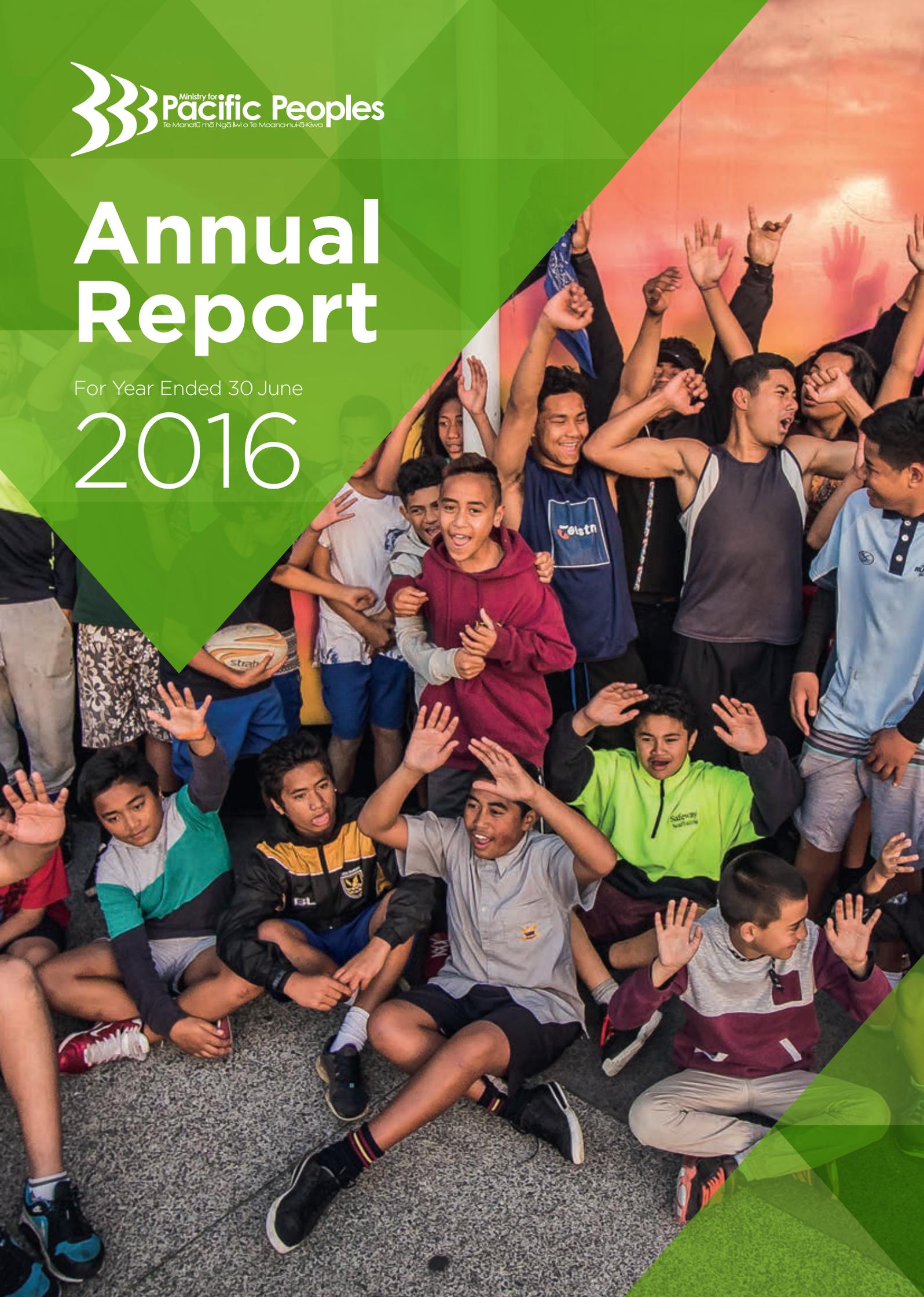


Annual Report

For Year Ended 30 June

2016



Annual Report

For Year Ended 30 June 2016



New Zealand Government

Presented to the House of Representatives pursuant to section 44 of the Public Finance Act 1989. ISSN 2253-5500 (Print) ISSN 2253-5519 (Online)





Table of Contents

Part One: Overview	4
Chief Executive's Overview for the Year	4
Part Two: Role and Scope	6
Our Role and Purpose	6
Pacific Peoples in New Zealand	7
Result Area	8
Our Strategy	8
Part Three: Our Work	10
Result Area 1: Education, Qualifications and Skills	10
Result Area 2: Employment and Entrepreneurship	13
Result Area 3: Language, Culture and Identity	16
Part Four: Transforming Our Organisational Culture and Capability	18
Part Five: Statement of Responsibility and Audit Report	20
Part Six: Statement of Service Performance	24
Part Seven: Financial Statements	31
Statement of Comprehensive Revenue and Expense	31
Statement of Financial Position	32
Statement of Changes in Equity	33
Statement of Cash Flows	34
Statement of Commitments	35
Notes to the Financial Statements	36
Non-Departmental Statements and Schedules	49
Notes to the Non-departmental Financial Statements and Schedules	51
Part Eight: Appropriation Statements	52
Statement of Departmental Expenses and Capital Expenditure Against Appropriations	52
Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority	54

PART ONE: Overview



Chief Executive's Overview for the Year

I warmly invite you to browse the Ministry for Pacific Peoples' Annual Report for the 2015-16 financial year. This report describes our work towards achieving more successful Pacific peoples in New Zealand.

Our Pacific peoples are a diverse and dynamic group with the fastest growing young population in New Zealand – the success of our Pacific youth means success for all New Zealand. Our vision is for the journey of Pacific children born in New Zealand today to be happy and successful. Our role is to lead Pacific communities and individuals to promote their contribution to social and economic wellbeing.

The needs of Pacific people in New Zealand have changed, and we are the Ministry that is able to guide other agencies on how to cater for this. We have a renewed focus in our work approach this year. Our new name and visual identity represents a shift in our work with Pacific peoples. The story of our Pacific population has developed from one of migration to a new story of youth and Pacific culture emerging within New Zealand. Today, over 60 percent of our people were born in New Zealand. Ensuring our Pacific people have a firm sense of belonging and purpose in New Zealand lies at the heart of our decisions.

An important first step as a leader is first looking through the eyes of our communities and addressing our shared vision and values. Our value and our ability to achieve our vision depend on our relationships and connections with Pacific communities and our ability to collaborate with other Government departments.

We are the bridge between policy design and realising meaningful results for Pacific people. Our advice to the Commerce Commission highlights the importance of having a Pacific voice.

With a rapidly growing and changing Pacific population in New Zealand, our Pacific youth are key to the success of Pacific people in Aotearoa. Our vision for successful Pacific youth spans from early childhood education through to secondary and tertiary education, and into the workforce and business.

To give our youngest Pacific people the best start on their journey, we have focused on increasing Pacific participation in early childhood education. We work closely with the Ministry of Social Development, holding workshops for Pacific families who have young children not participating in any form of early learning. Through our collaborative inter-agency work with parents, communities and early childhood learning centres, over 100 more young Pacific children have taken the first steps on their education journey and will experience the strong foundations in education that early learning brings.

When our children move on to schooling we are there, too, working with partner agencies to provide a Pacific perspective for their work. We encourage more students to study science, technology, engineering and maths (STEM) subjects, increasing their chances for future employment. We encourage more Pacific people to learn and use their heritage languages, encouraging pride in their cultural roots



and improving wellbeing. We also work hard to inspire our young people to be future leaders through the Prime Minister's Pacific Youth Awards and supporting regional events, such as Polyfest that give our young people a chance to shine.

We know the wealth of Pacific talent our youth possess so we actively promote the opportunities, initiatives and support available in tertiary education. This is a priority area for the Ministry. We want our Pacific people in the workforce to achieve at the highest level in their field. Initiatives such as the Young Enterprise Trust promote entrepreneurial thinking and better pathways. We have had great success with our Pacific Employment Support Services programme, improving the employment prospects of Auckland's at-risk Pacific youth. We are also working to increase Pacific business growth through our funding of the Pacific Business Trust and social enterprise workshops.

And, while our focus is to affect results externally, we must look internally to do so.

I am increasingly struck by the passion and commitment of our staff, who do their best every day for our communities and individuals. However, it's fair to say they haven't always been well supported by our technology systems, and the way these systems have operated in the past has sometimes made it harder for staff to deliver the very best service.

In providing value and continuously improving our services to New Zealanders, we must ensure our staff are able to work effectively with the resources

and systems at hand. The Ministry has embarked on a significant programme to transform our people, processes and technology. The key to making differences externally is having a robust infrastructure and technology that allows us to work responsively and efficiently.

As a small department, the Ministry has limited resources. We focus our resources and interventions into areas that we know will make the greatest difference. We use a partnership approach working through other agencies. We share and facilitate knowledge and expertise between groups. In doing this, the Ministry provides more value from the Government's investment.

Our work this year has been valuable and productive. I would therefore like to thank our stakeholders, partners and those within the Ministry, for all their hard work, and I look forward to continuing this exciting progress.

Pauline A Winter

Chief Executive

PART TWO: Role and Scope

Our Role and Purpose

The Ministry for Pacific Peoples (the Ministry) is the Crown's premier advisor on policies and interventions that improve better outcomes for Pacific peoples in New Zealand. The Ministry's role continues to evolve. With Pacific populations on the rise and increasingly shaping New Zealand's future, the Ministry is positioning itself to both assist and support Pacific communities to grow and flourish, and promote Pacific people's contribution to improved social and economic wellbeing for all New Zealanders. The Ministry effects positive change by:

- Providing expert policy advice to Ministers and our partner government agencies, supporting the development of effective strategies and programmes targeted at Pacific communities;
- Co-designing and delivering innovative programmes with our communities, improving outcomes and identifying valuable policy and implementation insights. This includes gathering intelligence on issues, opportunities and the effectiveness of policies and interventions; and
- Partnering with a wide range of organisations across the state sector, businesses, and in Pacific communities to develop and promote future Pacific leaders and Pacific success.

We have maintained our focus on these three key areas to highlight Pacific success in a way that is unique to the Ministry. We strengthened our relationships both in the community and government which has allowed us to connect the knowledge and expertise that lies in each area that provides a platform to improve outcomes for both Pacific people and New Zealand as a whole.

Strengthening our Pacific connections has enabled us to have better community perspectives and insights that help inform our intelligence and other research evidence. This has informed our own operations and policy programme, our advice to Ministers, to other government agencies and to our stakeholders.

We facilitate access and connection to Pacific communities with our government partners and we support them to develop their own Pacific leaders and capability. This helps create a pipeline and pathway for Pacific success. As we continue to build our knowledge and connections, we will be able to identify what is needed for career progression, support the development of emerging Pacific talent, and celebrate the successes of those who are leading the way.

What has underpinned our work is the Ministry vision, "Successful Pacific Peoples". This vision places the Pacific community and its people at the heart of all we do. It focuses attention on Pacific peoples achieving success and New Zealand realising the social and economic benefits of that success.

Pacific Peoples in New Zealand

344,000

Pacific people living in New Zealand¹

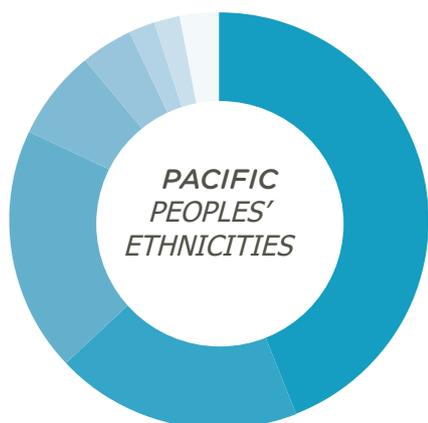
61%

of Pacific Peoples are born in New Zealand²

Growing 3x faster

than overall population⁴

Population



- 44% SAMOAN
- 19% COOK ISLAND
- 19% TONGAN
- 7% NIUEAN
- 4% FIJIAN
- 2% TOKELAUAN²
- 2% TUVALUAN
- 3% OTHER PACIFIC PEOPLES

9.6%

Projected population increase in 2026³

92.7%



Participation rate for Pacific children was 92.7 percent up from 91.2 in 2015⁵

Employment Rate

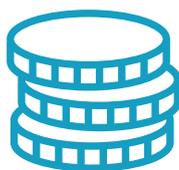


June 2016

59.2%

(Up from 56.4% in June 2015)⁷

Income



\$21.87

(Up from \$19.62 in 2011)⁸

77.6%

18 year olds with a minimum NCEA level 2 or equivalent⁶

1. Source: Estimated resident population as at 30 June 2013. www.stats.govt.nz

2. Source: Census 2013 - <http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/infographic-culture-identity.aspx>

3. Source: Statistics NZ National Ethnic Population Projections: 2013 (base) - 2038

4. Source: Ibid

5. Source: Education Counts - <https://www.educationcounts.govt.nz/statistics/early-childhood-education/participation>

6. Source: Education Counts - https://www.educationcounts.govt.nz/__data/

[assets/pdf_file/0009/174636/2015-Pasifika-School-Leavers.pdf](#)

7. Source: Household labour force June 2016 release - http://www.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/LabourMarketStatistics_HOTPJuni16qtr-incl-HLFS.aspx

8. Source: New Zealand Income Survey June 2015 quarter - http://www.stats.govt.nz/browse_for_stats/income-and-work/Income/NZIncomeSurvey_HOTPJuni15qtr.aspx



Result Area

As demonstrated by the statistics, the Pacific population is the youngest and fastest growing in New Zealand. This makes the Ministry's work increasingly important because it needs to make sure the rapidly rising population is full of people with success stories.

To best support the changing and growing Pacific population to prosper, we are focusing on three main areas: Education, Qualifications and Skills; Employment and Entrepreneurship and Language, Culture and Identity.

The Ministry's focus on *Education, Qualifications and Skills* is especially important because of the youthful Pacific population. Our work will support Pacific young people are equipped with the resources, knowledge and expertise to gain useful qualifications and move into successful careers.

Ensuring Pacific success is about ensuring that our talented Pacific people are thriving and achieving in the workplace, and that is why we continued our focus on *Employment and Entrepreneurship*. Projections estimate that Pacific peoples are likely to make up a third of New Zealand's workforce. So, if we want the New Zealand economy to prosper, it is vital that the employment rate continues to rise. The emergence of more Pacific businesses owners, innovators and entrepreneurs will also help boost Pacific incomes and wellbeing as well as contribute to New Zealand's economy prosperity.

Our ongoing focus on *Language, Culture and Identity* is supporting the many Pacific peoples living in New Zealand to hold on to their unique Pacific heritages. New Zealand's Pacific population is becoming increasingly diverse, and more than a third of Pacific people identify with two or more ethnic groups. This diversity of Pacific culture adds to the vibrancy of this country, which benefits all New Zealanders.

The Ministry recognises that growing and maintaining languages is important because learning a second language is widely acknowledged to help educational outcomes and retain culture and identity. Strong identities and values foster happy families and

positive communities where our Pacific people have the confidence and aspirations to succeed.

Our focus on the above three result areas ensures that Pacific peoples in New Zealand have support along the pathway from childhood, to youth and adulthood.

The Ministry's work also plays an important role in supporting the Government's Better Public Service targets established for early childhood participation and National Certificate of Education Achievement (NCEA) rates.

Our Strategy

Our strategic direction aims to generate opportunities for Pacific peoples in New Zealand to be successful, by delivering robust evidence based policy and interventions that receive widespread support from stakeholders and the confidence of the Government.

An important part of the strategy has been the implementation of the Ministry's operating model. This has been supported by the Ministry's Enterprise and Content Management System (Vaka Puna) which enhances our ability to collect community intelligence, harnessing it to enable well-informed policy advice and using our strong connections to influence the policy agendas of central and local government. We use the knowledge and expertise, and our connections, to tailor interventions and policies to work for the community and promote further success.

A value-for-money approach is critical to the Ministry's Strategy. To ensure a cost-effective approach, we have underpinned the Strategy by:

- Focussing our work programmes, policies and interventions on the areas of highest impact
- Increasing collaboration and developing partnerships to support our work; and
- Implementing an operating model that has supported us to better align Pacific knowledge and networks with those agency resources focussed on improving Pacific outcomes

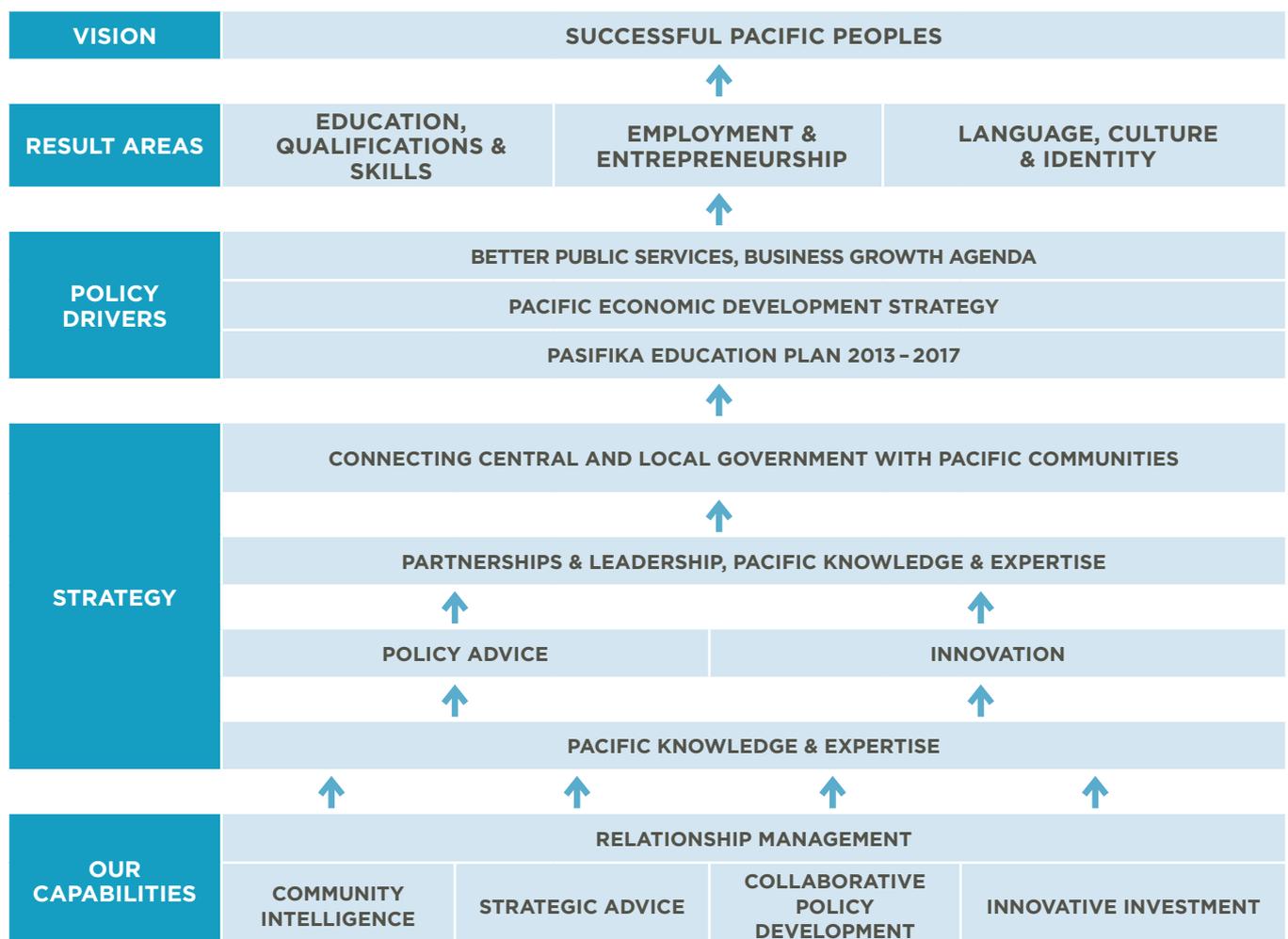
The Ministry can provide more value from Government's investment by focusing our resources



and interventions in areas that make the greatest difference for Pacific people in New Zealand, by working through others using a partnership approach and facilitating the flow of knowledge and expertise between government agencies and Pacific communities.

Our main audience continues to be our Pacific communities and local and central government.

Table 1: High-level approach the Ministry applies in meeting its' vision and goals



PART THREE: Our Work



Result Area 1: Education, Qualifications and Skills

We are committed to improving outcomes for Pacific young people in education. We want that experience to be a successful and happy one. Our ideal community is one that is future-focused and characterised by a strong grounding in culture, language, and identity. This will help to excite and improve the aspirations of our Pacific youth. The Ministry works within the context of these improved conditions for success to ensure Pacific education and skills are well matched to the current market and future demands for jobs. In doing so, Pacific people will be better positioned to take advantage of employment and entrepreneurship opportunities.

Our contribution in 2015 -16 continued the Ministry's three-fold approach to prioritising work:

- First, our strong connections with communities enabled us to really hone in on our work with parents, families, community leaders, and education agencies, advancing the interventions and initiatives contained in the Pasifika Education Plan and other key strategies of Government. The Ministry co-authored the Pasifika Education Plan with the Ministry of Education in 2013 and continues to advance its commitment to Early Childhood Education, Educational achievement and the attainment of qualifications and workforce skills that meet employment demand.
- Secondly, the knowledge and insights gained from working with those communities and groups provided a catalyst to influencing better policies and strategies

in our work with Government agencies. To make the most effective use of our resources, this work was targeted to support the Government's Better Public Services' priorities:

- Early childhood education;
 - Educational achievement; and
 - The attainment of qualifications and workforce skills that meet workplace demand.
- Thirdly, our close connections with both communities and with Government enabled us to broker and advance a number of strategic alliances and relationships. By maintaining our position at the centre of both Government and the community, we were able to channel knowledge and expertise both ways, and advocate for the interests of our Pacific peoples.





Progressing the Pasifika Education Plan (PEP) 2013–2017

The Ministry maintains its commitment to work with the Ministry of Education and other PEP partner agencies through participation on the Early Learning Taskforce Management Group, and the Inter-agency group for the Pasifika Education Plan. We know that education is the gateway to better career pathways, further studies and improved life outcomes. For this reason, our work in 2015-16 included:

- Engaging with Pacific communities, particularly in Auckland, to understand barriers to ECE participation;
- Identifying and supporting community-based approaches that encourage early childhood attendance and provision;
- Working with central and local government agencies and Pacific communities to identify and support initiatives that raise Pacific student achievement in NCEA level 2;
- Developing policy advice on issues that affect Pacific peoples – as well as advice on the most appropriate delivery models to increase participation in ECE, achievement in education, and participation in Science, Technology, Engineering and Maths (STEM) subjects; and
- Monitoring the progress in achieving the PEP's targets.

Early Childhood Education (ECE)

Current data shows that Pacific early childhood education (ECE) participation rates are on the rise.

In 2016, the ECE prior participation rate for Pacific children was 92.7 percent up from 91.2 in 2015. While this is a pleasing result, there are still Pacific children missing out on the benefits that come from participating in quality ECE.

One of the key ways we have been contributing to increasing ECE participation is through our work with Pacific beneficiaries via the Ministry of Social Development. As a response to the 'Social Obligations' policy introduced in 2013 by the Ministry of Social Development, our aim was to provide Pacific parents with information on:

- The benefits of ECE for their child;
- The support and entitlements available;
- The different types of ECE services available; and
- The services were being offered in their local community.

Interested parents were referred through us to an education provider for enrolment. In 2015–16 the Ministry set a target of 100 referrals to enrol children in ECE centres or seek financial assistance to have the children remain with the ECE services by end of June 2016. As at 30 June 2016, we had exceeded the target with 102 referrals with a 75% participant to referral conversion rate.

Our role in linking Pacific language-centre organisation and community groups to the Ministry of Education will continue through our heightened presence in the community and through the cultural language work that we do. The ECE/Ministry of Social Development model has proved successful and a good platform for getting key information out to as many Pacific



parents as possible. The information sessions have helped them make informed choices about where they feel is the best placed ECE centre for their child.

Science, Technology, Engineering and Maths (STEM)

In 2015-16, we completed scoping work on an exciting education area – Science, Technology, Engineering and Maths (STEM). We identified the STEM industry as having potential to drive economic growth and the markets for STEM workers which are in high demand both here in New Zealand and globally. The numbers of Pacific students taking STEM subjects at school was low, for a variety of reasons. We want more Pacific students and their communities to understand the career opportunities in STEM and the pathways to get there. To bridge that gap, this year we provided four STEM scholarships valued at \$25,000 each over three years of study, to four successful recipients. The scholarships will give winners access to mentoring and opportunities of obtaining an industry internship at the end of their studies.

To get more Pacific people studying and working in the STEM sector, two further initiatives were implemented to provide funding for Pacific groups to run STEM related activities; and provide awards for Pacific secondary school students studying STEM subjects.

Based on the success and interest from the Ministry's intervention, the STEM scholarship programme (Toloa scholarships) has extended its scholarship provision for the next four years. Each year, 8 tertiary fees scholarships will be awarded to either first year Pacific undergraduates or first year postgraduate students studying towards a STEM qualification.

We continued to work with the New Zealand Qualifications Authority, Careers New Zealand and the Ministry of Education to deliver the 'NCEA *ma le Pasifika*' workshop programme in the Auckland region. This programme provides information to parents about understanding NCEA, how parents can support their children in subject and/or career choices, understanding assessments, aiming for high achievement, and engaging with their children's school and teachers.

This year the Ministry delivered four 'NCEA *ma le Pasifika*' workshops. The workshops continued to be delivered in a language at the request of the community further demonstrating the language capabilities and competencies of our staff. Workshop participants persist in reporting a greater understanding of the NCEA system, careers information, and an increased confidence about getting support for their child's learning.

Māori and Pasifika Trades Training

We have also continued to work closely with other Government agencies⁹ to support the Māori and Pasifika Trades (MPTT) initiative, which aims to strengthen the linkages between communities, employers, and tertiary education providers. The initiative has lifted the profile of trades training in Māori and Pacific communities. Our work has focused on promoting opportunities of MPTT to our Pacific communities.

9. Ministry of Business, Innovation and Employment, Tertiary Education Commission, Ministry of Education, Te Puni Kōkiri and the Ministry of Social Development.



Result Area 2: Employment and Entrepreneurship

The Ministry aims to promote higher Pacific employment and increasing participation in high-value jobs and business ownership. We want to see more Pacific people equipped with higher qualifications and skills to gain meaningful, high paying employment. We also want Pacific people to increase their contribution to New Zealand's business growth and economic success. This means using our expertise to expand the aspirations of Pacific people into owning their own businesses and becoming the employers, directors and governors of tomorrow.

New Zealand Seasonal Workers Scheme

New Zealand's seasonal workers scheme (RSE) is bringing big benefits for both workers in New Zealand and their families back home in the Pacific. Under the scheme, the horticulture and viticulture industries in New Zealand recruit workers from the Pacific islands for seasonal work. The ongoing success of the RSE scheme in future seasons will need to involve the careful balancing of the interests of RSE employers and RSE workers.

As part of the Ministry's work during the year, an evaluation was completed on the pilot programme targeting Pacific youth in the South Auckland area. Following the report and advice to Government, a successful budget bid was obtained to explore the relocation of Pacific groups and/or families into smaller regions providing an opportunity to better their social, economic and housing outcomes. This activity will form part of the Ministry's work plan for 2016-17 financial year.

Business and Entrepreneurship

In 2015-16, we finalised negotiations with the Pacific Business Trust, producing an outcome focused contract, structured on innovation through partnerships; growth and sustainability by growing existing Pacific businesses; assets for growth through investment projects and excellence through celebrating Pacific business success.

This year, we continued our work in partnership with the Young Enterprise Trust to advance our work with Pacific young people engaged in the Young Enterprise Scheme (YES).

The Ministry supports the scheme through an award for Excellence in Pacific Business, seed funding to help students with business start-up costs and workshops to help students develop their business ideas. The number of Pacific students who participated in the YES increased from 282 in 2015 to 328 in 2016. NCEA Level 3 data collected for the 2015 period also shows that Pacific students are performing well and earning NCEA Level 3 credits.

To further support Pacific entrepreneurship:

- we identified and have assigned Pacific business mentors to support Pacific students;
- we have tailored our business workshops to meet the unique needs of Pacific students;
- we have worked closely, through our Education Advisor, with schools to ensure teachers and students are supported through YES.

We have also provided advice to the Minister on barriers affecting the growth of Pacific entrepreneurship. The Ministry also worked with Young Enterprise Trust to deliver a number of initiatives and programmes to support Pacific young people in the YES programme, these include; Enterprise in Action, BP Business Challenge, Epic Day, Developing Business Case Studies and Biz Ninja.



Building Leadership and Governance Capability

During the year, we maintained our focus on leadership capability and governance, ensuring Pacific leadership and diversity is represented on boards through nominations and honours. Overall, our annual target was achieved with 37 nominees referred for appointment.

The Ministry puts forward nominations for Queen's Birthday and New Year Honours. Twelve nominations were put forward for consideration and three of those were successful in obtaining a Queen's Birthday Honour award. The New Year honours list was not publicly available at the time of writing this report.

We continued to work with the New Zealand Institute of Directors, developing a collaborative governance training programme. The Ministry held one workshop during this period with 12 participants. Of those, one successfully converted into a Board appointment. The collaborative workshops occurred with intent to improving the quality of our nominations to state sector boards and, building the skills of community members who are interested in standing for board representation.

The Ministry continues to provide secretariat and guidance to the Minister for Pacific Peoples Advisory Council. This has included strengthening the role and function of the Council to provide timely, appropriate and high-quality advice to the Minister on important issues affecting Pacific communities in New Zealand.

Social Housing

Social housing is a high priority for Government and a new area for our Pacific community. Government intentions to reform the Social Housing delivery system has created an opportunity for Pacific-focused housing provisions. Such opportunities leverage the Government's intention to link social service provision

to income-related tenancies delivered outside of the housing New Zealand framework.

In the 2015-16 year, the Ministry through agency partnerships identified the barriers faced in establishing social housing programmes. Through discussions with social housing sector participants, the Ministry confirmed that Pacific-focused social service providers play an important role in sourcing housing for Pacific families amid critical housing-stock shortages.

To help build Pacific provider capability in the Social Housing space, the Ministry is procuring services from training experts in this field who have access to strategic planning for long-term sustainability, property development expertise and are conversant with property management systems, governance and leadership protocols. This work will commence in 2016-17 and will form part of the Ministry's work plan.

Further Initiatives to Support Pacific Employment and Entrepreneurship

Further initiatives to support Pacific employment and entrepreneurship included:

- An evaluation of the Pacific Employment Support Scheme (PESS) programme was completed during the year. The PESS programme was an innovative pilot co-ordinated by the Ministry and operated from 2010 to 2015. The programme aimed to improve the employment prospects of Pacific youth aged between 16 and 24 years in the Auckland region, the majority of whom could be considered at risk. The evaluation noted that 1,424 participants were placed into employment or training after five years of running the pilot.
- The promotion and delivery of the Prime Minister's Pacific Youth Awards which recognises and rewards high-achieving young Pacific New Zealanders. This initiative celebrates, motivates and inspires young



Pacific people to reach their full potential. The Awards also celebrate our success in bringing these students together with prominent businesses. The Awards have grown to five categories and, in 2015, a Science, Technology, Engineering and Mathematics (STEM) Award was offered, with the aim of encouraging more Pacific people into these fields of study and work:

- o Leadership and Inspiration
 - sponsored by Air New Zealand
- o Business and Enterprise
 - sponsored by Creative New Zealand
- o Arts and Creativity
 - sponsored by the Pacific Business Trust
- o Sports and Fitness
 - sponsored by the New Zealand Institute of Sport (NZIS)
- o Science, Technology, Engineering and Mathematics (STEM)
 - sponsored by Youthline, Ako Aotearoa and the University of Waikato.

Over 150 people attended the 2015 Awards ceremony held at Parliament which attracted positive coverage in print, social and broadcast media.

- The Ministry delivered, in partnership with key stakeholders, several expo events that brought different business leaders and Pacific communities together to form a business collective network. The feedback from attendees, were positive, stating it provided an avenue for meaningful connections, mentoring prospects and future business partnerships opportunities.





Result Area 3: Language, Culture and Identity

The Ministry's work in this area continues to focus on promoting a strong sense of identity amongst New Zealand's Pacific peoples. Language and culture sit at the heart of this and provide a strong grounding from which many other benefits can grow. It is widely accepted that fluency in more than one language is associated with improved cognitive development and academic achievement. This, as a result, impacts on employment prospects, income potential and civic participation. Being culturally confident and comfortable contributes to a sense of belonging in the community and the New Zealand society as a whole.

In 2015-16, seven Pacific language weeks were celebrated amongst Pacific communities nationally. The language week series included Samoa, Cook Islands, Tonga, Niue, Fiji, Tokelau and Tuvalu. As a result of our work with partners in the Pacific community, many of the language week initiatives have been supported by local schools, tertiary providers, work places, libraries, museums, early childhood centres, local and national radio programmes and non-government organisations. A key highlight has been the Education Resource for Samoan Language Week developed in partnership with Te Papa and other organisations and community groups. The resource responded to requests from schools and communities for more tools to help teach Gagana Samoa¹¹ to encourage participation in Samoan Language Week. Future work will include the development of the Education Resource for other Language Weeks.

The Ministry has also worked with the ASB Polyfest Trust to support the ASB Polyfest in Auckland which promotes and celebrates Pacific culture, identity and language through performance.

The Ministry and the Department of Internal Affairs agreed to work in partnership, to provide tailored workshops to the Ministry's seven Pacific language lead groups. The workshops will be designed to build their funding and access capability to enable a 'funding ready' status. This will support the capacity and capability of these groups. These workshops will be delivered throughout the 2016-17 year as part of the Ministry's community engagement work.

Work continued with helping Pacific communities to commemorate and acknowledge the sacrifices their ancestors made during World War I and II. A highlight this year was having the Ode of Remembrance translated and read in Niuean during the Niuean Language week. The Ministry will continue supporting this work through the centennial commemorations of World War I and II.

Research/Statistical report on Contemporary Pacific peoples in New Zealand

The report provides a point of reference about the Pacific community. It captures insights into current social and economic status of the Pacific population and is expected to provide valuable information for policy makers and other key stakeholders.

Other Work

In addition to work on our results areas, we have also worked closely with other government agencies and organisations, recognising the importance of maintaining strong relationships.

The Ministry worked closely with the Ministry of Foreign Affairs and Trade (MFAT) to support Pacific families and communities affected by Cyclone Winston in Tonga and Fiji. Our work has included sharing information and co-ordinating the relief efforts from Pacific communities in New Zealand.

11. Source: Te Papa Museum - <https://www.tepapa.govt.nz/learn/for-educators/teaching-resources/samoan-language-week-resource>



The Ministry has been a member of the Emergency Taskforce for Disasters – Pacific Taskforce for Disasters – Pacific cyclone season providing advice and support to the Taskforce.

We recognise the importance of ensuring that Pacific communities are aware of their consumer rights. The Ministry provided advice and support to the Commerce Commission on an education and awareness campaign targeting Pacific communities. The animated series utilised Pacific characters and situations that related to consumer rights¹²

In 2015-16, the Ministry changed its name and visual identity to reflect the new and changing story of Pacific New Zealand. The new name emphasises to the community and to the wider New Zealand that the Ministry is centred on improving the lives of successful Pacific peoples in New Zealand.

The Ministry established a new English name and a new Māori name – the Ministry for Pacific Peoples – *Te Manatū Māori mō Ngā Iwi o te Moana-nui-ā-Kiwa*. This name captures the people we work for and highlights it is the people that are the Ministry's focus.

The Ministry took an alternative approach to its rebranding design by working with design students rather than a design agency. The approach, in-line with the Ministry's vision of more successful Pacific peoples, gave the students a real-world experience, show casing their talent, for career advancement in the future.

12. See <http://tv.comcom.govt.nz/>

PART FOUR: Transforming Our Organisational Culture and Capability

During 2015 the Ministry continued the journey of refining its operating model still focussing on the aim of becoming more flexible and a tech savvy workforce.

We continue to have:

- an increased focus on building and leveraging key partnerships and relationships;
- greater integration between the Ministry's community focused teams (the regional partnerships team) and its policy function; and
- improving access to and engagement with Pacific communities.

Over the past year, we completed a significant rebuild of our IT infrastructure to enable our operating model. We wanted to give staff the necessary tools they needed to do their work from any location and at any time; making us more accessible to our communities and government partners. As part of this rebuild we've also reviewed our policies and processes to streamline our procedures. Key to these changes is ensuring that we are thinking smart about how we effectively use our information to inform our advice to government agencies.

Running in unison with our IT rebuild was a comprehensive change programme. We engaged staff to build and tailor our IT tools to meet our needs. Over the next year we will focus on embedding the behaviours needed to support the investment we've made and ensure we get the fullest capability from the systems we've put in place.

Our Staff, Our Focus

Staff engagement is a priority and we continue to focus on developing our people and ensure they feel supported in their work. We have done a lot over the last year to enable a mobile and agile workforce. Flexible working arrangements as well as a range of enabling technologies means our people can work from any location.

As part of our ongoing commitment to leadership, we aim to be in a place where Pacific talent can be nurtured and developed. We strive to build our pool of champions, who through our work will have an intricate understanding of the issues, challenges, opportunities and aspirations of successful Pacific peoples both now and in the future.

Over the next year, our key focus will be ensuring the systems and capabilities particularly in our policy and regional partnership teams; fully enable us to leverage the rich community engagement information we receive to inform our advice to government partners. As part of our plan to take that next lift in effectiveness and impact; we will also have a focus on developing stakeholder relationships, contract and vendor management. We will also focus on lifting the technology IQ of our people to work smarter in driving our policy and community development work programme.

We continue to be an employer who supports a diverse workforce. This includes providing a safe workplace where we actively monitor our safety risks. As a place of work we have low levels of work-related accidents and injuries and continue to offer our people a range of supports for their wellbeing.

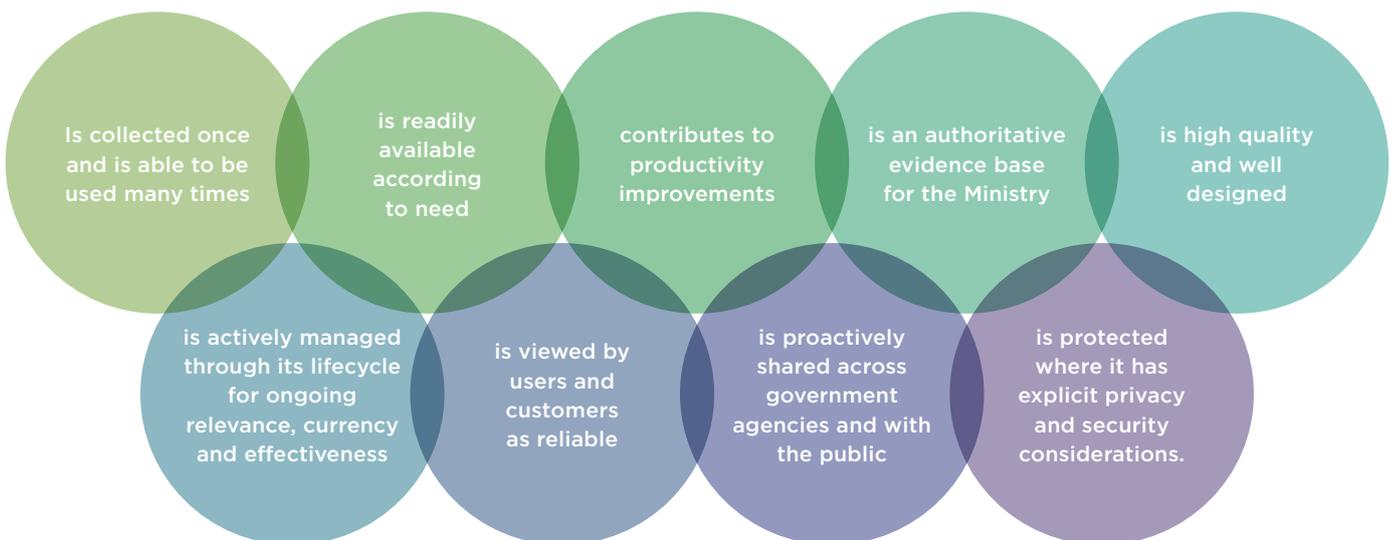


Our Kupenga Programme

Through our Kupenga programme we are looking to create an integrated set of software and human systems that together record, curate, and make accessible the Ministry’s knowledge. The cornerstone of the Kupenga programme is the implementation of an Enterprise Content Management (ECM) solution with electronic records management functionality. We have called our ECM Vaka Puna.

Through our ECM we’ve created a core repository for the collection, storage, sharing, and disposal of our information. Staff would have access to this repository from any location, at any time, enabling them to work in the community, in the regions and in the shared office environments with other government partners.

Our aim with our ECM was to be more efficient and smarter in how we use our information to support our work. Our information is a strategic asset and how we treat it needs to enable the following:



We’ve also refreshed our Ministry brand. We wanted it to reflect our emerging, diverse and growing Pacific communities in New Zealand. To reflect our new look we took the opportunity to update our website and intranet which are our key platforms in engaging effectively with staff and the public.

PART FIVE: Statement of Responsibility and Audit Report

Statement of Responsibility

I am responsible, as Chief Executive of the Ministry for Pacific Peoples (the Ministry), for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that is included in this annual report
- accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the annual report.

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2016 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2017 and its operations for the year ended on that date.



Pauline A Winter

Chief Executive

30 September 2016



Independent Auditor's Report

To the readers of the Ministry for Pacific Peoples' annual report for the year ended 30 June 2016

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

The Auditor-General is the auditor of Ministry for Pacific Peoples (the Ministry). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf of:

- the financial statements of the Ministry on pages 31 to 54, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2016 on pages 10 to 17 and 24 to 29;
- the statement of departmental expenses and capital expenditure against appropriations and the statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority of the Ministry for the year ended 30 June 2016 on pages 52 to 54; and
- the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 49 to 51 that comprise:
 - o the schedules of assets, liabilities, commitments, and contingent liabilities and assets as at 30 June 2016; and
 - o the schedules of income, expenses and capital receipts for the year ended 30 June 2016; and
 - o the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
 - o present fairly, in all material respects:
- its financial position as at 30 June 2016; and
- its financial performance and cash flows for the year ended on that date;
 - o comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- performance information of the Ministry:
 - o presents fairly, in all material respects, for the year ended 30 June 2016:
- what has been achieved with the appropriation; and
- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure;
 - o complies with generally accepted accounting practice in New Zealand.



- the statements of departmental expenses and capital expenditure against appropriations of the Ministry on pages 49 to 51 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 49 to 51 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - o the assets, liabilities, commitments, and contingent liabilities and assets as at 30 June 2016; and
 - o the income, expenses and capital receipts for the year ended 30 June 2016.

Our audit was completed on 30 September 2016. 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 information we audited is 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 information we audited. 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 information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Ministry's preparation of the information we audited 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 performance information within the Ministry's framework for reporting performance;
- the adequacy of the disclosures in the information we audited; and
- the overall presentation of the information we audited.

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

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 that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

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

The Chief Executive is responsible for such internal control as is determined is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Chief Executive is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

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.

Ajay Sharma

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

PART SIX:

Statement of Service Performance

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.

An overview of the Ministry's performance against the departmental output expense appropriation: 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, 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.



EXPENDITURE AFTER RE-MEASUREMENTS		EXPENDITURE BEFORE RE-MEASUREMENTS	RE-MEASUREMENTS ¹³	EXPENDITURE AFTER RE-MEASUREMENTS	APPROVED APPROPRIATION ¹⁴
30 June 2015		30 June 2016	30 June 2016	30 June 2016	30 June 2016
\$000		\$000	\$000	\$000	\$000
	DEPARTMENTAL OUTPUT EXPENSES				
	Policy Advice and Ministerial Services MCA				
5,130	<i>Communications, Projects & Relationships</i>	4,646	5	4,651	4,788
1,447	<i>Policy Advice</i>	1,898	2	1,900	1,975
6,577	Total departmental output expenses	6,544	7	6,551	6,763

How performance will be assessed for this appropriation

ASSESSMENT OF PERFORMANCE	2015/16 BUDGET STANDARD (TARGET)	2014/15 ACTUAL STANDARD RESULTS	TARGET MET	2015/16 ACTUAL RESULTS
Performance of the MCA as a whole will be assessed with reference to the measures in place for each category within the MCA	100% of the category measures achieved	83%	No	69%

13. Re-measurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Re-measurements do not require an appropriation. The re-measurements shown above are the result of changes to discount rates used in the valuation of Ministry employee entitlements.

14. These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the Public Finance Act 1989.



	2015/16 BUDGET STANDARD (TARGET)	2014/15 ACTUAL STANDARD RESULTS	TARGET MET	2015/16 ACTUAL RESULTS	NOTES
POLICY ADVICE					
Cost of policy advice per output hour	At most \$130	\$125	Yes	\$124	The actual result is the utilisation of policy output hours against policy resource.
Technical quality of policy advice is delivered in accordance with agreed quality criteria assessed by an independent review.	At least 70%	7.3	No	6.9	NZIER-based assessment on a scale of 5-9. The following interpretation is applied to NZIER's assessment: 5 - Poor; 6 - Borderline; 7 - Adequate; 8 - Good; 9+ Excellent.
Ministerial satisfaction with the policy advice service, as per the common satisfaction survey as rated on a scale of 1 (extremely dissatisfied) - 10 (extremely satisfied).	At least 7 or better	5.5	Yes	7	
RELATIONSHIP AND INFORMATION SHARING WITH COMMUNITIES					
Number of public events with Pacific communities	30-50	125	Yes	135	
Stakeholder satisfaction with quality of MPP's stakeholder engagement as rated on a scale of 1 (extremely dissatisfied) - 10 (extremely satisfied)	Average of all results will be 6 or better	7.9	Yes	7.6	Weighted average from 15 responses across community group surveys.
Stakeholder agency satisfaction with the effectiveness of MPP's facilitation and engagement of community-led forums as rated on a scale of 1 (extremely dissatisfied) - 10 (extremely satisfied).	Average of all results will be 6 or better	7.8	Yes	6.7	Based on surveying a sample of agencies including; Ministry of Social Development, Ministry of Education, Department of Internal Affairs, New Zealand Qualifications Authority



	2015/16 BUDGET STANDARD (TARGET)	2014/15 ACTUAL STANDARD RESULTS	TARGET MET	2015/16 ACTUAL RESULTS	NOTES
MINISTERIAL SERVICING					
Proportion of replies to Ministerial, Official Information Act (OIA) requests delivered within the required timeframe	95%	New measurement	No	80%	
Proportion of replies to Parliamentary questions delivered within the required timeframe	95%	New measurement	Yes	100%	
Proportion of replies to Select Committee Questions within the required timeframe	95%	New measurement	Yes	100%	
Briefings delivered within the required timeframe	95%	New measurement	No	90%	
Speech notes delivered within the required timeframe	95%	New measurement	No	80%	
NOMINATION SERVICING					
Number of nominees put forward for governance positions across the state sector.	30	55	Yes	37	
Number of nominees put forward for Queens Birthday and New Year's Honours.	10	New measure	Yes	QBH = 9 NYH = 11	20 nominations in total put forward to Ministers office for consideration
DEMONSTRATION OF INNOVATIVE IDEAS					
Number of workshops run on the Pacific Analysis Framework.	5	Not measured	Not measured	Not measured	It was agreed with Minister Lotu-liga to defer this work until 2016/17 due to competing priorities

Note: MPP = Ministry for Pacific Peoples; NZIER = New Zealand Institute of Economic Research.

The performance measures contained in this table are those reported in the 2015/16 Information Supporting the Estimates



An Overview of the Ministry's Performance Against the Departmental Capital Expenditure Appropriation and Capital Injections: Ministry for Pacific Peoples - Capital Expenditure PLA

The scope of the appropriation is outlined below.

This appropriation is limited to the purchase or development of assets by, and for the use of, the Ministry for Pacific Peoples, as authorised by section 24(1) of the Public Finance Act 1989.

EXPENDITURE		EXPENDITURE		APPROVED APPROPRIATION ¹⁵	
30 June 2015		30 June 2016		30 June 2016	
\$000		\$000		\$000	
93	Ministry for Pacific Peoples - Capital Expenditure PLA	530		650	

The Ministry also received a capital injection of \$322,000

ASSESSMENT OF PERFORMANCE	2015/16 BUDGET STANDARD TARGET)	2014/15 ACTUAL STANDARD RESULTS	TARGET MET	2015/16 ACTUAL RESULTS	UNAUDITED 2016/17 FORECAST
Expenditure in accordance with the Ministry's Capital Plan for the year	100%	100%	Yes	100%	100%

15. These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the Public Finance Act 1989.



An Overview of the Ministry's Performance Against the Non-departmental output expense Appropriation: Skills, Training and Employment

EXPENDITURE		APPROVED APPROPRIATION ¹⁵	
30 June 2015		30 June 2016	
\$000		\$000	
631	Skills, Training and Employment	50	50

The scope of the appropriation is outlined below.

This appropriation is limited to the purchase of services from third party providers to support improved education, skill development and entrepreneurship of Pacific Peoples in Auckland.

How Performance will be assessed and End of Year Reporting Requirements

ASSESSMENT OF PERFORMANCE	2015/16 BUDGET STANDARD (TARGET)	2014/15 ACTUAL STANDARD RESULTS	TARGET MET	2015/16 ACTUAL RESULTS
Adherence to the performance requirements agreed with the Polyfest Trust	100%	New measure	Yes	100%

15. These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the Public Finance Act 1989.



PART SEVEN: Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2016

ACTUAL 30 JUNE 2015			ACTUAL 30 JUNE 2016	UNAUDITED BUDGET 30 JUNE 2016	UNAUDITED FORECAST 30 JUNE 2017
\$000		NOTES	\$000	\$000	\$000
	Revenue				
6,998	Revenue Crown		6,763	6,329	7,004
83	Departmental revenue	2	14	-	-
72	Other revenue	2	31	-	-
7,153	Total revenue		6,808	6,329	7,004
	Expenditure				
3,780	Personnel costs	3	4,297	4,025	4,192
2,700	Operating costs	4	2,137	2,152	2,600
36	Depreciation and amortisation	7,8	53	70	130
64	Capital charge	5	64	80	82
6,580	Total expenditure		6,551	6,329	7,004
573	Surplus/(deficit)		257	-	-
-	Other comprehensive revenue and expense		-	-	-
573	Total comprehensive revenue and expense		257	-	-

Explanations of significant variances against budget are detailed in Note 15.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2016

ACTUAL 30 JUNE 2015 \$000		NOTES	ACTUAL 30 JUNE 2016 \$000	UNAUDITED BUDGET 30 JUNE 2016 \$000	UNAUDITED FORECAST 30 JUNE 2017 \$000
	ASSETS				
	Current assets				
1,924	Cash and cash equivalents		1,450	1,435	1,046
48	Debtors and other receivables	6	18	23	170
35	Prepayments		17	-	35
2,007	Total current assets		1,485	1,480	1,251
	Non-current assets				
142	Property, plant and equipment	7	228	223	210
-	Intangible assets	8	391	66	540
142	Total non-current assets		619	289	750
2,149	Total assets		2,104	1,769	2,001
	LIABILITIES & TAXPAYERS FUNDS				
	Current liabilities				
576	Creditors and other payables	9	444	746	679
573	Return of operating surplus	10	257	-	-
135	Employee entitlements	11	216	146	135
1,284	Total current liabilities		917	892	814
	Non-current liabilities				
59	Employee entitlements	11	59	71	59
59	Total non-current liabilities		59	71	59
1,343	Total liabilities		976	963	873
	Taxpayers funds				
806	Taxpayers' funds		1,128	806	1,128
806	Total taxpayers' funds		1,128	806	1,128
2,149	Total liabilities and taxpayers funds		2,104	1,769	2,001

Explanations of significant variances against budget are detailed in Note 15.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2016

ACTUAL 30 JUNE 2015			ACTUAL 30 JUNE 2016	UNAUDITED BUDGET 30 JUNE 2016	UNAUDITED FORECAST 30 JUNE 2017
\$000		NOTES	\$000	\$000	\$000
806	Equity as at 1 July		806	806	1,128
573	Total comprehensive revenue and expense		257	-	-
(573)	Return of operating surplus to the Crown	10	(257)	-	-
-	Capital contribution from the Crown		322	-	-
806	Equity as at 30 June		1,128	806	1,128

Explanations of significant variances against budget are detailed in Note 15.

The accompanying notes form part of these financial statements.



Statement of Cash Flows

For the year ended 30 June 2016

ACTUAL 30 JUNE 2015		NOTES	ACTUAL 30 JUNE 2016	UNAUDITED BUDGET 30 JUNE 2016	UNAUDITED FORECAST 30 JUNE 2017
\$000			\$000	\$000	\$000
	CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash was provided from:				
6,998	Receipts from the Crown		6,763	6,329	7,004
58	Receipts from other departments		14	-	-
72	Receipts from others		61	-	-
-	Goods and services tax		13	-	-
7,128	Total cash flows from operating activities		6,851	6,329	7,004
	Cash was applied to:				
(3,821)	Payments to employees		(4,216)	(4,025)	(4,192)
(3,305)	Payments to suppliers		(2,264)	(2,131)	(2,600)
(64)	Payment for capital charge		(64)	(82)	(82)
(16)	Goods and services tax		-	-	-
(7,206)	Total cash applied for operating activities		(6,544)	(6,238)	(6,874)
(78)	Net cash flows from operating activities		307	91	130
	CASH FLOWS FROM INVESTING ACTIVITIES				
	Cash was applied to:				
-	Purchase of intangible assets		(396)	-	(114)
(93)	Purchase of property, plant and equipment		(134)	(15)	-
(93)	Net cash flows from investing activities		(530)	(15)	(114)
	CASH FLOWS FROM FINANCING ACTIVITIES				
	Cash was provided from:				
	Capital Injections		322	-	-
	Cash was applied to:				
-	Return of operating surplus		(573)	-	-
	Net cash flows from financing activities		(251)	-	-
(171)	Net increase/(decrease) in cash held		(474)	76	16
2,095	Cash as at 1 July		1,924	1,359	1,450
1,924	Closing cash as at 30 June		1,450	1,435	1,466

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue. The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial reporting purposes. Explanations of significant variances against budget are detailed in Note 15.

The accompanying notes form part of these financial statements.

Statement of Commitments

As at 30 June 2016

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

Non-cancellable operating lease commitments

The Ministry leases property in the normal course of its business. The majority of these leases are for premises that have a non-cancellable leasing period ranging from 1 to 8 years, with regular rent reviews.

The Ministry's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights.

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

ACTUAL 30 JUNE 2015 \$000		NOTES	ACTUAL 30 JUNE 2016 \$000
	Capital commitments		-
	Buildings		-
	Motor Vehicles		-
	Intangible assets		53
	Total capital commitments		53
	Non-cancellable operating lease commitments	12	
228	Not later than one year		222
22	Later than one year and not later than five years		299
	Later than five years		-
250	Total non-cancellable operating lease commitments		521

The accompanying notes form part of these financial statements

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2016

The Ministry for Pacific Peoples has no contingent liabilities or contingent assets as at 30 June 2016 (2015: nil).

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1 | Statement of accounting policies for the year ended 30 June 2016

Reporting Entity

The Ministry for Pacific Peoples (the Ministry) is a government department as defined by section 2 of the Public Finance Act 1989 and is domiciled in New Zealand. These financial statements have been prepared pursuant to section 45B of the Public Finance Act 1989. The Ministry's ultimate parent is the Crown.

The primary objective of the Ministry is to provide services to the public rather than making a financial return. Accordingly, the Ministry has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Ministry are for the year ended 30 June 2016 and were authorised for issue by the Chief Executive of the Ministry on 30 September 2016.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

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.

The Ministry's total annual expenditure is less than \$30 million, so it qualifies for classification as a Tier 2 reporting entity. As a Tier 2 reporting entity the Ministry is able to apply Reduced Disclosure Requirements Public Benefit Entity Accounting Standards (Tier 2 PBE Standards). The financial statements have been prepared in accordance with Tier 2 PBE Standards and comply with PBE accounting standards.

Presentation Currency and Rounding

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

Measurement Base

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

Changes in Accounting Policy

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Significant Accounting Policies

Revenue Recognition

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

Revenue Crown

Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes in to account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can only incur expenses within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Revenue From Non-exchange Transactions

Revenue from non-exchange transactions are those transactions where an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

For the Ministry, these revenue non-exchange transactions are non-prevalent. In the event of any future non-exchange revenue transactions, the Ministry will recognise these transactions as non-exchange revenues when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.

Revenue from Exchange Transactions

Revenue from exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange.

Departmental and other revenue are from the supply of goods and services to other government departments and third parties.

Capital Charge

The capital charge is recognised as an expense in the period to which the charge relates.

Leases

Finance Leases

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

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Ministry will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

The Ministry has exercised its judgement on the appropriate classification of equipment leases and has determined that no finance leases exist.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Leasehold improvements are capitalised, and the cost is amortised over the unexpired period

of the lease or the estimated useful life of the improvements, whichever is shorter.

Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held on call with banks.

The Ministry is only permitted to expend cash and cash equivalents within the scope of and limits of its appropriations.

Property, Plant and Equipment

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

All assets classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

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

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its 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 charged to the surplus or deficit in the period that the asset is disposed of.

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.

Asset Capitalisation

Property, plant and equipment are initially recorded at cost of purchase.

These are capitalised:

- if purchased individually and the cost price is greater than \$3,000
- if purchased as a group and the combined value is greater than \$3,000.

Capital work in progress is recognised as costs are incurred. Depreciation is not recorded until the asset is fully acceptance tested, operational and capitalised.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, 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 property, plant and equipment have been estimated as follows:

ASSET CATEGORY	ASSET LIFE
Furniture and fittings	8 years
Office equipment	3 to 5 years
Motor vehicles	4 to 5 years
EDP equipment	3 to 4 years

Leasehold improvements are 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 at each financial year end and adjusted, if applicable.

Intangible Assets

Intangible assets are initially recorded at acquisition costs plus any costs incurred to bring the asset in to use. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only.

All maintenance and training costs associated with intangible assets are expensed when incurred.

Intangible assets with finite lives are recorded at cost, less any amortisation and impairment losses. Amortisation is charged to the surplus or deficit on a straight-line basis over the useful life of the asset.

Estimated useful lives are:

ASSET CATEGORY	ASSET LIFE
Acquired software	3.5 years
Internally generated software	7 years

Impairment of Property, Plant, and Equipment and Intangible Assets

The Ministry does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return. The carrying amounts of property, plant and equipment and intangible assets are reviewed whenever events or changes in circumstances indicate impairment.

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 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 leave, retiring 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 performance payments 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

Employee benefits that are due to be settled beyond 12 months after the end of the reporting period in which the employee renders the related service, such as long-service leave and retiring leave, are calculated on an actuarial basis, using a model provided by The Treasury. The calculations are based on:

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

The following discount rates were used:

	30 JUNE 2016	30 JUNE 2015
Year 1	2.12%	2.93%
Year 2	1.95%	2.81%
Year 3	3.13%	4.39%

- A salary inflation factor of 1.5% (3.0% 2015) 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.

Presentation of Employee Entitlements

Sick leave, annual leave, vested and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation Schemes

Obligations for contributions to the State Sector Retirement Saving Schemes, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit as incurred.



Provisions

The Ministry recognises a provision for future expenditure of uncertain amount and timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

Contingent Liabilities and Contingent Assets

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

Equity

Equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities. Equity is classified as taxpayers' funds.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered in to at balance date. Information on non-cancellable capital and lease commitments are reported in the statement of commitments.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are reported in the statement of commitments at the lower of the remaining contractual commitment and the value of those penalty or exit costs (i.e. the minimum future payment).

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 owed to or from the Inland Revenue Department at balance date is shown as a current asset or current liability as appropriate in the statement of financial position.

The net amount of GST paid to or received from the Inland Revenue Department, including GST relating to investment activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Government departments are exempt from income tax as public authorities. Accordingly, no charge for income tax has been provided for.

Statement of Cost Allocation Policies

The Ministry derives the costs of outputs using a cost allocation system outlined below.

Direct costs are those costs that can be 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 an output classes. Indirect costs are allocated to output classes based on cost drivers, and related activity or usage information.

Critical Accounting Estimates and Assumptions

In preparing these financial statements the Ministry has made estimates and assumptions about 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 in the circumstances. The estimates and assumptions that have a risk of causing an adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Useful life of software

The useful life of software is determined at the time the software is acquired and brought in to use. This is then reviewed at each reporting date for appropriateness. For computer software licences, the useful life represents management's view of the expected period over which the Ministry will receive benefits from the software, but not exceed the licence term. For internally generated software developed by the Ministry, the life is based on historical experience with similar systems as well as anticipation of future events, which may impact their useful life, such as changes in technology.

Retiring and Long Service Leave

An analysis of the exposure in relation to estimates and uncertainties surrounding retiring and long service leave liabilities is disclosed in note 11.

Budget and Forecast Figures

Basis of the Budget and Forecast Figures

The 2016 budget figures are for the year ended 30 June 2016 and were published in the 2014/15 Annual Report. They are consistent with the Ministry's best estimate financial forecast information submitted to Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ended 2015/16.



The 2017 forecast figures are for the year ended 30 June 2017, which are consistent with the best estimate financial information submitted to Treasury for BEFU for the year ended 2016/17.

The forecast financial statements have been prepared as requested by the PFA to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2017 forecast figures have been prepared in accordance with, and comply with, (PBE FRS 42)

Prospective Financial Statements

The forecast financial statements were approved for issue by the Chief Executive on 4 April 2016. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions made in their preparation and all other required disclosures.

While the Ministry regularly updates its forecasts, updated financial statements for the year ended 30 June 2017 will not be published.

Significant Assumptions Used in Preparing the Forecast Financial Statements

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions on what may occur during the 2016/17 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the main estimates were finalised.

The main assumptions, which were adopted as at 4 April 2016, were as follows:

- the activities of the Ministry will remain substantially the same as for the previous year;
- personnel costs are based on 42 staff positions;
- operating costs are based on historical experience. [the general historical pattern is expected to continue]; and
- estimated year end information for 2015/16 was used as the opening position for the 2016/17 forecast.

The actual financial results achieved for 30 June 2017 are likely to vary from the forecast information presented, and the variations may be material.

Note 2 | Other Revenue (Exchange Transactions)

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
83	Revenue from other agencies	14
72	Other revenue	31

Revenue from other agencies relates to Ministry staff members that have been seconded. Other revenue primarily relates to funding received by the Ministry to assist with joint initiatives or events.

Note 3 | Personnel Costs

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
3,713	Salaries and wages	4,115
84	Employer contributions to defined contribution plans	83
(24)	Increase/(decrease) in employee entitlements	76
(8)	Redundancy	-
15	Other	23
3,780	Total personnel costs	4,297

Employer contributions to defined contribution plans include contributions to KiwiSaver and the State Sector Retirement Savings Schemes.

Note 4 | Operating Costs

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000	UNAUDITED FORECAST 30 JUNE 2017 \$000
60	Audit fees for financial statements audit	62	62
483	Operating lease payments	507	570
138	Maintenance and minor capital purchases	1	-
198	Travel	203	200
59	Conferences and training	68	65
1,046	Consultancy and professional fees	300	800
103	Legal fees	19	25
109	Office operating costs	98	100
504	Other operating costs	879	704
2,700	Total operating expenses	2,137	2,526

Note 5 | Capital Charge

The Ministry pays a capital charge to the Crown on its equity as at 31 December and 30 June each year. The capital charge rate for the year ended 30 June 2016 was 8.00 % (2014/15: 8.00 %).

Note 6 | Debtors and Other Receivables

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
	Debtors & other receivables under exchange transactions	
48	Trade debtors	18
48	Total debtors and other receivables	18

The carrying value of trade debtors approximates their fair value. As at 30 June 2016, all overdue receivables have been assessed and we are not deemed to be impaired.

Note 7 | Property, Plant and Equipment

	LEASEHOLD IMPROVEMENTS \$000	EDP EQUIPMENT \$000	FURNITURE / OFFICE EQUIPMENT \$000	MOTOR VEHICLES \$000	TOTAL \$000
COST					
Balance at 1 July 2014	371	206	211	95	883
Balance at 30 June 2015	371	206	231	169	977
Balance at 1 July 2015	371	206	231	169	977
Additions	-	65	47	22	134
Disposals	-	-	-	-	-
Balance at 30 June 2016	371	271	278	191	1,111
ACCUMULATED DEPRECIATED					
Balance at 1 July 2014	371	199	204	31	805
Balance at 30 June 2015	371	203	209	52	835
Balance at 1 July 2015	371	203	209	52	835
Depreciation expense	0	11	10	27	48
Balance at 30 June 2016	371	214	219	79	883
CARRYING AMOUNT					
At 1 July 2014	-	7	7	64	78
At 30 June & 1 July 2015	-	3	22	117	142
At 30 June 2016	-	57	59	112	228

Note 8 | Intangible Assets

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

	ACQUIRED SOFTWARE 30 JUNE 2015	ACTUAL 30 JUNE 2016
	\$000	\$000
COST		
Balance at 1 July 2014	178	178
Balance at 30 June 2015	178	178
Balance at 1 July 2015	178	178
Additions	396	396
Disposals	-	-
Balance at 30 June 2016	574	574
ACCUMULATED DEPRECIATION		
Balance at 1 July 2014	172	172
Balance at 30 June 2015	178	178
Balance at 1 July 2015	178	178
Depreciation expense	5	5
Balance at 30 June 2016	183	183
CARRYING AMOUNT		
At 1 July 2014	6	6
At 30 June & 1 July 2015	-	-
At 30 June 2016	391	391

Note 9 | Creditors and Other Payables

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
	Current liabilities under exchange transactions	
317	Creditors	152
125	Accrued expenses	154
	Current liabilities under non-exchange transactions	
-	Provision for redundancy costs	-
95	Taxes payable	82
-	Superannuation schemes	-
14	ACC payable	15
25	Creditor Crown	41
576	Total creditors and other payables	444

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

Note 10 | Return of Operating Surplus

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
573	Net surplus/(deficit)	257
573	Total return of operating surplus	257

The net operating surplus from the delivery of outputs must be repaid by 31 October of each year.

Note 11 | Employee Entitlements

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
	Current liabilities	
101	Annual leave	182
-	Performance payments	-
26	Sick leave	26
8	Long-service leave	8
135	Total current liabilities	216
	Non-current liabilities	
59	Long-service and retiring leave	59
59	Total non-current liabilities	59
194	Total provision for employee entitlements	275

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

Provisions for and long-service leave and retiring leave are calculated on an actuarial basis based on the present value of expected future entitlements. The rates are advised to the Ministry from The Treasury. Refer to Note 1 for details of these rates.

Changes in the liability due to changes in rates are outlined below:

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
3	Re-measurement	7

Note 12 | Commitments

The Ministry has moved out its Christchurch office and is presently participating in a government property co-location arrangement under the lead of Statistics NZ. A co-location agreement is being negotiated.

The Ministry had no non-cancellable operating lease commitments in respect of Christchurch office accommodation at balance date.

Note 13 | Categories of Financial Instruments

The carrying amounts of financial assets and financial liabilities are as follows:

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
	Loans and receivables	
1,924	Cash and cash equivalents	1,450
48	Debtors and other receivables (note 9)	18
1,972	Total loans and receivables	1,468
	Financial liabilities measured at amortised cost	
557	Creditors and other payables (note 10)	444
557	Total financial liabilities measured at amortised cost	444

Note 14 | Related Party Transactions and Key Management Personnel

All related-party transactions have been entered into on an arm's length basis.

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.

Related-party transactions involving key management personnel (or their close family members)

Key management personnel include the Minister for Pacific Peoples, the Chief Executive and the four managerial positions that form the senior leadership team.

The Ministry has not purchased goods and services from key management personnel or their close family members (2014/15: nil).

No provision has been required nor any expense recognised for impairment of receivables from related parties.

Key Management Personnel Compensation

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000
789	Salaries and other short-term employee benefits	929
-	Termination benefits	-
789	Total Key Management Personnel Compensation	929
5	Full-time equivalent staff	5

The above key management personnel compensation excludes the remuneration and other benefits the Minister for Pacific Peoples receives. Ministers' remuneration and other benefits are not received only for their role as members of key management personnel of the Ministry. Ministers' remuneration and

other benefits are set by the Members of Parliament (Remuneration and Services) Act 2013, and are paid under Permanent Legislative Authority, but not by the Ministry for Pacific Peoples. There were no related party transactions with the Minister for Pacific Peoples.

Note 15 | Budget Variation

Explanations for major variances from the Ministry's budgeted figures in the *Information Supporting the Estimates of Appropriations* are as follows:

Statement of Comprehensive Revenue and Expense

Crown revenue was \$39,000 higher than budget due to sponsorship for the Prime Minister's Pacific Youth Awards not being known when budgets were set.

Expenditure was below budget by \$218,000. This was mainly due to operating costs of \$100,000 related to the Kupenga Enterprise Content Management System being transferred to 2016-2017. The Ministry has received ministerial approval for an in-principle expense transfer from 2015-2016 to 2016-2017 for this \$100,000 and intends to seek the transfer in October.

Statement of Financial Position

Cash and Cash Equivalents

Cash and cash equivalents were \$420,000 higher than budgeted. Cash flows from operating activities were \$286,000 higher than budgeted and capital expenditure was \$134,000 lower than budgeted.

Property, Plant and Equipment and Intangible Assets

Total property, plant and equipment and intangible assets were \$134,000 lower than budgeted due to timing changes in the Ministry's capital investment programme.

Employee Entitlements

Employee entitlements were \$81,000 higher than budgeted due to a number of staff with entitlements due deferring their taking of the entitlements.

Statement of Cash Flows

Net outward cash flows from the Ministry were \$420,000 lower than budget due to timing changes in the Ministry's capital investment programme and due to operating expenditure being lower than budgeted.

Note 16 | Events After the Balance Sheet Date

There have been no significant events after balance date.

Non-Departmental Statements and Schedules

For the year ended 30 June 2016

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

Schedule of Non-Departmental Income

For the year ended 30 June 2016

There is no revenue at 30 June 2016 (2015: nil).

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2016

There are no capital receipts at 30 June 2016 (2015: nil).

Schedule of Non-Departmental Expenses

For the year ended 30 June 2016

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000	UNAUDITED FORECAST 30 JUNE 2017 \$000
	Non-Departmental Expenses		
1,853	Grants paid to 3rd parties	1,567	1,646
108	Social assistance benefits	203	208
160	GST on Crown expenses	278	278
2,121	Total Non-Departmental Expenses	2,048	2,132

The accompanying notes form part of these financial statements.

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 2016.

Schedule of Non-Departmental Assets

As at 30 June 2016

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000	UNAUDITED FORECAST 30 JUNE 2017 \$000
	Non-Departmental Assets		
997	Bank	910	702

The accompanying notes form part of these financial statements.

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 2016.

Schedule of Non-Departmental Liabilities

As at 30 June 2016

ACTUAL 30 JUNE 2015 \$000		ACTUAL 30 JUNE 2016 \$000	UNAUDITED FORECAST 30 JUNE 2017 \$000
	Non-Departmental Liabilities		
295	Due to PESS Providers/Consultants	86	50

The accompanying notes form part of these financial statements.

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 2016.

Schedule of Non-Departmental Commitments

As at 30 June 2016

There are no Non-Departmental Commitments at 30 June 2016 (2015: nil).

Schedule of Non-Departmental Contingent Liabilities & Contingent Assets

As at 30 June 2016

There are no contingent liabilities or assets as at 30 June 2016 (2015: nil).

Notes to the Non-Departmental Financial Statements and Schedules

Note 1 | Statement of significant accounting policies for the year ended 30 June 2016

Reporting Entity

These non-departmental schedules and statements present financial information on public funds managed by the Ministry on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2016. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government.

Basis of Presentation

Statement of Compliance

The non-departmental statements and schedules 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 schedules and statements are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Sector Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

Presentation Currency and Rounding

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

Measurement Base

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

Significant Accounting Policies

The non-departmental accounts have been prepared using the same significant accounting policies as outlined in Note 1 of the departmental accounts.

Note 2 | Budget Variation

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

Schedule of Non-Departmental Expenses

Expenditure on grants paid to 3rd parties was \$79,000 lower than budgeted. This was mainly due to lower than expected expenditure on the Pacific Business Trust programme. This contract was performance based from the 1st May 2016, with a component at risk if agreed outcomes were not yet achieved by agreed milestone dates.

Schedule of Non-Departmental Assets and Schedule of Non-Departmental Liabilities

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

The following statements report information about the expenses and capital expenditure against each appropriation administered by the Ministry for the year ended 30 June 2016.

PART EIGHT:

Appropriation Statements

Statement of Departmental Expenses and Capital Expenditure Against Appropriations

For the year ended 30 June 2016

EXPENDITURE AFTER RE-MEASUREMENTS 30 JUNE 2015 \$000		EXPENDITURE BEFORE RE-MEASUREMENTS 30 JUNE 2016 \$000	RE-MEASUREMENTS ¹⁶ 30 JUNE 2016 \$000	EXPENDITURE AFTER RE-MEASUREMENTS 30 JUNE 2016 \$000	APPROVED APPROPRIATION ¹⁷ 30 JUNE 2016 \$000	LOCATION OF END-OF-YEAR PERFORMANCE INFORMATION ¹⁸ 30 JUNE 2016 \$000
	DEPARTMENTAL OUTPUT EXPENSES					
	Policy Advice and Ministerial Services MCA					
5,130	<i>Communications, Projects & Relationships</i>	4,646	5	4,651	4,788	(a)
1,447	<i>Policy Advice</i>	1,898	2	1,900	1,975	(a)
6,577	Total departmental output expenses	6,544	7	6,551	6,763	
	DEPARTMENTAL CAPITAL EXPENDITURE					
93	Ministry for Pacific Peoples - Capital Expenditure PLA	530	-	530	650	(a)
93	Total departmental capital expenditure	530	-	530	650	

16. Re-measurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Re-measurements do not require an appropriation. The re-measurements shown above are the result of changes to discount rates used in the valuation of Ministry employee entitlements. These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the PFA.

17. These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the PFA.

18. The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as detailed below:

- (a) The Ministry's annual report - part 6 Statement of Service Performance
- (b) No reporting due to exemption obtained under section 15D of the PFA.



EXPENDITURE AFTER RE-MEASUREMENTS		EXPENDITURE BEFORE RE-MEASUREMENTS	RE-MEASUREMENTS	EXPENDITURE AFTER RE-MEASUREMENTS	APPROVED APPROPRIATION	LOCATION OF END-OF-YEAR PERFORMANCE INFORMATION
30 JUNE 2015		30 JUNE 2016	30 JUNE 2016	30 JUNE 2016	30 JUNE 2016	30 JUNE 2016
	NON-DEPARTMENTAL OUTPUT EXPENSES					
1,222	Promotions – Business Development	1,517	-	1,517	1,596	(b)
631	Skills Training & Appropriation	50	-	50	50	(a)
1,853	Total non-departmental output expenses	1,567	-	1,567	1,646	
	TOTAL BENEFITS AND OTHER UNREQUITED EXPENSES					
100	Study and Training Awards for Business Development	195	-	195	200	(b)
8	Welfare of Pacific Peoples in New Zealand	8	-	8	8	(b)
108	Total benefits and other unrequited expenses	203	-	203	208	

**Statement of Expenses and Capital Expenditure Incurred
Without, or in Excess of, Appropriation or Other Authority**
For the year ended 30 June 2016

Transfers Under Section 26A of the Public Finance Act 1989

No section 26A transfers were authorised in the year ended 30 June 2016.

Transfers Under Section 26B of the Public Finance Act 1989

No section 26B transfers were authorised in the year ended 30 June 2016.

Expenses and Capital Expenditure in Excess of Appropriation

There were no expenses or capital expenditure incurred in excess of appropriation.

***Expenses and Capital Expenditure Incurred Without Appropriation
or Outside Scope or Period of Appropriation***

There were no expenses or capital expenditure incurred without appropriation or outside scope or period of appropriation.



URE
AR

PARENTS, FAMILIES AND COMMUNITIES

na



