 \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash & cash equivalents		2,095	1,670	1,766	2,265	1,311
Debtors & other receivables	6	23	-	-	71	-
Prepayments		22	15	15	39	15
<b>Total Current Assets</b>		<b>2,140</b>	<b>1,685</b>	<b>1,781</b>	<b>2,375</b>	<b>1,326</b>
<b>Non-Current Assets</b>						
Property plant & equipment	7	78	104	69	27	406
Intangible assets	8	6	30	49	12	79
<b>Total Non Current Assets</b>		<b>84</b>	<b>134</b>	<b>118</b>	<b>39</b>	<b>485</b>
<b>Total Assets</b>		<b>2,224</b>	<b>1,819</b>	<b>1,899</b>	<b>2,414</b>	<b>1,811</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
GST payable		113	109	132	25	132
Payable creditors & others	9	1,071	238	334	793	238
Return of operating surplus to Crown	10	-	-	-	259	-
Employee entitlements	11	178	370	314	218	322
<b>Total Current Liabilities</b>		<b>1,362</b>	<b>717</b>	<b>780</b>	<b>1,295</b>	<b>692</b>
<b>Non-Current Liabilities</b>						
Employee entitlements	11	56	79	96	96	96
<b>Total Non-Current Liabilities</b>		<b>56</b>	<b>79</b>	<b>96</b>	<b>96</b>	<b>96</b>
<b>Total Liabilities</b>		<b>1,418</b>	<b>796</b>	<b>876</b>	<b>1,391</b>	<b>788</b>
<b>Net Assets</b>		<b>806</b>	<b>1,023</b>	<b>1,023</b>	<b>1,023</b>	<b>1,023</b>
<b>Taxpayers Funds</b>						
General funds		806	1,023	1,023	1,023	1,023
<b>Total Taxpayers Funds</b>		<b>806</b>	<b>1,023</b>	<b>1,023</b>	<b>1,023</b>	<b>1,023</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements. Explanations of major variances against budget are provided in note 15. Information in the Estimates & Forecasts columns is not subject to an audit review.

## Statement of Cash Flows

For the year ended 30 June 2014

	Notes	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000	Unaudited Forecast 2014/15 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Cash was provided from</b>						
Crown		6,298	6,108	6,298	6,308	7,023
Departments		164	-	246	103	-
Other		-	-	75	152	-
<b>Cash was disbursed to</b>						
Employees		(3,903)	(4,022)	(3,935)	(3,949)	(4,453)
Suppliers		(2,465)	(1,935)	(2,838)	(1,937)	(2,428)
GST (net)		88	-	107	(111)	-
Capital charge		(82)	(82)	(82)	(82)	(82)
<b>Net cash from operating activities</b>		<b>100</b>	<b>69</b>	<b>(129)</b>	<b>484</b>	<b>60</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Cash was disbursed to</b>						
Purchase of PPE		(11)	(85)	(61)	(8)	(465)
Purchase of Intangible assets		-	(15)	(50)	(18)	(50)
<b>Net cash from investing activities</b>		<b>(11)</b>	<b>(100)</b>	<b>(111)</b>	<b>(26)</b>	<b>(515)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Cash was disbursed to</b>						
Repayment of surplus		(259)	-	(259)	(325)	-
<b>Net cash from investing activities</b>		<b>(259)</b>	<b>-</b>	<b>(259)</b>	<b>(325)</b>	<b>-</b>
<b>Net (decrease)/increase in cash</b>		<b>(170)</b>	<b>(31)</b>	<b>(499)</b>	<b>133</b>	<b>(455)</b>
Cash at beginning of this year		2,265	1,701	2,265	2,132	1,766
<b>Cash at end of this year</b>		<b>2,095</b>	<b>1,670</b>	<b>1,766</b>	<b>2,265</b>	<b>1,311</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements. Explanations of major variances against budget are provided in note 15. Information in the Estimates & Forecasts columns is not subject to an audit review.

The GST (net) component of operating activities reflects the net GST paid to the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for Financial Statement purposes, and to be consistent with other primary financial statements.

## Reconciliation of Net Surplus/(Deficit) to Net Cash Flow from Operating Activities

For the year ended 30 June 2014

	Notes	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000	Unaudited Forecast 2014/15 \$000
<b>Net surplus/(deficit)</b>		(217)	-	-	259	-
<b>Add/(less) non-cash items</b>						
Depreciation and amortisation expense		21	59	31	31	148
Impairment of Assets		-	-	-	-	-
<b>Total non cash</b>		<b>21</b>	<b>59</b>	<b>31</b>	<b>31</b>	<b>148</b>
<b>Add/(less) movement in working capital items</b>						
(Increase)/decrease in debtors and other receivables		48	-	95	15	-
(Increase)/decrease in prepayments		17	-	-	(9)	-
(Increase)/decrease in creditors and other payables		311	10	(255)	182	(88)
(Increase)/decrease in employee entitlements		(80)	-	-	6	-
<b>Net movements in working capital</b>		<b>296</b>	<b>10</b>	<b>(160)</b>	<b>194</b>	<b>(88)</b>
<b>Net Cash from Operating Activities</b>		<b>100</b>	<b>69</b>	<b>(129)</b>	<b>484</b>	<b>60</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements. Information in the Estimates & Forecasts columns is not subject to an audit review.



## Statement of Commitments

As at 30 June 2014

	Notes	Actual 2013/14 \$000	Actual 2012/13 \$000
<b>Operating Lease Commitments</b>			
Less than one year		443	445
One to two years		58	447
Two to five years		15	74
More than five years		-	-
<b>Total Operating Lease Commitments</b>		<b>516</b>	<b>966</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements.

The Ministry leases property, plant and equipment in the normal course of its business. The majority of these leases are for premises which have a non-cancellable leasing period ranging from one to eight years.

There are no restrictions placed on the Ministry by any of its leasing arrangements.

## Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2014

The Ministry of Pacific Island Affairs has no contingent liabilities or contingent assets as at 30 June 2014 (2013: nil).

## Statement of Departmental Expenditure and Capital Expenditure Against Appropriations

For the year ended 30 June 2014

	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000	Unaudited Forecast 2014/15 \$000
<b>VOTE MINISTRY OF PACIFIC ISLAND AFFAIRS</b>					
<b>Appropriation for Output Expenses</b>					
<b>Multi-output Class Appropriations</b>					
Communications, Projects & Relationships	5,111	4,372	4,716	4,820	5,273
Policy Advice	1,516	1,736	1,736	1,490	1,846
<b>Total Appropriation for Output Expenses</b>	<b>6,627</b>	<b>6,108</b>	<b>6,452</b>	<b>6,310</b>	<b>7,119</b>
<b>Appropriation for capital expenditure</b>					
MPIA Permanent Legislative Authority	66	100	111	26	515
<b>Total</b>	<b>6,693</b>	<b>6,208</b>	<b>6,563</b>	<b>6,336</b>	<b>7,634</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements.

## Statement of Departmental Unappropriated Expenditure and Capital Expenditure

For the year ended 30 June 2014

	Actual 2013/14 \$000	Appropriation Voted 2014 \$000	Unappropriated Expenditure \$000
<b>VOTE MINISTRY OF PACIFIC ISLAND AFFAIRS</b>			
Appropriation for Departmental Output Expenses			
Multi-output Class Appropriations			
Communications, Projects & Relationships	5,111	4,716	-
Policy Advice	1,516	1,736	-
<b>Total Appropriation for Output Expenses</b>	<b>6,627</b>	<b>6,452</b>	<b>175</b>
Appropriation for capital expenditure			
Capital investment	66	111	
<b>Total</b>	<b>6,693</b>	<b>6,563</b>	<b>175</b>

The Ministry of Pacific Island Affairs had voluntary redundancies in the 2013/14 and 2014/15 financial years which were the result of the organisation restructure to address future opportunities and operational needs of the Ministry. The restructuring decisions were finalised in June 2014 which has resulted in the above unappropriated expenditure in the 2013/14 financial year. The restructure and associated costs were fully funded within the Policy Advice and Ministerial Servicing Appropriation included within the Appropriation (2014/15 Estimates) Bill. Accordingly, the unappropriated expenditure position is of a technical and timing nature only.

There was no unappropriated expenditure for the year ending 30 June 2013.

There have been no breaches of net assets (2013: nil).

## Notes to the Financial Statements

For the year ended 30 June 2014

### 1. Revenue other

	Actual 2013/14 \$000	Actual 2012/13 \$000
Revenue from other agencies	112	261
<b>Total Revenue other</b>	<b>112</b>	<b>261</b>

Revenue from other agencies in 2013/2014 is primarily related to recovery of staff secondments to other agencies. In 2012/13 it also contained contributions to the Leadership Development Programme for Pacific public servants and contributions to research projects that enhance the welfare of Pacific people.

### 2. Personnel costs

	Actual 2013/14 \$000	Actual 2012/13 \$000
Salaries & wages	3,905	3,855
Employer contributions to defined contribution schemes	94	70
Increase/(decrease) in employee entitlements	(80)	7
Redundancy	542	-
Other	13	14
<b>Total Personnel Costs</b>	<b>4,474</b>	<b>3,946</b>

### 3. Operating costs

	Actual 2013/14 \$000	Actual 2012/13 \$000	Unaudited Forecast 2014/15 \$000
Audit Fees for the Financial Statement Audit	58	57	58
Operating Lease Payments	474	475	508
Maintenance & Minor Capital	111	138	135
Travel	207	167	256
Conferences & Training	26	68	387
Consultancy & Professional Fees	631	637	600
Legal	68	4	88
Office Operating Costs	167	199	248
Other Operating Expenses	308	506	172
<b>Total operating costs</b>	<b>2,050</b>	<b>2,251</b>	<b>2,452</b>

#### 4. Depreciation and amortisation

	Actual 2013/14 \$000	Actual 2012/13 \$000
Office equipment/furniture & fittings	3	14
Motor vehicles	8	8
EDP equipment	4	3
<b>Total depreciation</b>	<b>15</b>	<b>25</b>
Amortisation of software	6	6
<b>Total depreciation and amortisation</b>	<b>21</b>	<b>31</b>

#### 5. Capital charge

The Ministry pays capital charge to the Crown on its Taxpayers Funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2014 was 8% (2013: 8%).

#### 6. Debtors and other receivables

	Actual 2013/14 \$000	Actual 2012/13 \$000
Trade receivables	23	71

The carrying value of debtors and other receivables approximates their fair value. The aging profile of receivables is detailed below.

	Actual 2013/14			Actual 2012/13		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	18	-	18	19	-	19
Past due 1-30 days	1	-	1	-	-	-
Past due 31-60 days	-	-	-	3	-	3
Past due 61-90 days	-	-	-	-	-	-
Past due > 91 days	4	-	4	49	-	49
	<b>23</b>	<b>-</b>	<b>23</b>	<b>71</b>	<b>-</b>	<b>71</b>

The Ministry is expected to collect most of its overdue receivables. A provision has been made at 30 June 2014 (2013: nil), however the amount is too small to show when rounded to thousands.

#### 7. Property, plant & equipment

	Leasehold Improvements \$000	EDP Equipment \$000	Furniture/Office Equipment \$000	Motor Vehicles \$000	Total \$000
<b>COST</b>					
Balance at 1 July 2012	371	192	205	40	808
Additions	-	9	-	-	9
Disposals	-	-	-	-	-
Balance at 30 June 2013	371	201	205	40	817
Balance at 1 July 2013	371	201	205	40	817
Additions	-	5	6	55	66
Disposals	-	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>371</b>	<b>206</b>	<b>211</b>	<b>95</b>	<b>883</b>
<b>ACCUMULATED DEPRECIATION</b>					
Balance at 1 July 2012	371	192	187	15	765
Depreciation expense	-	3	14	8	25
Eliminate on disposals	-	-	-	-	-
Balance at 30 June 2013	371	195	201	23	790
Balance at 1 July 2013	371	195	201	23	790
Depreciation expense	-	4	3	8	15
Eliminate on disposals	-	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>371</b>	<b>199</b>	<b>204</b>	<b>31</b>	<b>805</b>
<b>CARRYING AMOUNTS</b>					
At 30 June 2012	-	-	18	25	43
At 30 June 2013 and 1 July 2013	-	6	4	17	27
<b>At 30 June 2014</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>64</b>	<b>78</b>

## 8. Intangible assets

	Acquired software \$000	Total \$000
<b>COST</b>		
Balance at 1 July 2012	160	160
Additions	18	18
Disposals	-	-
Balance at 30 June 2013	178	178
Balance at 1 July 2013	178	178
Additions	-	-
Disposals	-	-
<b>Balance at 30 June 2014</b>	<b>178</b>	<b>178</b>
<b>ACCUMULATED AMORTISATION</b>		
Balance at 1 July 2012	160	160
Amortisation expense	6	6
Eliminate on disposals	-	-
Balance at 30 June 2013	166	166
Balance at 1 July 2013	166	166
Amortisation expense	6	6
Eliminate on disposals	-	-
<b>Balance at 30 June 2014</b>	<b>172</b>	<b>172</b>
<b>CARRYING AMOUNTS</b>		
At 30 June 2012	-	-
At 30 June 2013 and 1 July 2013	12	12
<b>At 30 June 2014</b>	<b>6</b>	<b>6</b>

There are no restrictions over the title of the Ministry's intangible assets. No intangible assets are pledged as security for liabilities.

## 9. Payable creditors and others

	Actual 2013/14 \$000	Actual 2012/13 \$000
Creditors	256	410
Accrued Expenses	273	383
Provision for Redundancy	542	-
<b>Total creditors and other payables</b>	<b>1,071</b>	<b>793</b>

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.

## 10. Return of operating surplus to Crown

	Actual 2013/14 \$000	Actual 2012/13 \$000
Return of operating surplus	-	259
<b>Total return of operating surplus</b>	<b>-</b>	<b>259</b>

## 11. Employee entitlements

	Actual 2013/14 \$000	Actual 2012/13 \$000
Current employee entitlements are represented by:		
Annual leave	121	152
Performance payments	16	26
Sick leave	39	35
Long service leave	2	5
<b>Total current portion</b>	<b>178</b>	<b>218</b>
Non-current employee entitlements are represented by:		
Long service Leave	27	39
Retirement leave	29	57
<b>Total non-current portion</b>	<b>56</b>	<b>96</b>
<b>Total employee entitlements</b>	<b>234</b>	<b>314</b>

Provision for employee entitlements as at 30 June 2014 is in respect of the Ministry's liability for annual leave, long service

leave, retirement leave, sick leave and provision for performance pay.

Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Provisions for Retirement and Long Service Leave are calculated on an actuarial basis based on the present value of expected future entitlements in accordance with International Financial Reporting Standards. The rates are advised to the Ministry from The Treasury.

Changes in the liability due to changes in discount rates are outlined below.

	Actual 2013/14 \$000	Actual 2012/13 \$000
Remeasurement	-2	3

## 12. Financial instrument risk

The Ministry is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, debtors and receivables, and creditors and payables.

### Credit risk

Credit risk is the risk that a third party will default on its obligations to the Ministry, causing the Ministry to incur a loss. In the normal course of its business, the Ministry incurs credit risk from debtors and receivables and transactions with financial institutions and the New Zealand Debt Management Office (NZDMO).

The Ministry does not require any collateral or security to support financial instruments with financial institutions that the Ministry deals with, or with the NZDMO, as these entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

### Fair value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Ministry has no contracts based in foreign currencies and, accordingly, has no exposure to currency risk.

### Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate or, the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. The Ministry has no interest-bearing financial instruments and, accordingly, has no exposure to interest rate risk.

### Liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

The table below analyses the Ministry's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 6 months \$000	Between 6 months and 1 year \$000	Total Financial Liabilities \$000
<b>2013</b>			
Creditors and Other Payables (note 9)	793	-	793
<b>2014</b>			
Creditors and other payables (note 9)	1,071	-	1,071

## 13. Categories of financial instruments

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

	Actual 2013/14 \$000	Actual 2012/13 \$000
Loans and receivables		
Cash & cash equivalent	2,095	2,265
Debtors and other receivables (note 6)	23	71
<b>Total Loans and Receivables</b>	<b>2,118</b>	<b>2,336</b>
Financial liabilities at amortised cost		
Creditors and other payables (note 9)	822	793
GST payable	113	25
<b>Total Financial Liabilities at amortised cost</b>	<b>935</b>	<b>818</b>

#### 14. Related party information

The Ministry is a wholly-owned entity of the Crown. The Government significantly influences the roles of the Ministry as well as being its major source of revenue. The Ministry received Crown funding of \$6,298k (2013: \$6,308k).

In conducting its activities the Ministry 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. The Ministry is exempt from paying income tax.

The Ministry enters into numerous transactions with other government departments, Crown agencies and State-owned enterprises on an arm's length basis. The totals of these are listed below:

	Actual 2013/14 \$000	Actual 2012/13 \$000
<b>Revenue - Other</b>		
Crown Departments	112	169
Crown Entities & Other Government Agencies	-	64
	<b>112</b>	<b>233</b>
<b>Expenditure</b>		
Crown Departments	197	22
Crown Entities & Other Government Agencies	41	91
State Owned Enterprises	95	95
	<b>333</b>	<b>208</b>

In 2013/14 Revenue has been received for staff seconded to other Ministries (2014: \$113k, 2013: \$60k). In 2012/13 it also included contributions from other agencies for their staff to attend the Leadership Development Programme for Pacific public servants (2014: nil, 2013: \$173k).

Expenditure includes the purchase of air travel from Air New Zealand, postal services from New Zealand Post, contribution to the Reserve Bank for the Send Money Pacific project, staff secondments from other agencies and other minor services purchased from Crown Agencies and Entities.

#### Key management personnel compensation

Key management personnel include the Chief Executive and the four managerial positions that form part of the senior leadership team.

	Actual 2013/14 \$000	Actual 2012/13 \$000
Salaries and other short term benefits	948	745
Termination benefits	195	-
	<b>1,143</b>	<b>745</b>

#### 15. Major budget variations

##### Variation between Budget Estimates and Supplementary Estimates

There are three significant differences between the Budget night estimates and the Supplementary Estimates in the Statement of Comprehensive Income namely:

- An additional \$54k of Department and third party revenue and associated expenditure connected with the Ministry coordinating a Leadership Development Programme for Pacific public servants.
- An additional \$100k of third party revenue and associated expenditure to cover secondment of a senior staff with the Ministry of Education.
- Expense transfers of \$190k from the 2012/13 to the 2013/14 financial year.

##### Variation between Actuals and Supplementary Estimates

There are three significant differences between actual and supplementary estimates:

- The Leadership Development Programme for Pacific public servant which was planned to span the period from April 2014 to December did not commence in the year.
- Personnel costs are higher due to the restructure which resulted in changes to staffing during the year.
- Overall operating costs are lower than estimated due to tighter control on expenditure.

#### 16. Events after Balance Date

There have been no significant events after Balance Date.

# Non-departmental Statements and Schedules

For the year ended 30 June 2014

## Statement of Accounting Policies

For the year ended 30 June 2014

### Reporting Entity

The following non-departmental statements and schedules record the income, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets and trust accounts that the Ministry manages on behalf of the Crown.

These non-departmental balances are consolidated into the Crown Financial Statements and therefore readers of these statements and schedules should also refer to the Crown Financial Statements for the financial year ended 30 June 2014.

### Basis of Preparation

The non-departmental schedules and statements have been prepared in accordance with the accounting policies of the financial statements of the Government, Treasury instructions and Treasury circulars.

Measurement and recognition rules applied in the preparation of these non-departmental financial schedules are consistent with generally accepted accounting practice and Crown accounting policies.

There have been no changes in Accounting Policies during the financial year.

### Significant Accounting Policies

The non-departmental accounts have been prepared using the same significant accounting policies as outlined in Part 6 of the departmental accounts.



## Statement of Non-Departmental Expenditure and Capital Expenditure Against Appropriations

For the year ended 30 June 2014

	Actual 2013/14 \$000	Appropriation Voted 2013/14 \$000	Actual 2012/13 \$000	Unaudited Forecast 2014/15 \$000
<b>Vote Pacific Island Affairs</b>				
Promotions – Business Development	1,378	1,409	1,156	1,409
Skills Training & Employment	1,057	1,145	1,055	1,000
<b>Total Non-Departmental Output Expenses</b>	<b>2,435</b>	<b>2,554</b>	<b>2,211</b>	<b>2,409</b>
<b>Benefits and Other Unrequited Expenses</b>				
Study and Training Awards for Business Development	100	100	100	100
Welfare of Pacific Peoples in New Zealand	8	8	8	8
<b>Total Benefits and Other Unrequited Expenses</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>Total Non-Departmental Expenditure</b>	<b>2,543</b>	<b>2,662</b>	<b>2,319</b>	<b>2,517</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements. Appropriation and Forecast numbers are not subject to audit review.

For a full understanding of the Crown's financial position and the results of its operation for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.

## Statement of Non-Departmental Expenses

For the year ended 30 June 2014

	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000
<b>Non-Departmental Output Expenses</b>				
Promotions – Business Development	1,378	1,409	1,409	1,156
Skills Training & Employment	1,057	1,000	1,145	1,055
<b>Total Non-Departmental Output Expenses</b>	<b>2,435</b>	<b>2,409</b>	<b>2,554</b>	<b>2,211</b>
<b>Benefits and Other Unrequited Expenses</b>				
Study and Training Awards for Business Development	100	100	100	100
Welfare of Pacific Peoples in New Zealand	8	8	8	8
<b>Total Benefits and Other Unrequited Expenses</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>Total Non-Departmental Expenditure</b>	<b>2,543</b>	<b>2,517</b>	<b>2,662</b>	<b>2,319</b>

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## Schedule of Non-Departmental Income

For the year ended 30 June 2014

There is no revenue at 30 June 2014 (2013: nil).

## Schedule of Non-Departmental Unappropriated Expenditure and Capital Expenditure

For the year ended 30 June 2014

There has been no unappropriated expenditure for the year ended 30 June 2014 (2013: nil).

## Schedule of Non-Departmental Commitments

As at 30 June 2014

There are no Non-Departmental Commitments at 30 June 2014 (2013: \$1.0 million).

## Schedule of Non-Departmental Contingent Liabilities & Contingent Assets

As at 30 June 2014

There are no contingent liabilities or assets as at 30 June 2014 (2013: nil).

## Schedule of Non-Departmental Assets

As at 30 June 2014

	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000
<b>Non-Departmental Assets</b>				
Bank	752	96	96	1,073

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements. Appropriation and Forecast numbers are not subject to audit review.

For a full understanding of the Crown's financial position and the results of its operation for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.

## Schedule of Non-Departmental Liabilities

As at 30 June 2014

	Actual 2013/14 \$000	Main Estimates 2013/14 \$000	Supp Estimates 2013/14 \$000	Actual 2012/13 \$000
<b>Non-Departmental Liabilities</b>				
Due to PESS Providers/Consultants	327	96	96	288
Due to Pacific Business Trust	-	-	-	36
	<b>327</b>	<b>96</b>	<b>96</b>	<b>324</b>

The statement of Accounting Policies and Notes to the Financial Statements form part of and should be read in conjunction with these Financial Statements. Appropriation and Forecast numbers are not subject to audit review.

For a full understanding of the Crown's financial position and the results of its operation for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.

## Explanations of major variances against budget

Explanations for major variance from the Ministry's non-departmental figures in the Main Estimates are as follows:

### Schedule of expenses

The contractor supplying Pre-Business Training ( Promotions – Business Development) went into liquidation late in the year so the full amount of services were not delivered. This led to a variance of \$13K for the year.

An expense transfer of \$145k was approved in Pacific Employment Support Services Programme (Skills Training & Employment ) to provide for the evaluation of the programme and to purchase additional services above the contracted rates. While some providers did achieve above their contract this was offset by others not doing so therefore the transfer was not fully spent.

### Schedule of assets and liabilities

The variance to budget is the result of timing of payments to suppliers at year end.



