

E.76 SOI (2014)



FAMILIES COMMISSION

STATEMENT OF PERFORMANCE

EXPECTATIONS 2014–2015

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Statement of responsibility

The Families Commission / Social Policy Evaluation and Research Unit (SuPERU¹) is an autonomous Crown entity operating pursuant to the Crown Entities Act 2004, the Families Commission Act 2003, and the Families Commission Amendment Act 2014. It has responsibilities to advocate for the interests of families and whānau generally, and to monitor and evaluate social sector programmes and interventions and to provide social science research into key issues, programmes and interventions across the social sector.

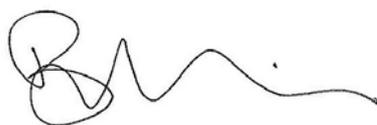
The Board and management of SuPERU accept responsibility for the preparation of the Statement of Performance Expectations, comprising forecast financial statements, including the assumptions on which the financial statements are based, and information on the reportable class of outputs SuPERU intends to supply in the financial year.

The forecast financial statements have been prepared in accordance with public benefit entity accounting standards based on International Public Sector Accounting Standards ('IPSAS'). SuPERU does not intend to update and republish the forecast financial statements.

The forecast financial statements have been prepared for the purpose of presenting SuPERU's intentions in Parliament, and should not be relied upon by any other party for any alternative purpose. The Board and management are of the opinion that these financial statements fairly reflect the expected financial position and operations of SuPERU.

We have authorised the issue of the Statement of Performance Expectations on this day, 19 June 2014.

Signed on behalf of the Board:



Belinda Milnes
Families Commissioner



James Prescott
Board Member

¹ NB While the Families Commission remains the legal entity, from 1 July 2014 the organisation will operate under the SuPERU brand.

Information on SuPERU's reportable class of outputs

This section provides information on the class of outputs SuPERU proposes to supply in 2014-15.

SuPERU's activities are primarily funded by the Crown through Vote Social Development, non-departmental output expense – Families Commission. Minor funding is received from interest earned on investments and recovery of costs related to rental subleases. On occasion, one-off funding is received from other agencies for a specific project. Deficits have been funded through prior year surpluses.

The outputs we deliver need to be viewed within the context of our Statement of Intent 2014-2018 which sets out our strategic intentions over the next four years. These strategic intentions, which include our purpose, the longer-term outcomes we are seeking, the impacts we aim to make, and our strategic priorities and key outputs (set within the context of the Government's broader objectives), are outlined in the diagram on page six.

In seeking to contribute to improved outcomes for New Zealanders, New Zealand communities, families and whānau, SuPERU works across two broad, related contexts: families and whānau, and the social sector.

Whether we are focused on families and whānau, or the social sector, we work to:

- make sure that the information that is needed to understand the issues and what works to address them is available and useable
- get this information used by sharing it and supporting those best placed to use it
- promote informed debate on key social issues facing New Zealand and its families and whānau.

From the early part of the 2014-15 financial year we intend to deliver outputs purchased by the Minister for Social Development through three outputs: 1) social science system leadership, 2) research, monitoring and evaluation, and 3) knowledge activation.

The structuring of these outputs reflects a change from the previous two years when SuPERU delivered activities under two outputs: families and whānau knowledge base, and social policy evaluation and research. These two outputs were created as an initial response to proposed changes to SuPERU's legislation (enacted in 2014) which gave SuPERU responsibility for two core functions: a continued responsibility to advocate for families and whānau generally, and an additional monitoring, research and evaluation function.

The decision to provide three outputs in 2014-15 aligns with our new legislated mandate and associated strategy which is built around two externally-focused strategic priorities and six underpinning objectives as outlined below:

1. **Grow the evidence base** – which involves:

- ***influencing / leading the social science system*** to do and fund research and evaluation that is useful to policy-makers and programme developers; and to develop sustainable research assets and a common social research infrastructure that will support good social science research and its availability (and influence their use) (output area one)
- ***commissioning or doing good social science research and evaluation*** where there are critical gaps in the evidence base that are not being filled elsewhere (output area two)

2. **Facilitate the use of evidence** – which involves:

- ***activating knowledge*** by making social science research and evidence easier to access and understand; stimulating awareness of evidence, its importance, and the big social issues for New Zealand and New Zealand families and whānau; and actively supporting the use of evidence by decision-makers in the social sector (output area three).

Delivering on our strategic intentions means we need to be effective at leading and influencing others in the social sector. We need to focus on meeting the evidence needs of our external customers and stakeholders. We must work as one organisation, unified towards the common purpose to increase social sector decision-makers' use of evidence to improve outcomes in the social sector and for families and whānau. This requires us to change in a number of ways. For this reason our two externally focused priorities are supported by a third, internally focused priority: to become a customer-focused, influential organisation with sustainable capabilities.

THE DIFFERENCE WE WANT TO MAKE AND HOW WE WILL MAKE IT

Government objectives

GOVERNMENT OBJECTIVES (DELIVERING BETTER PUBLIC SERVICES)				
Reducing long-term welfare dependency	Boosting skills and employment	Supporting vulnerable children	Reducing crime	Improving interaction with government



Why we exist

PURPOSE
To increase the use of evidence by people working across the social sector so that they can make better decisions to improve the lives of New Zealanders, New Zealand's communities, families and whānau



The difference we want to make

SOCIETAL OUTCOME
The people of New Zealand, New Zealand families, whānau, and communities, are strong and resilient



SOCIAL SECTOR OUTCOMES	
Social policy is current	Social programmes and services are effective



WIDE RANGE OF GOVERNMENT AND NON-GOVERNMENT ACTIVITY
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OUR IMPACTS				
Social sector funders, policy-makers and practitioners increasingly understand and use evidence to inform their work	New Zealand is increasingly engaging in informed debate on the key social issues facing New Zealand and matters relating to families and whānau	Social sector participants have more of the information they need to create effective policy and practice	Social sector participants are more capable of creating and using evidence	New Zealand's social research infrastructure is improved

IMPACT MEASURES	
<p>Stakeholder and customer perception</p> <p>1. Percentage of key stakeholders who state that SuPERU's products:</p> <ul style="list-style-type: none"> ➤ are easily accessible ➤ are relevant to their work ➤ are used to inform their work ➤ are trustworthy ➤ have built their capability to use evidence <p><i>(determined through the annual SuPERU stakeholder survey)</i></p>	<p>Customer satisfaction</p> <p>2. Customers are satisfied or better with the quality of:</p> <ul style="list-style-type: none"> • SuPERU's interactions with them • the products and/or services SuPERU has provided to them <p><i>(performance measured by requesting direct feedback from customers)</i></p> <p>Independent review of SuPERU</p> <p>3. Results of 2015-16 independent review</p> <p>4. Results of the annual project review</p> <p>Standards and protocol adoption levels</p> <p>5. Number of professional bodies and government agencies that have adopted SuPERU's evaluation standards</p> <p>6. Number of government agencies that have adopted SuPERU's publishing protocol</p>



How we will make a difference

STRATEGIC PRIORITIES	
Grow the evidence base	Facilitate the use of evidence
Become a customer-focused, influential organisation with sustainable capabilities	

OUR OUTPUTS		
Social science system leadership	Research, monitoring and evaluation	Knowledge activation

Forecast revenue and expenditure

Actual and estimated actual revenue and expenditure for 2012-13 and 2013-14

Outlined in the table below is actual and estimated revenue and expenditure in relation to the two outputs SuPERU provided in the previous two financial years:

1. Families and whānau knowledge base.
2. Social policy evaluation and research.

2012/13	2013/14	
Actual \$000	Estimated Actual \$000	
		Output 1: Families and whānau knowledge base
3,997	3,969	Revenue
4,131	3,822	Expenditure
(134)	147	Output 1 surplus/(deficit)
		Output 2: Social policy evaluation and research
3,762	7,942	Revenue
3,458	8,023	Expenditure
304	(81)	Output 2 surplus/(deficit)
170	66	Total surplus/(deficit)

Forecast revenue and expenditure for 2014-15

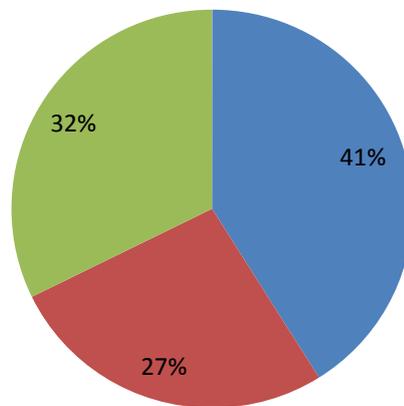
Outlined in the table below is forecast revenue and expenditure in relation to the three outputs SuPERU will provide in 2014-15:

1. Social science system leadership.
2. Research, monitoring and evaluation.
3. Knowledge activation.

	2014/15
	Forecast \$000
Output 1: Social science system leadership	
Revenue	4,626
Expenditure	5,003
Output 1 surplus/(deficit)	(377)
Output 2: Research, monitoring and evaluation	
Revenue	2,977
Expenditure	3,247
Output 2 surplus/(deficit)	(270)
Output 3: Knowledge activation	
Revenue	3,795
Expenditure	3,935
Output 3 surplus/(deficit)	(140)
Total surplus/(deficit) (Note: deficits funded by retained equity)	(787)

Percentage of Total Expenditure by Output

■ Social Science Leadership ■ Research, Monitoring & Evaluation ■ Knowledge Activation



Commentary on forecast revenue and expenditure

SuPERU is forecast to have accumulated \$1.263 million in equity by 30 June 2014 (see page 18). This equity has accumulated through the generation of operating surpluses during times of restructure and changing mandate.

The operating deficit forecast for 2014-15 signals expenditure on a number of initiatives which, although started in 2013-14 financial year, are due to be completed in 2014-15. It represents a possible contribution from SuPERU reserves to an evaluation fund we may be asked to establish during 2014-15.

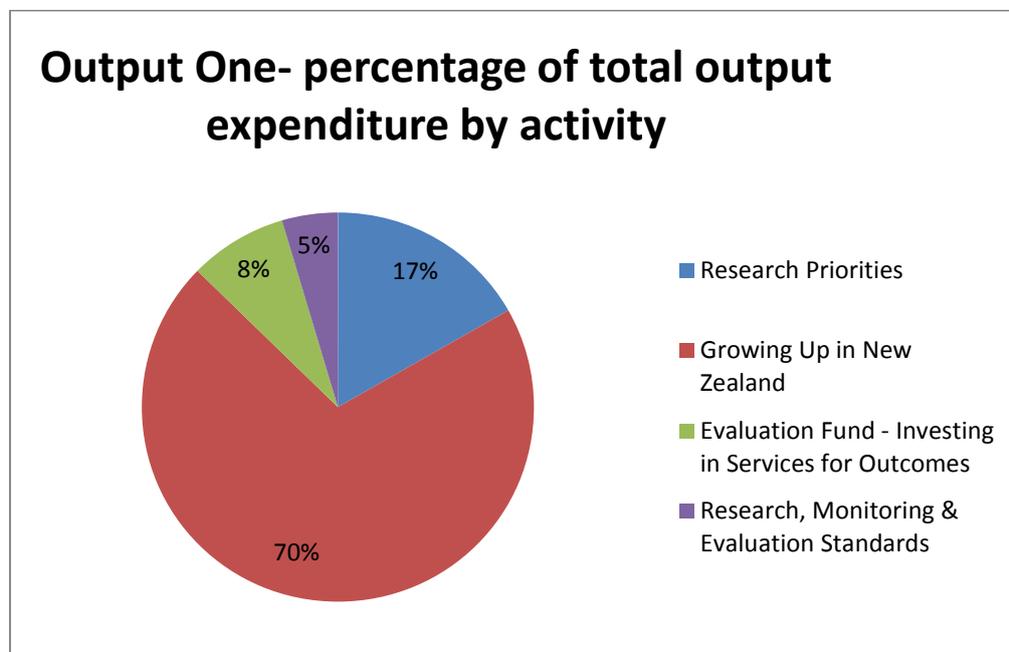
It also returns SuPERU to a base level of equity of between \$0.400 - \$0.500 million ongoing.

Output one: Social science system leadership

Description

Through this output we will:

- a) identify evidence and research needs and priorities that will a) assist in determining or achieving the Government's policies and priorities in the social sector, b) promote the interests of families and whānau
- b) encourage the development and maintenance of sustainable research assets (such as the Growing Up in New Zealand longitudinal study (GUiNZ) which is following 7000 children from West Auckland, South Auckland, and Waikato)
- c) promote the use of GUiNZ study data and research outputs by social sector decision makers
- d) develop and promote a set of research, monitoring and evaluation standards and best practice tools and guidelines that will support good social science research, monitoring and evaluation
- e) establish and manage a contestable evaluation fund for the Ministry of Social Development's Investing in Services for Outcomes (ISO) initiative.



Output one: Key deliverables and performance standards for 2014-15

Key deliverables and performance standards in relation to the social science system leadership output SuPERU will provide in 2014-15 are set out in the table below².

Key deliverables	Performance standard 2014-15
Social sector research priorities	Developed by 31 March 2015
Family and whānau research intentions	Developed by 30 September 2014
Growing up In New Zealand (GUiNZ) Review of options for the ongoing funding of the GUiNZ study beyond 30 June 2015 Contract management of GUiNZ GUiNZ promotion plan	Review of options completed by 31 December 2014 100% of payments made as per contractual terms Promotion plan implemented by 30 June 2015
Evaluation standards (partnering with the Aotearoa New Zealand Evaluation Association)	Final evaluation standards completed by 31 December 2014 Promotion plan developed and implemented by 30 June 2015
Publishing protocol promotion	Stakeholder engagement plan implemented by 31 December 2014
Evaluation fund for ISO	Fund established by 31 December 2014 First funding round completed by 30 June 2015
Cost	\$5.003 million

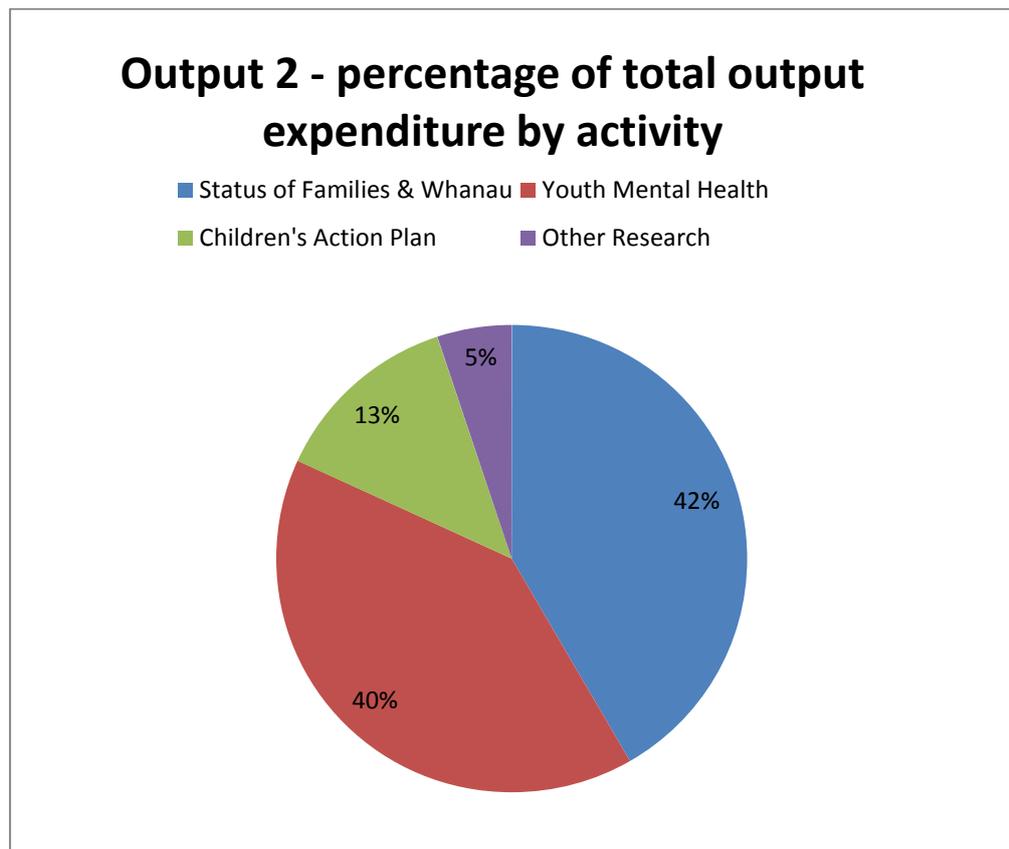
² Note this is a new output in 2014-15 so no comparative data available.

Output two: Research, monitoring and evaluation

Description

Through this output we will:

- a) commission and manage contracts for social science research in the social sector on behalf of the Government and others (on family and whānau or wider social issues)
- b) prepare and publish an annual Families and Whānau Status Report that measures and monitors the wellbeing of New Zealand families and whānau, and research important issues relating to the interests of families and whānau, using the conceptual frameworks developed by SuPERU
- c) commission and/or undertake evaluations of large, complex social programmes for government
- d) implement evaluations under the ISO evaluation plan developed in partnership with the Ministry of Social Development (those that SuPERU is accountable for).



Output two: Key deliverables and performance standards for 2014-15

Key deliverables and performance standards in relation to the research, monitoring and evaluation output SuPERU will provide in 2014-15 are set out in the table below³.

Key deliverables	Performance standard 2014-15
SuPERU research and evaluation work programme for 2014-15	5 research or evaluation reports generated from SuPERU's work programme by 30 June 2015
Published reports or research briefs formally peer reviewed (by at least one external expert and one internal expert in the field of study and comments incorporated into the final report where appropriate)	100%
Families and Whānau Status Report	Third Families and Whānau Status Report published by 30 June 2015
Evaluation of the Ministry of Health-led Youth Mental Health Project	Formative report completed by 31 December 2014
Independent assessment of a sample project ⁴	Independent assessment of Youth Mental Health Evaluation Project completed by 30 June 2015 Rating assessment in top category for at least two aspects
ISO Evaluation plan implementation	SuPERU ISO evaluation plan implementation milestones for 2014-15 met
Cost	\$3.247 million

³ Note that this is a new output in 2014-15 so no direct comparative information is available, except in relation to the peer review of reports and the Families Status Report outlined in Appendix One.

⁴ See footnote 6.

Output three: Knowledge activation

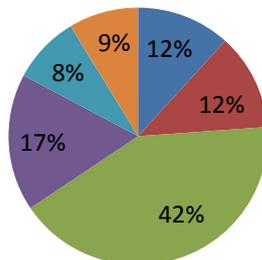
Description

Through this output we will:

- a) establish and manage a Government social science research hub
- b) synthesise the evidence on a) what works to improve social outcomes for families/whānau and the people of New Zealand, and b) key social issues facing New Zealand and New Zealand families and whānau
- c) deliver a programme of topic-based events, seminars and workshops aimed at promoting discussion on key social issues facing New Zealand and matters relating to the interests of families and whānau, and at educating on how to interpret and use research and evaluation evidence
- d) manage the contract for the New Zealand Family Violence Clearinghouse
- e) manage the contract with the White Ribbon Trust for the delivery of the White Ribbon Campaign, involving activities to reduce violence towards women.

Output 3 - percentage of total output expenditure by activity

- Government Social Science Research Hub
- Family Violence Clearing House Contract Management
- Evidence Synthesis - issues papers and submissions
- Events and Seminars
- White Ribbon Campaign Contract Management
- Provision of Advice



Output three: Key deliverables and performance standards for 2014-15

Key deliverables and performance standards in relation to the knowledge activation output SuPERU will provide in 2014-15 are set out in the table below⁵.

Key deliverables	Performance standard 2014-15
Government social science research hub	Hub operational by 31 December 2014
Topic-related publications, papers, and submissions	At least 30 topic-related publications, papers and submissions published by 30 June 2015
<p>Annual events programme</p> <p>Number of events</p> <p>Participant feedback</p>	<p>At least 10 events completed by 30 June 2015</p> <p>Feedback from participants demonstrating satisfaction or better with the relevance and quality of SuPERU events</p>
Management of contract for the delivery of the New Zealand Family Violence Clearinghouse	<p>Outputs for the New Zealand Family Violence Clearinghouse contract finalised by 30 September 2014</p> <p>100% of payments made as per contractual terms</p>
Contract management of the White Ribbon Campaign	100% of payments made as per contractual terms
Cost	\$3.935 million

⁵ Note this is a new output in 2014-15 so no direct comparative information is available, except in relation to the Government social science research hub (referred to in previous years as a resource database), the New Zealand Family Violence Clearinghouse, the White Ribbon Campaign, and publications outlined in Appendix One.

Additional information

Our strategic priority is to become a customer-focused, influential organisation with sustainable capabilities. This will provide us with the critical foundations for delivering on our strategic direction and will set us up for the way we want to work in the future.

To achieve this, our focus during 2014-15 will be to:

- align our organisational design, capability and culture with our strategic direction
- upgrade our website
- strengthen our core business systems and processes and develop a suite of decision-making tools
- align our products and services with customer needs
- develop and implement an approach for how we will engage with priority customers, suppliers and stakeholders
- promote our identity which is founded on producing high-quality work.

Key deliverables and performance standards for 2014-15

We have developed performance measures and standards in relation to the key activities SuPERU will undertake in 2014-15 against this strategic priority which are set out in the table below.

Key deliverables	Performance standard 2014-15
SuPERU website Website upgrade Website usage (report and publication downloads)	Website upgrade completed by 31 December 2014 Benchmark measure of the number of research and publication downloads from www.nzfamilies.org.nz by 30 June 2015
Development of people strategy	People strategy developed by 30 September 2014

Forecast financial statements

Statement of forecast comprehensive income and expense for the year ending 30 June 2015

2012/13 Actual \$000	2013/14 Est. Actual \$000		2014/15 Forecast \$000
		Income	
7,124	10,305	Revenue from Crown	9,869
102	138	Interest income	130
533	1,468	Other income	1,399
7,759	11,911	Total income	11,398
		Expenditure	
183	136	Commissioners' fees	214
4,369	5,020	Personnel expense	4,915
2,988	6,588	Other expenses	7,009
49	101	Depreciation and amortisation expense	47
7,589	11,845	Total expenditure	12,185
170	66	Net Surplus/(Deficit)for the year	(787)
0	0	Other Comprehensive Income	0
170	66	Total Comprehensive Income and Expense	(787)

Forecast statement of financial position for the year ending 30 June 2015

2012/13 Actual \$000	2013/14 Est. Actual \$000		2014/15 Forecast \$000
		Assets	
		Current assets	
1,782	2,544	Cash and cash equivalents	1,084
86	86	Debtors and other receivables	86
13	100	Prepayments	0
1,881	2,730	<i>Total current assets</i>	1,170
		Non-current assets	
152	54	Property, plant and equipment	90
5	2	Intangible assets	1
157	56	<i>Total non-current assets</i>	91
2,038	2,786	Total assets	1,261
		Liabilities	
		Current Liabilities	
635	635	Creditors and other payables	635
0	738	Provision for restructuring	0
206	150	Employee entitlements	150
841	1,523	<i>Total current liabilities</i>	785
1,197	1,263	Net Assets	476
		Equity	
1,197	1,263	General funds	476
1,197	1,263	Total equity	476

Forecast statement of changes in equity for the year ending 30 June 2015

2012/13 Actual \$000	2013/14 Est. Actual \$000		2014/15 Forecast \$000
1,027	1,197	Balance at 1 July	1,263
170	66	Total comprehensive income for the year	(787)
1,197	1,263	Balance at 30 June	476

Forecast statement of cash flows for the year ending 30 June 2015

2012/13 Actual \$000	2013/14 Est. Actual \$000		2014/15 Forecast \$000
		Cash flows from operating activities	
7,124	10,305	Receipts from Crown revenue	9,869
102	138	Interest received	130
498	1,468	Receipts from other revenue	1,399
(3,043)	(6,845)	Payments to suppliers	(7,114)
(4,364)	(4,304)	Payments to employees	(5,664)
(26)	0	Good and services tax (net)	0
291	762	<i>Net cash from operating activities</i>	(1,380)
		Cash flows from investing activities	
(109)	0	Purchase of property, plant and equipment	(80)
(5)	0	Purchase of intangible assets	0
(114)	0	<i>Net cash from investing activities</i>	(80)
177	762	Net (decrease)/increase in cash & cash equivalents	(1,460)
1,605	1,782	Cash & cash equivalents at the beginning of the year	2,544
1,782	2,544	Cash and cash equivalents at the end of the year	1,084

Notes to the financial statements

Note 1: Statement of accounting policies for the year ending 30 June 2015

Reporting entity

The Families Commission / Social Policy and Evaluation Research Unit ('SuPERU') is a Crown entity as defined by the Crown Entities Act 2004 and domiciled in New Zealand. As such, SuPERU's ultimate parent is the New Zealand Crown.

SuPERU was established as a Crown entity on 1 July 2004 by the Families Commission Act 2003. Its primary purpose is to provide public services to the New Zealand public under this Act, rather than making a financial return.

Accordingly, SuPERU has designated itself as a public benefit entity for the purposes of International Public Sector Accounting Standards ('IPSAS').

The forecast financial statements for SuPERU are for the year ended 30 June 2015, and were approved by the Board on 19 June 2014.

Basis of preparation

Statement of compliance

The forecast financial statements of SuPERU have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice.

These forecast financial statements comply with public benefit entity (PBE) financial reporting standard (FRS) 42 – *Prospective Financial Statements*. We are required to prepare a Statement of Performance Expectations including prospective financial statements at or before the start of each financial year to promote public accountability by providing a base against which its actual performance can later be assessed. The forecast financial statements may not be appropriate for any other purposes.

These forecast financial statements are the first set of prospective financial statements presented in accordance with PBE accounting standards with reduced disclosure requirements, as appropriate for public benefit entities of the size of SuPERU.

The adoption of these PBE accounting standards has not materially affected financial disclosures in the prospective financial statements or the comparative financial information provided. We have not needed to restate any comparative information in order to comply with PBE standards, in accordance with PBE FRS 46 – *First-time Adoption of PBE Standards by Entities Previously Applying NZ IFRSs*.

Measurement base

The forecast financial statements have been prepared on a historical costs basis.

Functional and presentation currency

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

Bases for assumptions, risks and uncertainties

In preparing these forecast financial statements SuPERU has made estimates and assumptions concerning the future.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The forecast financial statements have been prepared on a going concern basis. The estimates and assumptions used are consistent with the strategic direction outlined in the SuPERU's Statement of Intent, and the business plan SuPERU has prepared for the 2014/15 year. They also reflect Crown Estimates and existing contractual obligations.

Subsequent actual results achieved for the period may vary from the information presented, and variances may be material.

Significant accounting policies

The following accounting policies, which materially affect the measurement of comprehensive income and expense and financial position, have been applied consistently.

Revenue

Revenue is received from exchange transactions and is measured at the fair value of consideration received or receivable.

Revenue from the Crown

SuPERU is primarily funded through revenue from the Crown, which is restricted in its use for the purpose of SuPERU meeting its objectives as specified in its accountability documents. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Rental income

Lease receipts under an operating sub-lease are recognised as revenue on a straight-line basis over the lease term.

Provision of services

Revenue derived through the provision of services to third parties is recognised in proportion to the stage of completion at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed.

Grant expenditure

Grants awarded by SuPERU are discretionary in nature. SuPERU has no obligation to award on receipt of the grant application and the grant is recognised as expenditure when approved by SuPERU's Board and the approval has been communicated to the applicant.

Leases

Finance leases

SuPERU does not enter finance leases.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to SuPERU are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of comprehensive income and expense. Lease incentives received are recognised in the statement of comprehensive income over the lease term as an integral part of the total lease expense.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks both domestic and international, and other short-term, highly liquid investments, with original maturities of three months or less.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Investments

At each balance sheet date SuPERU assesses whether there is objective evidence that an investment is impaired.

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method. For bank deposits, impairment is established when there is objective evidence that SuPERU will not be able to collect amounts due according to the original terms of the deposit.

Equity investments

SuPERU does not enter into equity investments.

Property, Plant and Equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture and fittings and office equipment. Property, plant and equipment are shown at historical cost, less accumulated depreciation and any accumulated impairment losses.

Individual assets, or groups of assets, are capitalised if their costs are greater than \$2,000 (excluding GST). The value of an individual asset that is less than \$2,000 (excluding GST) and is part of a group of similar assets is capitalised.

Initial cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition required for its intended use.

Fixed assets are written down immediately if any impairment in the value of the asset causes its recoverable amount to fall below its carrying value.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to SuPERU and the cost of the item can be measured reliably. Where an asset is acquired at no cost, or for a nominal cost it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income and expense. SuPERU does not hold assets which are revaluable in nature.

Subsequent costs

Costs incurred subsequent to the initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to SuPERU and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment is recognised in the statement of comprehensive income and expense as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the cost (or valuation) 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:

	Useful life	Depreciation rate
Leasehold improvements	4 years	20-25%
Furniture	5 years	20%
Office equipment	5 years	20%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is more appropriate.

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

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software is capitalised if its cost is greater than \$2,000 (excluding GST).

Costs that are directly associated with the development of software for internal use by SuPERU, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

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

Costs associated with the development and maintenance of SuPERU's website are recognised as an expense when incurred.

Amortisation

The carrying value of an asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive income and expense.

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

	Useful life	Amortisation rate
Acquired computer software	3 years	33%
Developed computer software	4 years	25%

Impairment of non-financial assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its net recoverable proceeds.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the statement of comprehensive income and expense.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using effective interest method.

Employee entitlements

Short-term employee entitlements

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

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, and sick leave.

SuPERU recognises a liability for sick leave to the extent that compensated 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 SuPERU anticipates it will be used by staff to cover future absences.

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

Superannuation schemes

Defined contribution schemes

Obligations for contributions to Kiwisaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive income as incurred.

Provisions

SuPERU recognises a provision for future expenditure of uncertain amounts or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised when SuPERU has approved a detailed formal plan for the restructuring which has either been announced publicly to those affected, or for which implementation has already commenced.

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department ('IRD') is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the Board for the beginning of the financial year. The budget figures have been prepared in accordance with PBE accounting standards, using accounting policies that are consistent with those adopted by SuPERU for the preparation of the financial statements.

Note 2: Statement of significant underlying assumptions

These forecast financial statements have been prepared on the basis of the following significant assumptions:

- (i) Crown revenue (GST exclusive) is \$9.869 million for the 2014/15 financial year.
- (ii) The activities of SuPERU are as detailed in the operating intentions and forecast statement of service performance sections in this document.
- (iii) SuPERU will restructure in early 2014/15 in accordance with a detailed formal plan for the restructuring which has been approved by the Board and announced publicly to those affected in late 2013/14. A provision for restructuring totalling \$738,000 has been recognised in the estimated actual financial results for 2013/14.
- (iv) SuPERU will move offices on the expiry of its current lease in November 2014. Property options considered to date indicate that lease costs for new and smaller premises will be lower than current costs, and that no significant fitout costs will be incurred.
- (v) SuPERU will establish, part fund from its accumulated reserves, and manage an evaluation fund for the Ministry of Social Development's Investing in Services for Outcomes (ISO) initiative.

Appendix one: Performance information in relation to outputs provided in 2012–13 and 2013–14

Output: Social policy evaluation and research

Comparative performance information in relation to the social policy evaluation and research output SuPERU provided in the previous two financial years is set out in the table below.

	2012/13	2013/14
	Actual	Estimated Actual
Guide for better practice standards and resources for practitioners	Standard not achieved	Revised measure – development of evaluation standards – developed
Resource database established	Not achieved	Not achieved
Independent assessment of a sample project ⁶	New measure	Assessment completed by 30 June 2014 Rating assessment in top category for at least two aspects
Published reports formally peer reviewed (by at least one external expert and one internal expert in the field of study and comments incorporated into the final report where appropriate)	100%	100%
Cost	\$3,458m	\$8,023m

⁶ An independent external review of SuPERU is scheduled for 2015-16 which will have two components. The first is an assessment after three years against six broad factors (impact, performance dimensions, robust processes, capability and infrastructure, reputation and overall performance). The second is an annual review of one of SuPERU's top five projects (referred to in this Statement of Performance Expectations as an independent assessment of a sample project).

Output: Family and whānau knowledge base

Comparative performance information in relation to the family and whānau knowledge base output SuPERU provided in the previous two financial years is set out in the table below.

	2012/13	2013/14
	Actual	Estimated Actual
Reports, submissions and other publications published	11	20
Families Status Report	Standard not achieved. Report published in July 2013 rather than June 2013	Report published
Family Violence Indicators Report	Standard not achieved. Report published in October 2013 rather than 30 June 2013	Report published
New Zealand Family Violence Clearinghouse		
<ul style="list-style-type: none"> Percentage of time website available on 24/7 basis 	96%	95%
<ul style="list-style-type: none"> Website usage (views) 	36,249	17,000
White Ribbon Campaign		
<ul style="list-style-type: none"> Reported events held 	237	240
<ul style="list-style-type: none"> Website usage (views) 	86,000	90,000
Published reports or research briefs formally peer reviewed (by at least one external expert and one internal expert in the field of study and comments incorporated into the final report where appropriate)	100%	100%
Cost	\$4,131m	\$3,822m



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