

STATEMENT OF INTENT

2013–2016

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STATEMENT OF INTENT

2013–2016

The role of the Families Commission is to lead, inform and influence those who make, fund or deliver social policy especially about what works best for New Zealand families and whānau.





PART ONE
WHO WE ARE

About the Families Commission

The Families Commission was established under the Families Commission Act 2003. We are a Crown entity governed by the Chief Commissioner and Board and are accountable to the Minister for Social Development.

The Families Commission Amendment Bill (26–2), currently before Parliament, amends the principal Act of 2003. In addition to its main advocacy function, it gives the Commission the additional responsibility for a new social policy monitoring and evaluation function. Once passed our main functions will be:

- › to act as an advocate for the interests of families generally
- › to monitor and evaluate programmes and interventions in the social sector, and provide social science research into key issues, programmes, and interventions across that sector.

The amending legislation is expected to come into force in 2013–14. The Commission is preparing in advance for its additional responsibilities as much as is appropriate.

As an autonomous Crown entity under section 7 of the Crown Entities Act 2004, we have regard to government policy when directed by the Minister. The Commission retains full independence when conducting social policy evaluations.

Our new mandate

The Families Commission Amendment Bill makes key changes to our focus and work programme.

These changes can be summarised as follows:

- › **New annual Families Status Report**
 - preparing and publishing an annual Families Status Report that measures and monitors the wellbeing of New Zealand families
- › **New role to monitor and evaluate programmes and interventions in the social sector**
 - Establishing the Social Policy Evaluation and Research Unit (SuPERU) within the Commission to identify or commission or manage contracts for social science evidence and research that will assist in determining or achieving the Government's policies and priorities in the social sector
 - setting standards and specifying best practice for monitoring and evaluating social sector programmes and interventions
 - establishing and maintaining a database of social science research undertaken by or on behalf of the Government
 - acting independently of the programmes and interventions being monitored or evaluated.
- › **New governance arrangements**
 - a Families Commissioner and Board replacing the current structure of Chief Commissioner and Commissioners
 - establishing a Social Science Experts Panel to provide academic peer review of any work by or on behalf of the Commission, and provide guidance to the Commission.



Our purpose

The Families Commission is a knowledge centre about the health and wellbeing of New Zealand families and whānau. The Commission monitors and reports on the impact of social, demographic and economic change on family and whānau strength and resilience.

Our objective is to lead, inform, influence and enable public policy development, social research and community understanding of New Zealand families and whānau. The Families Commission will use research-based evidence from its own work, together with other domestic and international research work.

The Commission's work will have a sound scientific and methodological base and fully use available sources and observational studies. Our work will be impartial in design, analysis and presentation, its trustworthiness will result from the expertise of the staff, advisory groups and partners, and the accessibility of the work will draw on publication practices of the times. It will give those who make, fund or deliver social policy a sound basis to judge what works best, now and in the future.

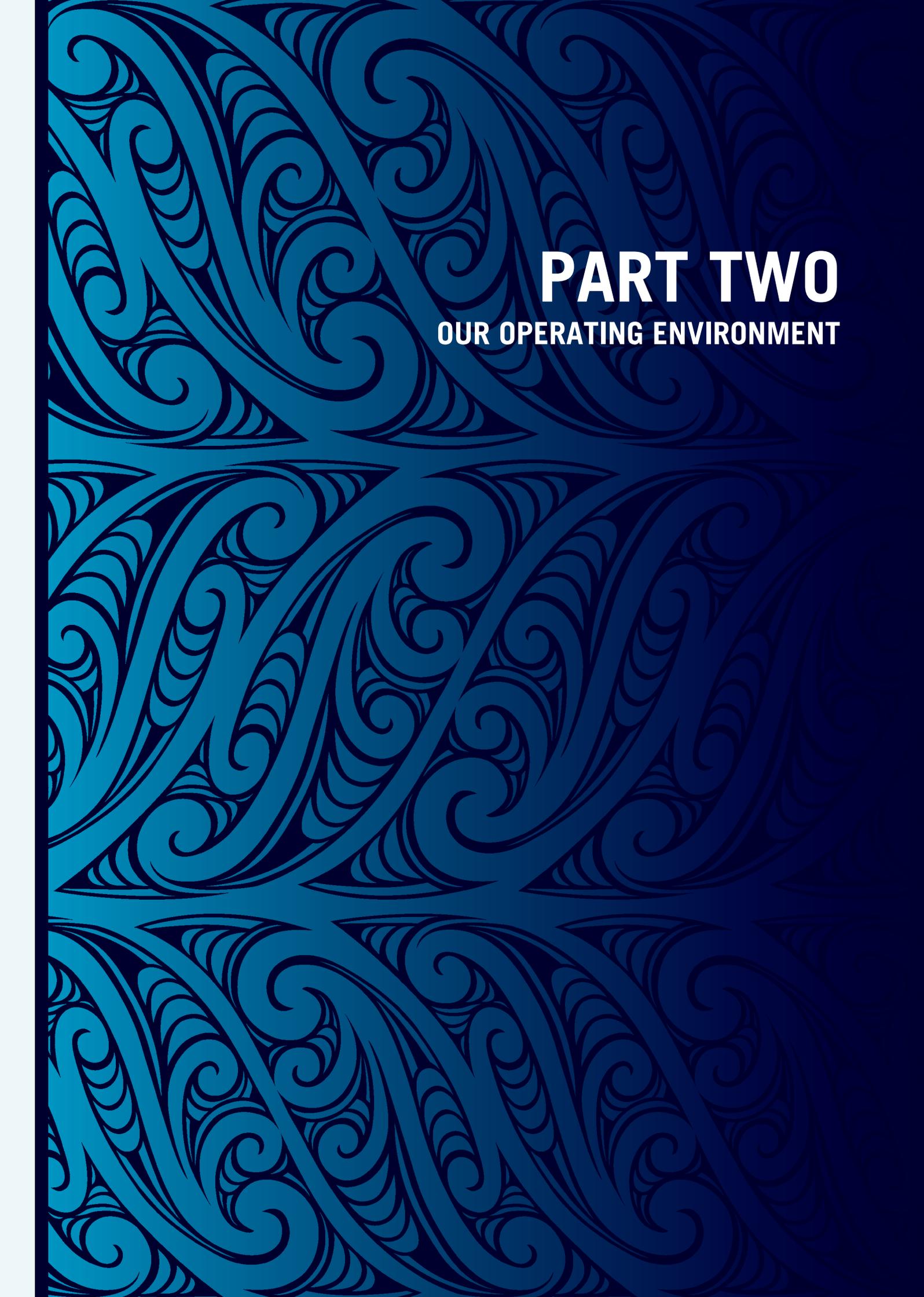
We are a key part of a government-wide commitment to increasing evaluation capability across the public and private sector.

Why our work is important

Families and whānau are the most fundamental units of community and country. They are critical in nurturing and raising family members. We look to families to provide physical and emotional wellbeing, socialisation, and the intergenerational transmission of value, life skills and knowledge. It is important that we have strong, resilient families and whānau as the foundations for a well-functioning society.

Families and whānau are vital social units and as such they are both targets and instruments of action at a government, community and household level.

The Families Commission will monitor and evaluate the challenges and changes being faced by families and whānau, to inform and influence public policy and community awareness. This includes measuring the impact of increased diversity in the makeup of families, the diverse demographics among different ethnic groups, and the impact of increasing longevity.



PART TWO
OUR OPERATING ENVIRONMENT

Our operating environment

The environment within which the Families Commission operates is shaped by the key issues families are facing. It is also shaped by the responses to these issues by central and local government, iwi and hapū, non-government and community organisations, and by the informal support networks that families rely on.

Social, demographic and cultural change is transforming the place of the nuclear family, as it changes the extended family and whānau. In the face of such influences most families and whānau continue to demonstrate strength and resilience in large measure.

Much action by government and community organisations strengthens families and whānau, or infers that the traditional strengths remain.

There remains a significant number of families and whānau who, even in the face of policy and community actions, lack the capacity to resolve seemingly intractable problems which adversely impact on most vulnerable families and whānau. This in turn affects the most vulnerable in these families and whānau, especially children or people who are elderly.

We will work in areas relevant to the following government target areas:

- › supporting vulnerable children
- › reducing long-term welfare dependency
- › boosting skills and employment.

In addition to priority given to the monitoring of challenges and changes being faced by families and whānau, the Board has determined four overarching themes which set the future focus and direction of the Families Commission over the next two to three years. These are real issues that many families and whānau throughout the country are grappling with, and where the Commission can add value and make a difference.

The four themes are:

- › developing resilience in young people
- › drug and alcohol rehabilitation and abuse prevention
- › raising achievement for Māori and Pacific Island children and young people
- › effective interventions for the most vulnerable children.

Through effective evaluation of the social programmes which have been established to deal with intractable problems, we hope to add real value to social policy by establishing what works and what doesn't, enabling better use of social services funding.

Achieving the aims set for the new Social Policy Evaluation and Research Unit (SuPERU) will require working in an effective cross-sectoral manner with other stakeholders, developing and maintaining an effective social science network for sharing best practice and ideas. It will also require the development of a solid core of evaluation expertise and best practice, both within the wider social sector, and particularly within the Families Commission.

The Government announced in Budget 2013 its continued funding commitment to the Growing Up in New Zealand longitudinal survey. SuPERU has been named as the lead agency managing the survey's partnerships with multiple government agencies from 2013/14.

Because this responsibility has yet to be transferred to the Families Commission, specific deliverables will be included in the Families Commission's 2013/14 Output Agreement with the Minister for Social Development rather than in this Statement of Intent.



Outcomes, impacts and measures

OUR OUTCOME

Improved understanding of New Zealand's families, whānau and their children and the policy pathways that lead to increasing their strength and resilience

OUR IMPACT

- > stimulate continuous improvement in social programmes of government and community organisations
- > evaluate the effectiveness of social programmes of government and community organisations
- > observe and anticipate the interdependence between the population and policies, through monitoring the condition, diversity and dynamics of family and whānau

Improve social science research and evaluation through leadership

Make data easier to use and provide more information, leading to increased awareness and use of social science evaluation

Develop and share information that measures and monitors the wellbeing of New Zealand families and whānau

OUR BRAIDED RIVER | WESTERN SOCIAL SCIENCE AND KAUPAPA MĀORI RESEARCH AND EVALUATION

WHAT WE DO | LEAD | EVALUATE | RESEARCH | KAUPAPA MĀORI RESEARCH | MEASURE | MANAGE CONTRACTS | ANALYSE AND ACTIVATE KNOWLEDGE

Our impact

The objective of the Families Commission is to lead, inform and influence those who make, fund or deliver social policy especially about what works best for New Zealand families and whānau.

To achieve this we will work with experts in New Zealand in order to effectively inform activities that enable us to:

- ▶ stimulate continuous improvement in social programmes of government and community organisations
- ▶ identify the continuing fitness for purpose of social programmes of government and community organisations, and opportunities for innovative approaches
- ▶ provide advice on value for money investment options for social policy spend through programme evaluation and sound research
- ▶ observe, anticipate and report on the interdependence between the population and government policies, through monitoring the condition, diversity and dynamics of family and whānau.

How we work

The direction of our work is set by the Board of the Families Commission. To ensure it is robust and of the highest quality it will be evaluated by an external Expert Advisory Group at key stages.

The Expert Advisory Group was established in 2013 in anticipation of the Social Science Experts Panel proposed in the Families Commission Amendment Bill (26–2).

Our work will also be informed by the Ethnic Reference Group and the Whānau Reference Group. These three advisory bodies will consist of experts with strengths in social science, and knowledge of the societies that policies apply to. These groups will become valued partners of social policy Ministries and departments, as well as the Commission.

Through the ‘braided river’ approach we will implement the Commission’s Whānau Strategic Framework intended to reconcile Western social science research and kaupapa Māori research perspectives.

As well as developing strong relationships with the academic community, we will work collegially with government and community sectors to learn, to share information and knowledge, and to provide leadership in our areas of expertise. We conduct our work through SuPERU and our Knowledge Centre, respectively.

Social Policy Evaluation and Research Unit (SuPERU)

The role of SuPERU is to monitor and evaluate programmes and interventions in the social sector, and provide social science research into key issues, programmes and interventions across that sector.

In addition SuPERU will commission or manage contracts for social science evidence and research that will assist in determining or achieving the Government’s policies and priorities in the social sector.

In 2013/14 SuPERU will assume responsibility for managing the longitudinal study, Growing Up in New Zealand. The study is led by the University of Auckland and funded from Vote Social Development.

Centre for Family and Whānau Knowledge (Knowledge Centre)

The role of the Knowledge Centre is to accumulate and analyse information using a family and whānau lens; to disseminate knowledge to encourage and facilitate informed debate; and promote better understanding of political impacts relating to the interests on families. This knowledge will include published research, monitoring of international studies and New Zealand work, consultation with experts in New Zealand and elsewhere, SuPERU studies, and through its own resources. This knowledge may be demographic, social, economic or cultural, in any policy domain of significance.



The Knowledge Centre works to enable change. It places high importance on science-based evidence being known about and used. Its aim is to build efficient bridges between research, policy and practice and to promote a culture of evidence-based policy-making and decision-making.

It does this by actively working alongside the people who make and implement policies, and those who provide, organise and fund initiatives that promote or serve the interests of families. Working alongside stakeholders is an important part of strengthening the family and whānau knowledge base. Gaining and maintaining support from others helps to ensure our aims succeed. Input from our stakeholders helps shape our projects and initiatives at an early stage and their input can also improve the quality of our work. Stakeholders need to fully understand what we are doing and understand the benefits of our work so they can actively support our work.

What we will do

The Families Commission will:

- › provide cross government and community leadership in social policy evaluation and the impact on the wellbeing of people through families
- › through SuPERU, provide project evaluation and management methods that fit with the unique decision-making environment of government
- › through SuPERU, provide consistent high quality assurance through the independent Expert Advisory Group
- › establish and maintain a cross-agency network of experts in evaluation including academics and community researchers
- › focus on evaluations of significance to government, with whole social sector benefits
- › promote and advance cross-government practices, standards and methods
- › take a leadership role in the accumulation of knowledge, skills and experience
- › establish the integrity of concepts, methods and measures of family and whānau

- › develop and maintain a research database
- › create large research project contract management capability
- › make very long term investments in sources (such as Growing up in New Zealand, defining families and whānau), specialist skills and research and evaluation models
- › use evidence to influence policies.

How we will know we are making a difference

The impact of the Families Commission on the lives of New Zealanders is indirect, by influencing and informing other organisations responsible for policy advice or delivering services.

As a small group of experts we bring skills to bear on one key aspect of government operations, as well as providing new pathways to knowledge about families and whānau that ought to underpin all policies. The connection with genuine measures of achievement in any year can be quite superficial if it is based on countable actions.

The Board of the Commission has agreed to the terms of reference of an independent review that it will have commissioned in its third full year of operation, to bring to bear the balance of qualitative and quantitative assessments that will provide a more genuine assessment of the worth of the Commission's work and achievements.

The independent review of the Families Commission we propose to commission in 2015/16 will assess the extent of our impact on improving social programmes of government and community organisations. This will be done by determining what works and disseminating information to decision-makers.

We will measure the extent to which:

- › our research, evaluation, knowledge accumulation, and dissemination has led to improvement in the social

programmes impacting families and whānau, and a corresponding improvement in the indicators of family and whānau wellbeing

- › best practice evaluation and research methodologies have been adopted within the social sector
- › the Commission is adding value to whole-of-government research and evaluation activity

- › SuPERU assistance and involvement in social policy research and evaluation is actively sought for the real value it is seen to add

- › the Commission's research database is assessed by its users as providing a comprehensive and high value resource, not only for government, but for the wider social sector.

In the interim, we propose to measure our impact on an annual basis through the following measures:

1. Impact of knowledge-base on those who influence policy and practice

Measure 1a: Number of policy initiatives impacted by our work

Ideally we would like to measure the quality of our research and evaluation by the value it adds to policy development and its direct application in decision-making. As an alternative to simplistic volume measures we will arrange for an independent evaluation of one of the top five projects of the Commission, in each of the next two years, assessing the work against the criteria that will be used in the three year review. We aim to be rated in the top third of categories in all aspects in 2013/14, and in the top category for at least two categories in 2014/15.

Measure 1b: Number of Commission presentations at professional forums and audience satisfaction.

The number of presentations (national and international conference presentations, speeches, workshops, seminars, etc) of the Commission's research findings is an indicator of the relevance of our knowledge base to decision-makers, service providers and researchers working for or with families and whānau. Satisfaction of attendees registered to hear Commission presenters is an indication of the extent of our influence for these key stakeholder sectors.

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual	Est. Actual	Target	Target	Target
Number of presentations	35	35	40	45	50
Survey respondents who are satisfied or highly satisfied with the helpfulness of the information presented at Families Commission seminars and events attended	New measure in 2013/2014		90%	91%	92%

Data source: Families Commission event coordination unit.



2. Influence on organisations working with families and whānau

Measure: The percentage of a sample of organisations engaged with, who agree that the Commission’s knowledge and/or advice has positively impacted on the way they work, or decisions taken, ie percentage of decision-making organisations influenced by the Commission.

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual	Est. Actual	Target	Target	Target
Influenced organisations	83–97%*	85%*	88%	90%	91%

Data source: Target survey conducted annually with a sample of organisations we engage with including government agencies, NGOs, local authorities, iwi and, where appropriate, specific Ministers.

*These results and targets relate to specific activities – the surveys from 2012/13 survey more widely across our activities.

Organisational health and capability

What we will achieve and how

Our people

We attract and retain well-qualified and committed staff. Our organisational culture is based on high performance, teamwork and innovative thinking.

We achieve this by:

- › ensuring that the performance management framework takes into account the cross-team nature of our work and rewards staff for achievement in deliverables and teamwork
- › developing staff's specialist skills through a structured programme of professional training and mentoring
- › reviewing our human resources policies and other initiatives to best balance the needs of staff and the Commission.

A particular focus in 2013/14 is to ensure that we build a critical mass of evaluation expertise within our SuPERU team to enable us to deliver high quality evaluation of social programmes.

Whānau knowledge research and evaluation

We have increased our capacity to understand the needs, values and beliefs of Māori as tangata whenua and how to listen and communicate to work effectively internally and externally.

We achieve this by:

- › increasing the skills, knowledge and understanding with staff to deliver on the *Whānau Strategic Framework* through targeted training programmes
- › employing Māori in key roles in the organisation
- › maintaining strong links with Māori Centres of Excellence in social science.

Our relationship and partnerships

Our aim is to develop and enhance key relationships and partnerships, collaboration skills, processes and systems, in order to extend our networks and expand our influence with decision-makers. This will underpin the goals of leading, informing and influencing those who make or deliver social policy.

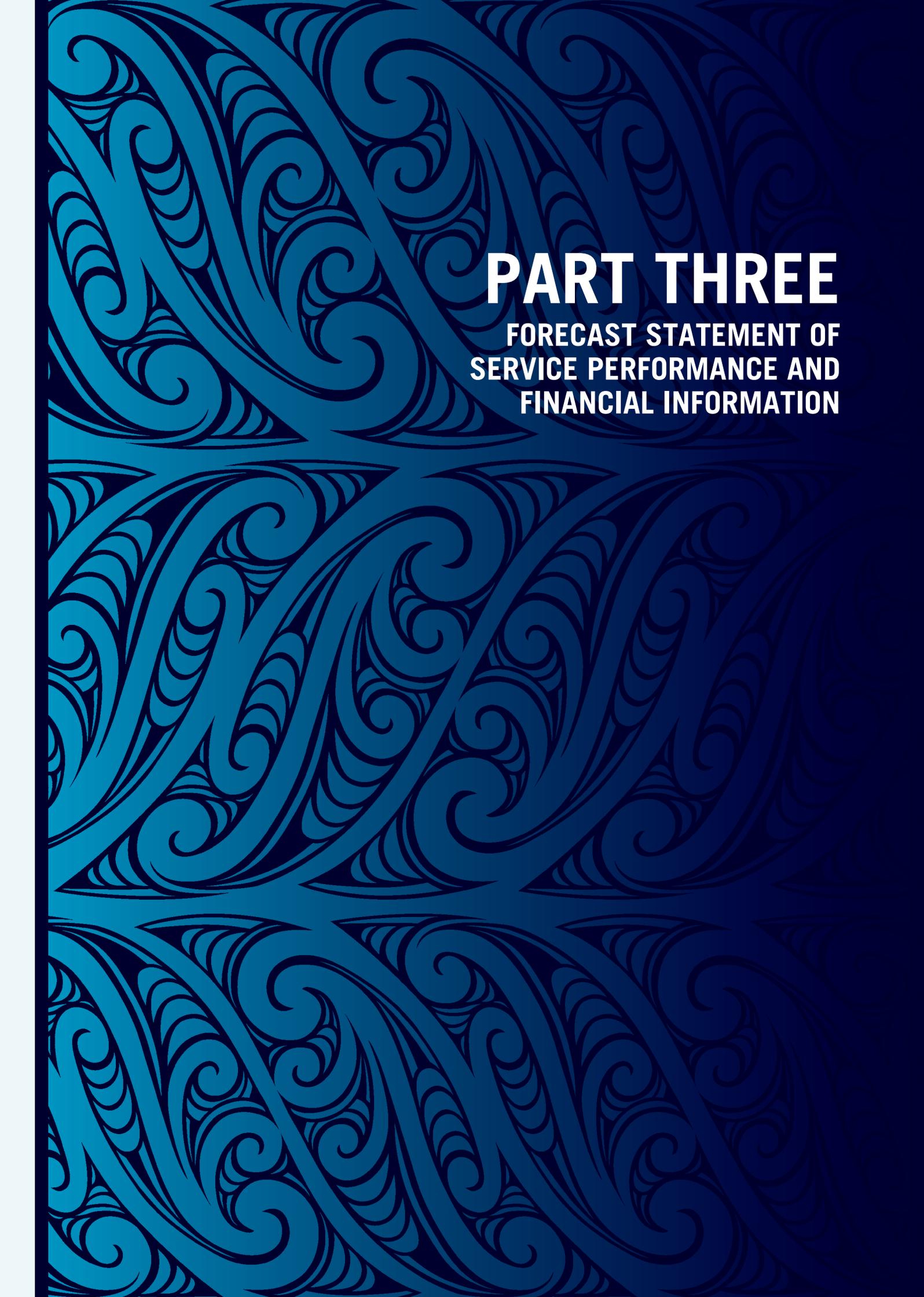
We achieve this by:

- › continuing to develop relationships with researchers, academic and non-government organisations, to support our research programme
- › continuing to develop partnerships which support our whānau strategy and associated research and knowledge management programme.

Our information management systems

During 2013/14 we will ensure that our information management systems and research tools provide the resources our staff need to deliver highly effective evaluations of social programmes, and provide a valuable research and evaluation information repository for the social sector.





PART THREE

**FORECAST STATEMENT OF
SERVICE PERFORMANCE AND
FINANCIAL INFORMATION**

Statement of responsibility

The Families Commission is an autonomous Crown entity working within the Crown Entities Act 2004 and the Families Commission Act 2003 to advocate for the interests of families and whānau generally.

The Board and management of the Families Commission accept responsibility for the preparation of the Statement of Intent, forecast financial statements, including the assumptions on which the financial statements are based, and the statement of service performance.

The forecast financial statements have been prepared in accordance with NZ IFRS. The Commission does not intend to update and republish the forecast financial statements.

The forecast financial statements have been prepared in accordance with NZ IFRS for the purpose of presenting the Commission's intentions in Parliament, and should not be relied upon by any other party for any alternative purpose without the express written permission of the Commission. The Board and management are of the opinion that these financial statements fairly reflect the expected financial position and operations of the Families Commission.

We have authorised the issue of the financial statements and statement of service performance on this day, 14 June 2013.

Signed on behalf of the Board:



Belinda Milnes
Chief Commissioner



James Prescott
Commissioner

(a) Statement of forecast service performance

This section sets out the outputs to be delivered in 2013/14.

The Commission'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.

We currently deliver outputs purchased by the Minister for Social Development through the two outputs: Families and Whānau Knowledge Base and Social Policy Evaluation and Research.

The Government announced in Budget 2013 its funding commitment to the Growing Up in New Zealand survey. The newly established SuPERU has been named as the lead agency managing the survey's partnerships with multiple government agencies from 2013/14.

Because the transfer process for responsibility to move to the Families Commission has not yet been finalised, the financial impact of the survey's transfer is not reflected in the following statement of forecast service performance and forecast financial statements.

Once finalised, the financial impacts of the transfer, and specific deliverables, will be specified in the Families Commission's 2013/14 Output Agreement with the Minister for Social Development.

Forecast Revenue and Expenditure for the years ending 30 June 2014–16

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual \$000	Est. Actual \$000	Forecast \$000	Forecast \$000	Forecast \$000
Output 1: Families and whānau knowledge base					
Revenue	4,836	3,969	3,900	3,700	3,700
Expenditure	4,967	3,822	4,030	3,700	3,700
Output 1 surplus/(deficit)	(131)	147	(130)	0	0
Output 2: Social policy evaluation and research*					
Revenue	3,710	3,777	4,631	4,831	4,981
Expenditure	3,068	3,746	5,206	4,931	4,981
Output 2 surplus/(deficit)	642	31	(575)	(100)	0
Total surplus/(deficit) (Note: deficits funded by retained equity)	511	178	(705)	(100)	0

* The 2011/12 comparative actual revenue and expenditure figures for Output 2 reflect the revenues and costs for two output classes previously disclosed separately in the 2011/12 Annual Report as Research and Evaluation, and Management of New Zealand Family Violence Clearing House.

Commentary on Forecast Revenue and Expenditure

The Families Commission is forecast to have accumulated \$1.205 million in equity by 30 June 2013 (see page 24). This equity has accumulated particularly over the last two years through the generation of operating surpluses during a time of restructure and changing mandate for the Commission.

The operating deficit forecast for 2013/14 signals expenditure on a number of initiatives which, although started in 2012/13 financial year, are due to be completed in 2013/14.

A smaller operating deficit for 2014/15 signals the final use of accumulated operating surpluses from previous years, and a return to a base level of equity of \$0.400 million ongoing.

Revenue growth in the social policy evaluation and research output reflects an increase in commissioned research and evaluation activity for government departments.

Output 1: Family and whānau knowledge base

Description

Through this activity we will undertake analysis and produce a range of reports, online resources and other ready-to-use products. The goal of these activities is to provide evidence to inform government decisions on key issues for families and whānau.

Additionally, the Commission will activate its extensive knowledge base relating to family violence prevention. We will do this by collating family violence statistics for use by all sectors and by managing the White Ribbon campaign to raise awareness and help end violence toward women.

The key activities in this output are:

- a. managing family and whānau themed research synthesis and research projects; we will produce a range of reports, online resources and other ready-to-use products
- b. facilitating audience appropriate awareness-raising, informational and educational events
- c. maintaining and developing key stakeholder relationships
- d. establishing and managing access to our own and other repositories of social science evaluation findings/research
- e. preparing and publishing an annual Families Status Report, including indicators and analysis about family and whānau wellbeing over time
- f. New Zealand Family Violence Clearinghouse: with resources to help counter family violence; the Clearinghouse develops research and publishes issues papers, fact sheets and newsletters and evidence and practice information about family violence prevention
- g. family violence statistics: a comprehensive collation of New Zealand family violence statistics from a range of authoritative sources
- h. White Ribbon campaign: activities to reduce violence toward women.

Performance measures and standards

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual	Est. Actual	Forecast	Forecast	Forecast
Reports, submissions and other publications published	18	15	20	25	30
Families Status Report	Brief demographic profile published	Report prepared and published	Report published	Report published	Report published
Family Violence Indicators Report	N/A	Report prepared	Report published	Report prepared	Report published
New Zealand Family Violence Clearinghouse					
Percentage of time website available on 24/7 basis	95+%	95%	95%	96%	96%
Website usage (views)	15,000	16,000	17,000	18,000	18,000
White Ribbon Campaign					
Reported events held	190	237	240	240	240
Website usage (views)	58,190	88,800	90,000	90,000	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%	100%	100%	100%
Cost	In 2011/12 cost was spread over a range of activities	\$3,822m	\$4,030m	\$3,700m	\$3,700m

Output 2: Social policy evaluation and research

Description

The Commission's new SuPERU will monitor and evaluate programmes and interventions in the social sector, and provide social science research into key issues, programmes, and interventions across that sector.

The key activities in this output are:

- a. promoting cross-government practices, standards and methods
- b. establishing and maintaining a cross-agency network of experts in evaluation including academics and community researchers
- c. conducting evaluations of significance to government, with whole social sector benefits
- d. establishing and maintaining a database of social science research undertaken by or on behalf of the Government
- e. conducting a targeted research programme to fill the gaps in New Zealand's knowledge about social services.

Performance measures and standards

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual	Est. Actual	Forecast	Forecast	Forecast
Guide for better practice standards and resources for practitioners	New measure	New measure	Guide published	Updated guide published	Updated guide published
Resource database established	New measure	N/A	30 June 2014	–	–
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%	100%	100%	100%
Cost	In 2011/12 cost was spread over a range of activities	\$3,746m	\$5,206m	\$4,931m	\$4,981m

(b) Forecast financial statements

Statement of forecast comprehensive income for the years ending 30 June 2014–16

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual \$000	Est. Actual \$000	Forecast \$000	Forecast \$000	Forecast \$000
Income					
Revenue from Crown	8,124	7,124	7,124	7,124	7,124
Interest income	79	100	80	80	80
Other income	343	522	1,327	1,327	1,477
Total income	8,546	7,746	8,531	8,531	8,681
Expenditure					
Commissioners' fees	215	152	196	196	196
Personnel expenses	4,453	4,256	4,085	4,170	4,170
Other expenses	3,297	3,111	4,806	4,115	4,200
Depreciation and amortisation expenses	70	49	149	150	115
Total expenditure	8,035	7,568	9,236	8,631	8,681
Net surplus/(deficit) for the year	511	178	(705)	(100)	0
Other comprehensive income	0	0	0	0	0
Total comprehensive income	511	178	(705)	(100)	0

Forecast statement of financial position for the years ending 30 June 2014–16

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual \$000	Est. Actual \$000	Forecast \$000	Forecast \$000	Forecast \$000
Assets					
Current assets					
Cash and cash equivalents	1,605	1,822	930	940	975
Debtors and other receivables	295	55	55	55	55
<i>Total current assets</i>	1,900	1,877	985	995	1,030
Non-current assets					
Property, plant and equipment	92	148	94	55	50
Intangible assets	0	5	220	170	120
<i>Total non-current assets</i>	92	153	314	225	170
Total assets	1,992	2,030	1,299	1,220	1,200
Liabilities					
Current Liabilities					
Creditors and other payables	656	630	649	670	650
Employee entitlements	309	195	150	150	150
<i>Total current liabilities</i>	965	825	799	820	800
Net Assets	1,027	1,205	500	400	400
Equity					
General funds	1,027	1,205	500	400	400
Total equity	1,027	1,205	500	400	400

Statement of forecast movement in equity for the years ending 30 June 2014–16

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual \$000	Est. Actual \$000	Forecast \$000	Forecast \$000	Forecast \$000
Balance at 1 July	516	1,027	1,205	500	400
Surplus/(deficit) for the year	511	178	(705)	(100)	0
Balance at 30 June	1,027	1,205	500	400	400



Statement of forecast cash flows for the years ending 30 June 2014–16

	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual \$000	Est. Actual \$000	Forecast \$000	Forecast \$000	Forecast \$000
Cash flows from operating activities					
Receipts from Crown revenue	8,124	7,124	7,124	7,124	7,124
Interest received	79	100	80	80	80
Receipts from other revenue	399	337	1,327	1,327	1,477
Payments to suppliers	(3,684)	(3,228)	(5,410)	(4,682)	(4,803)
Payments to employees	(4,413)	(3,941)	(3,643)	(3,728)	(3,728)
Good and services tax (net)	(17)	(60)	(60)	(51)	(55)
<i>Net cash from operating activities</i>	488	332	(582)	70	95
Cash flows from investing activities					
Purchase of property, plant and equipment	0	(110)	(10)	(10)	(10)
Purchase of intangible assets	0	(5)	(300)	(50)	(50)
<i>Net cash from investing activities</i>	0	(115)	(310)	(60)	(60)
Net (decrease)/increase in cash & cash equivalents	488	217	(892)	10	35
Cash & cash equivalents at the beginning of the year	1,117	1,605	1,822	930	940
Cash and cash equivalents at the end of the year	1,605	1,822	930	940	975

Notes:

- i. Assumptions underlying the forecast financial statements include:
 - that government funding does not change over the three years covered by this statement
 - there is a risk that these events and the associated income and expenditure may not occur.
- ii. All figures are GST exclusive.
- iii. The purchase of intangible assets relates to research software and the development of a research and evaluation database.

Notes to the financial statements

Note 1: Statement of accounting policies for the year ending 30 June 2014

Reporting entity

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

The Commission 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, the Commission has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to the International Reporting Standards (NZ IFRS).

The forecast financial statements for the Commission are for the year ended 30 June 2014, and were approved by the Board on 14 June 2013.

Basis of preparation

Statement of compliance

The financial statements of the Commission have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The actual financial results for the period covered are likely to vary from the information presented and the variations may be material.

Critical Accounting Estimates and Assumptions

In preparing these financial statements the Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. 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. There are no known significant risks within these estimates and assumptions that would cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement base

The forecast financial statements have been prepared on a historical costs basis, except where modified by the revaluation of certain items of property, plant and equipment, and the measurement of equity investments and derivative financial instruments at fair value.

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 the Commission is New Zealand dollars.

Significant accounting policies

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

Revenue

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

Revenue from the Crown

The Commission is primarily funded through revenue from the Crown, which is restricted in its use for the purpose of the Commission meeting its objectives as specified in the Statement of Intent. 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 the Commission are discretionary in nature. The Commission has no obligation to award on receipt of the grant application and the grant is recognised as expenditure when approved by the Commission's Board and the approval has been communicated to the applicant.

Leases

Finance leases

The Commission 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 the Commission 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. 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, other short-term, highly liquid investments, with original maturities if three months or less, and bank overdrafts.

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 the Commission 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 the Commission will not be able to collect amounts due according to the original terms of the deposit.

Equity investments

The Commission does not enter into equity investments.

Property, Plant and Equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture and office equipment. Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and 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. All are recorded at historical cost.

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 the Commission 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. The Commission 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 the Commission 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 as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (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 the Commission, 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 the Commission’s website are recognised as an expense when incurred.

Intellectual Property

Intellectual property that the Commission generates will be expensed unless it results in development that would otherwise be recognised as an asset.

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.

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 recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Commission would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of comprehensive income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of comprehensive income, a reversal of the impairment loss is also recognised in the statement of comprehensive income.

For assets not carried at a revalued amount the reversal of impairment is recognised in the statement of comprehensive income.

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 the Commission 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.

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

The Commission 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

The Commission 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 the Commission 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

The Commission 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 Intent as approved by the Board for the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Commission 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 set at \$7.124m for the 2013/14 financial year
- ii. The activities of the Commission are as detailed in the operating intentions and forecast statement of service performance sections in this document. Note the Commission's annual work programme is agreed with the Minister for Social Development and has not been finalised at the time this document was published.





APPENDICES

Appendix One – Governance and accountability

The Families Commission Board

The Board is the Commission's governing body. It is appointed by the Minister for Social Development and consists of at least three, but not more than seven, Commissioners. The Minister must appoint one of the Commissioners as the Families Commissioner. Each appointment is for up to three years with the potential for reappointment. The Commission currently has a Chief Commissioner and three Commissioners all working on a part-time basis. The Board reports to the Minister quarterly against its Output Agreement.

Board's role and responsibilities

The Crown Entities Act 2004 sets out the collective and individual duties of Board members. The Board's role is to:

- › oversee the governance and performance of the Commission
- › set the strategic direction and priorities of the Commission
- › select and appoint a Chief Executive and monitor the Chief Executive's performance
- › approve the annual work programme and budget of the Commission
- › approve the key annual accountability documents (e.g. the Statement of Intent, the Output Agreement and the Annual Report to Parliament).

Chief Commissioner

The Families Commissioner is the senior statutory appointment of the Commission and is responsible for:

- › leading, chairing and managing the Board
- › providing leadership and guidance for the Commissioners
- › providing the public face of the Commission as its senior public appointment

- › working with, and providing guidance to, the Chief Executive on strategic matters, work programme priorities, public or media matters and any performance matters.

Commissioners

Commissioners are statutory positions, appointed on a part-time (up to half-time) basis. Commissioners are responsible for carrying out Board responsibilities in their capacity as Board members. They are also responsible, in their role as Commissioners, for:

- › providing expertise, advice and input into issues and work the Commission is considering or undertaking
- › representing the Commission at events as required
- › undertaking elements of the Commission's annual work programme.

Board meetings

The Board meets monthly. Less formal meetings are also used as an opportunity for Commissioners to discuss strategic and project matters. Additionally, presentations to the Board from community leaders, researchers and others interested in families routinely occur.

Board subcommittees

Committees of the Board are convened to deal with specific governance issues.

Risk and Audit

The purpose of this committee is to provide independent assurance to the Board that the Commission's systems, processes and operations are based on best practice. The subcommittee has an external independent Chair to ensure robust and transparent advice on risk and assurance audit. It meets four times a year.

Remuneration

This purpose of this committee is to review human resources policies and provide recommendations on organisational structure, staff remuneration and succession planning. It meets twice a year or as required.

Expert Advisory Group

The purpose of this Group is to provide academic peer review of any research, evaluations, standards, reports, or other publications done or issued by or on behalf of the Commission, and otherwise to provide guidance to the Commission.

Research Ethics

The purpose of this committee is to provide the Board with an assurance that researchers whose work involves human participants, will conduct their work with appropriate regard for ethical principles and cultural value and in accordance with the Treaty of Waitangi. It meets as required.

Whānau Reference Group

The purpose of this reference group is to assist the Commission to identify issues and priorities for Māori families. The reference group will also provide strategic advice to the Commission to ensure that the aspirations of Māori, especially as they relate to whānau wellbeing, are addressed in all Commission programmes and activities. It meets twice a year, or more often if required.

Ethnic Reference Group

The purpose of this reference group is to assist the Commission to identify issues and priorities for ethnic families from national, regional and local perspectives. This is limited to the interests of families within the scope of the Commission's mandate. It meets twice a year, or more often if required.



Appendix Two – Families Commissioners’ biographies

Belinda Milnes (Chief Commissioner, Appointed 2012)

Belinda was one of New Zealand’s leading business journalists for 10 years before moving into public affairs and government relations where she held senior roles in both government and private sector organisations. For the last 14 years she has been working in the policy space, spending much of the past four years involved in social policy, welfare reform and NGO funding, monitoring and evaluation.

Sir Peter Gluckman (Appointed 2012)

Sir Peter was the founding Director of the Liggins Institute in Auckland and is one of New Zealand’s best known scientists. His research has won him awards and international recognition including Fellowship of The Royal Society (London). He is the only New Zealander elected to the Institute of Medicine of the National Academies of Science (USA) and the Academy of Medical Sciences of Great Britain. In 2009 he became a Knight of the New Zealand Order of Merit replacing the 2008 Distinguished Companion of the NZ Order of Merit, for services to medicine and having previously been made a Companion of the Order in 1997. In 2001 he received New Zealand’s top science award, the Rutherford Medal, and in July 2009 he was appointed as the first Chief Science Advisor to the Prime Minister of New Zealand.

Sir Wira Gardiner (Appointed 2013)

Sir Harawira “Wira” Tiri Gardiner is a former officer with the New Zealand Army, former senior public servant, and writer. His tribal affiliations are Ngāti Awa, Ngāti Pikiao, Whakatohea and Te Whānau-a-Apanui. He has been at the forefront of Māori development in our recent history, having been a founding director of the Waitangi Tribunal, the founding and only General Manager of the Iwi Transition Agency and the founding chief executive of the Ministry of Māori Development (Te Puni Kōkiri). He has also been National Director of Civil Defence, Chair of Te Mangai Paho, and deputy chairman of Te Ohu Kaimoana, the trust responsible for advancing the interests of iwi in the development of fisheries. Sir Wira is Chair of the Board

of the Museum of New Zealand Te Papa Tongarewa, and the former Chair of the Tertiary Education Commission. He was made a Knight of the New Zealand Order of Merit in 2008 for his services to Māori.

Dr Parmjeet Parmar (Appointed 2013)

Dr Parmar is a shareholder and director of a manufacturing company based in Auckland. She has other business interests including managing director of an investment company. Dr Parmar has a strong academic background with a PhD in Biological Sciences from the University of Auckland. Dr Parmar is an active member of the community and Chairs an organisation that helps victims of domestic violence. She is a regular presenter and producer for, a commercial radio station catering for Indian communities. She was also appointed as a community representative on the Film and Video Labelling Body in 2012. Dr Parmar also previously served on the Families Commission Ethnic Reference Group.

Robyn Scott (Appointed 2010)

Robyn is the Education Manager at the Commission for Financial Literacy and Retirement Income. Previously she was the Chief Executive for 10 years of Philanthropy New Zealand. She has had a varied professional career including teaching, school management, teacher training and leadership / governance in the Community and Voluntary Sector. She is a board member of Inspiring Communities and an alumni of Leadership NZ.

Dr James Prescott (Appointed 2010)

Dr Prescott is a senior lecturer in accounting and finance at AUT University. His research interest is in Pacific business sustainability and he is currently involved in developing and co-ordinating social services for at risk families in West Auckland. He is on the board of several community organisations, including Kelston Girls College, United Church of Tonga, South Seas Healthcare Trust and the National Pacific Radio Trust.

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