

4 February 2009

Hon Bill English  
Deputy Prime Minister  
Minister of Finance  
Minister for Infrastructure

**VALUE FOR MONEY and BUDGET 2009**

Dear Bill

Thank you for your letter dated 17 December 2008 with specific reference to the Ministry of Pacific Island Affairs (the Ministry) and your request for all departmental chief executives to carry out line by line reviews of the expenditure and the votes they administer.

Yours sincerely

Hon Georgina te Heuheu QSO  
**Minister of Pacific Island Affairs**

# Ministry of Pacific Island Affairs Value for Money and Budget 2009

---

## CONTENTS

1. Introduction – page 2
  2. Background – page 5
  3. Ministry of Pacific Island Affairs Strategic Direction – page 6
  4. Value for Money – page 8
    - Shared Leadership and Services – page 9
    - Improving Staffing Capacity and Capability – page 10
    - Improving Business Performance – page 11
    - Programmes – Doing more with what we have – page 12
  5. Creating Greater Economic Independence for Pacific New Zealanders – page 12
    - 5.1 Developing Pacific Businesses – page 13
- 

## Introduction

The Ministry is a small agency that has two primary roles of policy advice and communications.

The Ministry is mandated to provide policy-related advice, information, and support to the Minister, other government agencies and organisations, the community and the private sector to achieve better outcomes for Pacific peoples.

The communications role links Pacific peoples with government and its agencies facilitating the flow of information, comment, research findings and analysis between these groups.

The Ministry has aligned its outcomes with Government priorities to ensure that Pacific New Zealanders continue to receive world-class education and health services.

The Ministry has an annual budget of \$6.6 million and a further \$1.26 million (comprising Non-departmental and unrequited expenses) spent on business development through a Purchase Agreement with the Pacific Business Trust. The Ministry's appropriation is as shown in the table below. In general, the Ministry does not fund services and most of the budget is spent on staff and associated costs. It is the advisor to Government on policies and interventions that are needed to promote the social, economic and cultural development of Pacific New Zealanders.

Ministry of Pacific Island Affairs: Appropriations as at October baseline update 2008/09	Million (Gst excl)
Output expenses	
Departmental (total: \$6.688m)	

<i>Policy</i>	\$5.281
<i>Communications</i>	\$1.407
Non-departmental	
<i>promotions – business development (Pacific Business Trust)</i>	\$1.156
	<b>\$7.844</b>
<b>Benefits and unrequited expenses</b>	
<i>study and training awards</i>	\$0.100
<i>welfare of Pacific Island People in NZ</i>	\$0.008
	<b>\$0.108</b>
<b>Departmental capital expenditure</b>	
<i>capital expenditure</i>	<b>\$0.404</b>
<b>TOTAL</b>	<b>\$8.356</b>

As a result of a major internal review and reorganisation in 2007/08, the Ministry has made significant changes to its staffing, strategy and structure consistent with expectations outlined in your letter. It is actively involved in a Business Improvement Programme that will ensure a culture of innovation is developed that will assist in the Ministry being competitive and exceeding in our delivery to customers and stakeholders and thereby resulting in efficiency and effectiveness. The Ministry has commenced the business improvement programme and while there has been immediate progress the programme has a timeframe of five years for Ministry systems and business process to be considered best practice. A formal prioritisation process has also been completed through the development of an Outcomes Framework.

Initiatives the Ministry has already implemented, or has commenced reviews on, since the restructure to improve value for money include the following activities:

<b>Activity</b>	<b>Time Period</b>	<b>Estimated Saving / benefit</b>
Disposal of ageing vehicle fleet.	Completed July 08	\$20,000 per annum
Review of telecommunication contracts.	Completed November 08	Potential for savings of \$8,000 per annum. Costs used to offset increasing utility costs.
Implementation of a staff performance management system.	Completed November 08	
Implementation of shared services for accounts processing and IT support.	To be completed Nov 09	Yet to be quantified but estimated to be \$30,000 per annum

<p>The Ministry intends to review and re-shape the Purchase Agreement with the Pacific Business Trust (PBT) to ensure that we obtain best value for the investment made. The intention is to ensure greater alignment between new Ministry priorities and PBT activities as well as better linkages with other Economic Development Agencies.</p>	<p>To be completed June 09</p>	<p>Unknown</p>
<p>Review of Christchurch office to determine location, structure and possible sharing with other agencies.</p>	<p>To be completed April 09</p>	<p>Unknown. Initial potential saving of \$13,000 per annum.</p>

The Ministry will continue with its Business Improvement Programme and will not seek funding from Government during the next 2 years. It will look to fund new priorities and rising costs from within the existing baseline and continue our internal drive for improved efficiencies.

The following table summarises the Ministry's response to the specific request for efficiency savings and alignment with government priorities;

<b>Activity</b>	<b>Ministry Comment</b>
<p>Savings that can be freed up for Budget 2009.</p>	<p>NIL.</p>
<p>Programmes inconsistent with government priorities and should be discontinued.</p>	<p>NIL.</p> <p>The Ministry review and prioritisation means that it will now focus on fewer high value priorities consistent with government expectations. Savings are small and these have applied to fill the gaps in its capacity and capability.</p> <p>The Ministry is not usually the lead agency on programmes and therefore has limited funding allocated to programmes. Our funding commitment is to personnel and associated resources. We use their work to alongside other agencies to support their work and ensure that policies are developed and delivered to meet the needs of Pacific New Zealanders. We also support Pacific teams in other agencies.</p>

	<p>The development of an Outcomes Framework and associated re-prioritisation has increased our emphasis on improving incomes and living standards through a greater focus on economic development, education, training and up-skilling. A second focus is building stronger and more cohesive Pacific families and communities, which in turn assist with economic development. The Minister has confirmed the importance of the Pacific Languages Strategy in this context.</p>
<p>Programmes that may be inconsistent with government priorities and should be looked into.</p>	<p>NIL. See comments above. Ministry review and prioritisation means that it will now focus on fewer high value priorities consistent with government expectations</p>
<p>Programmes and expenditure that are not efficient or effective.</p>	<p>NIL. The Ministry has already made major changes as part of the internal review and Business Improvement Programme</p>
<p>Area where performance information insufficient to make a judgement about efficiency and effectiveness, and actions agencies should take to make improvements by the next review period.</p>	<p>NIL. The Ministry will continue with its Business Improvement Programme to ensure that all areas of its operations are continually subjected to improvements. The Ministry also reports on the progress of other agencies towards improving outcomes for Pacific New Zealanders through the annual Pacific Report.</p> <p>Pacific Business Trust (PBT) is the primary delivery mechanism funded by the Ministry. It has a focus on business development and therefore aligns well with government priorities. The Ministry is reviewing PBT's activities that ensure maximum return on investment.</p> <p>\$55,000 could be provided in 2009/10 as a one off reduction from the cancellation of the Pacific Women's Economic Development Advisory Board (PWEDAB). The board was established to monitor and report on the implementation of the Pacific Economic Action Plan/Pacific Women's Economic Development Plan (Cab Min (06) 42/6). Disestablishment of the PWEDAB will not seriously compromise the work of the Ministry but it could have adverse political consequences because it was set up by the previous Minister of Pacific Island Affairs.</p>

## 2. Background

The Ministry is well positioned to meet the expectations of the new government having completed a major review and reorganisation during 2007/08. The

reorganisation was in response to an unfavourable State Services Commission (SSC) performance report and new expectations set by Cabinet in 2006. The appointment of a new Chief Executive in mid-2007 provided additional impetus for change.

The Ministry will continue to develop the relationship the government has with Pacific communities. The Ministry has identified lifting incomes and hence standards of living for Pacific people as top priority and will be working with other Government agencies to achieve this. This will benefit not only Pacific people but New Zealand as a whole. One estimate is that if Pacific peoples' incomes converge to 96 percent of those for other New Zealanders the New Zealand economy will benefit by an extra \$4-\$5 billion.

Fundamental to lifting economic participation is raising education and skills training for Pacific people. The Ministry is already working with the Ministry of Education and other education agencies on a collaborative plan to do this. Similarly in the health sector, the Ministry is signed up to a Joint Pacific Health Action Plan with the Ministry of Health which focuses on discrete areas for improvement.

The Ministry is positioning itself as a knowledge organisation by creating useful and usable information for use by government agencies and other stakeholders. In order to become a knowledge organisation the Ministry must have best practice systems for collecting, managing, analysing and interpreting information. It must also have people with the right skills and qualities in order to provide the intellectual qualities that are required by the Ministry as a knowledge organisation. The overall objective is to provide a critical linking role between agencies as well as with Pacific communities.

The main cost driver within the Ministry is personnel with the majority (59%) of Ministry expenditure directed towards personnel costs. Ministry staff numbers have, however, been reduced from 55 to 47 with a focus on experienced individuals. Additional measures have been taken to improve its efficiency including shared services with other agencies. New projects that better reflect Ministry priorities have been funded from within baseline funding e.g. Pacific Starmap – an on-line facility for young Pacific people seeking information and mentorship about careers in the creative sector. The Ministry is working with its partners to find a long term host for Starmap.

Other innovative projects have been completed with modest Ministry investment and by securing strong working relationships with other agencies. A highlight was the NZ-Pacific Remittances project where the Ministry-led project culminated in the reduction of the cost of sending money to the islands from 25% to less than 5%. The Ministry is also actively engaged in lifting the uptake of the Modern Apprentice Scheme by young Pacific people providing added value to the existing Modern Apprentice Scheme.

The Ministry is now well placed with the right people and tools to deliver effectively on agreed priorities. Its priorities are well aligned with the priorities of the new government with a strong focus on economic and business development, skills and education.

### **3. Ministry of Pacific Island Affairs Strategic Direction**

As part of the strategic development process and organisational realignment, the Ministry has developed an Outcomes Framework in consultation with other agencies. The Outcomes Framework provides clarity on its goals and objectives and a basis for developing joint agreements with other agencies. It provides a focus on priority areas that offers the best prospects for Pacific development and helps eliminate the constant distraction faced by the Ministry in responding to multiple requests for involvement.

The Outcomes Framework has identified two key outcome areas as priorities for action over the next 2-3 years. These outcomes will be achieved by acting on various factors that would enable the achievement of these outcomes and by seeking substantial improvements in educational outcomes for Pacific young people. Improving numeracy and literacy are urgent priorities closely aligned to the new expectations.

Priorities have been identified as a result of the development of an Outcomes Framework. The Ministry relies heavily on its ability to influence and work with other agencies in order to achieve its objectives. The Outcomes Framework is an important tool

The two priority outcome areas are;

- **Lifting incomes and standards of living**

Pacific New Zealanders earn, on average 70% of the earnings of other New Zealanders, due in large part to a younger population and poor educational outcomes which in turn forces them into low-paid jobs. Their unemployment rate is nearly twice that of other New Zealanders. These statistics, linked with the current economic climate, highlight the serious adverse socioeconomic consequences which Pacific New Zealanders will face in the immediate future. Whilst lifting the incomes of Pacific New Zealanders will be a challenge, it is now widely recognised that better incomes lead to better choices, good health and general improvement in the quality of life. Better standards of living in turn improve societal cohesion and provide more opportunities for education and investment. Economic independence is crucial in the development of Pacific New Zealanders and their role in New Zealand's wider economy. Improved prosperity helps to address some of the chronic social problems of Pacific New Zealanders.

- **Families and community strength**

Strong families and communities make strong and cohesive societies and nations. Cohesive societies are better able to address social problems and more resilient to these threats. While a number of factors are involved in enabling strong families and communities, a critical element in the work of the Ministry is the support and promotion of Pacific languages and culture. Several international studies have confirmed that students who are fluent in their first language and in English are socially confident and perform better academically. There are also substantial economic benefits to be gained from promoting the use of Pacific languages and cultures as one unique dimension to New Zealand's appeal as a tourist destination.

The achievement of these outcomes is heavily dependent on lifting the educational outcomes of young Pacific New Zealanders. While some improvements have been made, these are not enough and not fast enough. As the proportion of New Zealand's workforce who identifies themselves as Pacific grows the economy will be increasingly reliant on educated and skilled young Pacific New Zealanders. The Ministry will continue to work with education agencies and communities to find ways to lift educational participation and achievement across the sector.

Investment in education is a longer term strategy and the Ministry has a number of activities underway addressing the immediate enablers that are crucial in the achievement of stated outcomes. These include work with relevant government agencies, community groups and the private sector.

The Ministry's strategic direction and priorities are consistent with and supports the new government's priorities for New Zealand.

#### 4. Value for Money

The Ministry has already made considerable progress in its drive to be more efficient and effective with the money it receives. It is a small agency with a small budget and for this reason, it operates within very tight parameters. Within departmental expenditure 59% of the budget is related to personnel costs and approximately 83% of the budget is allocated to fixed costs such as depreciation, capital charge, and property costs. The Ministry is completing a Strategic Development Programme to ensure that the organisation is efficient and effective by adopting best practice and business excellence that exceeds state sector benchmarks. This will help drive efficiencies, some of which are identified in this report.

Actions that have already been taken as part of the strategic review and restructure in 2007/08 include the following:

- a. Staff redundancies – 13 staff were made redundant during the restructure to ensure the Ministry had the right structure, capacity and capability to deliver on its outcomes. *While the reduction in staff numbers could equate to estimated savings this was offset by adjusted salary levels benchmarked across the Public Service, partly to address staff turnover and ensure the Ministry had the right staff with the skills and capability.*
- b. Disposal of ageing vehicle fleet – Nine vehicles were disposed of. A review of the transport requirements for the Ministry is currently underway to ensure if any vehicles are purchased they meet Govt3 requirements and are efficient. *Savings from the disposal of the Ministry's vehicles have been offset by other travel costs e.g. increased taxi usage.*
- c. Telecommunications review – a review was undertaken of the Ministry's telecommunications requirements and using syndicated contracts the Ministry was able to leverage off the pricing structure available from these contracts. Savings of \$8,000 were achieved. Savings from this area are being used to offset increased utility and property costs.

The Value for Money (VFM) review has provided additional impetus for the re-organisation of the Ministry and the changes it is making. It is important that it is permitted to complete its change programme to ensure that planned objectives are achieved. It is already funding new programmes from within its baseline and discontinuing inefficient practices. Improving efficiency within its operating baseline budget is a prudent approach for a small agency given the prevailing and future financial situation in New Zealand. Securing effective working partnerships with relevant organisations is an additional strategy that would enhance its effectiveness.

The Ministry has commenced the development of a performance measurement framework that will show how the Ministry's outcomes and activities are delivered effectively and efficiently as well providing information on how the Ministry should allocate resource to its priorities. The Ministry is working with Treasury and SSC as well as other Government agencies in the development of the performance measurement framework.

The table below details the departmental and non departmental budget and the changes that have occurred since 2005/06. As is shown below, in 2007/08 there was an increase in funding of \$1316K from the baseline and was primarily the result of one off funding for the Ministry restructure. In subsequent financial years the Ministry's baseline budget shows a decrease from the previous financial years. Funding is generally provided for specific projects that the Ministry administers.

Details of the changes being made to staffing levels and mix, business practices are elaborated on below.

	Financial Year (\$000)						
Allocation by Output	2005/06	2006/07	2007/08	2008/09	2009/10	2009/11	2009/12
Communications and Relationships	626	626	1240	1584	1357	1277	1277
Policy and Monitoring	5338	5289	6040	5061	4778	4720	4704
<b>Sub Total Departmental Expenditure</b>	<b>5964</b>	<b>5915</b>	<b>7280</b>	<b>6645</b>	<b>6135</b>	<b>5997</b>	<b>5981</b>
Non Dept Expenditure - Pacific Business Tru	1264	1264	1264	1264	1264	1264	1264
<b>Total</b>	<b>7228</b>	<b>7179</b>	<b>8544</b>	<b>7909</b>	<b>7399</b>	<b>7261</b>	<b>7245</b>

<b>% Change from Previous FY</b>		-0.7%	19.0%	-7.4%	-6.4%	-1.9%	-0.2%
<b>Increase / (Decrease) from FY 05/06 baseline</b>		-49	1316	681	171	33	17

	Financial Year (\$000)						
Reason for baseline change	2005/06	2006/07	2007/08	2008/09	2009/10	2009/11	2009/12
Head office Relocation		87	87	87	87	87	87
Funding for Ministry restructure			1300	200	300	400	400
Pacific Prosperity Conference		-350	-350	-350	-350	-350	-350
Pacific Modern Apprenticeship Action Campaign				100	100	-	-
Pacific Language Promotion and Preservation Programme		200	200	200			
Pacific Women's Economic Development Advisory Board			60	60	60		
Justice Sector Reviews of Victim Services and Sexual Violence services EDC Min (08) 11/15				140			
Migrant Levy funding for research				113			
Miscellaneous changes		14	19	131	-26	-104	-120
<b>Total changes</b>		<b>-49</b>	<b>1316</b>	<b>681</b>	<b>171</b>	<b>33</b>	<b>17</b>

**Table 1 – Ministry baseline funding by Financial Year  
(figures from Budget 08)**

#### 4.1 Shared Leadership and Services

The Ministry has been and continues to work with other small population agencies in areas where efficiencies could be realised by sharing information and resources. Current discussions are focussing on shared leadership beyond issue-based collaborations to ascertain if further gains can be made. It is important to note that population agencies share a lot in common but their existence also highlights the disparate needs of the population groups they are expected to serve. Shared leadership will also improve the consistency of advice and approach to government.

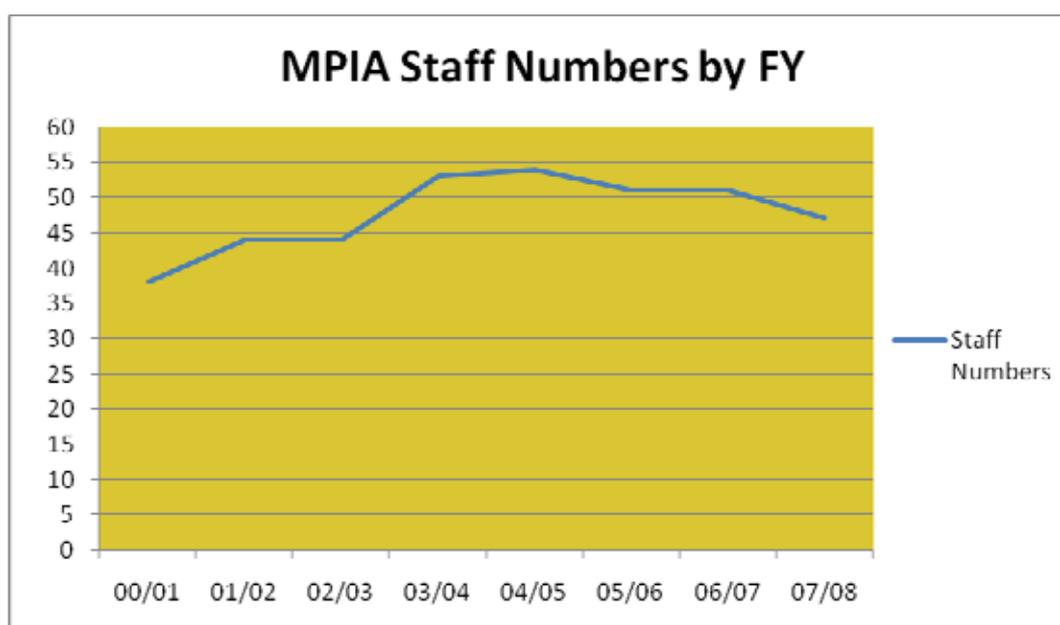
Several discussions have taken place on the need to share 'backroom' services as a prelude to greater integration and collaboration between population agencies and other potential partners. The experience has been that the relative small size of these agencies does not necessarily lead to economies of scale. For example, the Ministry has a lone Human Resource (HR) Advisor and the Ministry of Women's Affairs is in a similar situation. Both HR professionals are working at capacity and only limited benefits can be expected by way of mutual support and collegiality. There is unlikely to be any financial savings to either agency if HR services are to be merged.

The Ministry has had initial discussions with two Government agencies regarding shared services for business support in the areas of information technology and accounts processing. We will continue to explore these options and the process for implementation and management with the agencies over the forthcoming months. At this point of time it is unclear what the resulting savings will be. There will however be considerable benefits from improved service delivery.

## 4.2 Improving Staffing Capacity and Capability

The Ministry has already embarked on improving its staffing capacity and capability. In the recent reorganisation, 13 staff were made redundant and the total staff establishment has been reduced from 55 to 47. As graph 1 details the recent review has reduced the level of staff within the Ministry and the slight increase in numbers that occurred prior to FY 04/05. The staff numbers within the Ministry is now likely to remain and we are now operating a policy of not replacing staff who leave and replacements are only made if justification is made. The replacement could be made to a different area of the organisation depending on agreed priorities. Furthermore, we are investing our limited resources in staff training and support to improve the overall performance of staff. A Performance Management System is now in place to assist the Ministry's leadership team obtain best value from its employees.

Like most Government agencies, the Ministry is a people intensive business. It spends 59% of its total budget on staffing and given its recent changes to staffing levels, it is unlikely to be able to reduce staff numbers further without seriously compromising the performance of the organisation. Small agencies are extremely vulnerable to small changes in staffing numbers and critical mass is a real issue. The Ministry relies heavily on skilled and experienced staff members in order to advance its mission.



Graph 1 – MPIA staff number

Within the organisation, the Ministry operates with a very small administrative team of 3 staff, the priority being given to technical and front-line roles. The Ministry is also progressively reducing its policy staffing numbers and re-allocating positions to its recently-established knowledge-creation functions and other information and innovative areas of the organisation. The overall aim is to focus our work on fewer policy priority areas and to divert our attention to knowledge creation, especially with regard to identifying solutions and interventions for public sector agencies.

### **4.3 Improving Business Performance**

The Ministry is participating in a Business Improvement Programme as part of the NZ Business Excellence Foundation. The aim is to improve all aspects of our business.

The Ministry operates out of the main office in Wellington and regional offices in Auckland and Christchurch. We have reviewed our space requirements and current leasing arrangements and concluded that the savings would be minimal if changes were to be made. In Wellington, the Ministry occupies 1.5 floors and with the reduction in staff numbers, it could accommodate all staff onto one floor. However, refurbishment costs and depreciation write offs would significantly exceed likely savings. In Christchurch, savings from closing the office and co-locating staff with other agencies would be minimal. In Auckland, the lease is not due for renewal for another 3 years.

Ministry work programmes involve significant community meetings, often in the evenings and weekends. Transport is an essential part of doing the Ministry business. As part of the efficiency drive, the Ministry has disposed of all but one of its ageing vehicles and currently rely on taxis for transportation as needed. Early indications are that, even with the most careful management, the option of using taxis is not much cheaper than operating a small fuel-efficient vehicle fleet. Staff are encouraged to use low-cost airfares when travelling for work within New Zealand.

The Ministry has also made changes to our communication costs and continue to seek efficiencies in this area. Similarly, other cost areas are constantly being reviewed to ensure that best cost and most cost-effective options are adopted.

### **4.4 Programmes – Doing more with what we have**

We have already made significant changes to what we do and how we do our work. We are progressively reducing our policy function and participate only in high priority areas such as education and housing. In some areas, we will adopt a monitoring and reporting role and in others, we will maintain a watching brief. We are building our knowledge-creation capabilities as resources permit. In the medium to longer-term, the Ministry will seek to strengthen its knowledge-creation capabilities. The information generated will be used to support and monitor other agencies.

We have strengthened our communication, information and relationship management functions in response to our changing focus and the need to put more emphasis on securing effective working relationships and partnerships with other stakeholders. It is also extremely important that we work very closely with Pacific community groups. Facilitating the flow of information to and from Pacific communities is a critical role for the Ministry. We also provide a small Nominations service, whereby we identify

suitable and competent Pacific persons for state sector boards and recognition for their community service.

We recently established a small Innovations team of 2 people to facilitate the development of new and creative ways of supporting the social, economic and cultural development of Pacific New Zealanders. An important part of this work has been in the work dedicated to protecting and promoting the use of Pacific languages in New Zealand. The first phase of this work has been dedicated to the three most endangered languages (Cook Island Maori, Niue and Tokelauan). In the future, we are expanding this work to include all major Pacific languages and to better coordinate all government activities in the process. This is the basis of the Pacific Languages Strategy, which we hope will provide the policy rationale for enhanced broadcasting opportunities, including a Pasifika Television Network.

## **5. Creating Greater Economic Independence for Pacific New Zealanders**

Statistics show that Pacific people operate below their economic potential. In numerous economic development indicators (income, employment, participation etc) the Pacific population lags behind that of New Zealand's general population. The much younger Pacific population with its higher birth rate and relatively poor educational achievement levels will make up a significant portion of the labour force in 40 years time. The Ministry and the New Zealand Institute of Economic Research estimated that approximately New Zealand stands to gain an additional 4 billion dollars to the economy if the potential of Pacific New Zealanders was fully realised.

In recent times, the Ministry has shifted its focus on economic development as a way of improving the economic situation of Pacific New Zealanders. Improving wealth is generally associated with improved health and wellbeing as well as broadening individual's life choices. The Ministry has embarked upon a number of strategies designed to encourage and support economic and business development among Pacific New Zealanders. One area the Ministry provides support is the development of Pacific businesses as discussed below.

### **5.1 Developing Pacific Businesses**

The Pacific Business Trust (PBT) is a Crown Entity and charitable trust established in 1985, whose function is to develop a strong economic base for Pacific peoples in New Zealand by providing opportunities through business participation and ownership. The PBT provides business development services aimed at assisting Pacific New Zealanders to enhance both their business skills and earning power. In doing so the PBT has an overarching objective of making a stronger contribution to not only Pacific people's well-being, but to New Zealand's wider economy.

The Ministry administers an annual Purchase Agreement with the PBT which provides the framework and mechanism for the disbursement of \$1,401,000 of annual government funding, made by the Ministry to PBT from funds provided in Vote Pacific Island Affairs, for the production and monitoring of business development services. The purchase agreement outlines three contributing outcomes:

- a. Leadership: Assist and support in growing the pool of Pacific business leaders and Pacific business advocates at a community and national level. In doing so, the PBT will take a leadership role in Pacific business development and as an advocate of wider Pacific economic development.
- b. Awareness: Encourage greater participation by Pacific peoples and businesses in relevant business assistance and development programmes funded by government. This will also assist in the development of a data and information based profile of the status of participation by Pacific peoples in the business sector.
- c. Proactive Business Development: This outcome represents the core focus of PBT services which are aimed at supporting and responding to the needs of start-up Pacific businesses. The fulfilment of this outcome will be demonstrated by individuals who achieve learning outcomes that help them build and manage better businesses through improved access to networks, information and business development tools.

The Ministry briefs the Minister of Pacific Island Affairs on the performance of the PBT and then provides the PBT with an assessment of their performance. This forms part of the Ministry's governance oversight of the operations of the PBT, which includes its financial viability.

In addition to its Purchase Agreement with the Ministry, the PBT has a small number of additional contracts to deliver pre-business services, for example, with New Zealand Trade and Enterprise.

In summary, the Pacific Business Trust is uniquely placed to achieve improved employment and entrepreneurial outcomes for Pacific peoples in New Zealand. Through its ability to inspire trust in the community, speak Pacific languages, provide assistance in ways which are not intimidating to Pacific peoples and alerting Pacific peoples to educational, business and employment opportunities the PBT positively contributes to the business development of Pacific peoples.

The Ministry intends to review and re-shape the Purchase Agreement with PBT during 2009 to ensure that we obtain best value for the investment made. The intention is to ensure greater alignment between new Ministry priorities and PBT activities as well as better linkages with other Economic Development Agencies.

Yours sincerely

Hon Georgina te Heuheu QSO  
**Minister of Pacific Island Affairs**