

Statement of Intent

2008 – 2011

*seek the path that's right for you
rapua te ara tika mou ake*





Career Services

Statement of Intent

2008 – 2011

Contents

| | |
|--|-----------|
| Preamble | 3 |
| Overview from the Board Chair | 4 |
| The external environment we operate in and our strategic focus | 6 |
| Outcomes framework | 11 |
| Contribution to government priorities | 13 |
| Implications for entity capability in 2008/09 | 17 |
| Overview of output class/services 2008/09 | 21 |
| Output Agreement 2008/09 | 22 |
| Appendix 1: Legislative framework and governance | 30 |
| Appendix 2: Who we are and what we do | 31 |
| Appendix 3: Organisational chart | 33 |
| Appendix 4: Responsibility of parties | 34 |
| Appendix 5: Ministerial relationship and reporting | 35 |
| Appendix 6: Risks and mitigations strategy | 36 |
| Appendix 7: Accounting policy | 40 |
| Appendix 8: Other financial information | 47 |
| Appendix 9: Forecast financial statements | 48 |
| Appendix 10: General Terms and Conditions of the Output Agreement | 51 |
| Appendix 11: Payment schedule | 56 |

Preamble

This Statement of Intent has been prepared in accordance with the requirements of sections 141 and 142 of the Crown Entities Act 2004.

It describes the three-year vision and strategies of Career Services, as the government agency that provides independent career information, advice and guidance services to support the achievement of government's education, training and employment goals.

The Statement of Intent includes an Output Agreement with the Minister of Education.

Signed on behalf of the Board of Career Services.



Kaye Turner
Board Chair
Career Services

30 April 2008



Brent Kennerley
Deputy Board Chair
Career Services

30 April 2008

Overview from the Board Chair

I am pleased to present Career Services' Statement of Intent 2008–2011.

The government's priorities of Economic Transformation, Families – young and old, National Identity and sustainable development¹ remain at the forefront of our work. As the government agency responsible for providing career information, advice and guidance, we are well positioned to maximise New Zealand's potential by encouraging and supporting people to make quality decisions about work in a productive life.

We take this responsibility seriously both for the people we work with and the people who work for Career Services. This is evident by our success as a category finalist and public sector award winner in the Unlimited/JRA Best Places to Work Survey in 2007. Our all-age service is recognised internationally, and our delivery of career guidance is widely regarded as the best in the world.²

Independent and high-quality career information, advice and support can help people to set clear goals that will enable them to fit into, adapt to, and contribute to our modern economy and society. Our work plays an important role in contributing to a number of government strategies, including the Tertiary Education Strategy, Schools Plus, Ka Hikitia – Managing For Success: the Māori Education Strategy, the Pasifika Education Plan, the Skills Strategy, and the New Zealand Settlement Strategy.

In accordance with the Minister of Education's letter of expectations, over the lifetime of this Statement of Intent we will:

- recognise Schools Plus as an important opportunity for Career Services to demonstrate positive outcomes for youth,
- support the aims of the current tertiary reforms and work closely with other education agencies to find effective ways to assist in the selection of tertiary learning options and in the transition from tertiary studies to the workforce,
- actively contribute to the development and implementation of the Skills Strategy and other cross-government work aimed at the working age population,
- incorporate specific support for Māori and Pasifika achievement by contributing to the implementation of Ka Hikitia and the Pasifika Education Plan,
- place a high priority on searching for the most cost-effective strategies for increasing awareness of our information and services,
- continue to develop an evidence-based approach to the continuous refinement of our policies and practices, and
- further develop Career Services' influencing model by broadening our reach through working in strategic partnerships and providing active leadership to the careers industry.

We will also contribute to the Development Goals for the State Sector, in particular Networked State Services and Coordinated State Agencies.

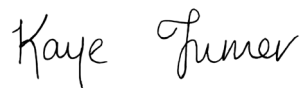
¹ Career Services will soon become a signatory to the Govt³ initiative.

² Skills Commission, *Inspiration and Aspiration: Realising our potential in the 21st century*, United Kingdom, released in April 2008, p13 and p45.

This document is presented to the Minister of Education pursuant to Section 141 of the Crown Entities Act 2004. It provides information on the following:

- background information about Career Services and the environment that we operate in,
- outcomes that Career Services seeks to achieve and/or contribute to,
- key financial and non-financial measures and standards by which the future performance of Career Services may be judged,
- information on our internal capability, including risk management,
- a statement on our accounting policy, and
- the reporting framework under which we will communicate with our responsible Minister.

In addition, this document provides information on Career Services' strategic direction and framework and ensures alignment with the outcomes desired by government.

A handwritten signature in black ink that reads "Kaye Turner". The signature is written in a cursive, flowing style.

Kaye Turner
Board Chair

The external environment we operate in and our strategic focus

In common with other developed countries, New Zealand faces acute skill and labour shortages and gaps. These are exacerbated by a global market for skills that are in high demand internationally, and an increase in the rate of technological change, which is resulting in people's existing skills becoming outdated.

More specifically, New Zealand is experiencing the following:

- a high number of hours worked but low productivity (by OECD standards),³
- a significant number of adults with low literacy skills,⁴
- a significant out-migration of people and significant in-migration of people of working age, particularly from the United Kingdom,⁵ and
- labour force participation rates above the OECD average, but with a low rate of paid work among some groups.

A further challenge is posed by changing demographics that will increasingly impact on the size and composition of New Zealand's working age population and labour supply, including:

- an ageing population, with the median age in New Zealand projected to rise, and
- an increasing number of Māori and Pasifika due to higher birth rates for these groups, which currently translates into large proportions of young Māori and Pasifika students participating in the education system.

In a shifting environment, career information, advice and one-to-one customised career planning assistance can play an important role in assisting people to make successful transitions throughout their lives from education and training to work, and in and out of the labour market.⁶ The European Centre of the Development of Vocational Training states that career guidance is vital for achieving lifelong learning, social inclusion, labour market efficiency and economic development.⁷

Government direction and policies also acknowledge the need to balance work, family, and community responsibilities, along with recreation and personal development, and recognises the social and economic benefits of doing so.⁸ By taking a work in life approach, Career Services plays an important role in assisting people to make informed work and learning decisions in the context of the lives they want to lead.

Career Services is ready to meet all of these challenges. We have been recognised as the most fully-integrated version of a national multi-channel all-age service in the world that is dedicated to career planning support and are poised for further development.⁹

Our strategic focus and direction

In support of the government priorities of Economic Transformation, Families – young and old and National Identity, and the Minister of Education's expectations, the following strategies will build the strategic direction of Career Services. The table also details specific focus areas for the short to medium term:

³ "Productivity and labour force participation are the key drivers of economic performance, higher wages and higher living standards. With an unemployment rate that is around the lowest in the world, the biggest gains in New Zealand's future economic performance will have to come from productivity growth." See: www.treasury.govt.nz/publications/research-policy/tprp/index.htm. There has also been a great deal of interest internationally about the ways that increased productivity can contribute to economic growth. This has become an important area of focus for the Organisation for Economic Co-operation and Development (OECD) which has developed a productivity database based on measures considered to be comparable and consistent across as many member countries as possible. See: www.oecd.org/dataoecd/3/35/37579984.pdf.

⁴ "Forty three percent of adults aged 16 to 65 have literacy skills below those needed to participate fully in a knowledge society," Ministry of Education, *The Adult Literacy and Life Skills (ALL) Survey: Overview and International Comparisons*, March 2008, pp18-19. See: www.educationcounts.govt.nz/_data/assets/pdf_file/0010/19495/ALL_Overview_V2.pdf.

⁵ The number of New Zealand citizens departing long-term has been consistently greater than the number returning, resulting in a steady loss of New Zealand citizens over time, and the United Kingdom accounted for 29% of all residence approvals and 19% of all work permit approvals in 2005/06. Department of Labour, *Migration Trends 2005/06*, p2, pp27-28. See: www.dol.govt.nz/publications/research/migration-trends/MigrationTrends-2005-06.pdf.

⁶ In 2004, the Council of the European Union passed a resolution to strengthen policies, systems and practices in the field of guidance through life in Europe. See: www.ec.europa.eu/education/policies/2010/doc/resolution2004_en.pdf.

⁷ Sultana R.G., *Guidance policies in the knowledge society: Trends, challenges and responses across Europe*, a Cedefop synthesis report, European Centre for the Development of Vocational Training, 2004, p5.

⁸ The Choices for Living, Caring and Working ten-year plan of action was announced by government in August 2007. Research had shown that people wanted real choices about how they could go about balancing their caring responsibilities, their involvement in paid work, time for leisure and learning, and time to be involved with friends, family and the community. See: www.dol.govt.nz/publications/general/gen-choices-for-living.asp.

⁹ Watts, A.G., *Career Services: A Review in an International Perspective*, 2007, p7.

| Strategies 2008–2013 | | Short-term | Medium-term |
|--|---|---|--|
| Key focus areas 2008/09 | What we will see in two years' time | Relevant three-year goal(s) | Relevant three-year success measure(s) |
| <p>Actively develop evidence and research linkages.</p> <ul style="list-style-type: none"> • Developing our evaluation programme, including BTATDM. • Capitalising on research partnership opportunities. • Contributing to and making use of international evidence. • Exploring action research models. | <ul style="list-style-type: none"> • Increased evidence of how our work demonstrates sustained impact for New Zealanders and links to economic and social goals. • Examples of how learning through evaluation and research has changed services and resources including other contract work. • Research partnerships established. • Action research models developed. • Promotion and recognition of our evidence and research work through the International Centre for Career Development and Public Policy and at the 2009 international conference and symposium. | <ul style="list-style-type: none"> • Greater understanding of the contribution that career information, advice and one-to-one customised career planning assistance makes to outcomes. | <ul style="list-style-type: none"> • Career development aspirations are supported in the policies and work of key stakeholders. |

| Strategies 2008–2013 | Short-term | | Medium-term | |
|--|---|--|---|--|
| Key focus areas 2008/09 | What we will see in two years' time | Relevant three-year goal(s) | Relevant three-year success measure(s) | |
| <p>Enhance people's capability to have better career conversations.</p> <ul style="list-style-type: none"> • Working with families and whānau. • Engaging with businesses/employers and unions – starting with the state sector. • Supporting schools through CPaBL. • Engaging with iwi and Pasifika organisations. • Contributing to tertiary sector career support systems. • Developing the tools and resources to support this work. | <ul style="list-style-type: none"> • New models implemented for our work with families and whānau. • Examples of pilots of career development in the state sector. • Schools have sustainable school-wide career education plans. • Contributions to career development of Māori and Pasifika people. • Examples of work with selected tertiary providers on capability building projects. • New tools and resources developed through BTATTDM. | <ul style="list-style-type: none"> • People are able to make informed decisions in a work in life context and support others to do the same. • Organisations support informed decisions in a work in life context. | <ul style="list-style-type: none"> • More people have increased skills and capability in career management. • Identified organisations have increased capability in career development. | |

| Strategies 2008–2013 | | Short-term | | Medium-term | |
|--|--|--|---|--|--|
| | Key focus areas 2008/09 | What we will see in two years' time | Relevant three-year goal(s) | Relevant three-year success measure(s) | |
| Establish active and influential alliances with key partners. | <ul style="list-style-type: none"> Building Australia/Pacific careers networks. Showing leadership in the national and international careers sector. Contributing to government strategies and policies. Engaging with iwi. Developing partnerships with employers and unions. | <ul style="list-style-type: none"> Established networks and partnerships within Australia and the Pacific. Pacific representation at the 2009 Symposium. Partnerships developed to ensure the success of the 2009 International Symposium and Conference. 'Careers perspective' embedded in broader government policies. Partnerships with iwi, employers and unions. | <ul style="list-style-type: none"> Greater understanding of the contribution that career information, advice and one-to-one customised career planning assistance makes to outcomes. | <ul style="list-style-type: none"> Career development aspirations are supported in the policies and work of key stakeholders. | |
| Build reach, awareness and innovative services and resources. | <ul style="list-style-type: none"> Ensuring that Career Services is recognised as the 'go to' place. Having responsive and flexible services and resources, including work in life decision making, available when, where and how people want them. Leveraging off existing projects and 'business as usual'. | <ul style="list-style-type: none"> Increased awareness and recognition of Career Services as the 'go to' place. Mix and distribution of our services and resources adapted so they are more flexible, integrated and customer-focused. Work in life decision making embedded in services and resources. Examples of how 'business as usual' and projects are driving continuous improvement. | <ul style="list-style-type: none"> Enhanced access, awareness and provision of career information, advice and one-to-one customised career planning assistance. | <ul style="list-style-type: none"> Career Services' resources and services are flexible and tailored, with targeted reach and impact. | |

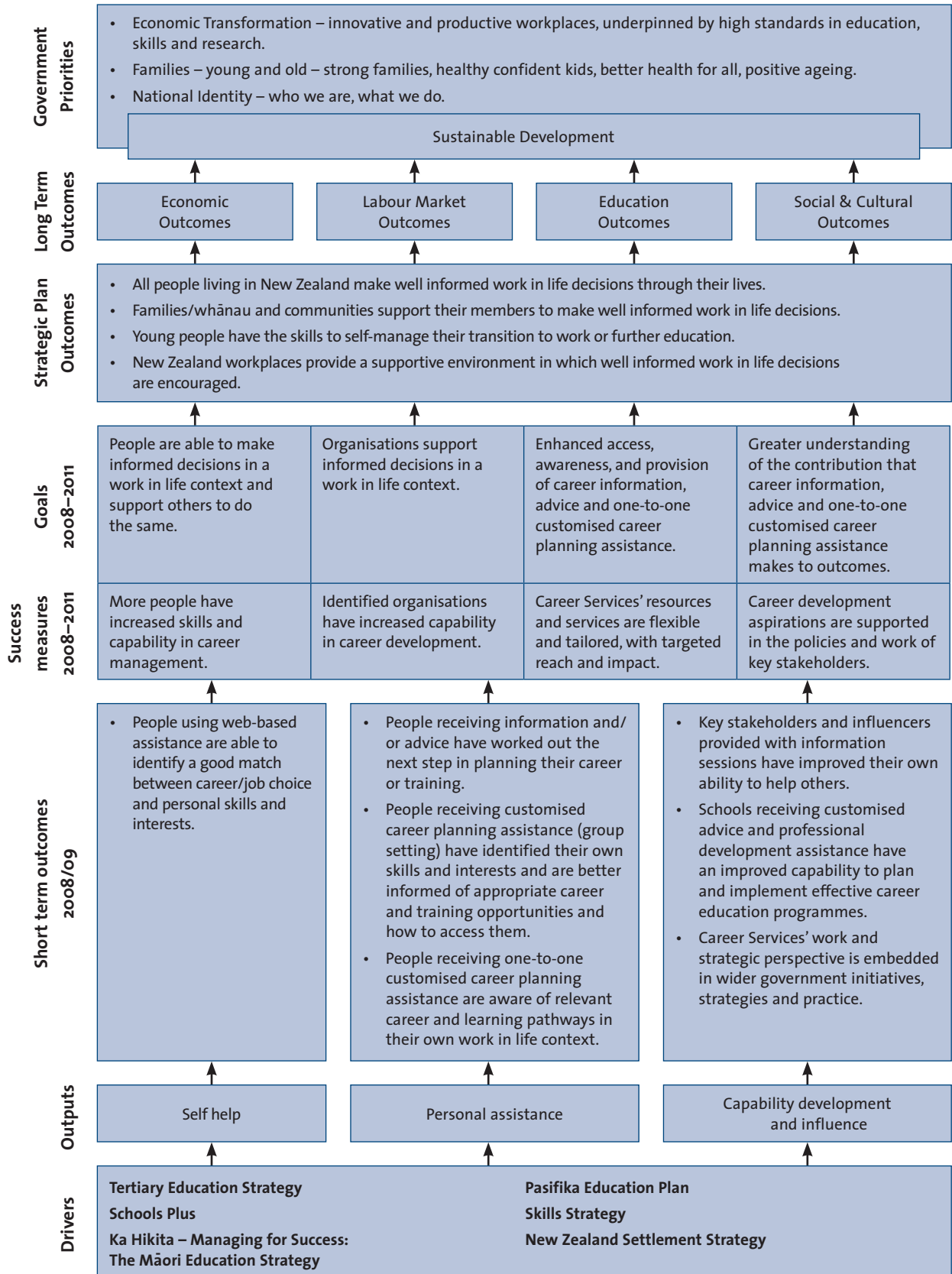
| Strategies 2008–2013 | | Short-term | | Medium-term | |
|--|---|---|---|---|--|
| | Key focus areas 2008/09 | What we will see in two years' time | Relevant three-year goal(s) | Relevant three-year success measure(s) | |
| Enhance internal capability. | <ul style="list-style-type: none"> Developing a responsive workforce model. Improving sustainability across Career Services. | <ul style="list-style-type: none"> Even better results in the Best Places to Work survey achieved. Our organisational capability and capacity developed to respond effectively to new opportunities. Effective sustainability initiatives and signatory to Govt³. | <ul style="list-style-type: none"> Enhanced access, awareness and provision of career information, advice and one-to-one customised career planning assistance. | <ul style="list-style-type: none"> Career Services' resources and services are flexible and tailored, with targeted reach and impact. | |
| Embed a careers focus in key government policies. | <ul style="list-style-type: none"> Schools Plus Tertiary Education Strategy Skills Strategy New Zealand Settlement Strategy Ka Hikitia and Pasifika Education Plan | <ul style="list-style-type: none"> Effective services and resources for targeted groups. | <ul style="list-style-type: none"> People are able to make informed decisions in a work in life context and support others to do the same. Organisations support informed decisions in a work in life context. Enhanced access, awareness and provision of career information, advice and one-to-one customised career planning assistance. Greater understanding of the contribution that career information, advice and one-to-one customised career planning assistance makes to outcomes. | <ul style="list-style-type: none"> More people have increased skills and capability in career management. Identified organisations have increased capability in career development. Career Services' resources and services are flexible and tailored, with targeted reach and impact. Career development aspirations are supported in the policies and work of key stakeholders. | |

Outcomes framework

The following framework sets out our three-year goals and success measures and illustrates how they link to government priorities and our strategic outcomes. These goals and success measures also frame the operational delivery focus in the Output Agreement.

The three-year goals and success measures are an addition to our Statement of Intent this year. Over the course of 2008/09 we will establish benchmark data and a process to measure progress towards these over the lifetime of this Statement of Intent.

Outcomes Hierarchy



Contribution to government priorities

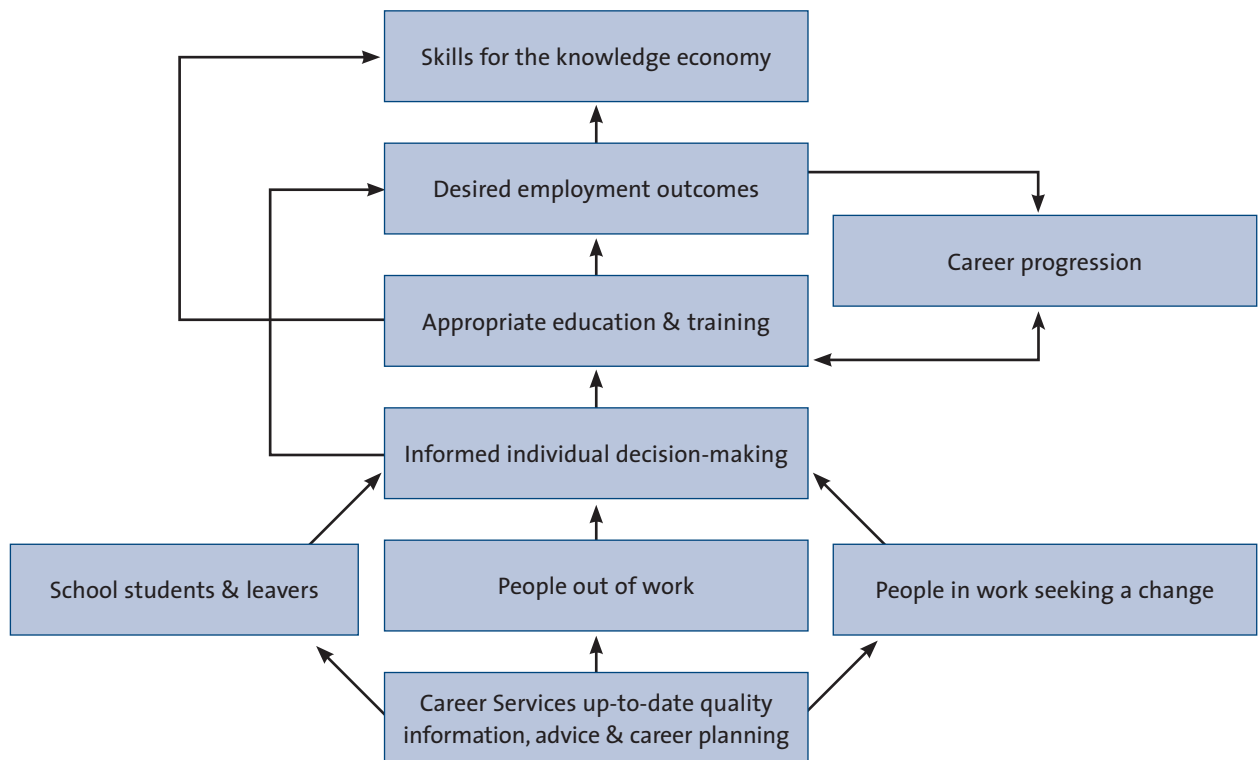
Career Services' work supports the government's priorities of Economic Transformation, Families – young and old, and National Identity, as well as a number of key government strategies as follows:

| Strategy | Lead Agency |
|--|---|
| Tertiary Education Strategy | Tertiary Education Commission |
| Schools Plus | Ministry of Education |
| Ka Hikitia – Managing for Success: The Māori Education Strategy | |
| Pasifika Education Plan | |
| Skills Strategy | Department of Labour |
| New Zealand Settlement Strategy | |
| Networked State Services | State Services Commission – Development Goals for the State Sector |
| Coordinated State Agencies | |
| Employer of Choice | |
| Value-for-Money State Services | |

Tertiary Education Strategy

While much of the emphasis in the tertiary reforms is at the sector level, Career Services provides assistance at the individual decision-making level. Through the provision of independent career information, advice and one-to-one customised career planning assistance, Career Services plays an important role in supporting current and prospective tertiary and trade training students to make informed decisions about learning options and potential career pathways, supporting, in particular, priority one of the Statement of Tertiary Education Priorities (STEP) – increasing educational success for young New Zealanders (more achieving qualifications at level four and above by age 25).

As the following diagram illustrates, Career Services helps to inform and influence people's career and learning decisions so that they make appropriate connections between education and training and the labour market.



Schools Plus

Career Services is already engaged in initiatives that provide greater career support to schools (through Creating Pathways and Building Lives, CPaBL) and enhanced support to those making transitions into tertiary study or trade training (through Better Tertiary and Trade Training Decision Making, BTATTDM). These initiatives support the Ministry of Education’s priority area of “people engaged and achieving in education and learning.”

As the funding for CPaBL ceases in December 2008, our focus will be on how to implement best practice careers education in schools, to build on the CPaBL experience ensuring successful transitions for young people. This work will be shaped within Schools Plus. We are providing significant input into the ‘Young People’s Pathways’ workstream of Schools Plus. As the role of Career Services becomes clear in the new model, we will work with the Ministry of Education on what will be required to support the implementation.

Ka Hikitia and the Pasifika Education Plan

Career Services acknowledges that for Māori and Pasifika people to acquire the knowledge and skills they need to succeed, culturally relevant services and resources are required. Therefore, we engage with Māori and Pasifika secondary students within a framework that recognises their beliefs and values. Such an approach encourages young Māori and Pasifika to consider the influence of cultural identity when making decisions about their learning, training or careers.¹⁰

Career Services fully endorses Ka Hikitia – Managing for Success: The Māori Education Strategy 2008-2012. Of the four key areas of focus, Career Services contributes to area two – young people engaged in learning. We will collaborate with other education agencies to provide effective support for year 9 and 10 Māori students to make decisions about future education choices.

¹⁰ In 2006/07, 91% of Māori and 96% of Pasifika who attended career hui, fono and so’o said that the workshops had helped them to realise that their cultural values and beliefs were important when making decisions about learning, training or careers, The Nielsen Company, *Career Services – Personal Assistance Evaluation 2007*, 15 August 2007, pp12-13.

We will also work closely with the Ministry of Education and the Ministry of Pacific Island Affairs on the stepping up of the Pasifika Education Plan to look at ways in which Career Services can actively participate in the plan's key areas.

Skills Strategy

The Skills Strategy focuses on lifting productivity through skills development and deployment so that people and organisations can make better use of their skills to transform their work and workplaces. Paying attention to the career development issues of people in employment helps both people and businesses to realise their full potential and enables them to manage change more effectively. Career and labour market information and advice is central to this process. Research from the National Institute for Careers Education and Counselling, Cambridge, UK points to a lack of effective career development support for the majority of the employed workforce, with employers generally focusing on what they identify as 'talent' groups (managers, future leaders and people with scarce skills – groups in high demand in the labour market) and government generally focusing on unemployed, low-skilled and disadvantaged groups. As a result, most people fall in the gap and are not catered for either by employer-based or government provision.¹¹

Career Services is contributing to two of the actions within the Skills Strategy as follows:¹²

- Improve access to career and labour market information and advice for adults in the workplace, including enabling pathways within and between industries, and
- Improve the provision of information and access to careers advice for young people and their parents.

Some of the work we have underway, such as aspects of BTATDM, will contribute to these actions. As the Skills Strategy is finalised, there will be clarity about any new requirements for Career Services and what this will mean in relation to existing services.

New Zealand Settlement Strategy

Career Services supports the settlement of new migrants and refugees under the New Zealand Settlement Strategy, in particular goal two: "that migrants, refugees and their families obtain employment appropriate to their qualifications and skills and are valued for their contribution to economic transformation and innovation."

By helping migrants and refugees to understand how their skills, work experience and qualifications fit into the New Zealand context, we can help them to become work-ready and find sustainable employment in line with their career aspirations.¹³ Equipping migrants and refugees with the tools and knowledge needed to find sustainable employment in line with their career aspirations will also benefit New Zealand employers and industries, who will be able to tap into expertise gained overseas leading to innovative and globally competitive workplaces.

¹¹ Jackson, C., *Career Guidance for Workforce Development* (Keynote: Guidance for Workforce Development Conference, CEDEFOP, Thessaloniki), National Institute for Careers Education and Counselling, Cambridge, UK, 2008, p1.

¹² At the time of drafting this Statement of Intent, the Skills Strategy was about to be made available for public consultation. Therefore, the areas of the Skills Strategy referenced are subject to change.

¹³ Department of Labour research indicated a high degree amongst migrants of dissatisfaction with employment that could be attributed to underemployment. Of those employed migrants who said that they were dissatisfied with their job, 55% said it was because they were not using their skills or experience and 28% said that it was because they were not working in their preferred occupation. Department of Labour, *Skilled Migrants in New Zealand: A study of settlement outcomes*, February 2006, p25. See: www.dol.govt.nz/publication-view.asp?ID=208.

Development Goals for the State Sector

Career Services has a range of activities underway to support the achievement of the Development Goals for the State Sector, particularly, goals 1, 2, 3 and 4:

Goal 1 – Employer of Choice: Ensure the State Services is an employer of choice, attractive to high achievers with a commitment to services. Relevant activities include:

- measuring our success through the Unlimited/JRA Best Places to Work Survey.

Goal 2 – Networked State Services: Use technology to transform the provision of services for New Zealanders. Relevant activities include:

- using technology to pilot new ways of engaging with people such as texting, and
- continuing to enhance our web-based resources to make them more interactive and dynamic.

Goal 3 – Value-for-Money State Services: Use resources and powers in an efficient, appropriate and effective way. Relevant activities include:

- reviewing our Output Agreement in 2008/09 to identify areas where efficiency and effectiveness can be improved.

Goal 4 – Coordinated State Agencies: Ensure the total contribution of government agencies is greater than the sum of its part. Relevant activities include:

- aligning our information sources with other government agencies to enhance our web-based resources, and
- involvement in monthly meetings of the six education agencies' Chief Executives.

Implications for entity capability in 2008/09

To ensure that we can effectively respond to the external environment we operate in and government priorities in the area of labour market, education, economic and social and cultural outcomes, Career Services will strengthen its internal capability in 2008/09.

Focus areas for 2008/09 are:

- building the capability of our people,
- supporting Māori and Pasifika achievement,
- ensuring a strong marketing and communications presence,
- sound information technology systems,
- strong financial management,
- value-for-money and productivity,
- continuing to build our research and evidence base, and
- ensuring that the work in life approach is at the forefront of our services and resources.

Given that no additional new work will be undertaken in the upcoming year, our focus as outlined above will be on strengthening current internal capability. Should new work eventuate through Schools Plus or the Skills Strategy, then our internal capability plans will be revised to focus on any new requirements.

Building the capability of our people

a) Workforce planning

In 2008/09 we are implementing a responsive workforce planning model to ensure that we have future capacity and capability to respond effectively to government expectations and opportunities as they arise.

b) Building capability

We continue to build people capability and develop excellent State servants¹⁴ by:

- recruiting the best possible people to fill vacancies,
- retaining and growing the talent we already have at all levels,
- optimising the organisational structure and work design, and
- ensuring high levels of staff engagement.

Career Services was a category finalist and public sector award winner in the Unlimited/JRA Best Places to Work Survey in 2007 and we aim to further improve our ranking in 2008. Organisational development initiatives arising from the 2007 survey results will focus on areas with higher concentrations of ambivalent employees, fully utilising the skills and knowledge of all staff, and expanding understanding of opportunities within Career Services and the State Sector.

We provide comprehensive induction, training and development, and opportunities for different work experiences across the organisation.

We continue to maintain and expand our suite of inhouse training and development programmes to enhance our capability to deliver an all-age multi channel service. Major training initiatives in 2008/09 will support the implementation of tools and resources for more integrated and personalised service delivery.

Capability frameworks for our main occupational groups are in place and will be reviewed as necessary to support changing capability requirements. The frameworks identify capability elements required for success in roles and provide stepping stones for internal career pathways.

¹⁴ We have implemented the Standards of Integrity for State Servants (Code of Conduct) within Career Services.

We value the diversity of skills, experience and perspectives contributed by different staff. We have built good employer and EEO principles into our ongoing human resources management practices. We actively review and maintain all good employer policies and practices for:

- leadership, accountability and culture,
- recruitment, selection and induction,
- employee development, promotion and exit,
- flexible work practices and design,
- fair remuneration, recognition and employment conditions,
- preventing and dealing with bullying and harassment to maintain a positive work environment, and
- maintaining a healthy and safe workplace.

c) Leadership

We have an ongoing programme of developing and supporting leadership at all levels in the organisation. Senior managers are all engaged in significant personal development programmes through the Leadership Development Centre. In 2008/09 the number of managers nominated to utilise the services of the Leadership Development Centre will increase.

Internally our management competency framework is used to inform leadership capability development individually and collectively. Key competencies are identified annually to support strategic organisational imperatives.

d) Qualified workforce

Career Services supports and encourages staff to gain qualifications in their fields of work. We support pathways to qualifications through formal study or workplace training, and assessment based on unit standards, including the attainment of qualifications through Learning State. All our career consultants have either completed or are working towards the completion of appropriate qualifications and are members of CPANZ (Career Practitioners' Association of New Zealand).

We have worked with the Learning State to develop up-to-date careers practice unit standards for Career Services' staff and the careers industry. The standards will be implemented in Career Services when registered on the National Qualifications Framework.

e) Career management

In 2008/09 our internal career development programme will be enhanced to equip our staff and managers with skills, tools and processes for career management within Career Services and beyond.

Our staff will continue to receive support to consider their career aspirations and make career decisions in a whole of life context. They are actively encouraged to consider paid work in context with other parts of their lives, such as home and family, community and recreation.

This initiative further strengthens our internal career development programme with a view to ultimately providing this programme to other businesses and organisations.

Supporting Māori and Pasifika achievement

Our internal Māori and Pasifika strategies, along with external government strategies – namely Ka Hikitia: Managing for Success – the Māori Education Strategy, the Pasifika Education Plan, the Pacific Economic Action Plan and the Pacific Women’s Economic Development Plan, provide direction about how services and resources can best meet the needs of Māori and Pasifika. We will provide services and resources that will:

- be used by Māori and Pasifika,
- be relevant to Māori and Pasifika,
- contribute to Māori and Pasifika individuals’ and communities’ development,
- lead to best outcomes for Māori and Pasifika, and
- recognise the distinct and differing needs of Māori and Pasifika individuals and communities.

Ensuring a strong marketing and communications presence

We will continue to create sustained awareness of the services we provide and how this can help individuals and groups to make well-informed decisions about job, training and career options in the context of the life they want to lead. This awareness will be achieved through cost-effective marketing and strategic communications strategies, with a particular emphasis on activities that can be adjusted based on ongoing measurement of response levels and awareness tracking. In 2008/09 we aim to have between 32-40% of people in New Zealand being aware of who we are and what we do.¹⁵

There will be a focus on increasing the leadership profile of Career Services as New Zealand’s voice of career advice, through partnerships with other government agencies, participation in related conferences and proactively building relationships with key media channels.

In addition to ongoing brand awareness, marketing and communications activity will target specific audiences (including young people, migrants, Māori and Pasifika) to increase use of self-help and personal assistance services as outlined in the Output Agreement.

Sound information technology systems

Our newly developed information systems strategic principles document will be the framework used to align the information systems resources with the strategic direction of the organisation. Focus will also be placed on investigating the roll out of the Government Shared Network and embedding the use of the Client Relationship Management (CRM) tool.

Career Services continues to be an active participant in the Education Sector ICT programme of work. Career Services is represented on the Education Sector ICT Management Committee and chairs one of the four work streams, the ICT Shared Services Oversight Sub-Committee. The Education Sector ICT Management Committee reports to the ICT Standing Committee which comprises the Chief Executives of the education sector government agencies.

Strong financial management

We have a comprehensive system of financial reporting and monitoring and have implemented NZ IFRS (International Financial Reporting Standards). Career Services has reviewed its financial systems and will work to integrate these further. The aim is to have one integrated system which will make efficiency and effectiveness reporting easier and faster. Trends will be analysed and enhancements will be made as appropriate.

¹⁵ This is measured through the twice-yearly Research NZ Trust and Confidence survey.

For the first time in eight years Career Services will see Output Agreement funding reduced in 2008/09. The CPaBL initiative finishes in December 2008 which will result in a \$598,000 reduction in funding for 2008/09 and a further reduction of \$603,000 in 2009/10 as compared to 2008/09. In line with our strategic direction, other contract work has also been declining since 2005/06 and this trend is likely to continue.

Unless additional other revenue generating work, consistent with Career Services' strategy, vision and values can be found, Career Services will have to significantly reduce costs from January 2009. Career Services is also faced with some large additional expenditure items mainly for increased rent and employment costs. Career Services will not be able to absorb both the decrease in revenue and the increase in cost and is forecasting a deficit for 2008/09 and may have to budget for a further deficit in 2009/10. Short-term deficits will be able to be funded from current working capital.

The financial parameters for 2008/09 are to:

- consolidate the existing services and resources with no reduction in Output Agreement delivery with the exception of CPaBL (this ends on 31 December 2008),
- budget for deficit position for 2008/09,
- aim to return to breakeven position in the medium term, and
- reinvest working capital in asset capital replacement while maintaining operating capacity.

Value-for-money and productivity

Hand in hand with our commitment to building the capability of our people, we will continue our work on productivity, efficiency and effectiveness. A review of our Output Agreement will be carried out in 2008/09 to identify areas where efficiency and effectiveness could be improved. While this is essential to manage in tight financial times this year, it is also important to ensure that the foundations of our delivery are the best that they can be for the future. Our continued focus in this area is consistent with the SSC goal of Value-for-Money State Services and the government goals for improving workplace productivity.

Continuing to build our research and evidence base

Career Services is committed to promoting and engaging in outcomes-based research as part of our leadership role within the careers industry. In addition to evaluating the outcomes of our own work and conducting comprehensive user-research and user-testing to enhance our service delivery platform, we will also provide input and work collaboratively on other research projects being conducted by others in New Zealand.

We will also continue to share, contribute and learn from international career-related research. Career Services is highly regarded internationally and has strong links to the International Association of Educational and Vocational Guidance, and the International Centre for Career Development and Public Policy.

Work in life approach

We will continue to implement our best practice work in life approach throughout our services and resources. We will also encourage others to work in partnership with us to lift New Zealanders' understanding of the value of a work in life approach to career decision making.

Overview of output class/services 2008/09

Government funding

Career Services is funded by the government through Vote Education – Non-departmental output class 05 – Provision of Information and Advisory Services. The purchase of outputs within this output class is solely by the Minister of Education and is detailed in the Output Agreement between the Minister of Education and the Board of Career Services.

Total income via the Output Agreement with the Minister of Education in 2008/09 is \$18,190,000 (incl. GST).¹⁶

Delivery of our government-funded work complies with a number of internal quality assurance measures, including relevant standards in the Quality Standards Manual and delivery guides.

| | Price \$000 GST incl |
|---|----------------------|
| Summary of outputs | |
| <i>Non-departmental Output Class 05: Provision of Information and Advisory Services</i> | \$18,190 |
| 1. Self-help resources that assist people to understand themselves and the New Zealand labour market, explore training and career opportunities and develop career plans in their own work in life context. | \$4,172 |
| 2. Personal assistance that helps people to interpret and apply career-related information in their own work in life context. | \$10,367 |
| 3. Capability development and influence activities that raise the profile of CIAG amongst key stakeholders and influencers, as well as developing the knowledge and skills for career education and planning within schools. This will lead to greater appreciation of the way CIAG contributes to economic, education and social outcomes. Key stakeholders and influencers will be better informed about work in life decision making. | \$3,651 |

Other contract work

Career Services also delivers services and resources purchased directly by other parties on a commercial basis. A range of contract work will be undertaken for public and private sector organisations, as well as individual fee-paying clients. All commercial revenue will be based on the sale of services and resources that comply with legislated functions of Career Services.

¹⁶ This figure includes \$563,625 (incl. GST) to increase our work with migrants in 2008/09 (CAB Min (07) 45/5 refers). This funding is noted on a separate line in the forecast financial statements (see Appendix 9).

Output Agreement 2008/09

Output 5.1: Self-help

Self-help resources, (web-based information and tools), will assist people to understand themselves and the labour market, explore training and career opportunities, and develop career plans in their own work in life context.

| Deliverable 1: Web-based assistance will provide up to date and accurate labour market, job, course and training information, and provide interactive online career tools. | | | |
|--|---|--|---|
| Measure for 2008/09 | Indicator for 2008/09 | Three-year goal(s) | Three-year success measure(s) |
| <p>Outcome measure:</p> <p>Evaluation results demonstrate that people using self help resources are able to identify a good match between career/job choice and personal skills and interests.</p> <p>Quantity measures:</p> <p>Number of visits from New Zealand-based people accessing web-based career information.</p> <p>Quality measures:</p> <p>Web-based job information is current and reviewed regularly.</p> <p>Web-based content and tools cater for users' specific needs.</p> | <p>80% (Achieved in 2006/07: 84%)</p> <p>750,000 – 1,000,000.¹⁷ (2006/07 measure: 500,000 – 600,000. Achieved: 563,865)</p> <p>All job content reviewed (and updated where necessary) on annual cycle.</p> <p>All content and online tool development informed by user-research where appropriate.</p> | <p>People are able to make informed decisions in a work in life context and support others to do the same.</p> <p>Enhanced access, awareness and provision of career information, advice and one-to-one customised career planning assistance.</p> | <p>More people have increased skills and capability in career management.</p> <p>Career Services' resources and services are flexible and tailored, with targeted reach and impact.</p> |

¹⁷ From 1 July 2008, a new website user statistics package will be used which can more accurately report on the number of New Zealand-based visitors. The increased quantity measure range reflects this change.

Output 5.2: Personal assistance

Personal assistance will help people to interpret and apply career-related information in their own work in life context. Personal assistance will be in the form of information and/or advice or customised career planning either in a group setting or one-to-one.

Deliverable 2: Information and/or advice is provided through a range of access channels and modes of delivery to ensure wide coverage and maximum accessibility (including phone, email, online chat, texting and in person).

| Measure for 2008/09 | Indicator for 2008/09 | Three-year goal(s) | Three-year success measure(s) |
|---|---|--|--|
| <p>Outcome measure:</p> <p>Evaluation results demonstrate that people receiving information and/or advice worked out the next step in planning their career or training.</p> | 75% (Achieved in 2006/07: 75%) | People are able to make informed decisions in a work in life context and support others to do the same. | More people have increased skills and capability in career management. |
| <p>Quantity measure:</p> <p>Number of people receiving information and/or advice remains stable from 2007/08.</p> | 60,000 – 70,000 people (2006/07 measure: 60,000 – 70,000. Achieved: 62,815). | Enhanced access, awareness and provision of career information, advice and one-to-one customised career planning assistance. | Career Services' resources and services are flexible and tailored, with targeted reach and impact. |
| <p>Quality measure:</p> <p>Responses to requests for this service are within agreed operating standards.</p> | 90% of people are satisfied with timeframes and the service meets their expectations. | | |

Deliverable 3: Customised career planning assistance in a group setting is provided to those who are identified as having particular career needs that are most effectively addressed in a group environment. These include: Māori and Pasifika secondary school students, migrants and refugees, prospective tertiary students and others in transition.

| Measure for 2008/09 | Indicator for 2008/09 | Three-year goal(s) | Three-year success measure(s) |
|--|-----------------------------------|--|--|
| Outcome measures: | | | |
| Evaluation results demonstrate that people receiving customised career planning assistance (group setting) have identified their own skills and interests and are better informed of appropriate career and training opportunities and how to access them. | 85% ¹⁸ | People are able to make informed decisions in a work in life context and support others to do the same. | More people have increased skills and capability in career management. |
| Māori participants who receive assistance in a group setting find that it: | 85% | Enhanced access, awareness and provision to career information, advice and one-to-one customised career planning assistance. | Career Services' resources and services are flexible and tailored, with targeted reach and impact. |
| • motivates them to stay in school, | (Achieved in 2006/07: 94%) | | |
| • motivates them to pursue other learning options. | (Achieved in 2006/07: 89%) | | |
| Pasifika participants who receive assistance in a group setting find that it: | 85% | | |
| • motivates them to stay in school, | (Achieved in 2006/07: 98%) | | |
| • motivates them to pursue other learning options. | (Achieved in 2006/07: 92%) | | |
| Migrants and refugees who receive assistance in a group setting understand how they can use their skills and experience in New Zealand. | 60% (Achieved in 2006/07: 60%) | | |

¹⁸ No directly comparable data available from 2006/07.

| Measure for 2008/09 | Indicator for 2008/09 | Three-year goal(s) | Three-year success measure(s) |
|---|---|--------------------|-------------------------------|
| Quantity measures: | | | |
| Number of people who receive customised career planning assistance in a group setting remain stable from 2007/08: | | | |
| <ul style="list-style-type: none"> students, including Māori and Pasifika, | 4,300 – 4,900 (2006/07 measure: 4,300 – 4,900. Achieved: 4,730) | | |
| <ul style="list-style-type: none"> migrants and refugees, and | at least 50 group events. (2006/07 measure: 50. Achieved: 61) | | |
| <ul style="list-style-type: none"> prospective tertiary students and other people in transition. | As required. | | |

| Deliverable 4: One-to-one customised career planning assistance is provided to targeted audiences. | | | |
|--|---|--|--|
| Measure for 2008/09 | Indicator for 2008/09 | Three-year goal(s) | Three-year success measure(s) |
| Outcome measures: | | | |
| Evaluation results demonstrate that people receiving one-to-one customised career planning assistance have identified relevant career and learning pathways in their own work in life context. | 80% ¹⁹ | People are able to make informed decisions in a work in life context and support others to do the same. | More people have increased skills and capability in career management. |
| Migrants and refugees who receive one-to-one customised career planning assistance understand how they could use their skills and experience in New Zealand. | 85% (Achieved in 2006/07: 86%) | Enhanced access, awareness and provision of career information, advice and one-to-one customised career planning assistance. | Career Services' resources and services are flexible and tailored, with targeted reach and impact. |
| Quantity measure: | | | |
| Number of people who receive one-to-one customised career planning assistance remains stable from 2007/08 levels. | 6,650 – 7,300 (2006/07 measure: 5,900 – 6,300. Achieved: 6,672) | | |

¹⁹ No directly comparable data available from 2006/07.

Deliverable 5: A suite of services and resources for young New Zealanders and their influencers as part of the “Better Tertiary and Trade Training Decision Making (BTATTDM)’ initiative will be delivered.²⁰

| Measure for 2008/09 | Indicator for 2008/09 | Three-year goal(s) | Three-year success measure(s) |
|--|--|--|---|
| <p>Quantity measures:</p> <p>New tools and resources developed for three target audiences.</p> <p>Further development and implementation of three identified pilot projects into business as usual.</p> | <p>Targeted sections of website developed for groups including:</p> <ul style="list-style-type: none"> • parents, families and whānau, • Māori and Pasifika, and • career practitioners. <p>Three pilot projects implemented:</p> <ul style="list-style-type: none"> • texting, • phone guidance, and • outbound contacts. | <p>People are able to make informed decisions in a work in life context and support others to do the same.</p> <p>Enhanced access, awareness and provision of career information advice and one-to-one customised career planning assistance.</p> <p>Greater understanding of the contribution that career information, advice and one-to-one customised career planning assistance makes to outcomes.</p> | <p>More people have increased skills and capability in career management.</p> <p>Career Services’ resources and services are flexible and tailored, with targeted reach and impact.</p> <p>Career development aspirations are supported in the policies and work of key stakeholders.</p> |
| <p>Quality measures:</p> <p>Enhancements made to services and resources informed by user-research and user-testing.</p> | 100% | | |

²⁰ The BTATTDM initiative has specific key success measures which sit outside of the Output Agreement framework. Results and progress will nonetheless be communicated through the quarterly reporting cycle through the lifetime of this initiative.

Output 5.3: Capability development and influence

Capability development and influence activities will raise the profile of career information, advice and guidance (CIAG) amongst key stakeholders (including government) and influencers (the wider community), as well as developing the knowledge and skills for career education and planning within schools. This will lead to a greater appreciation of the way in which CIAG contributes to better economic, education and social outcomes. Key stakeholders and influencers will, in addition, be able to signpost others to appropriate CIAG services and will be better informed about work in life decision making.

Career Services' key stakeholders include business groups, employers and unions, the Minister of Education, the Ministry of Education, and other government agencies. Influencers include parents, caregivers and family, iwi, key contacts within migrant and refugee communities, and community organisations.

| Deliverable 6: Key stakeholders and influencers' knowledge and capability is developed. | | | |
|--|---|---|--|
| Measure for 2008/09 | Indicator for 2008/09 | Three-year goal(s) | Three-year success measure(s) |
| <p>Outcome measure:</p> <p>Evaluation results demonstrate that key stakeholders and influencers receiving information sessions have improved their own ability to help others.</p> <p>Quantity measure:</p> <p>Number of information sessions provided for key stakeholders and influencers remains stable from 2007/08.</p> | <p>90%</p> <p>(Achieved in 2006/07: 95%)</p> <p>270 – 310 sessions.</p> <p>(2006/07 measure 270 – 310. Achieved 326)</p> | <p>Organisations support informed decisions in a work in life context.</p> <p>Greater understanding of the contribution that career information, advice and one-to-one customised career planning assistance makes to outcomes.</p> | <p>Identified organisations have increased capability in career development.</p> <p>Career development aspirations are supported in the policies and work of key stakeholders.</p> |

Deliverable 7: Supporting schools participating in the 'Creating Pathways and Building Lives (CPaBL)' initiative within the context of an agreed Professional Support Agreement (to 31 December 2008).²¹

Deliverable 8: Customised advice and professional development assistance to identified state and state-integrated schools with year 7 or above.

Deliverable 9: Suite of resources to support delivery of career education in schools and delivery of career education professional development to schools.

| Measure for 2008/09 | Indicator for 2008/09 | Three-year goal(s) | Three-year success measure(s) |
|---|---|--|---|
| Outcome measures: | | | |
| Evaluation results demonstrate that schools receiving customised advice and professional development assistance have improved capability to plan and implement effective career education programmes (deliverable 8 and 9). | 85% (2006/07 measure: 85%. Achieved 75%) | Organisations support informed decisions in a work in life context. Greater understanding of the contribution that career information, advice and one-to-one customised career planning assistance makes to outcomes. | Identified organisations have increased capability in career development. Career development aspirations are supported in the policies and work of key stakeholders. |
| Quantity measures: | | | |
| In-depth support provided to 100 schools participating in CPaBL (deliverable 7). | 100 schools (to 31 December 2008). | | |
| Customised advice and professional development assistance made available to identified state and state-integrated schools with year 7 or above (deliverable 8). | 275 – 325 schools ²² (2006/07 measure: 275 – 325 schools. Achieved: 472). ²³ | | |
| Suite of resources to support delivery of career education in schools and delivery of career education professional development to schools produced and maintained (deliverable 9). | New resources developed or updated. | | |
| Quality measure: | | | |
| Existing resources reviewed on cycle as appropriate for the resource (deliverable 9). | 1 – 3 year cycle. | | |

²¹ As CPaBL is a Ministry of Education-led initiative with Career Services as a delivery partner, the evaluation of the initiative as a whole sits outside of the Output Agreement.

²² From 1 January 2009, schools that were part of the CPaBL initiative may be worked with under this deliverable, therefore contributing to this quantity measure.

²³ The 472 schools that received this service in 2006/07 include 87 CPaBL schools that received this service before delivery under CPaBL began.

Deliverable 10: Policy advice and ministerial servicing for Minister(s) and the Ministry of Education actioned as appropriate.

Deliverable 11: Contribution to the development of wider government policy and practice at both a national and regional level.

| Measure for 2008/09 | Indicator for 2008/09 | Three year-goal(s) | Three-year success measure(s) |
|--|---|--|---|
| <p>Outcome measure:</p> <p>Career Services' work and strategic perspective is embedded in wider government initiatives, strategies and practice.</p> <p>Quantity measure:</p> <ul style="list-style-type: none"> • preparing advice and input into cabinet and briefing papers, • attendance at interagency meetings and involvement in projects as required, • responses to Ministerials, parliamentary questions, Official Information Act requests and advice to Ministers prepared as required, • presence on steering groups and senior officials' groups. <p>Quality measures:</p> <p>All agreed timeframes met.</p> <p>Internal quality assurance and sign off process followed.</p> | <p>More government strategies and initiatives incorporating a careers dimension.</p> <p>Update provided quarterly.²⁴</p> <p>100%</p> <p>100%</p> | <p>Greater understanding of the contribution that career information, advice and one-to-one customised career planning assistance makes to outcomes.</p> | <p>Career development aspirations are supported in the policies and work of key stakeholders.</p> |

²⁴ As these are largely demand-driven services, it is not possible to specify a fixed quantity measure for them.

Appendix 1: Legislative framework and governance

Education Act 1989

Career Services is a crown entity established on 23 July 1990 under the provisions of the Education Act 1989, to assist in the achievement of government education, training and employment goals through the provision of high quality career information, advice and guidance.

Crown Entities Act 2004

Our relationship with government and the wider State Sector is strengthened and formalised under the Crown Entities Act. The main aims of the Act are to improve the quality of governance, clarify the relationship between the Minister, the Board and the organisation, and to increase the discipline relating to choice of organisation form and governance regime.

Governing Board

Career Services is governed by a Board, which reports to the Minister of Education. The Board is responsible to the Minister for governing the organisation and setting the strategic direction for Career Services. The Board operates under a robust set of policies and procedures and meets approximately 10 times a year. The Board includes members with knowledge and experience in the school and tertiary education sectors, business, industry, community development organisations and Māori issues.

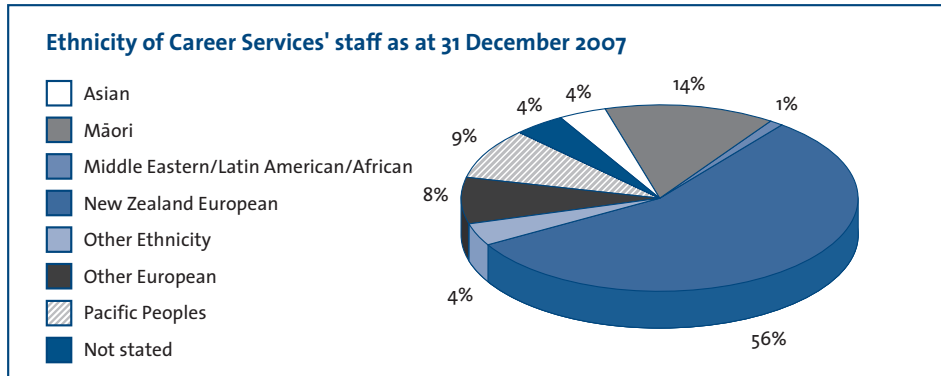
The Board takes cognisance of the State Services Commission guidelines on Board appointments and induction. In addition it has access to best practice information from the Institute of Directors. The Board is committed to effective and efficient practices and undertakes an annual self-review.

Finance and Risk Committee

The Board has appointed a Finance and Risk Committee which monitors the performance of Career Services and the management of significant risks facing the organisation. The committee also reviews all significant expenditure proposals, monthly financial reports and financial strategy/budget papers.

Appendix 2: Who we are and what we do

Career Services maintains an ethnically diverse workforce and our relatively high proportions of Māori and Pasifika staff reflect our commitment to building our capability to serve Māori and Pasifika people in New Zealand.²⁵



Note: Ethnic categories used for Human Resources reporting are aligned to Statistics New Zealand classifications. This data may, therefore, not be directly comparable to that contained in previous Statements of Intent.

Range of services

Career Services is the leading provider of career information, advice and guidance in New Zealand. We provide highly accessible and seamless services, which respond to varying degrees of need. Our services span from self-help services and resources for people who require minimal intervention or are more comfortable with this type of assistance, to one-to-one customised career planning assistance for people who require more intensive and focused support.²⁶ Career Services has an evolving and sophisticated service delivery infrastructure (including web-based, phone-based and in person services) that is marketed and promoted in an integrated, client-centred way. We have been recognised as the most fully-integrated version of a national multi-channel all-age service in the world that is dedicated to career planning support.²⁷

Our Vision

Maximise New Zealand's potential through quality work in life decisions.

Our Mission

We encourage and support people living in New Zealand to make well informed decisions about work and learning in the context of the life they wish to lead.

We will ensure that people are able to navigate confidently their own pathways to success.

We will use our experience and expertise to work alongside other people to build this environment in our schools, the tertiary sector, communities, workplaces and families.

We will be determined in our focus, confident in our leadership, and creative in our relationships to improve work in life outcomes for everyone living in New Zealand.

²⁵ In 2006, Māori composed 14.6% of the New Zealand population and Pasifika 6.9%. See: www3.stats.govt.nz/census_outputs/QuickStats_Snapshot_NZ.pdf.

²⁶ Wei-Cheng Mau, "So which intervention is the most effective and cost-effective? Individual career counseling is the most effective, whereas computer interventions is the most cost-effective (Whiston et al., 1998), with intensity increasing the impact of the treatment," *Impacts of School-based Career Interventions on NCDG Outcomes, in Career Convergence*, National Career Development Association, web magazine, 2 April, 2007. See: www.tcssoftware.com/cgi-bin/WebSuite/tcsAssnWebSuite.pl?Action=DisplayNewsDetails&RecordID=962&Sections=01&IncludeDropped=0&NoTemplate=1&AssnID=NCDA&DBCode=130285.

²⁷ Watts, A.G., *Career Services: A Review in an International Perspective*, 2007, p7.

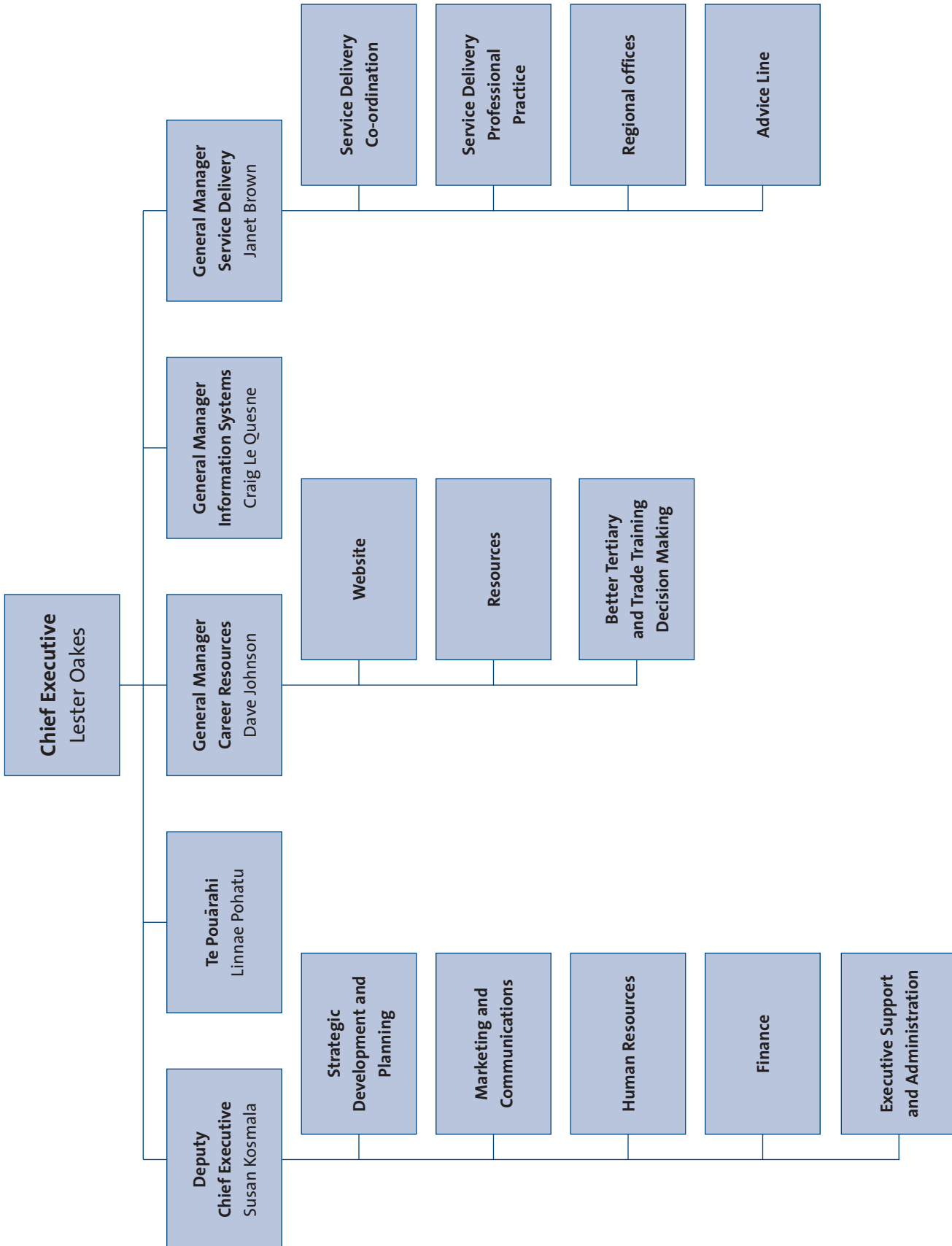
Our Core Values

Resilience: Our resilience, our strength for the future, comes from our confidence in and high expectations for the future, opportunities for meaningful participation, and a resourceful approach to any challenge.

Manaaki me te tiaki tangata: We work with people, our partners, iwi and communities in a way best described by the Māori concept of whakamana tangata – embracing all with mutual respect and teamwork that enables people and communities to maximise their potential and be the best that they can be. We nurture and value all our relationships and actively build relationships that are outcome-focused and mutually beneficial to all parties.

Work in life approach: We recognise our responsibility as leaders for improved decision making leading to better quality work and life choices. We will model balancing this approach to work and learning in our own lives and in the lives of people we work with.

Appendix 3: Organisational chart



Appendix 4: Responsibility of parties

Obligations of the Board

General – The Board shall carry out, to the satisfaction of the Minister of Education (the Minister), all of its statutory responsibilities as specified in the Education Act 1989, Section 282.

Dealing with losses – Where a loss occurs on Career Services' Income Statement, it is to be met from Career Services' financial reserves.

Where a loss is too large to be met from Career Services' operating financial resources, the Minister should be advised within 20 days of the identification of the loss.

Levels of operating funds – Within 30 days of the tabling of Career Services' Annual Report an analysis will be provided to the Ministry of Education (the Ministry), which identifies the level of accumulated operating funds held by Career Services, how these funds developed, and are to be utilised. The Ministry and Career Services will recommend whether or not an equity withdrawal is appropriate and if so the level of such a withdrawal. The Minister will make any decisions regarding actioning an equity withdrawal.

Maintenance of organisational capacity

The Board will ensure that employees are appropriately skilled and resourced to undertake the delivery of the services purchased in this document or through other purchase arrangements. Performance against this objective will be reported annually with the final quarterly report.

The Board will be a good employer as defined in the State Sector Act 1988.

Maintenance of organisational viability

The Board will ensure the viability of Career Services in respect of the Crown's investment.

The maintenance of organisational viability includes the following:

- Operating without deficit or with a negotiated short-term operating deficit based on a defined investment in the strategic direction and long-term viability of the organisation.
- Level of capital in organisation – The Board will ensure that positive working capital is maintained.

The maintenance of organisational viability will be established by the reporting of financial information against the forecast financial statements contained in Appendix 9 of this document.

Appendix 5: Ministerial relationship and reporting

Quarterly reporting cycle

Career Services will provide the Minister of Education (the Minister) with quarterly reports which will contain:

1. the monitoring of progress for each deliverable against measures and standards specified in this document,
2. an explanation for any below standard performance, and
3. an explanation for any variances from target, including the proposed action to correct any variance.

The following information will be provided as an appendix to the fourth quarter report:

- age, gender, ethnicity and qualifying category of clients receiving one-to-one customised career planning assistance,
- analysis of information and/or advice clients by gender, ethnicity, and client type, and
- financial statements with explanation of significant variances including:
 - i. Balance Sheet,
 - ii. Income Statement,
 - iii. Statement of Cash Flows,
 - iv. Statement of Income and Expenditure for each output with budget analysis provided, and
 - v. Statement of Output Reconciliation.

The reports for each quarter will be produced by the following dates:

| | |
|----------------|---------------------|
| First Quarter | by 24 October 2008 |
| Second Quarter | by 15 February 2009 |
| Third Quarter | by 27 April 2009 |
| Fourth Quarter | by 8 August 2009 |

The Ministry of Education will also receive a copy of the quarterly reports in order to fulfil their monitoring role on behalf of the Minister.

Appendix 6: Risks and mitigations strategy

Risk management

Career Services aims to remain a high quality, pro-active, responsive and financially viable organisation recognised as the sector leader in our field. Our Board and management will continue to monitor and manage any risks posed to our organisation and will keep the Minister of Education informed as appropriate.

Our risks and mitigations strategy is monitored, updated and reported quarterly with risks (and corresponding mitigation strategies) divided into five categories:

- Strategic: relating to Career Services' ability to achieve government goals,
- Financial: relating to a loss of assets or income,
- Operational: relating to ongoing delivery processes,
- Compliance: relating to compliance with laws, regulations and internal processes, and
- Reputation: relating to damage to Career Services' external reputation and profile.

Significant projects or initiatives (such as BTATTDM, CPaBL and CRM) have their own individual risk registers which are updated and reported to the Board regularly.

Risk severity and likelihood levels will be monitored and revised (where necessary) each quarter as part of the regular Statement of Intent quarterly reporting. The risk severity and likelihood levels relate to an assessment of the risks undertaken in April 2008.

Risk Scale

| | |
|-----------------|-------------------|
| Severity – High | Likelihood – High |
| – Medium | – Medium |
| – Low | – Low |

Severity is an assessment of the seriousness of the effect of an adverse event or potential failure.

Likelihood is an assessment of the probability that the adverse event or failure will actually happen.

| Risk Category | Risk | Result | Severity | Likelihood | Mitigation Strategies |
|---------------|---|--|----------|------------|--|
| Strategic | We are unable to demonstrate to government and government stakeholders that our work adds public value. | <ul style="list-style-type: none"> Government funding is reduced. Loss of credibility and lack of commitment from government stakeholders. | High | Low | <ul style="list-style-type: none"> Promote and maintain strong relationships with government and government stakeholders. Provide programmes that deliver positive career outcomes and specify measurable outcomes for these programmes. Have robust evaluation processes that can provide evidence of the value and effectiveness of all our programmes and the impact it has on economic and social outcomes. |
| | Our strategic and organisational direction is not in line with clients and stakeholders needs. | <ul style="list-style-type: none"> Lack of alignment between business activities and our Vision and Mission, resulting in a loss of strategic focus. Vision and Mission of Career Services called into question. | Medium | Low | <ul style="list-style-type: none"> Have a clear and strong marketing focus and market research programme that both informs and reflects the strategic and organisational direction of the organisation. Ensure that planned business activities and associated budget provision is well-linked to the achievement of our strategic direction. |
| Financial | We face reduced government funding. | <ul style="list-style-type: none"> Possible impact on financial viability. | Medium | High | <ul style="list-style-type: none"> Promote and maintain strong relationships with government and government stakeholders. |
| | We face a reduced rate of other contract work revenue. | <ul style="list-style-type: none"> Possible impact on financial viability. | Low | Medium | <ul style="list-style-type: none"> Promote and maintain strong relationships with commercial partners and keep informed of their strategic direction and key priorities. Have processes in place to capture feedback from commercial partners and the outcomes of their clients and adapt service delivery accordingly. |

| Risk Category | Risk | Result | Severity | Likelihood | Mitigation Strategies |
|--|--|--|----------|------------|---|
| Financial (continued) | Current liabilities become greater than our current assets (a negative working capital) at a certain point in time. | <ul style="list-style-type: none"> Possible impact on financial viability. | High | Medium | <ul style="list-style-type: none"> Minimise forecast deficits throughout 2008/09 and 2009/10. Reduce capital investments as much as possible without reducing the operating capacity of the business. |
| Operational (affects an ongoing management process) | Our services and resources do not meet the needs of our clients. | <ul style="list-style-type: none"> Government funding is reduced. Loss of credibility and lack of commitment from government stakeholders. | High | Low | <ul style="list-style-type: none"> Have processes in place to capture feedback from clients and modify existing or develop new programmes and services in line with the results of needs-based assessment research. Evaluate programmes to ensure they are meeting specified objectives. Work with other government agencies to ensure that key needs are being met. |
| | There is insufficient staff trained to meet the needs of targeted client groups (including Māori and Pasifika) to appropriate quality standards. | <ul style="list-style-type: none"> Reduction in quality service. Lack of timeliness in delivery. | High | Medium | <ul style="list-style-type: none"> Have recruitment and retention strategies in place. Have training and development programmes in place. Undertake forecasting of demand and monitoring of workloads and staffing levels. Have processes in place to capture and respond to feedback from targeted client groups. |
| | The demand for services exceeds our ability to deliver. | <ul style="list-style-type: none"> Inability to maintain quality delivery. Inability to maintain financial viability. | High | Low | <ul style="list-style-type: none"> Monitor demand of our services on a regular basis. Negotiate Output Agreement funding levels and modify marketing strategy and targeting of our services as appropriate. |

| Risk Category | Risk | Result | Severity | Likelihood | Mitigation Strategies |
|--|---|--|----------|------------|--|
| Operational (continued) | Our information systems 'fall over' (internal and external systems). | <ul style="list-style-type: none"> Disruption to service continuity. Unforeseen cost increases due to organisation reliance on information technology. | High | Low | <ul style="list-style-type: none"> Upgrade hardware on a three-year cycle to ensure reliability. Develop in-house skills within the IT team. Purchase of software upgrades that are tested and well supported rather than investing in 'bleeding edge'. Review of disaster recovery plan regularly. Maintain relationships with a wide range of external providers familiar with the business that allows for support and back-up to key personnel. |
| Compliance (relates to compliance with laws, regulations and internal processes) | We fail to meet legislative requirements. | <ul style="list-style-type: none"> Sanctions or fines imposed. Pressure on financial performance and viability. Lack of credibility and loss of reputation. | High | Low | <ul style="list-style-type: none"> Ensure that delegated responsibilities and accountabilities are clear and that reporting and monitoring processes are in place. Ensure that robust internal audit systems and practices are in place. |
| Reputation (relates to damage to Career Services' external reputation and profile) | Our credibility is damaged through inappropriate behaviour or actions by staff. | <ul style="list-style-type: none"> We are no longer seen as professional and competent. We lose business from government and from other fee-paying organisations. | Medium | Low | <ul style="list-style-type: none"> Ensure that Code of Conduct and Performance Management processes are in place to monitor staff. Ensure that careful recruitment practices are used. |

Appendix 7: Accounting policy

Reporting entity

Career Services is a crown entity in terms of the Crown Entities Act 2004 and was established under the Education Act 1989.

Career Services is funded primarily by government through Vote Education. Its primary objective, therefore, is to provide services that support government's key priority areas rather than to make a financial return. Accordingly, Career Services has designated itself as a public benefit entity for the purpose of the New Zealand equivalent to the International Financial Reporting Standards (NZ IFRS).

These statements have been prepared in accordance with the Crown Entities Act 2004.

The trading name is Career Services rapuara and is referred to, in this appendix, as Career Services.

The forecast financial statements, which follow, comprise the forecast activities of Career Services for the year ended 30 June 2008 to 30 June 2009.

Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting practice. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement basis

Measurement and recognition rules applied in the preparation of the financial statements and schedules are consistent with generally accepted accounting practice. The financial statements have been prepared on an historical cost basis.

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

Judgement and estimations

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

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

Revenue

Revenue is recognised when earned and is reported in the financial period to which it relates. Interest income is recognised using the effective interest method.

Cost allocation

Direct costs are charged to specific outputs based on the productive hours recorded on staff time sheets.

Indirect costs are allocated to outputs on the basis of time recorded by staff on output activities and other appropriate cost drivers such as actual usage, staff numbers and floor area.

Definition of Terms:

- Productive hours are hours recorded by task and activity which make up the outputs,
- Direct costs are costs which are causally linked to outputs, and
- Indirect costs are all other costs which include financial and administration costs, computer systems and depreciation.

Financial instruments

Career Services is party to financial arrangements as part of its everyday operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the Balance Sheet and all revenue and expenses in relation to financial instruments are recognised in the Income Statement.

Designation of financial assets and financial liabilities by individual entities into instrument categories is determined by the business purpose of the financial instruments, policies and practices for their management, their relationship with other instruments and the reporting costs and benefits associated with each designation.

All foreign exchange transactions are translated at the rates of exchange applicable in each transaction. Career Services does not carry any balances in foreign currencies.

Financial assets

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

Other financial assets have been designated as receivables and pre-payments. Receivables and pre-payments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables and pre-payments are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Receivables and pre-payments issued with duration less than 12 months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired. Interest, impairment losses and foreign exchange gain and losses are recognised in the Income Statement.

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

Financial liabilities

Financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using effective interest rate method. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value. Amortisation and, in the case of monetary items, foreign exchange gains and losses, are recognised in the Income Statement as is any gain or loss when the liability is derecognised.

Property, plant and equipment

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

Where an asset is acquired for nil or nominal consideration the asset will be recognised initially at fair value, where fair value can be reliably determined, with the fair value of the asset received, less costs incurred to acquire the asset, also recognised as revenue in the Income Statement.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Career Services and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Income Statement.

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 Career Services and the cost of the item can be measured reliably.

Depreciation

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

- Office equipment, three to five years,
- Computer systems, three to four years,
- Motor vehicles, four years,
- Leasehold improvements, over the useful life of the lease, and
- Office equipment, computer systems, office furniture and fittings less than \$2,500 and leasehold improvements less than \$5,000 are expensed in the year of purchase.

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

Intangible assets

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated:

- technical feasibility,
- ability to complete the asset,
- intention and ability to sell or use, and
- development expenditure can be reliably measured.

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

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Income Statement on a straight line basis over the useful life of the asset. Assets with indefinite useful lives are not amortised, but are tested at least annually for impairment.

Intangible assets with finite lives are reviewed at least annually to determine if there is any indication of impairment. An intangible asset with an indefinite life is tested for impairment annually. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Income Statement, unless the asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Software assets that are not an integrated part of the related hardware have been accounted for as intangible assets at cost. Amortisation of intangible assets is provided on a straight line basis, over their useful lives. The useful lives are all finite and have been estimated at 3 – 4 years.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Publications inventories are valued at the lower of cost and net realisable value.

The write down from cost to current replacement cost or net realisable value is recognised in the Income Statement.

Leases

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

Provision for employee entitlements

Short-term benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Income Statement when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid. The liability for long-term employee entitlements is reported as the present value of the estimated future cash outflows.

Employee benefits that Career Services expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Career Services 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 Career Services anticipates it will be used by staff to cover those future absences.

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, are calculated as the present value of the estimated future cash outflows.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 2004. Accordingly, no charge for income tax has been provided for.

Commitments

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

Other liabilities and provisions

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

Contingent assets and contingent liabilities

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

Taxpayers' funds

This is the Crown's net investment in Career Services.

Changes in accounting policies

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

The 2006/07 actual, 2007/08 estimated actual and the forecast for 2008/09 have been prepared under NZ IFRS.

Comparatives

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

In preparing the consolidated financial statements in accordance with NZ IFRS 1, Career Services has applied the mandatory exceptions from full retrospective application of NZ IFRS.

Career Services is required to make the following mandatory exception from retrospective application:

- Estimates exception – Estimates under NZ IFRS as 1 July 2006 are consistent with estimates made for the same date under previous NZ GAAP.

Career Services has not elected to apply any optional exemptions from full retrospective application.

Reconciliation of equity

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2006 and 30 June 2007:

| Note | 1 July 2006 | | | 30 June 2007 | | | |
|--|---------------------|------------------------------------|-------------|---------------------|------------------------------------|-------------|--------------|
| | Previous NZ GAAP | Effect on transition NZ IFRS | NZ IFRS | Previous NZ GAAP | Effect on transition NZ IFRS | NZ IFRS | |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | |
| CURRENT ASSETS | | | | | | | |
| Cash and cash equivalents | a | 2,836 | (800) | 2,036 | 3,889 | 0 | 3,889 |
| Inventory | | 0 | 46 | 46 | 0 | 59 | 59 |
| Receivables and prepayments | | 322 | – | 322 | 273 | 0 | 273 |
| Other financial assets | a | 0 | 800 | 800 | 0 | 0 | 0 |
| Total Current Assets | | 3,158 | 46 | 3,204 | 4,621 | 59 | 4,221 |
| NON-CURRENT ASSETS | | | | | | | |
| Property, plant & equipment | b | 2,442 | (1,258) | 1,184 | 1,815 | (870) | 945 |
| Intangible assets | | – | 1,258 | 1,258 | 0 | 870 | 870 |
| Total Non-Current Assets | | 2,442 | 0 | 2,442 | 1,815 | 59 | 1,815 |
| TOTAL ASSETS | | 5,600 | 46 | 5,646 | 5,977 | 59 | 6,036 |
| CURRENT LIABILITIES | | | | | | | |
| Payables and accruals | | 1,380 | | 1,380 | 1,674 | 0 | 1,674 |
| Taxes due and payable | | 129 | | 129 | 97 | 0 | 97 |
| Revenue received in advance | | 29 | | 29 | 13 | 0 | 13 |
| Other provisions | c | 0 | 61 | 61 | 0 | 65 | 65 |
| Provision for employee entitlements | d | 569 | 23 | 592 | 680 | 25 | 705 |
| Total Current Liabilities | | 2,107 | 84 | 2,191 | 2,464 | 90 | 2,554 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlement | | 39 | – | 39 | 44 | 0 | 44 |
| TOTAL LIABILITIES | | 2,146 | 84 | 2,230 | 2,508 | 90 | 2,598 |
| Net Assets | | 3,545 | (38) | 3,416 | 3,469 | (31) | 3,438 |
| EQUITY | | | | | | | |
| Taxpayers' equity as at 30 June | | 3,454 | (38) | 3,416 | 3,469 | (31) | 3,438 |

Explanatory notes – Reconciliation of equity

a. Cash and cash equivalents

Those term deposits with maturities greater than three months have been reclassified as other investments.

b. Intangible assets

Computer software was classified as part of property, plant and equipment under previous NZ GAAP. The net book value of computer software reclassified as an intangible asset on transition to NZ IFRS is \$1,258,000 as at 1 July 2006.

c. Inventory

Career Services has recognised \$46,000 as inventory as at 1 July 2006.

d. Other provision

This is for two make good clauses identified in two leases. These were not required to be recognised under previous NZ GAAP. NZ IAS 39 requires these to be recognised at their fair value based on the probability Career Services will be required to pay this, discounted to present value.

e. Sick leave

Sick leave was not recognised as a liability under previous NZ GAAP. NZ IAS 19 requires Career Services to recognise employees unused sick leave entitlement that can be carried forward at balance date, to the extent that Career Services anticipates it will be used by staff to cover future absences.

Appendix 8: Other financial information

Borrowing policy

Borrowing is governed by the Seventeenth Schedule, Section 15 of the Education Act 1989.

Pricing strategies

All services and resources delivered by Career Services are sold on a commercial basis. For the current Output Agreement and other services and resources delivered in the commercial sector, prices are set on either time-based, product or project pricing. Commercial services are sold in a contestable market. Non-contestable services, as supplied via the Output Agreement, are delivered on the basis that the Crown as purchaser may have access to full disclosure of costs.

Projected result

The contract for Crown purchase has been calculated on the basis of cost.

The majority of other contract work revenue is derived from contestable contracts with other government organisations on a cost-recovery basis.

Financial performance indicators (GST exclusive)

| | Estimated Actual 2007/08 | Forecast 2008/09 |
|-----------------------|--------------------------|------------------|
| Total Revenue | \$18,696,000 | \$17,709,000 |
| Total Expenditure | \$18,696,000 | \$18,489,000 |
| Surplus/(deficit) | \$0 | (\$780,000) |
| Working Capital | \$1,298,000 | \$79,000 |
| Working Capital Ratio | 1.55 | 1.03 |

See Appendix 9 for full summary statements and associated costs.

Appendix 9: Forecast financial statements

Notes

The prospective financial statements are based on policies and approvals in place as at March 2008 and are GST exclusive. The forecast for 2008/09 is prepared under NZ IFRS. The 2007/08 figures have been restated to NZ IFRS. They set out Career Services' activities and planned performance. Use of this information for other purposes may not be appropriate. Note that actual results are likely to vary from the information presented here, and these variations may be material.

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

These statements comply with FRS 42: Prospective Financial Statements.

These statements have been prepared and reflect the following:

- 1) includes a decrease for CPaBL (\$598,000) which ends on 31 December 2008 (refer to Budget 2006 cabinet material),
- 2) includes a decrease in migrant levy funding of \$26,000, and
- 3) the \$1,450,000 investment in fixed assets and intangibles is the maximum possible spend for the capital programme. As in previous years, there is no undertaking or guarantee that capital purchases will meet this level. Actual capital expenditure will be based on specific business case approval by the Chief Executive.

| | Actual 2006/07 (\$000) | Estimated Actual 2007/08 (\$000) | Forecast 2008/09 (\$000) |
|--|------------------------------|--|--------------------------------|
| PROSPECTIVE INCOME STATEMENT | | | |
| Revenue | | | |
| Commercial revenue | 2,026 | 1,557 | 1,240 |
| Output Agreement funding | 15,216 | 16,266 | 15,668 |
| Output Agreement funding – Migrant levy funding | – | 527 | 501 |
| Interest | 328 | 346 | 300 |
| Total Revenue | 17,570 | 18,696 | 17,709 |
| Total Expenditure | | | |
| Personnel | 9,903 | 11,367 | 11,318 |
| Depreciation | 989 | 930 | 1,010 |
| Other | 6,656 | 6,399 | 6,161 |
| Total Expenditure | 17,548 | 18,696 | 18,489 |
| Surplus (deficit) | 22 | 0 | (780) |
| | 2006/07 | 2007/08 | 2008/09 |
| PROSPECTIVE BALANCE SHEET | | | |
| Current assets | 4,221 | 3,669 | 2,505 |
| Non-current assets | 1,815 | 2,185 | 2,625 |
| Total Assets | 6,036 | 5,854 | 5,130 |
| Total Liabilities | | | |
| Current liabilities | 2,554 | 2,371 | 2,426 |
| Non-current liabilities | 44 | 45 | 45 |
| Closing equity | 3,438 | 3,438 | 2,659 |
| Total Liabilities | 6,036 | 5,854 | 5,130 |
| WC | \$1,667 | \$1,298 | \$79 |
| WC Ratio | 1.65 | 1.55 | 1.03 |
| Surplus (deficit) | \$22 | \$0 | (\$780) |

| | Actual 2006/07 (\$000) | Estimated Actual 2007/08 (\$000) | Forecast 2008/09 (\$000) |
|--|------------------------------|--|--------------------------------|
| PROSPECTIVE CASH FLOW STATEMENT | | | |
| Operations | | | |
| Operation receipts | 17,291 | 18,390 | 17,407 |
| Receipts from interest | 322 | 346 | 300 |
| Operating payments | (16,210) | (17,935) | (17,423) |
| Net Operating | 1,403 | 801 | 284 |
| Investments | | | |
| Fixed assets | (350) | (1,300) | (1,450) |
| Disposal of investments | 800 | – | – |
| Net Investment | 450 | (1,300) | (1,450) |
| Financing | | | |
| Crown Capital Injection | – | – | – |
| Net Change | 1,853 | (499) | (1,166) |
| Opening cash | 2,036 | 3,889 | 3,390 |
| Closing Cash | 3,889 | 3,390 | 2,224 |
| | 2006/07 | 2007/08 | 2008/09 |
| PROSPECTIVE STATEMENT OF CHANGES IN EQUITY | | | |
| Taxpayers' equity as at 1 July | 3,416 | 3,438 | 3,438 |
| Net surplus (deficit) | 22 | – | (780) |
| Total recognised revenues and expenses for the year | 22 | – | 2,659 |
| Taxpayers' equity as at 30 June | 3,438 | 3,438 | 2,659 |

Appendix 10: General terms and conditions of the Output Agreement

Introduction

This Output Agreement is between the Minister of Education (the Minister) (the purchaser) and the Career Services Board (the supplier), a body corporate established pursuant to Section 279 of the Education Act 1989. For the purposes of section 170 of the Crown Entities Act 2004 (which enables a Minister to require a Crown Entity to have an output agreement), the Minister and the Board hereby agree as follows:

Term

This Agreement shall commence on 1 July 2008 and shall end on 30 June 2009.

Services to be provided by the Board

Career Services' central role is in the production, dissemination and interpretation of career information, advice and guidance.

The outputs purchased from Career Services by the Minister of Education are an expression of the Government's current policy priorities for Career Services and fit within the legislated functions of Career Services. They contribute to the following government priorities:

- a) Economic Transformation: working to progress our economic transformation to a high income, knowledge-based market economy which is both innovative and creative and provides a unique quality of life to all New Zealanders.
- b) Families – young and old: all families, young and old have the support and choices they need to be secure and be able to reach their full potential within our knowledge-based economy.
- c) National Identity: all New Zealanders to be able to take pride in who and what we are, through our arts, culture, film, sports and music, our appreciation of our natural environment, our understanding of our history and our stance on international issues.

Summary of outputs purchased

| | Price \$000s (GST incl) |
|---|-------------------------|
| <i>Non-departmental Output Class 05:</i> | <i>\$18,190</i> |
| <i>Provision of Information and Advisory Services</i> | |
| Outputs: | |
| Self-help | \$ 4,172 |
| Personal assistance | \$10,367 |
| Capability development and influence | \$ 3,651 |

Obligations of the Career Services Board

The Board is accountable to the Minister for the delivery of the outputs specified in this Agreement to the quality, quantity and cost specified. The Board remains accountable for the delivery of any part of an output class or output that has been subcontracted to a third party.

The Board is accountable to the Minister for achieving the performance objectives specified in its Statement of Intent 2008 – 2011 for the 2008/09 financial year.

The Board shall, in providing the services specified, take into consideration any requests made by the Minister. All such requests shall be made in writing.

The Board shall provide regular quarterly reporting to the Minister. Additional reporting may be requested by the Minister or Ministry of Education (the Ministry), if required, to supplement this quarterly reporting. All reporting requirements are specified in the ministerial relationships and reporting section in Appendix 5.

Ownership interests will be reported as specified in Career Services' Statement of Intent 2008 – 2011.

The Board shall not act or purport to act as an agent of the Minister or the Ministry.

Obligations of the Ministry of Education

The Ministry, as the Minister's agent, shall pay the Board the amounts specified in the payment schedule of this Agreement in accordance with the specified timetable and requirements. The Ministry reserves the right to make part payment where performance has not met the required performance standards as specified in this Agreement.

The Ministry, as the Minister's agent, shall receive information relating to the delivery of the services under this Agreement for the purpose of monitoring the delivery of the services under this Agreement.

Under-delivery of services

All or part of the purchase price for an output may be returned to the Crown if all or part of the output is undelivered.

Over-delivery of services

Service delivery over and above that required in this Agreement will be deemed as gratuitous effort by the Board, which shall have no claim against the Ministry or the Minister.

Failure to perform

Neither the Board nor the Minister shall be liable for any act, omission, or failure to fulfil its obligations under this Agreement if such act, omission, or failure arises from any cause reasonably beyond its control. The party unable to fulfil its obligations shall immediately notify the other in writing of the reason for its failure to fulfil its obligations and the effect of such failure.

Public monies

The Board acknowledges that it is receiving public funds appropriated for the purpose of providing the services in this Agreement and shall ensure that such funds are used prudently.

Waiver

No delay, neglect or forbearance by either party in enforcing against the other any term or condition required under this Schedule shall be deemed to be a waiver or in any way prejudice any right of that party.

The obligations of the parties under this Agreement shall not merge on completion but shall continue with full effect notwithstanding completion.

Negotiation of the Agreement

Negotiations or renegotiations should be concluded within the stipulated consultation period or ministerially agreed extension. Failure to do so will lead to the imposition of a document by the Minister upon the Board.

Changes to this Agreement may be required during its term in accordance with section 170(3).

The Board may, at any time, by written notification, request the Minister to negotiate a new Agreement or to negotiate an amendment to the current Agreement. The Minister may decline such a request.

The process of consultation and negotiation, and the consequences of failure to conclude negotiation, will be the same in any renegotiation or negotiation on an amendment as for the original negotiation of the Agreement.

The schedules to this Agreement, and any amendments to those schedules signed by the Minister, shall be deemed to form part of the Agreement.

Disputes

In the event of any dispute arising as to this Agreement, its terms and conditions, their interpretation, application or purported reliance thereupon by either party, the parties agree:

- a) to discuss the matter in dispute promptly with a view to the speedy resolution of it,
- b) where discussion does not resolve the matter, the dispute shall be referred to a mutually acceptable arbitrator,
- c) if agreement cannot be reached as to a mutually acceptable arbitrator, there shall be appointed a three-person panel to hear the dispute consisting of:
 - i) two arbitrators, one nominated by each party, and
 - ii) an umpire nominated by the two arbitrators.

Paragraphs 12.1(b) and 12.1(c) above will be considered to be a "submission" in accordance with the Arbitration Act 1996 and that Act shall apply accordingly.

Variation

The Minister shall keep the Board informed as to any proposed policy changes that may alter the position of the Board under this Agreement.

Where any policy change does affect the interest of the Board under this Agreement, the Board and the Ministry shall renegotiate a new Agreement or vary this Agreement according to the process outlined in Section 11 of this Agreement.

Compliance

The Board acknowledges the powers of the Minister under part 3 of the Crown Entities Act 2004.

Non assignment

Neither the Board nor the Minister shall assign their rights or obligations under this Agreement.

Warranty of interest

The Board warrants that it shall not undertake any other work either directly or indirectly which may place the Board in a conflict of interest position with respect to the services to be provided for the Minister.

Copyright

The copyright of resources developed by or for the Board in the course of providing the services detailed in the Output Schedule of this Agreement shall, subject to any agreement to the contrary, and section 26 of the Copyright Act 1994, be the property of the Crown.

Confidentiality

Subject to the Official Information Act 1982 and the Privacy Act 1993, the Board and the Minister shall keep confidential all information relating to or arising out of this Agreement.

Subject to the Official Information Act 1982 and the Privacy Act 1993, the Board and the Minister may disclose information if both parties agree to the disclosure.

With respect to the Official Information Act 1982, where the Board holds any information that originates from the Minister, and the Board receives a request for the release of that information, the Board agrees to consult with the Minister over the decision it proposes to make on the request or, if appropriate, to transfer the request to the Minister in accordance with section 14 of the Official Information Act 1982. If, after consultation, the Minister takes the view that the information should not be released, but the Board believes that it should be, then the Board will transfer the request to the Minister.

Consultation

Where considered necessary by either the Board or the Minister, the Board and the Ministry shall consult on all matters associated with this Agreement.

Liaison

There will be regular liaison between the Minister and the Board.

There will be regular liaison between the Ministry and Career Services. Each will be represented by senior management personnel who have an interest in discussing fulfillment of obligations under this Agreement.

Monitoring and evaluation

The Minister will be the sole decision maker regarding the quality of the work performed pursuant to this Agreement.

The Board shall conduct on-going monitoring and evaluation of its activities and shall incorporate any modifications deemed necessary into the operations of Career Services.

The Board shall provide regular quarterly reporting to the Minister. Reporting requirements are specified in Appendix 5.

In addition to the Board's own evaluation, the Crown Entities Monitoring Unit, may, as Monitoring Agent acting on behalf of the Minister, evaluate the operations of Career Services.

The Board shall allow the Ministry, for the purpose of monitoring and confirming that the performance measures and targets as specified in this Agreement are being undertaken and achieved, full and unrestricted access to all records including correspondence, decisions and databases relating to the delivery of the services under this Agreement, provided that reasonable prior notification is given.

Evaluators contracted by the Monitoring Agent for the express purpose of evaluating the performance of Career Services shall have the right to observe the operations of Career Services and the delivery of services and shall have the right to conduct interviews with anyone involved in the operations of Career Services or delivery of services, providing reasonable advance notice is given to Career Services.

Ministerial sign-off

In witness whereof this document has been executed this 14th day of May 2008.

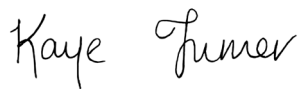
Signed by:



Hon Chris Carter

MINISTER OF EDUCATION

In the presence of:



Kaye Turner

Board Chair

Career Services



Lester Oakes

Chief Executive

Career Services

Appendix 11: Payment schedule

Payment in advance will be made by the Ministry of Education on the first working day of each month.
All amounts are GST inclusive.

| | |
|----------------|-------------|
| July 2008 | \$1,639,094 |
| August 2008 | \$1,639,094 |
| September 2008 | \$1,639,094 |
| October 2008 | \$1,639,094 |
| November 2008 | \$1,639,094 |
| December 2008 | \$1,238,778 |
| January 2009 | \$1,149,927 |
| February 2009 | \$1,521,189 |
| March 2009 | \$1,521,189 |
| April 2009 | \$1,521,189 |
| May 2009 | \$1,521,189 |
| June 2009 | \$1,521,189 |

Published May 2008

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