

Annual Report

For Year Ended 30 June 2017



Our vision: *Successful Pacific peoples*

Our mission: *Effecting positive change
for Pacific peoples*

Our values:

Respect – Treat others the way you want to be treated

Excellence – Achieve your best and strive for better

Leadership – Serve and lead by example



Annual Report

For Year Ended 30 June 2017



New Zealand Government





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Part One: Overview

Chief Executive's Overview for the Year

Kia orana, Talofa lava, Mālō e lelei, Fakaalofa lahi atu, Fakatalofa atu, Bula vinaka, Mālō ni, Tēna koutou katoa and warm Pacific greetings to you all.

It is my great pleasure as the new Chief Executive for the Ministry for Pacific Peoples to present our Annual Report for the 2016-17 financial year. This report describes our work towards achieving more successful Pacific peoples in New Zealand. I warmly invite you to take some time to share our journey over the last 12 months.

The Ministry for Pacific Peoples (the Ministry) is the Crown's principal advisor on policies and interventions that improve outcomes for Pacific peoples. We are positioned to help both Pacific communities grow and flourish while promoting Pacific peoples contribution to improved social and economic wellbeing for all New Zealanders.

In the 2013 census, the Pacific population accounted for 7.4 percent of the New Zealand population, up from 6.9 percent in 2006. The Pacific people's population in New Zealand is the youngest, fastest-growing most urbanised population in Aotearoa. It is projected to increase rapidly for some time to come. The median age is 22.1 years compared with 38 years for the total New Zealand population. Approximately 35.6 percent Pacific peoples are under 15 years of age.

The Ministry's vision "Successful Pacific Peoples" places the community and its people at the heart of its work. Over the last 25 years, the Ministry has forged strong relationships with both the community and government.



In the last year we committed to delivering on the priority areas of:

- Education, Qualifications and Skills
- Employment and Entrepreneurship
- Language, Culture and Identity

In 2016-17 we successfully delivered the second year of the Toloa Tertiary Scholarship programme. Eight of Aotearoa's brightest and most inspiring young Pacific students received scholarships. The scholarships of up to \$25,000 each are paid over three years and awarded to Pacific students studying Science, Technology, Engineering and Mathematics (STEM) at a tertiary level. Funding has been received for four years (2016-2020). We are proud to provide Toloa which is the only government-funded programme offering tertiary scholarships specifically targeting Pacific students into STEM studies and career pathways.

After the successful Pacific Employment Support Services (PESS) pilot in 2010-2015 we received an increase in funding of \$4.6 million over four years (2016-2020), to help place Pacific young people in Auckland into jobs or education or training opportunities. We are committed to reducing the number of Pacific young people aged 15-29 years who are Not in Employment, Education or Training (NEET).

We fund and support the seven annual Pacific Language Week Series (Samoa, Cook Islands, Tonga, Niue, Tuvalu, Fiji, Niue and Tokelau). Communities are increasingly taking on a more hands-on role with the Ministry playing a co-ordination role, linking up communities and providing a cohesive series of events and promotional material.

The Prime Minister's Pacific Youth Awards recognise and reward high-achieving young Pacific New Zealanders. The Awards showcase Pacific talent to community leaders, Pacific youth, businesses and government agencies. In 2016 there were seven award categories with eight sponsors and nine recipients. All recipients were offered a tailored leadership development package as part of their overall acknowledgement of achievement from Leadership New Zealand.

The Ministry is on a continuous journey of improvement. The 2016 Performance Improvement Review (PIF) provided an opportunity for the Ministry to reflect on its performance and how it can do things better. As we continue to build the capability and capacity of the Ministry's policy, research and evaluation functions, our work will make a stronger contribution to policy development for Pacific peoples by analysing and enhancing the impact of our work.

We recognise the knowledge, capability and relationships required to create sustainable solutions exists within our Pacific communities. Consolidating our regional presence and engagement with Pacific communities is something we will continue to work on so that we can achieve a greater influence and impact.

The Ministry can then operate from a deeper knowledge of Pacific issues and solutions, exercise cross-government leadership and advocate for issues important to Pacific communities to fulfil our broader mandate.



Laulu Mac Leuanae



Chief Executive



Part Two: Our Role and Purpose

The Ministry for Pacific Peoples (the Ministry) is the Crown's principal advisor on policies and interventions that improve outcomes for Pacific peoples in New Zealand. The Ministry's role continues to evolve and become more active as our systems become integrated into the way we interact and build on our relationships with others.

With Pacific populations on the rise and increasingly shaping New Zealand's future, the Ministry has positioned itself to work in a way to reflect the Pacific perspective using a Pacific world-view to effect positive change. We do this through:

- The provision of expert policy advice to Ministers and partner 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.
- The gathering of intelligence on Pacific issues and opportunities, using this to influence our policy advice across government and enhance engagement practices with our Pacific communities.
- Partnering with a wide range of organisations across the private and public sectors to identify and promote future Pacific leaders and Pacific success.

We maintained our focus throughout the year on these key areas to highlight Pacific success in a way unique to the Ministry. We have strengthened our relationships both in the community and government which has allowed us to connect the knowledge and expertise that lies within each area. By doing this, we have provided a platform for the Ministry to improve outcomes for both Pacific people and New Zealand where they live and work.

We have facilitated access and connected Pacific communities with our government partners and have supported them to develop their own Pacific leaders and capability. This helps create a pipeline and pathway for Pacific success. As we continue to gather momentum on strengthening our knowledge and connections, we are continuously identifying what is important for Pacific career progression. We maintain our support for the development of emerging Pacific talent and continue to celebrate and highlight the successes of those who are leading the way.

What has underpinned our work is the Ministry's 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.





Our Pacific Diversity Statement

The term 'Pacific peoples' is used throughout this document. 'Pacific peoples' is a 'canopy' term used to encompass a variety of Pacific Island nations and communities who are linguistically, culturally, and geographically distinctive from each other. Pacific peoples are used to accentuate plurality and acknowledge the many Pacific nations and territories that are grouped together when this term is used. Other words that are used in a similar fashion include Pacific Islanders, Pasifika Peoples, Tagata Pasifika, and Pacificans.

In its broadest sense, 'Pacific peoples' covers indigenous peoples from the Island nations in the South Pacific, and in its narrowest sense, Pacific peoples in New Zealand.

The Ministry focuses its work on Pacific peoples in New Zealand embracing commonalities but recognising the differences between Pacific nations and other ethnic groups. It is important this difference is recognised and honoured. Each Pacific nation is different and within each nation there is further diversity. It is also important to recognise that status, authority, tradition, obligations and power structures are different for every group.

Pacific peoples are dealing with rapid social change and are facing inter-generational and cultural transformation. In Anae's¹ perspective of the Pacific community:

“There is no generic ‘Pacific community’ but rather Pacific peoples who align themselves variously, and at different times, along ethnic, geographic, church, family, school, age/gender-based, youth/elders, island-born/ New Zealand-born, occupational lines, or a mix of these”

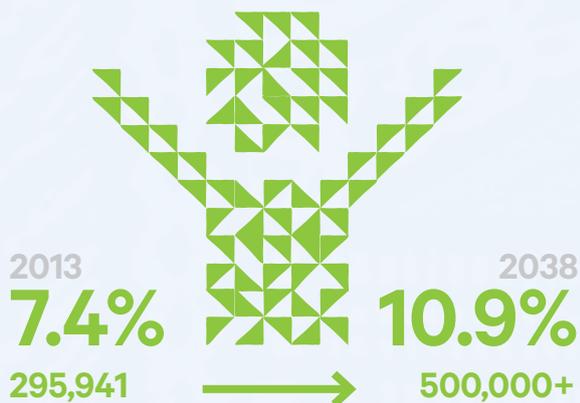
It is therefore important in the varied contexts of 'Pacific communities' that we as a Ministry, are clearly defined in the advice that we provide and the intelligence we impart.

¹Anae, Melani (2001:7) "Pasifika Education Research Guidelines" Ministry of Education

Our People

People

Proportion of total population



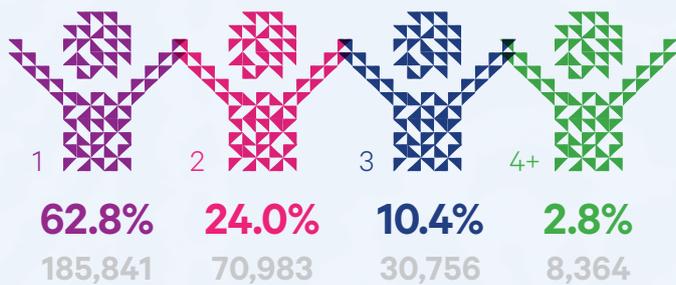
We are a growing population with multiple nationalities / ethnicities

(Census 2013) Statistics NZ

“The voice of Pacific grows stronger, influencing decisions in the future”

Pacific Diversity

Pacific people often identify with more than one ethnicity



Our people are a diverse mix with a number of ethnicities claimed

(Census 2013) Statistics NZ – Population projections

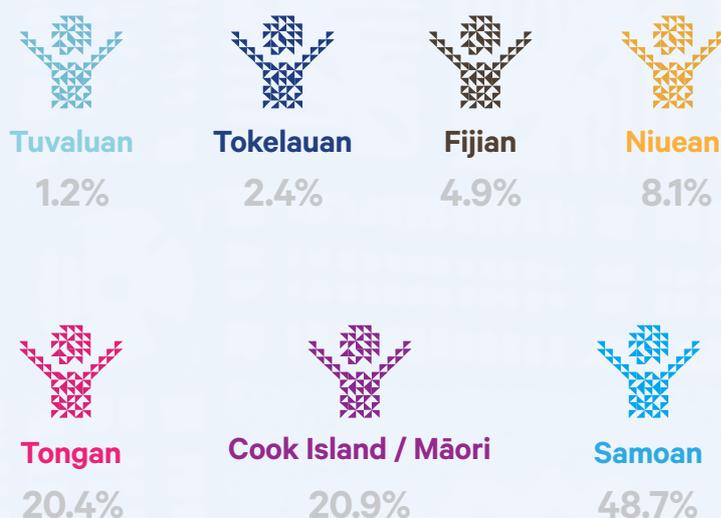
“We will have strengthened Pacific languages, culture & identity to support our growing voice”

Whilst the majority of Pacific peoples identified with only one Pacific ethnicity (see image 1), an increasing proportion of the Pacific population identify as *afakasi*, that is, identifying with Pacific, and one more ethnicity.



Ethnicities

In 2013, Pacific peoples identified with the following ethnicities:

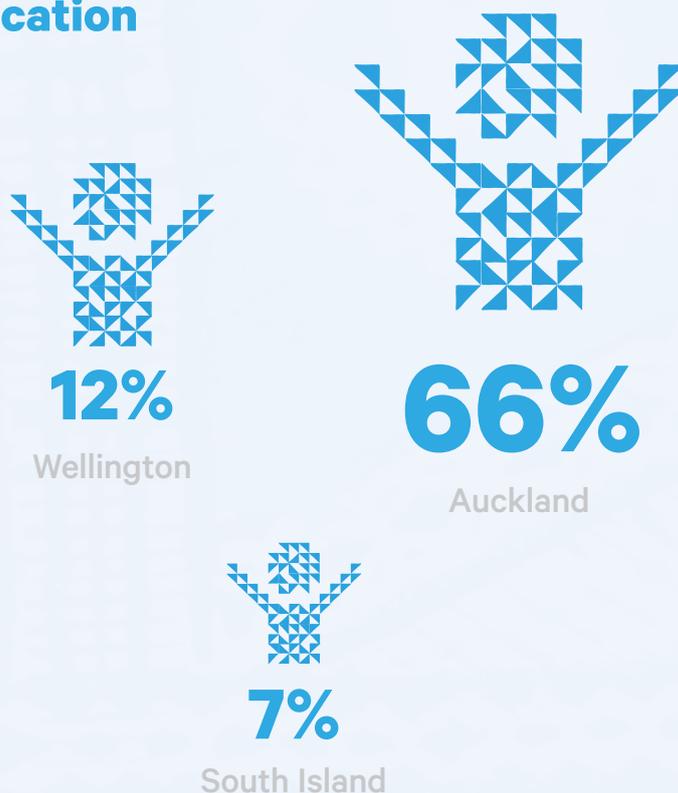


The seven major Pacific groups in New Zealand

www.mpp.govt.nz/library/contemporaryreport (pg 6)

“Our languages are supported through seven language weeks”

Location



In 2013, (194, 958) Pacific peoples lived in Auckland

www.mpp.govt.nz/library/contemporaryreport/ pages 9-11

“We will have strengthened our presence in Auckland where most of our Pacific people live and work”

Religion

79%

of Pacific peoples are affiliated with at least one religion



The Pacific population in New Zealand is a religious population
www.mpp.govt.nz/library/contemporaryreport/pages-71-75

“We know there is a high correlation between those who attend church and who speak a Pacific language”

Young People

35.7%

of the Pacific population is aged 14 years or younger

Our people are a young population

(Census 2013) Statistics NZ – Population projections www.mpp.govt.nz/library/policy-publications/contemporary-report (page 6)

“We will support the voice of our Pacific young people ensuring their educational journey is an enjoyable and successful one”

Median Age

22 years

Pacific Peoples

38 years

New Zealand

“Pacific is one of the fastest growing voices in New Zealand! By 2026, 30% of the working age in Auckland is projected to be Pacific”

www.stats.govt.nz/census/2013-census/profile-and-summary-reports/quickstats-income/personal-income-ethnic.aspx



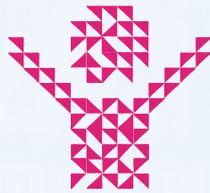
Languages

Number of Pacific language speakers in 2013



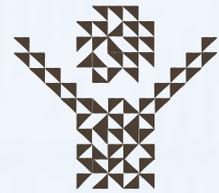
Cook Island Māori

8,121



Tongan

31,839



Fijian

6,273



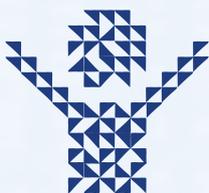
Niuean

4,545



Samoan

86,403



Tokelauan

2,469



Tuvaluan

2,349

www.mpp.govt.nz/assets/Uploads/contemporary-report-web.pdf (pages 65–69)

“Pacific peoples are nearly three times more likely to speak two languages (40.1%) compared to the total population (14.6%)”





Result Areas

As Pacific peoples in New Zealand, we are continuing to make our mark in many areas of cultural, social and economic life. By doing so, we are continually reinforcing New Zealand's identity as a Pacific nation. With the vibrancy of Pacific cultures and languages, a youthful Pacific population and strong community spirit, Pacific peoples are contributing positively to New Zealand's future.

We want to ensure that our priority areas of Education, Qualifications and Skills, Employment and Entrepreneurship and Language, Culture and Identity, have an influencing role in gaining a greater knowledge for Pacific young people and Pacific people in general, in education, employment and business.

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

In the public sector, it is important that services reflect the diverse communities they serve, at both the front line and at the leadership level. It is also important that governance boards reflect diverse perspectives in both the public and private sectors. We want Pacific people to be successful leaders and contribute to raising New Zealand's economic performance. Ensuring Pacific success is about our talented Pacific people thriving and achieving in the workplace and that is why we focused on **Employment and Entrepreneurship** as a priority for the Ministry.



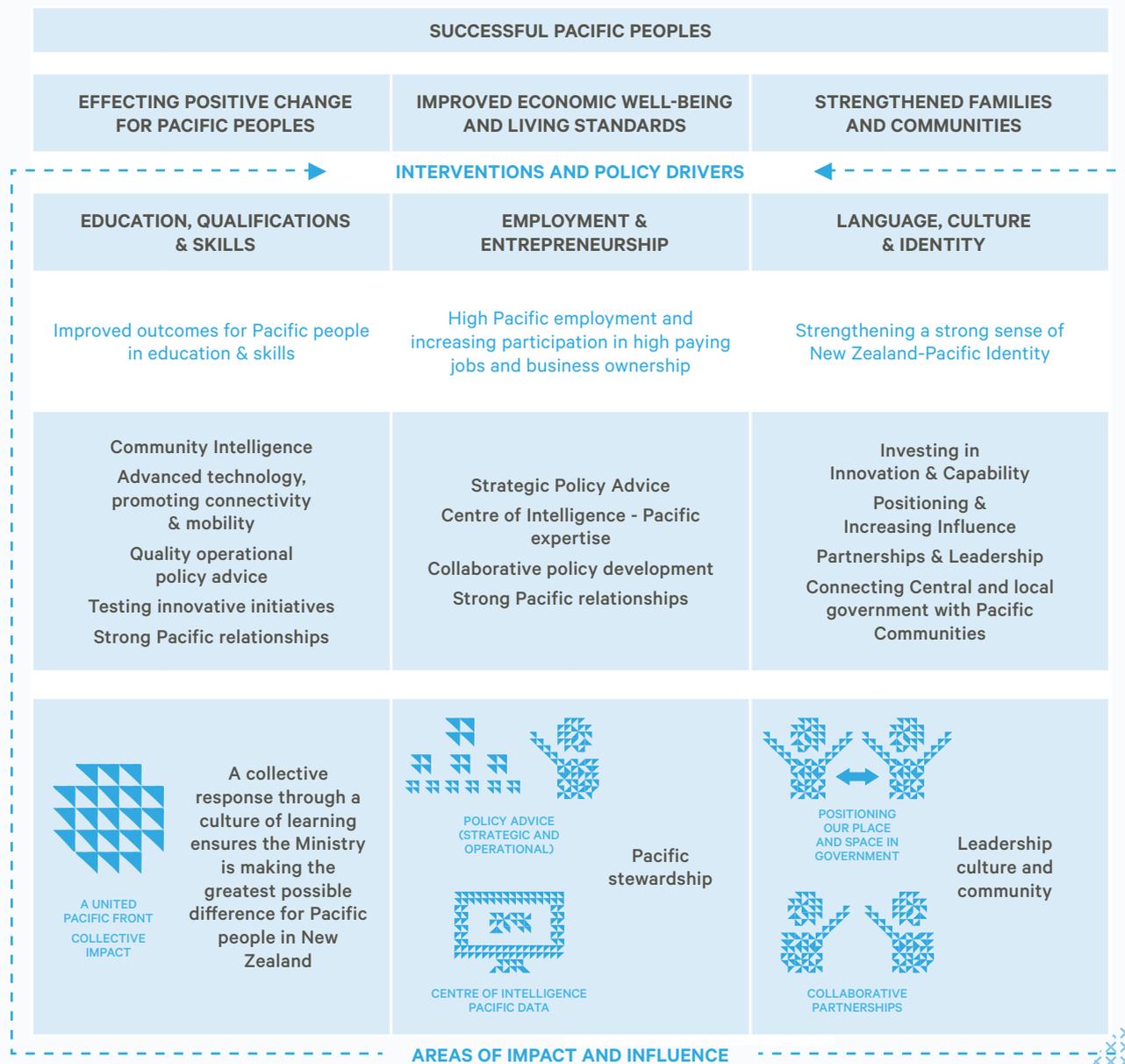
Our ongoing focus on **Language, Culture and Identity** has supported Pacific peoples living in New Zealand to hold on to their unique Pacific heritages. Our Pacific people are a vibrant and diverse population group with different languages and cultural heritage and traditions. However there are common cultural values and a shared understanding of Pacific cultural capital. For Pacific people, understanding who we are, where we come from, how we think and work, what knowledge we bring, our values and our strengths is key to effective policy development for Pacific peoples' advancement.

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 played an important role in supporting the Government's Better Public Service targets for early childhood participation and National Certificate of Education Achievement (NCEA) results.

The Ministry for Pacific Peoples is now ready to move our performance to another level that will see the Ministry fulfilling its wider mandate by broadening and deepening its role, especially in respect of our policy influence and impact.

Strategic Framework





Strategic Direction

The Pacific population is young, vibrant and contributes positively to New Zealand's future development and identity. Pacific people in New Zealand are a diverse population group with distinct socio-cultural, economic and linguistic histories. The Pacific people we serve require us to respond to the changing nature of Pacific people in Aotearoa. Our Pacific cultural value system allows our Pacific communities to maintain a strong connection to the Pacific Islands through cultural protocols, heritage, traditions and economic support.

Despite the growing diversity of New Zealand's Pacific communities, there are a number of enduring cultural values that bind us as one. These include an emphasis on collective responsibility and building consensus in decision making. Spirituality and the value of reciprocity are important values within Pacific communities alongside respect and recognising the intergenerational divide, enabling a provision for learning aspects between our young and older generations. Affiliation to churches remains strong as is commitment to family and community.



Our work aligns where we can improve economic, education, social and cultural outcomes for Pacific peoples in New Zealand.

As a small Ministry, our people are our strongest asset. We invest in them to ensure the diverse thinking our people bring with them is included in our day to day work and in the advice we provide. The Ministry acknowledges the need to encourage and develop staff and is committed to pay equity principles in the application of that support.

A key part of our strategy is to increase our agility and be more proactive in our efforts to think smarter, act smarter and use our resources in the best way. By doing this, we can shift resources and interventions into areas that make the greatest difference knowing that our people are well equipped with the tools and the knowledge to help them do what they need to do for their Pacific communities.

To help realise success for our Pacific peoples, and connect Pacific peoples and government, we will underpin this strategy by:

- Focusing on our work programmes, policies and interventions in areas of highest impact.
- Increasing our collaboration and developing enduring partnerships to support our work.
- Continuing to enhance our operating model.
- Improving our organisational capability especially in the policy and research areas to support and create a bigger impact with those agencies focused on improving Pacific outcomes.

One of the Ministry's greatest strengths is our ability to link Pacific communities and networks to government and government to the Pacific communities we serve. We continue to improve our business and our organisational performance to ensure the government's investment adds value to the people we serve.



Part Three: Our Work

Result Area 1: Education, Qualifications and Skills

The Ministry's focus on **Education, Qualifications and Skills** has been a significant investment of time for a number of reasons:

- More than half (54.9 percent) of the Pacific population are younger than 25 years old. Almost half (45.5 percent) are under 20, compared to 27.5 percent for the total population. Pacific collectively has the highest proportion of children aged 0-14 years, at 35.7 percent. Although the median age of Pacific peoples (22.1 years) slightly increased from 2006 (when it was 21.1 years), Pacific peoples remain a youthful population².
- Over two thirds (62 percent) of the Pacific population is now New Zealand born. This is very different from the Pacific demographics of the 1950s and 1960s where most Pacific people were born in the Pacific Islands. This changing dynamic creates a broad set of perspectives and experiences that will impact on the characteristics of the Pacific community in New Zealand now and into the future.
- In the education sector 20.4 percent of Pacific school leavers achieve university entrance, compared to 38.4 percent of total leavers. This is reflected in occupational choices and ultimately has an impact of future incomes.

Over the years, it has been pleasing to see gaps are closing in some areas of education and the workforce participation but more is needed to support higher tertiary qualifications and pathways into occupations with higher wages. Gains in education and workforce participation have not yet materialised in significant improvements to Pacific peoples' economic wellbeing.

The Toloa Programme

The Ministry's Toloa programme offers access, experience and significant opportunity for Pacific young people to participate in New Zealand's future growth areas of Science, Technology, Engineering and Mathematics (STEM).

In 2016, the Toloa programme delivered initiatives through three key strands:

1. Toloa Tertiary Scholarships for Pacific scholars pursuing STEM related study.
2. Toloa Kenese Club for Pacific students to increase awareness and influence Pacific secondary and intermediate students into STEM study options as a career choice for future employment.
3. Toloa Community Fund for Pacific Community Groups and organisations who are promoting and delivering STEM activities to our key Pacific influencer groups (parents, family, religious, Minister and community).

The Toloa Tertiary Scholarship programme awarded eight tertiary fee scholarships of up to \$25,000 each, to both first year Pacific undergraduates and first year postgraduate students studying towards a STEM qualification. The scholarships are paid over a three year period to successful recipients with mentoring services during the course available to ensure successful achievement.

To increase awareness and influence Pacific students into STEM study options, the Toloa Kenese club ran a Wellington-based pilot delivering interactive hands-on full day workshops with our partner MindLab by Unitec. Thirty schools were invited and seven schools with predominantly Pacific rolls attended. Between February and March 2017, seven schools were delivered the programme with 190 students participating. Participants' feedback highlighted the heightened awareness, an increased interest and improved knowledge of STEM career pathways and opportunities available in this field.

The **Toloa Community Fund** assisted 11 STEM Pacific community programmes across the Northern, Central and Southern regions. Multi-channel marketing through social media, radio and local promotions increased attendance numbers and STEM interest for Pacific across all regions of delivery.

²Source: MBIE Pacific Economic Trends 2016

The Prime Minister's Pacific Youth Awards

The Prime Minister's Pacific Youth Awards recognise and reward high-achieving young Pacific New Zealanders.

This year there were seven categories with eight sponsors and nine recipients awarded.

The sponsors were:

- Leadership and Inspiration award – sponsored by Air New Zealand and supported by the Ministry of Foreign Affairs and Trade gave the recipient an opportunity to visit Geneva and attend one of two international conferences in 2017, witnessing leadership on a global stage.
- Two Science, Technology, Engineering & Mathematics (STEM) awards – one sponsored by Ako Aotearoa which gave the successful recipient a paid internship to the value of \$10,000 to work as a research and teaching assistant during 2017. The second award was sponsored by the Government Communications Security Bureau (GCSB) where a \$10,000 prize supported the recipient to go towards a tertiary institution of their choice.
- Commercial & Corporate Award – Commerce Award – sponsored by BNZ Commercial & Corporate. The successful recipient received a four month paid internship within BNZ Corporate & Commercial Banking team which commenced in February of this year.
- Business & Enterprise Award – sponsored by Deloitte Wellington. The successful recipient received a summer season internship to the value of \$10,000.
- Arts & Creativity Award – sponsored by Creative New Zealand who provided a \$10,000 paid internship or residency with a New Zealand arts organisation or to put towards an approved arts project.
- Sports & Fitness awards – sponsored by NZIS (New Zealand Institute of Sport) for two scholarships valued at \$12,000 (\$6,000 per recipient) for one year tuition fees and course related costs at any one of their campuses in Auckland, Wellington and Christchurch.
- A Community Star Award – sponsored by Auckland Council which gave the recipient a three month internship to the value of \$10,000 at Auckland Council.

Nine young Pacific people were recipients of the Prime Minister's Pacific Youth Awards. The Awards were presented by the Prime Minister and the Ministry at Parliament House. Recipients families, key community leaders, public and private sector leaders were present. 110 attendees supported the event.

Improving outcomes for Pacific children in Early Childhood Education (ECE) using a referral system for ECE centres

During the 2016-17 year, the Ministry reflected on the referral of beneficiaries with children three years and upwards from information workshops into ECE centres. The work focused on insights from 2013-14 and the 2014-15 financial years. These workshops were in areas identified as having low early learning participation by Pacific children in South Auckland, Tamaki and Mangere. The initiative was a joint collaboration between Ministry of Social Development (MSD), Ministry of Education (MoE) and the Ministry.

The process for ECE referrals entailed MSD identifying clients with dependents under the age of five, attending an information workshop where they received information on the benefits of early learning and types of financial support available from MSD. The workshops were tailored to meet the audience needs especially where English was a second language with Tongan and Samoan specific workshops.

After the workshops, clients decided whether their child would be referred for enrolment into an early learning service. This decision triggered the referral process and the referral was passed onto the Pacific Early Learning Mobile Outreach Service (PELMOS). Feedback from participants on completion of the workshop was through an evaluation form. A target was set for each year.

In 2014-15, 107 referrals were completed against a target of 80 and resulting in 90 enrolments. In 2015-16, 102 referrals were completed against a target of 100, resulting in 88 enrolments into an ECE centre.

Key Learnings

- Generally workshop participants were not fully aware of the benefits of their child participating in formal early learning or the financial assistance available from MSD.
- Workshop participants were not aware of the different types of services available such as playgroups (with low or no fees), home-based services (future prospects for employment for those parents that want to be trained as a provider and have safe environments that meet the criteria of a home-based centre). This particular service resonated with those participants wanting to teach children in a Pacific language other than English.
- While Pacific centres and playgroups were considered important to workshop participants, most placed greater importance on simply enrolling their children into an available teacher led service, regardless of cultural/ language preference, particularly if they were looking at employment or returning to work.
- Finally, recognising in some instances, although children may be enrolled they are not gaining the full benefit of early education due to poor attendance or movement between ECE providers. Some of the noted barriers to participation and regular attendance are:
 - affordability (or accrued debt)
 - complexity of enrolment processes, including applying for ECE subsidies and family or child support (Work and Income/Inland Revenue)
 - health/social factors
 - transport
 - transience of housing.

The Ministry is looking to leverage the lessons learned from this initiative to inform the ongoing work of the South Auckland Social Investment Board (SIB) in terms of improving outcomes for Pacific children in ECE.

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 leaders of tomorrow.

Social Housing

Over the past 12 to 18 months, the Ministry has been supporting Pacific organisations to become registered as Community Housing Providers (CHP) with the Community Housing Regulatory Authority (CHRA) with the intent to offer social housing to Pacific communities.

A two phase approach was implemented to:

1. assess Pacific organisation readiness to be a CHP and;
2. provide training and development to Pacific organisations in preparation for successful registration as a CHP with CHRA.

Five organisations were assessed and selected for training with Habitat New Zealand as the preferred provider. They were:

- Penina Health Trust (Penina)
- Alliance Community initiatives Trust (ACI)
- Cook Island Development Agency New Zealand (CIDANZ)
- Totara Seed Trust and
- Fatugatiti Housing Trust – associated with Manukau Pacific Island Church.

In October 2016, a training programme began and was completed in June 2017. To date Penina has successfully completed a CHP registration and are also a transitional housing provider. Three of the remaining providers are at various stages of the application process with Fatugatiti Housing Trust withdrawing from registration due to timing and competing priorities.

Pacific organisations have taken time to complete due diligence and gain buy-in from partners and stakeholders and have agreed to also work towards transitional housing registration.

Overall the Pacific organisations found the training valuable, as it provided a robust overview on what is required to become registered as a social housing provider. The process is complex and requires having systems and support in place to enable community social housing provision. Having the Ministry walk alongside them in support provided an avenue to discuss, reflect and work in readiness to meet the compliance requirements that come with being a Social Housing provider.

The benefits of registration for Penina enabled their ability to lease properties from MSD with 21 units in Manukau Heights to be used for emergency housing prioritised for Pacific families. The beneficiaries of Penina's success will be the Pacific families who have the most urgent need for housing. The value extends beyond just accommodation and is inclusive of a more holistic and uniquely Pacific, wrap around support and service offering.

For the Ministry, the benefits mean that our work is contributing to increasing social housing provision in Auckland where it is most needed, that Pacific families have social housing options available to them with wrap around services to improve their wider social determinants in health and education.

Pacific Employment and Entrepreneurship

To help increase employment opportunities for Pacific young people, the Ministry provided the Pacific Employment Support Service (PESS) with a reach across Auckland and Hamilton.

The PESS programme for the 2016-17 year began in September 2016 with the aim to help young Pacific people find employment and complete further training or study. PESS is being delivered in the Auckland and Hamilton regions. Four providers selected by the Ministry to run PESS are SENZ, In-Work, Solomon Group and Skills Update. The providers have collectively built a strong pipeline of clients to provide the platform for successful achievement of the projected two year and four year programme targets.

Overall the PESS programme is in good health, with four providers operating as an effective team with good collaboration occurring between them. This year's program has built on the success of the previous programmes (2010-2015).

In the nine months to 30 June 2017, providers have enrolled 337 new clients into the PESS programme placed 125 clients into employment and placed 87 clients into training for a total of 212 placements against a target of 220.



Early indicators are that with providers building a pipeline of clients, the programme in the next year will meet or may exceed placement targets. Outcomes achieved in 2016-17 programme targets are shown below:

PROGRAMME PERFORMANCE 2016 - 2017				
OUTCOME	2016-2020 TARGETS	2016-2017 TARGETS	ACHIEVED 30 JUNE 2017	PERCENTAGE ACHIEVED
Participations	1,300	260	337	130%
Completions	1,200	240	290	121%
Employment placements 31 days	650	130	125	96%
Continuous employment for 6 months	420	84	8	10%
Continuous employment for 12 months	250	50	21	42%
Training placements 31 days	450	90	87	97%
Training completions/qualifications – Certificates Level 1-3	240	48	17	35%
Training completions/qualifications – Certificates Level 4-5	50	10	0	0%
Training completions/qualifications – Diplomas Level 5-6	25	4	3	75%
Training completions/qualifications – Degrees Level 7	10	4	0	0%
Total placements	1,100	220	212	96%

Project Tatupu

The intent of Project Tatupu (Tatupu) was to explore through a feasibility study, whether housing, work and business growth opportunities could be made available outside of Auckland in a way that would be both sustainable and empowering, to enable Pacific communities to create their own success in the long term. The findings would inform if there were any economic and social benefits for Pacific people looking to relocate from Auckland to other regions in New Zealand. The idea was informed by previous migration experiences, seasonal work programmes in the regions, and by the experience of families exposed to the rising cost of housing in Auckland and by the Pacific Leaders at the Pacific Leaders Forum.

The next phase will focus on further exploring the ‘regenerative migration’ concept explored by the feasibility study, which includes a number of dimensions that hold potential value in the longer term. The Ministry has and will utilise the findings of the feasibility study in its engagements with other key agencies and organisations, with a view to influencing the design of their policy and delivery programme.

Business and Entrepreneurship

The Ministry has contributed to growing Pacific businesses through its Service Agreement with the Pacific Business Trust (PBT). In the 2016-17 year, PBT achieved deliverables through an aggregated programme structured on innovation through partnerships, growth and sustainability by supporting existing Pacific businesses, collaborating growth on assets through investment projects and celebrating excellence in Pacific business success.

The achievement provides a strong and positive platform for the Ministry to proceed with its new Service Agreement negotiations in 2017-18.

This year, we continued our work in partnership with the Young Enterprise Trust (YET) to promote entrepreneurial thinking, experience and pathways for Pacific young people. Pacific students who participate in Young Enterprise Scheme (YES) have the opportunity to take part in an experiential business programme that is able to earn participating students NCEA level 2 Business Achievement Standard credits. The data obtained through this programme shows significant improvements in NCEA results for Pacific students with a 100 percent achievement rate for 11 schools (56 students) who participated in YES in 2016. The Pacific teams on the programme have achieved good results over the past year with the number of Pacific students increasing from 328 in 2015 to 342 in 2016, a 5 percent increase.

To further support Pacific entrepreneurship:

- By assigning Pacific business mentors to guide and work with Pacific students.
- By tailoring business workshops to meet the unique needs of Pacific students.
- By working through our Education Advisor (funded by the Ministry), with schools to ensure teachers and students are supported through YES.

The Ministry worked with YET to deliver a number of initiatives and programmes to support Pacific young people in the YES programme such as Biz Ninja for year 10 students. Biz Ninja is intended to prepare younger students for the YES programme and business studies as a subject.



Building Leadership and Governance Capability

During the year, we continued our focus on leadership and capability and governance, ensuring Pacific leadership and diversity is represented on boards through nominations and honours. Overall, our annual target was achieved with 60 nominees referred for appointment against a target of 30.

The Ministry puts forward nominations for Queen’s Birthday and New Year Honours. Eighteen nominations were put forward for consideration against a target of ten and of those, two were successful in obtaining a Queen’s Birthday Honours award. The New Year Honours list was not publicly available at the time of writing this report.

Further initiatives to support Pacific Employment and Entrepreneurship

Further initiatives to support Pacific Employment and Entrepreneurship included the Ministry delivering in partnership with key stakeholders, a number of events that brought different business leaders and Pacific communities together to form a business collective network. The feedback from attendees was positive, stating it provided an avenue for meaningful connections, mentoring prospects and future business partnership opportunities.

Since 2010, the Ministry has supported the Pacific Youth Leadership and Transformation (PYLAT) council in hosting a simulation of the ‘Pacific Youth Parliament’. This year, the event brought more than 100 Pacific youth together, taking on the role of Members of Parliament over a four day event themed ‘Pacific Youth Parliament’ (PYP) held in Christchurch. The PYLAT council is an independent Charitable Trust. The project this year allowed PYLAT to demonstrate to funders they are able to deliver projects to a high standard giving the Trust some credibility with a positive track record. From PYLAT’s perspective, the greatest outcome has been the identification of good talent on PYP and has since recruited six new Pacific young people to be trustees on the Council. This is a good example of the Pacific youth voice coming through to address issues that are important to Pacific young people.

Result Area 3: Language, Culture and Identity

Our Pacific people are a vibrant and diverse population group with different languages and cultural heritage and traditions. However, there are common cultural values and a shared understanding of Pacific cultural capital. The Ministry recognises the close relationships between languages, identity and culture. It is important for all New Zealanders to appreciate and recognise the diversity that Pacific people bring to New Zealand's national and international identity. For Pacific people, understanding who we are, where we come from, how we think and work, the knowledge we bring, our values and our strengths is key to effective policy development for Pacific peoples' advancement.



Pacific Language Week Series

In 2016-17, 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 language cards resource developed by the Ministry which is now available for all language weeks in each of the seven Pacific languages. The cards comprise of simple greetings and phrases in English translated into seven Pacific languages and have been distributed at key Pacific events such as Polyfest, Pasifika, Creekefest and Spacifically Pacific (SPACPAC) festivals. The resource is available to download from the Ministry's website.

We continue to build on the partnership with the Department of Internal Affairs (DIA) to support the seven Pacific lead organisations for the language week series in building their funding capability. A formal agreement between DIA and the Ministry was made with the aim of improving the standards of group structures, governance and management, capability, funding planning, application and accountability. In the initial phase DIA provided the framework for assessment of the organisations to identify areas where capability could be addressed. Funding workshops were held with DIA and the Ministry working closely with all the organisations. This work provides a platform to take the support to another level and will include bringing on additional expertise like Ako Aotearoa, to help realise the collaborative focus in 2017-18.

The Ministry has worked with the ASB Polyfest Trust (Trust) to support the Polyfest in Auckland. The ASB Polyfest promotes and celebrates Pacific culture, identity and language through performance. The Ministry will continue working with the Trust and other stakeholders in 2017-18 to develop options for the future direction of the festival and funding models to support that direction.



Pacific Culture Centre

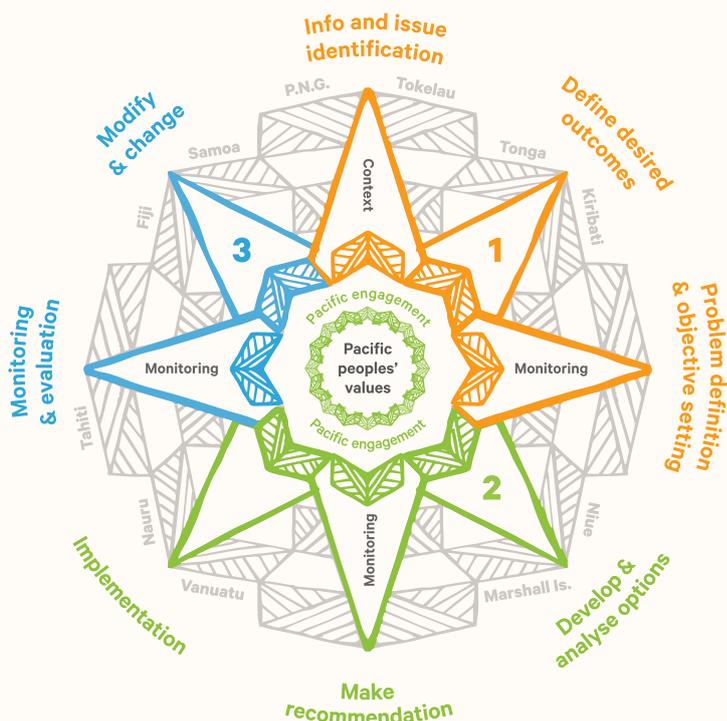
The Ministry explored options through a feasibility study, for a Pacific Culture Centre (PCC) with a lens on the use of cultural assets to boost economic growth in Auckland. The idea of establishing a PCC in Auckland provided a focus to consolidate and develop a cultural asset which could provide opportunities of experiencing Pacific languages, performances, foods and cultural rituals that benefits New Zealand Pacific communities and the broader New Zealand economy. The feasibility study identified that a PCC has the potential to realise positive economic and cultural outcomes and proposed a mix of options that included product mixes, target markets, ideal locations and venues, ownership, estimated operating costs and estimated operating revenue.

The Pacific Cultural Centre Feasibility report is available on the Ministry's website.

Kapasa – The Pacific Policy Analysis Tool

To build on the understanding of Pacific cultural perspectives, first through a statistical report on Contemporary Pacific Peoples in New Zealand published in 2016, the Ministry refreshed and revised the Pacific Analysis Framework to be more relevant to the current policy environment. This guide is called Kapasa – the Pacific Policy Analysis Tool. The purpose of Kapasa is to support policy officials across government to understand and incorporate a Pacific perspective into policy decision making. Kapasa is well aligned with the Department of the Prime Minister and Cabinet's 'The Policy Project – Policy Quality Framework' and is a strength-based approach.

Kapasa was launched in June after workshops with government officials and Not-for-profit-organisations tested the viability and relevance of the framework. Kapasa is endorsed by the Department of the Prime Minister and Cabinet. For the 2016-17 year, five workshops were held encouraging the participants to think critically about the perspectives of Pacific peoples. Further Kapasa training will be offered during the 2017-18 year. Kapasa – the Pacific Policy Analysis Tool is available on the Ministry's website.



Part Four: Building our Organisational Culture and Capability

A key part of our strategy is to increase our agility and be more proactive in our efforts to think smarter, act smarter and use our resources in the best way. By doing this, we can shift resources and interventions into areas that make the greatest difference knowing that our people are well equipped with the tools and the knowledge to help do what they need to do for their Pacific communities.

As a small Ministry, our people are our strongest asset. The work we have done reflects our commitment to build our organisational culture and capability through the following channels.

Our Staff, Our People

Our success relies on the capability of our staff. In 2016 the Ministry introduced a new talent management approach to ensure we were having quality conversations with our staff to recognise talent and behaviour that leads to high performance, as well as identifying opportunities for staff that require support to do their best work.

The Ministry’s approach to talent management is a collective one and underpinned by a Samoan proverb:

**“A fia vave o’o lou va’a,
alo na o ’oe, ae e fia tuli
mamao le taunu’uga tātou
'alo’alo fa’atasi”**

**‘If you want to go fast,
go alone; if you want
to go far, go together’**

We believe our shared commonalities, recognition of the differences between Pacific nations and ethnic groups include placing importance on the respect and honour that comes with those differences. This enables a greater understanding of a person’s capability needs and potential.

Through this programme we are making smart, informed decisions, prioritising our development investment in the right people and at the right time of their career journey. For some, this has meant secondments into roles to develop their broader range of experiences and skills.

The next phase of our talent program is to recognise successors in key positions across the organisation and continue to support their development.

We know when people are highly engaged they are inclined to be more committed and go the extra mile in the work they do on a daily basis. Providing opportunities for career development has had a positive influence on engagement and is one lever the Ministry uses to create a culture where our people feel valued for their contribution.

The Gallup Q12 survey is a tool the Ministry employs each year to ask our people how they feel about our workplace. This year’s overall result of 4.09 (a grand mean and potential score out of five) is a significant increase from 3.87 in the previous year, and something the Ministry feels proud of. Our people relayed they now had the tools and resources needed to do the job right with the Ministry making significant gains in valuing peoples’ opinions at work.

The Ministry still has a way to go in how and when we communicate with our people. We need to continue to lift our leadership visibility around decisions that support the work of the Ministry.

The Leadership team is committed to an engagement programme that celebrates our unique cultural values and embeds these in what we do and how we do it. Collectively, we are all responsible for lifting our people’s engagement and for being an engaged and high performing workforce.

Capability Development

The Ministry is on a continuous journey of improvement. The 2016 Performance Improvement Review (PIF) provided an opportunity for the Ministry to reflect on its performance and how it can do things better. As we continue to build the capability and capacity of the Ministry, our work will make a stronger contribution to policy development for Pacific peoples by analysing and enhancing the impact of our work.

System and Business Improvement

In the past year, the Ministry has improved its technology platform to meet the needs of the staff it serves. The Ministry implemented a new accounts payable approval system and has upgraded its financial system.

These system improvements were supported by updated policies and procedures, and new reports. This has made approving invoices and cost centre management, user friendly and more transparent. The Ministry has received good reviews about its financial systems from external reviewers.

Our technology and innovation approach aligns to Cabinets Cloud First policy which requires agencies to adopt cloud services in preference to traditional IT systems. This strategy is delivering cost effectiveness, agility, security and greater choice for our people to work with.

Furthermore, the Ministry refreshed its website enabling better navigation through and around the site as well as improving the function to upload and house information.



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 2017 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 2018 and its operations for the year ended on that date.



Laulu Mac Leauanae

Chief Executive
2 October 2017



AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Ministry for Pacific Peoples' Annual Report for the year ended 30 June 2017

The Auditor-General is the auditor of the 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, on his behalf, the audit of:

- the financial statements of the Ministry on pages 37 to 54, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2017, 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 2017 on pages 18 to 25 and 32 to 36;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2017 on pages 58 to 60 and;
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 55 to 57 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2017;
 - the schedules of expenses; and revenue for the year ended 30 June 2017; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 37 to 54:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Ministry on pages 18 to 25 and 32 to 36:
 - presents fairly, in all material respects, for the year ended 30 June 2017:
 - 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; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of departmental expenses and capital expenditure of the Ministry on pages 58 to 60 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 55 to 57 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2017; and
 - expenses; and revenue for the year ended 30 June 2017.

Our audit was completed on 2 October 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Ministry 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 is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's Statement of Intent, Estimates of Appropriation as updated in the Supplementary Estimates of Appropriations 2016/17 and the 2016/17 forecast figures included in the Ministry's 2015/16 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information within the Ministry's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 6 to 17, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, 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 Appropriation. 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, and implementation and monitoring of innovative projects and the establishment and maintenance of relationships with Pacific communities and key stakeholders, to improve outcomes for Pacific Peoples in New Zealand.

Policy Advice

This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice 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 2016		30 June 2017	30 June 2017	30 June 2017	30 June 2017
\$000		\$000	\$000	\$000	\$000
	DEPARTMENTAL OUTPUT EXPENSES				
	Policy Advice and Ministerial Services MCA				
4,651	Communications, Projects & Relationships	5,551	-3	5,548	5,388
1,900	Policy Advice	1,313	-1	1,312	1,670
6,551	Total departmental output expenses	6,864	-4	6,860	7,058

How performance will be assessed for this appropriation

2015/16 ACTUAL STANDARD RESULTS	MEASURE	2016/17 ACTUAL STANDARD (RESULTS)	2016/17 BUDGET STANDARD (TARGET)	TARGET MET	NOTES
69%	100% of the category measures achieved	91%	100% of the category measures achieved	No	91% of the 11 category measures achieved

14. These are the appropriations from the Supplementary Estimates, adjusted for any transfers under S26A of the Public Finance Act 1989.

2015/16 ACTUAL STANDARD RESULTS	MEASURE	2016/17 ACTUAL RESULTS	2016/17 BUDGET STANDARD (TARGET)	TARGET MET	NOTES
POLICY ADVICE					
\$124	Cost of policy advice per output hour	\$105	At most \$130	Yes	The actual result is the utilisation of policy output hours against policy resource.
6.9	Technical quality of policy advice is delivered in accordance with agreed quality criteria assessed by an independent review	7.25	At least 70%	Yes	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.
7	Ministerial satisfaction with the policy advice service, as per the common satisfaction survey as rated on a scale of 1 (extremely dissatisfied) - 5 (extremely satisfied)	4	At least 3 or better	Yes	The rating has changed from 1–10 (10 being extremely satisfied) to 1–5 rating (with 5 being extremely satisfied).
RELATIONSHIP AND INFORMATION SHARING WITH COMMUNITIES					
135	Number of public events with Pacific communities	76	30-50	Yes	

2015/16 ACTUAL STANDARD RESULTS	MEASURE	2016/17 ACTUAL RESULTS	2016/17 BUDGET STANDARD (TARGET)	TARGET MET	NOTES
MINISTERIAL SERVICING					
80%	Proportion of replies to Ministerial, Official Information Act (OIA) requests delivered within the required timeframe	100%	95%	Yes	Minister rated quality of 4-5 as per the rating system
100%	Proportion of replies to Parliamentary questions delivered within the required timeframe	100%	95%	Yes	Minister rated quality of 4-5 as per the rating system
100%	Proportion of replies to Select Committee Questions within the required timeframe	100%	95%	Yes	Minister rated quality of 4-5 as per the rating system
90%	Briefings delivered within the required timeframe	94%	95%	No	Minister rated quality of 4-5 as per the rating system
NOMINATION SERVICING					
37	Number of nominees put forward for governance positions across the state sector	60	30	Yes	
QBH = 9 NYH = 11	Number of nominees put forward for Queen's Birthday Honours (QBH) and New Year's Honours (NYH)	QBH = 7 NYH = 11	10	Yes	18 nominations in total put forward to Ministers office for consideration
DEMONSTRATION OF INNOVATIVE IDEAS					
Not measured	Number of workshops run on the Pacific Analysis Framework	5	5	Yes	Five workshops completed



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 2016		30 June 2017		30 June 2017
\$000		\$000		\$000
530	Ministry for Pacific Peoples – Capital Expenditure PLA	67		100

The Ministry also received a capital injection of \$322,000 in 2015/16.

ASSESSMENT OF PERFORMANCE	2016/17 BUDGET STANDARD (TARGET)	2016/17 ACTUAL STANDARD RESULTS	TARGET MET	2015/16 ACTUAL RESULTS	UNAUDITED 2017/18 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 S26A of the Public Finance Act 1989.



Part Seven: Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2017

ACTUAL 30 JUNE 2016 \$000		NOTES	ACTUAL 30 JUNE 2017 \$000	UNAUDITED BUDGET 30 JUNE 2017 \$000	UNAUDITED FORECAST 30 JUNE 2018 \$000
	Revenue				
6,763	Revenue Crown		7,037	7,004	7,292
14	Departmental revenue	2	67	-	-
31	Other revenue	2	1	-	-
6,808	Total revenue		7,105	7,004	7,292
	Expense				
4,297	Personnel costs	3	3,945	4,192	4,983
2,137	Operating costs	4	2,706	2,600	2,084
53	Depreciation and amortisation	7, 8	133	130	152
64	Capital charge	5	76	82	73
6,551	Total expense		6,860	7,004	7,292
257	Surplus/(deficit)		245	-	-
-	Other comprehensive revenue and expense		-	-	-
257	Total comprehensive revenue and expense		245	-	-

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 2017

ACTUAL 30 JUNE 2016			ACTUAL 30 JUNE 2017	UNAUDITED BUDGET 30 JUNE 2017	UNAUDITED FORECAST 30 JUNE 2018
\$000		NOTES	\$000	\$000	\$000
	ASSETS				
	Current assets				
1,450	Cash and cash equivalents		1,425	1,046	1,148
18	Debtors and other receivables	6	35	170	18
17	Prepayments		14	35	17
1,485	Total current assets		1,474	1,251	1,183
	Non-current assets				
228	Property, plant and equipment	7	170	210	279
391	Intangible assets	8	380	540	263
619	Total non-current assets		550	750	542
2,104	Total assets		2,024	2,001	1,725
	LIABILITIES & TAXPAYERS FUNDS				
	Current liabilities				
444	Creditors and other payables	9	447	679	334
257	Return of operating surplus	10	245	-	-
216	Employee entitlements	11	153	135	204
917	Total current liabilities		845	814	538
	Non-current liabilities				
59	Employee entitlements	11	51	59	59
59	Total non-current liabilities		51	59	59
976	Total liabilities		896	873	597
	Taxpayers' funds				
1,128	Taxpayers' funds		1,128	1,128	1,128
1,128	Total taxpayers' funds		1,128	1,128	1,128
2,104	Total liabilities and taxpayers' funds		2,024	2,001	1,725

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 2017

ACTUAL 30 JUNE 2016 \$000		NOTES	ACTUAL 30 JUNE 2017 \$000	UNAUDITED BUDGET 30 JUNE 2017 \$000	UNAUDITED FORECAST 30 JUNE 2018 \$000
806	Equity as at 1 July		1,128	1,128	1,128
257	Total comprehensive revenue and expense		245	-	-
(257)	Return of operating surplus to the Crown	10	(245)	-	-
322	Capital contribution from the Crown		-	-	-
1,128	Equity as at 30 June		1,128	1,128	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 2017

ACTUAL 30 JUNE 2016		NOTES	ACTUAL 30 JUNE 2017	UNAUDITED BUDGET 30 JUNE 2017	UNAUDITED FORECAST 30 JUNE 2018
\$000			\$000	\$000	\$000
	CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash was provided from:				
6,763	Receipts from the Crown		7,037	7,004	7,292
14	Receipts from other departments		67	-	-
61	Receipts from others		16	-	-
13	Goods and services tax		27	-	-
6,851	Total cash flows from operating activities		7,147	7,004	7,292
	Cash was applied to:				
(4,216)	Payments to employees		(4,016)	(4,192)	(4,971)
(2,264)	Payments to suppliers		(2,756)	(2,600)	(2,160)
(64)	Payment for capital charge		(76)	(82)	(73)
-	Goods and services tax		-	-	-
(6,544)	Total cash applied for operating activities		(6,848)	(6,874)	(7,204)
307	Net cash flows from operating activities		299	130	88
	CASH FLOWS FROM INVESTING ACTIVITIES				
	Cash was applied to:				
(396)	Purchase of intangible assets		(53)	(114)	-
(134)	Purchase of property, plant and equipment		(14)	-	(100)
(530)	Net cash flows from investing activities		(67)	(114)	(100)
	CASH FLOWS FROM FINANCING ACTIVITIES				
	Cash was provided from:				
322	Capital Injections		-	-	-
	Cash was applied to:				
(573)	Return of operating surplus		(257)	-	-
(251)	Net cash flows from financing activities		(257)	-	-
(474)	Net increase/(decrease) in cash held		(25)	16	(12)
1,924	Cash as at 1 July		1,450	1,030	1,160
1,450	Closing cash as at 30 June		1,425	1,046	1,148

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 2017

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. Most of these leases are for premises that have a non-cancellable leasing period ranging from 1 to 10 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. The reason for the increase over last year was that during the financial year the Ministry received the ten-year co-location agreement on the CIGA Christchurch accommodation, and committed to a ten-year co-lease agreement with Te Puni Kōkiri on Manukau accommodation.

ACTUAL 30 JUNE 2016 \$000		NOTES	ACTUAL 30 JUNE 2017 \$000
	Capital commitments		-
53	Intangible assets		-
53	Total capital commitments		-
	Non-cancellable operating lease commitments		-
222	Not later than one year		352
299	Later than one year and not later than five years		649
-	Later than five years		638
521	Total non-cancellable operating lease commitments	12	1,639

The accompanying notes form part of these financial statements

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2017

The Ministry for Pacific Peoples has no contingent liabilities or contingent assets as at 30 June 2017 (2016: 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 2017

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 2017 and were authorised for issue by the Chief Executive of the Ministry on 2 October 2017.

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 expense is less than \$30 million, so it qualifies for classification as a Tier 2 reporting entity. As a Tier 2 reporting entity the Ministry can 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

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 expense 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

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.

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 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 2017	30 JUNE 2016
Year 1	1.97%	2.12%
Year 2	2.36%	1.95%
Year 3	3.92%	3.13%

- A salary inflation factor of 3.1% (1.5% 2016) 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 expenses of uncertain amount and timing when there is a present obligation (either legal or constructive) because 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 expenses 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 2017 budget figures are for the year ended 30 June 2017 and were published in the 2015/16 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 2016/17.

The 2018 forecast figures are for the year ended 30 June 2018, which are consistent with the best estimate financial forecast information submitted to Treasury for BEFU for the year ended 2017/18.

The forecast financial statements have been prepared as requested by the Public Finance Act 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 2018 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 12 April 2017. 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 2018 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 assumptions on what may occur during the 2017/18 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 12 April 2017, 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 2016/17 was used as the opening position for the 2017/18 forecast.

The actual financial results achieved for 30 June 2018 are likely to vary from the forecast information presented, and the variations may be material.





Note 2 | Other Revenue (Exchange Transactions)

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000
14	Revenue from other agencies	67
31	Other revenue	1

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 2016 \$000		ACTUAL 30 JUNE 2017 \$000
4,115	Salaries and wages	3,901
83	Employer contributions to defined contribution plans	93
76	Increase/(decrease) in employee entitlements	(71)
23	Other	22
4,297	Total personnel costs	3,945

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

Note 4 | Operating Costs

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000
62	Audit fees for financial statements audit	64
507	Operating lease payments	401
1	Maintenance and minor capital purchases	0
203	Travel	246
68	Conferences and training	32
300	Consultancy and professional fees	688
19	Legal fees	22
98	Office operating costs	217
879	Other operating costs	1,036
2,137	Total operating expenses	2,706



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 six months ended 31 December 2016 was 7.00% and the capital charge rate for the six months ended 30 June 2017 was 6.00 % (2016: 8.00 %).

Note 6 | Debtors and Other Receivables

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000
	Debtors & other receivables under exchange transactions	
18	Trade debtors	35
18	Total debtors and other receivables	35

The carrying value of trade debtors approximates their fair value. As at 30 June 2017, all overdue receivables have been assessed and 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 2015	371	206	231	169	977
Balance at 30 June 2016	371	271	278	191	1,111
Balance at 1 July 2016	371	271	278	191	1,111
Additions	-	8	6	-	14
Disposals	-	-	-	(20)	(20)
Balance at 30 June 2017	371	279	284	171	1,105
ACCUMULATED DEPRECIATED					
Balance at 1 July 2015	371	203	209	52	835
Balance at 30 June 2016	371	214	219	79	883
Balance at 1 July 2016	371	214	219	79	883
Depreciation expense	-	17	22	30	69
Depreciation on disposal	-	-	-	(17)	(17)
Balance at 30 June 2017	371	231	241	92	935
CARRYING AMOUNT					
At 1 July 2015	-	3	22	117	142
At 30 June & 1 July 2016	-	57	59	112	228
At 30 June 2017	-	48	43	79	170



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 2016 \$000	ACTUAL 30 JUNE 2017 \$000
COST		
Balance at 1 July 2015	178	178
Balance at 30 June 2016	574	574
Balance at 1 July	178	574
Additions	396	53
Disposals	-	-
Balance at 30 June	574	627
ACCUMULATED AMORTISATION		
Balance at 1 July 2015	178	178
Balance at 30 June 2016	183	183
Balance at 1 July	178	183
Amortisation expense	5	64
Balance at 30 June	183	247
CARRYING AMOUNT		
At 30 June & 1 July 2016	391	391
At 30 June 2017	380	380

Note 9 | Creditors and Other Payables

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000
	Current liabilities under exchange transactions	
152	Creditors	143
154	Accrued expenses	180
	Current liabilities under non-exchange transactions	
82	Taxes payable	109
15	ACC payable	15
41	Creditor Crown	-
444	Total creditors and other payables	447

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 2016 \$000		ACTUAL 30 JUNE 2017 \$000
257	Net surplus/(deficit)	245
257	Total return of operating surplus	245

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 2016 \$000		ACTUAL 30 JUNE 2017 \$000
	Current liabilities	
182	Annual leave	124
26	Sick leave	26
8	Long-service leave	3
216	Total current liabilities	153
	Non-current liabilities	
59	Long-service and retiring leave	51
59	Total non-current liabilities	51
275	Total provision for employee entitlements	204

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 2016 \$000		ACTUAL 30 JUNE 2017 \$000
7	Re-measurement	(4)

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 has been signed and the obligations reflected in the commitments schedule.

The Ministry has moved out of its Manukau office and is presently participating in a government property sub-lease arrangement under the lead of Te Puni Kōkiri (TPK). Although an agreement with TPK has not yet been drafted and signed, there is a verbal agreement to share half of the contract. TPK has signed the contract and is reflecting the same commitment figures that MPP is.



Note 13 | Categories of Financial Instruments

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

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000
	Loans and receivables	
1,450	Cash and cash equivalents	1,425
18	Debtors and other receivables (note 6)	35
1,468	Total loans and receivables	1,460
	Financial liabilities measured at amortised cost	
444	Creditors and other payables (note 9)	447
444	Total financial liabilities measured at amortised cost	447

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 (2016: nil).

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

Key Management Personnel Compensation

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000
929	Salaries and other short-term employee benefits	813
-	Termination benefits	13
929	Total Key Management Personnel Compensation	826

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 \$33,000 higher than the original estimates due to the confirmation of an in-principle expense transfer of \$100,000 from 2015/16 to 2016/17 offset by an expense transfer of \$50,000 from 2016/17 to 2017/18 and a \$17,000 reduction due to a reduction in the capital charge rate.

Departmental revenue was \$68,000 higher than budget due to some secondments to other departments which were not known at the time that budgets were set.

Personnel Costs were \$247,000 below budget due to difficulties and delays in securing the right capabilities, particularly for Policy and Legal.

Property, Plant and Equipment and Intangible Assets

Total property, plant and equipment and intangible assets were \$33,000 lower than budgeted due to timing changes in the Ministry's capital investment programme.

Employee Entitlements

Employee entitlements were \$18,000 higher than budgeted due to budgeting for long service leave being taken, that has not yet been taken.

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 2017

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 Revenue

For the year ended 30 June 2017

There is no revenue at 30 June 2017 (2016: nil).

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2017

There are no capital receipts at 30 June 2017 (2016: nil).

Schedule of Non-Departmental Expenses

For the year ended 30 June 2017

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000	UNAUDITED FORECAST 30 JUNE 2018 \$000
	Non-Departmental Expenses		
1,567	Grants paid to 3rd parties	2,048	2,809
203	Social assistance benefits	339	358
278	GST on Crown expenses	346	475
2,048	Total Non-Departmental Expenses	2,733	3,642

The accompanying notes form part of these financial statements. Explanation of major variances against budget are provided in note 2.

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 2017.



Schedule of Non-Departmental Assets

As at 30 June 2017

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000	UNAUDITED FORECAST 30 JUNE 2018 \$000
	Non-Departmental Assets		
910	Bank	1,416	910

The accompanying notes form part of these financial statements. Explanation of major variances against budget are provided in note 2.

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 2017.

Schedule of Non-Departmental Liabilities

As at 30 June 2017

ACTUAL 30 JUNE 2016 \$000		ACTUAL 30 JUNE 2017 \$000	UNAUDITED FORECAST 30 JUNE 2018 \$000
	Non-Departmental Liabilities		
86	Due to PESS Providers	568	86

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 2017.

Schedule of Non-Departmental Commitments

As at 30 June 2017

There are no Non-Departmental Commitments at 30 June 2017 (2016: nil).

Schedule of Non-Departmental Contingent Liabilities & Contingent Assets

As at 30 June 2017

There are no contingent liabilities or assets as at 30 June 2017 (2016: nil).

Notes to the Non-Departmental Financial Statements and Schedules

Note 1 | Statement of significant accounting policies for the year ended 30 June 2017

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 2017. 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 \$11,000 lower than budgeted. These contracts were performance based, with a component at risk if agreed outcomes were not yet achieved by agreed milestone dates. Although suppliers substantially and significantly achieved outcomes, one supplier did not deliver on one outcome valued at \$6,000 and another supplier did not deliver on another outcome valued at \$5,000.

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 2017.





Part Eight: Appropriation Statements

Statement of Departmental Expenses and Capital Expenditure Against Appropriations

For the year ended 30 June 2017

EXPENDITURE AFTER RE- MEASUREMENTS 30 JUNE 2016 \$000		EXPENDITURE BEFORE RE- MEASUREMENTS 30 JUNE 2017 \$000	RE- MEASUREMENTS ¹⁶ 30 JUNE 2017 \$000	EXPENDITURE AFTER RE- MEASUREMENTS 30 JUNE 2017 \$000	APPROVED APPROPRIATION ¹⁷ 30 JUNE 2017 \$000	LOCATION OF END-OF-YEAR PERFORMANCE INFORMATION ¹⁸ 30 JUNE 2017 \$000
	DEPARTMENTAL OUTPUT EXPENSES					
	Policy Advice and Ministerial Servicing MCA					
4,651	Communications, Projects & Relationships	5,551	-3	5,548	5,388	(a)
1,900	Policy Advice	1,313	-1	1,312	1,670	(a)
6,551	Total departmental output expenses	6,864	-4	6,860	7,058	
	DEPARTMENTAL CAPITAL EXPENDITURE					
530	Ministry for Pacific Peoples – Capital Expenditure PLA	67	-	67	100	(a)
530	Total departmental capital expenditure	67	-	67	100	

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 30 JUNE 2016		EXPENDITURE BEFORE RE-MEASUREMENTS 30 JUNE 2017	RE-MEASUREMENTS 30 JUNE 2017	EXPENDITURE AFTER RE-MEASUREMENTS 30 JUNE 2017	APPROVED APPROPRIATION 30 JUNE 2017	LOCATION OF END-OF-YEAR PERFORMANCE INFORMATION 30 JUNE 2017
	NON-DEPARTMENTAL OUTPUT EXPENSES					
1,517	Promotions – Business Development	1,403	-	1,403	1,409	(b)
50	Skills Training & Appropriation	645	-	645	650	(a)
1,567	Total non-departmental output expenses	2,048	-	2,048	2,059	
	TOTAL BENEFITS AND OTHER UNREQUITED EXPENSES					
195	Study and Training Awards for Business Development	339	-	339	358	(b)
8	Welfare of Pacific Peoples in New Zealand	-	-	-	-	(b)
203	Total benefits and other unrequited expenses	339	-	339	358	



Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority
For the year ended 30 June 2017

Transfers Under Section 26A of the Public Finance Act 1989

No section 26A transfers were authorised in the year ended 30 June 2017.

Transfers Under Section 26B of the Public Finance Act 1989

No section 26B transfers were authorised in the year ended 30 June 2017.

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.



