

The Treasury

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



MINISTRY OF PACIFIC ISLAND AFFAIRS

FOUR-YEAR BUSINESS PLAN

1.0 Strategic Direction

Our Role and Purpose

Our vision is Successful Pacific peoples. Realising our vision is critical not only for Pacific peoples, but as an investment in New Zealand's future wellbeing and prosperity. All of our work is designed to enable and foster this vision.

The Ministry advises the government on policies and interventions for achieving better outcomes for Pacific peoples in New Zealand, which will have positive benefits for New Zealand.

We provide advice and information to government on the context, circumstances, issues and opportunities faced by Pacific communities in New Zealand. We also work with and advise Pacific communities of key government policies, programmes and priorities which affect them.

VISION	Successful Pacific Peoples
MISSION	Effecting positive change for Pacific Peoples in New Zealand
GOVERNMENT GOALS	Stronger economy – Better public services
OVERALL OUTCOMES	Pacific earnings on a par with all New Zealanders'
INTERMEDIATE OUTCOMES (MINISTERIAL PRIORITIES)	Improved outcomes for Pacific young people in education, training and employment

Our contribution 2013-2017

In the next four years we will focus on work which can make the most difference for Pacific New Zealanders. The longer term aim is to ensure Pacific people in New Zealand are earning a similar level of income to other New Zealanders. We will track earning trends annually through the Incomes report of the *Household Labour Force Survey* and foster improvement through our work to enhance educational outcomes for Pacific students.

The main thrust of our work will be **education, youth, skills, training and employment**. This will support Government's Better Public Services (BPS) targets and directly contribute to achievement of:

- *In 2016, 98% of children starting school will have participated in quality early childhood education*

- *85% of 18 year olds will have achieved NCEA level 2 (NCEA2) or an equivalent qualification in 2017.*

Our work will also support other BPS targets such as:

- *55% of 25 to 34-year-olds will have a qualification at NCEA Level 4 or above in 2017*
- *Increased childhood immunisation rates and reductions in levels of rheumatic fever.*

Education, youth, training and employment

Pacific peoples in New Zealand are a youthful population. Currently, the average age of New Zealand's Pacific population is 21.1 years, whilst the average for all New Zealanders is 35.9 years. This youthful population offers a huge economic opportunity for New Zealand at a time when most other developed countries are wrestling with the implications of ageing populations.

However, many young Pacific people are yet to achieve their potential in education and, in consequence, employment. This impacts not only Pacific communities, but the New Zealand economy, and must be urgently addressed. This need to boost Pacific achievement is the focus of our work.

Our work in education focusses on the participation levels and quality of provision in early childhood education (ECE), and on raising the number of Pacific students attaining NCEA2 before they leave school. All our education work is formalised in the *Pasifika Education Plan 2013-2017* (PEP) developed jointly with the Ministry of Education.

There is a strong evidence base to show that participation in ECE improves all future educational outcomes. Whilst average Pacific ECE participation is 86 percent, this figure masks considerable regional differences. The Ministry has identified that participation rates are particularly low in Auckland, and that 16 census area units within the region have large Pacific populations and lower-than-average attendance rates. Our ECE work will focus on these areas.

We will both encourage more Pacific families to enrol their children in registered ECE services and support Pacific communities to develop additional services to meet an increase in demand. Samoan families and communities will be a particular focus. Whilst there is little difference in the participation rates between Pacific ethnicities, 50 percent of the Pacific 0-4 year-old population is Samoan. Working with them should generate significant positive change.

Each year, for the next four years, the Ministry will target three or four of the identified census area units. There will also be on-going monitoring of the impact of previous years' efforts. Work will involve extensive engagement with Pacific families, community groups and churches. We plan to engage with 120+ families each year with an expected additional enrolment of 1200 children over the next five years to achieve a 98 percent enrolment rate in Auckland census area units with the lowest ECE participation.

Currently 63 percent of Pacific students leave school with NCEA2. To support achievement of the *Better Public Services* target of 85 percent of students achieving level 2 by 2017 we have identified 25 schools (Top 25 schools) which educate over half the Pacific secondary school children in New Zealand. Twenty four of these schools are in Auckland and one in Wellington.

We are engaging with the principals of the Top 25 schools and developing a work programme to support future engagement with them. This work will focus on brokering relationships amongst the schools, between the schools and the community, and providing evidence from the schools about what works for Pacific students to the Minister and the Ministry of Education. We are also discussing with the Wellington-based College the possibility of developing a local cluster to progress similar work in the Wellington region. In addition we will be considering the opportunities for identifying and disseminating best practice that will arise from the Christchurch education renewal plan. We will monitor our progress against our targets during the year and results will be published annually.

We also provide support to the Young Enterprise Trust (the Trust), which runs NCEA-accredited entrepreneurship programmes within schools. For the past three years we have sponsored a Pacific

category in the national awards for young entrepreneurs. We are aiming to increase the number of Pacific participants in the programme from seven percent last year to ten percent in the next five years, and to increase the number of the 25 schools participating in the Trust's programmes from nine to 15. This will have a direct impact on the NCEA2 achievement of Pacific students.

Supporting young Pacific people once they have exited compulsory education is also important to us. Pacific young people will be a significant proportion of New Zealand's future workforce and an increasing proportion of the taxpayer base. Successful transition from education to employment will provide an opportunity for these young people to contribute positively to New Zealand's future economic growth.

We are currently managing the *Pacific Employment Support Services* (PESS) programme. PESS is funded through an additional \$1 million per annum appropriation in Budget 2010. The funding was provided to allow us to pilot different approaches to support young Pacific people into employment and training. Funding ends in June 2014.

A mid-term review has already identified aspects of the programme that are working particularly well for young Pacific people. Furthermore, costs comparisons and outputs from the programme compare favourably with other government-funded initiatives. We will continue to manage and monitor the programme until funding runs out. Post-June 2014, our focus will be to ensure that lessons from the programme about best practice are understood by, and within, government departments which provide training and employment support to young Pacific. We will also continue to engage with other agencies in the development of policies and programmes to support Pacific young people to ensure specific Pacific needs are being met.

We have also partnered with the Tertiary Education Commission (TEC) to deliver the *Pacific Trades Training Initiative* (PTT). The PTT is linked to the Skills for Canterbury additional trades training places. Designed to stimulate Pacific engagement in trades-related training, it offers 300 scholarships for Pacific peoples. Our main role is to assist in the promotion of the initiative to Pacific communities. We will continue to work with TEC on delivery of the programme and to make a sound business case for increasing spaces for Pacific participants in coming years.

Future State

By 2017 we will be recognised across Government and by Pacific communities as the strategic advisor on Pacific peoples in New Zealand. We will be the recognised repository of knowledge and expertise in all things Pacific, and on the impact of government programmes on Pacific New Zealanders through our on-going monitoring and evaluation. We will be well-networked, across government and in Pacific communities, with access to a breadth and depth of information and data.

We will continue to combine two roles which are mutually reinforcing: providing quality policy-advice to government and engaging effectively with Pacific communities. Intelligence for our community engagements will inform our policy advice to provide an authentic Pacific voice. We will continue to be a lean organisation, drawing on the strength and resources of others to continue to deliver on our wide remit.

1.1 Operating or Business Model

The work outlined in this plan builds on the delivery model already embedded in the Ministry. In 2012 we began a process of developing greater clarity through a sharper focus on key priorities. We will continue to shift resources as we intensify our work on our key priority of education, youth, training and employment. However, it must be recognised that we are frequently consulted on wider policy issues that have the potential to impact on Pacific outcomes. It is, therefore, important that we retain a broader capability and knowledge to respond to these effectively.

We always strive to work in partnership across government to ensure other departments' knowledge and resources to support Pacific advancement are optimally focussed. In a parallel process we intend to formalise these arrangements with key agencies through a series of Chief Executive to Chief Executive Memoranda of Understanding (MoUs). These MoUs will clearly define the expectations of both parties for joint work.

We will also continue to invest in appropriate technology to support our work, to enable faster and more sophisticated analysis of the data we have access to.

Currently we are part of the labour market and skills cluster of agencies. Whilst there is clearly an economic imperative to our work, responses to many of the issues we have prioritised relating to education, youth, training and employment are developed across government through the social sector forum. We will seek in-depth engagement with this cluster of agencies, both collectively and individually, supported by MoUs. We will also provide appropriate support and resources to initiatives such as the social sector trials.

Whilst this delivery model builds on our existing way of work, there are some capability development issues that we will need to address. These are discussed in the workforce capability section of this paper.

1.2 Operating Environment and Strategic Challenges

We recognise that the challenges of the current economic environment require New Zealand to lift productivity, make better use of our human resources, and have more effective, value for money public services. We have responded by continually striving to adapt and innovate, in order to be a highly effective, well-performing Ministry. We have also brought more clarity and focus to our priority work, and have ensured that it supports government's BPS targets. We will re-allocate resources to support delivery. As a small, resource-constrained Ministry we are often reliant on other departments to support delivery in our priority areas.

Within a small agency cost pressures are always acute, and reductions in funding generally lead to a reduction in staff numbers. Reducing staff numbers will impact on the Ministry's ability to retain and recruit good staff. This should be seen in the context of the usual challenges of recruitment and retention in small organisations, where there are fewer opportunities for progression for high-performing staff.

Baseline profile – OBU 2012	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Operating expenditure – departmental	6.516	6.108	5.914	5.914	5.914
Operating expenditure – non-departmental	2.862	2.410	1.409	1.409	1.409

1.3 Decision Points and Trade-offs

Working jointly with other agencies will expand over the next four years, and be formalised in MoUs. This new approach will start with a MoU agreed with the Ministry of Education, as progress on our immediate priority relies heavily on working seamlessly together. Further MoUs will be agreed as our work progresses. These arrangements will be especially important in ensuring best practice from PESS is included in mainstream employment programmes across government. They will also support achievement of our ambitious NCEA2 and ECE targets.

We will invest fewer resources (mainly people) in work outside our key priority, including languages and enterprising communities, and focus available funding on areas supporting our key priority and BPS targets. We are confident that the implications of reallocating these resources will be minimal. We have worked intensively with communities around developing community capability to support languages retention over the past few years. Communities are increasingly taking ownership of this work and we expect this trend will continue.

Key work around the enterprising communities priority that supports our key priority (such as establishing and running ECE's as successful social enterprises) will continue, with the Pacific Business Trust taking a larger role in this work.

2.0 Medium-term Intentions

2.1 Summary of Medium-term Intentions – Intended Changes

Intention		Type of Action	Success measures
A	NCEA Top 25 schools	NEW	More Pacific students in the Top 25 schools achieving NCEA Level 2
B	PESS	Change	Best practice for Pacific youth incorporated in mainstream programmes
C	Supporting Pacific Languages	Reduce	Few staff resources committed to this work and reallocated to key priority
D	Enterprising communities	Reduce	Few staff resources committed to this work and reallocated to key priority

2.1.1 Summary of financial implications from medium-term intentions – intended changes

Financial implications arising from changes to outputs, services or deliveries	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Operating impact – departmental	0.000	0.000	0.000	0.000	0.000
Operating impact – non-departmental	0.000	0.000	0.000	0.000	0.000
Capital impact – departmental	0.000	0.000	0.000	0.000	0.000
Capital impact – non-departmental	0.000	0.000	0.000	0.000	0.000

2.1.2 Summary of new funding sought from the centre

Value of new funding sought	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Operational expenditure – departmental	0.000	0.000	0.000	0.000	0.000
Operational expenditure – non-departmental	0.000	0.000	0.000	0.000	0.000
Capital expenditure – departmental	0.000	0.000	0.000	0.000	0.000
Capital expenditure – non-departmental	0.000	0.000	0.000	0.000	0.000

2.2 Core Business, Continuous Improvement and Other

In addition to work that supports our key priority we operate in a number of other areas that are core to our work programme. These include:

- Contracting with the Pacific Business Trust for the provision of support to new and growing businesses, both for - and not-for-profit. The capacity building work of the Trust supports our mission of effecting positive change for Pacific peoples
- Providing Pacific nominations to key government boards that align with our priorities
- Being a Centre of Excellence in Pacific knowledge, carrying out research, collating data from across government and academia, and monitoring and evaluating the impact of policy changes. This information will be repackaged as knowledge to help inform government policy, and provide commentaries on key trends for Pacific New Zealanders

- Supporting Pacific communities in the maintenance of their languages and cultures, through developing community capacity to support and deliver on language-focussed community action plans
- Supporting the development of future Pacific leaders through continued support and development of the Pacific Leaders programme and ensuring a continuation of the Prime Minister's Pacific Youth Awards.
- Working collaboratively with other agencies to ensure uptake of best practise delivery models for Pacific people.

3.0 Organisational Capability and Workforce

3.1 Organisational/Sector Capability

We develop and contribute to policy relating to Pacific peoples living in New Zealand. We also provide research, information, and advice to other agencies in regard to the impact their policies and programmes will have on Pacific New Zealanders. A distinct and sought-after competence of ours is our extensive engagement with Pacific communities through the regional relationships teams in Auckland, Wellington, and Christchurch. These teams provide a two-way communication conduit between government and Pacific communities.

3.1.1 Change leadership

Strategic oversight from the Senior Leadership Team (SLT) will drive a one team approach. We will task, support and develop staff to focus more sharply on delivery of our priority output **education, youth, training and employment**. Crucial to this is the Auckland region. More than two-thirds of Pacific people live in Auckland, and improving outcomes for them is a Government priority. This will require building capability in our Auckland office to strengthen and build deep, strong and trusting relationships with and across Pacific communities, schools, the tertiary education and training sector and other agencies. Key to this will be the strengthening of our senior managers' business acumen, in particular financial literacy and analysis. This will enhance better understanding of the Ministry's financial condition and constraints and lead to smarter decisions to optimise resource allocations and contract management outcomes.

The arrival of a new Chief Executive provides an opportunity to prepare and position ourselves for a sharper focus and the adjustments needed to effect it.

3.1.2 Culture

A follow-up *Performance Improvement Framework* (PIF) review in June 2012 confirmed the solid progress we have made in standards of professionalism and overall performance. We act continually to shape and reinforce our desired culture, behaviour and values. One approach is the Gallup staff engagement survey and follow-up, which we intend to participate in annually. The surveys will be complemented by Ministry-wide off-site training (Ministry Days) that will occur six-monthly.

Creating a highly-engaged workforce to deliver on our priorities will continue to be a key goal. We will focus on how we create and share information internally, as well as externally, in order to build a strong, engaged and focussed team. The more information staff have, the more likely they are to have a shared mind-set, and to act and 'think, one team'. Our team will be unified, valuable, visible and unique.

3.2 Workforce

We are a small agency. To achieve our objectives collaboration is essential. We will continue to develop new ways of working with and leveraging off other agencies. Examples include secondment of key personnel to other agencies to enhance relationships, gain a greater understanding of other organisations' outcomes for Pacific peoples and co-design policy and services (e.g. the Ministry of Education). We will also explore opportunities to build a collaborative community, bringing the talents and knowledge of diverse specialists to common-purpose sector group projects. This could include



secondments into the Ministry for knowledge-sharing and transfer. This approach would also cultivate an ethic of shared purpose amongst contributors, fostering more effective integrated solutions.

Productive working relationships with others will require us to reinforce, and them to recognise, our point of difference as the best conduit between government and Pacific communities. The combination of our strategic workforce direction and medium-term intentions will ensure our role as the government’s Pacific conduit. Ownership and monitoring and evaluation of the impact of our strategic direction and workforce strategy will remain with the Senior Leadership Team.

In view of the Auckland Region being a priority target audience for achieving success with Pacific young people in education, training and employment there is an on-going need to review our workforce capacity to meet the demands of the increasing demographic factors. We will continue to review the requirement, and benefits and risks, of internal resource shifting.

To enhance the Ministry as an employer-of-choice and to attract and retain high performing staff we frequently test our employee value proposition within the marketplace, academia, and within Pasifika. Better use of the Ministry’s unique employer brand and the use of social media technology to provide a higher profile will maintain our position to recruit high calibre personnel to meet our current and future business requirements.

3.2.1 Workforce capacity and capability impacts – intended changes

Capacity Change	Capability Change	Context	Change in Capability
Auckland Region Priority		<ul style="list-style-type: none"> • Ever-increasing Pacific demographic in the Auckland region • Top 25 schools – increasing Pacific NCEA2 achievement • Early Childhood Education - increasing participation rates • More in-depth engagement with Pacific communities to better inform policy decisions • Results-oriented deliverables that track to achieve the stated intermediate outcomes 	<ul style="list-style-type: none"> • Increase in skills and attributes in Auckland Office to address Education and Youth, Skills and Employment priorities • Ability for greater reach into and strong engagement with Samoan communities • Skills to establish and sustain deeper relationships – schools, ITOs, NGOs churches; other agencies. Particular skills: a business acumen perspective; knowledgeable about current and possible policies and trends; proficient in influencing; and operationalising trends, best practices, information, and technology to benefit all stakeholders • Capacity to identify and engage with emerging opportunities for the Ministry to partner with third party providers • Programme management skills – managing multiple projects • High impact on capacity
			

Key

Capacity Change			Capability Shift		
Neutral	Decrease	Increase	High	Medium	Low

3.2.2 Workforce capacity and capability impacts – whole of organisation/sector

Capacity Change	Capability Change	Context	Change in Capability
Policy and Research		<ul style="list-style-type: none"> Increase rating of policy advice to Minister – using NZIER as an independent assessor 	<ul style="list-style-type: none"> Specific policy skills, i.e. policy analysis, outcome evaluation, political nous, strategic vision
Regional Partnerships		<ul style="list-style-type: none"> Review and update the Strategic Communications Plan Engage with and monitor the media Planned programme of stakeholder engagement 	<ul style="list-style-type: none"> A proactive Communications Plan incorporating programmes aligned to the Ministry's key priorities as well as business as usual Enhanced profile with mainstream New Zealand as well as Pacific New Zealanders Stakeholder engagement, regular measurement and evaluation of success of the Communications and stakeholder engagement plans
Corporate Services and Organisational Development		<ul style="list-style-type: none"> Effectiveness of the Senior Leadership Team to provide a collective strategic leadership Quality leadership is critical for ensuring sustained high performance 	<ul style="list-style-type: none"> SLT motivates and drives performance in a sustained and responsive way Articulates strategic direction to staff Engages, manages and develops staff Develops a leadership pipeline Particular skill-set: leader-led workforce development – in which the role of people managers is that of a leader-coach
Corporate Services and Organisational Development		<ul style="list-style-type: none"> ICT disaster ('bare metal') recovery and business continuity planning 	<ul style="list-style-type: none"> ICT strategy, planning and governance ICT monitoring and review Long-term asset planning

3.2.3 Capability

The focus over the next four years will be to continue to build staff capability to deliver on our priorities now, and to ensure preparedness for future work. We will develop staff through individual development plans and through a whole of organisation training framework.

We will explore opportunities for a joined-up interactive learning community, combining training and learning with other public sector agencies. This will achieve cost efficiencies through economies of scale, shared resources, and economies of skill through the sharing of knowledge and skills – creating a wider pool of sector expertise.

3.2.4 Capability pressures

Capability Gap/Pressure	Reason for capability gap/pressure
<p>Policy and Research:</p> <ul style="list-style-type: none"> • NZIER Policy paper ratings <ul style="list-style-type: none"> ○ Concentrating on core policy advisory responsibilities ○ Retention of proven Senior Policy Analysts • Collaboration and Coordination • Pacific data & intelligence 	<ul style="list-style-type: none"> • We have a programme in place to support the capability development of policy staff. Progress is being made, but this will require development over two to three years to build significant capability. • We often find it difficult to attract senior, experienced policy staff, due to the lack of career progression within a small agency. • Whilst we are focusing our core policy work on our main priority area, we still need to provide input into other agencies' policy work, requiring us to maintain knowledge of and capability in other areas such as health, housing, social development and justice. • We recently recruited a senior monitoring and evaluation advisor. It will take some time for the appointee to support up-skilling of other staff in the organisation
<p>Regional Partnerships:</p> <ul style="list-style-type: none"> • Collaboration and Coordination <ul style="list-style-type: none"> ○ Focusing on regional engagement, relationship building, networking and collaboration with Pacific communities and government agencies to inform policy advice • Pacific engagement in the Auckland region 	<ul style="list-style-type: none"> • We are looking to strengthen our Pacific engagement and visibility, with a specific focus on the Auckland region. This will mean increased capacity and resources within our Auckland office over the next two years. • A strategic communications plan will guide and support stakeholder engagement by regional staff. A stakeholder engagement plan will specify priority stakeholders in the Auckland region <ul style="list-style-type: none"> • Regional staff will be focused on delivering the Government's key priorities for Pacific New Zealanders. • Capability development will be focused on ensuring that regional staff have the right skills and support to deliver on the Government's key priorities.
<p>Corporate Services and Organisational Development:</p> <ul style="list-style-type: none"> • Info Tech – introduction of new systems • Shared Services 	<ul style="list-style-type: none"> • We have streamlined back office functions. We will continue to proactively seek opportunities to maximise efficiency and effectiveness, through all of government initiatives and potential shared service arrangements,

3.2.5 Capacity

Internal Demand – the Ministry

We will foster organisational culture change to bring about greater unity, clarity, and agility; clearer accountability lines; and staff understanding of high performance standards in their roles. Closer collaboration between regional units and the policy team will lead to better intervention logics, and I guide staff behaviour and pursuit of our specific and joint outcomes now and in the future.

Managing competing priorities, delivering government policy changes, managing business as usual, and business transformation goals means there is never any spare capacity. We will be innovative, generate efficiencies, get better traction on cross-agencies issues and do more with less as we deliver on Better Public Service targets.

Internal Supply – Employees

We have an establishment ceiling of 46 FTEs and have three directorates: Policy and Research; Regional Partnerships; and Corporate Services and Organisational Development. As at 30 June 2012:

- We had 40 employees in three locations
- Staff by location - Wellington 28; Auckland nine; and Christchurch three
- Average age - 43.8 years with the workforce gradually ageing
- Average length of service - six years
- Turnover rate - 10.5 percent: as we are a small agency this can vary dramatically each year
- Five percent of the staff are part-time
- Gallup employee engagement was 4.01 in 2012 placing the Ministry in the 72nd percentile of the NZ State Sector
- Staff exit surveys indicate the most likely reason for leaving is to advance career opportunities
- Percentage of staff of Pacific ethnicity - 68 percent.

3.3 Total Workforce Costs

3.3.1 Total workforce costs

	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Workforce costs – departmental	4.045	4.032	4.012	4.062	4.112
Workforce costs – non-departmental	0.000	0.000	0.000	0.000	0.000
Total workforce costs	4.045	4.032	4.012	4.062	4.112

3.3.2 FTE numbers

	2012/13	2013/14	2014/15	2015/16	2016/17
FTE numbers – departmental	46	46	45	45	45
FTE numbers – non-departmental	0	0	0	0	0
Total FTE numbers	46	46	45	45	45

4.0 Summary of Total Financial Impact

	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
<i>Current operating expenditure baseline</i>	6.516	6.108	5.914	5.914	5.914
Financial Implication of Planned Changes and Cost Pressures					
Financial implication arising from changes to outputs, services or deliveries	0.000	0.000	0.000	0.000	0.000
Direct employment cost pressures	[10]				
Operational cost pressures arising from capital	0.000	0.000	0.000	0.000	0.000
Other operational cost pressures	0.000	0.023	0.045	0.067	0.089
<i>Total of all changes and pressures on operating expenses</i>	0.000	0.072	0.143	0.215	0.287
Funding for Changes and Cost Pressures Available From					
Operational efficiencies/reprioritisation	0.000	0.072	0.143	0.215	0.287
Changes to third-party revenue	0.000	0.000	0.000	0.000	0.000
Transfers to/from other	0.000	0.000	0.000	0.000	0.000
<i>Total funds available</i>	0.000	0.072	0.143	0.215	0.287
Savings required but not yet identified	0.000	0.000	0.000	0.000	0.000
Savings required as % of baselines	0%	0%	0%	0%	0%
New Funding Sought from the Centre					
Total new funding	0.000	0.000	0.000	0.000	0.000
<i>Savings required if new funding received</i>	0.000	0.000	0.000	0.000	0.000

Refer to section 6 for detail information

Operating – Non-departmental

	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
<i>Current operating expenditure baseline</i>	2.862	2.410	1.409	1.409	1.409
Financial Implication of Planned Changes and Cost Pressures					
Financial implication arising from changes to outputs, services or deliveries	0.000	0.000	0.000	0.000	0.000
Direct employment cost pressures	0.000	0.000	0.000	0.000	0.000
Operational cost pressures arising from capital	0.000	0.000	0.000	0.000	0.000
Other operational operating cost pressures	0.000	0.000	0.000	0.000	0.000
Total of all changes and pressures on operating expenses	0.000	0.000	0.000	0.000	0.000

Funding for Changes and Cost Pressures Available from					
Operational efficiencies/reprioritisation	0.000	0.000	0.000	0.000	0.000
Changes to third-party	0.000	0.000	0.000	0.000	0.000
Transfers to/from other	0.000	0.000	0.000	0.000	0.000
Total funds available	0.000	0.000	0.000	0.000	0.000
Savings required but not yet identified	0.000	0.000	0.000	0.000	0.000
Savings required as % of baselines	0%	0%	0%	0%	0%
New Funding Sought from the Centre					
Total new funding sought	0.000	0.000	0.000	0.000	0.000
Savings required if new funding received	0.000	0.000	0.000	0.000	0.000

Capital

Capital expenditure

	Increase/(Decrease)				
	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Departmental Expenditure					
Opening balance funding available	0.979	0.929	0.901	0.877	0.861
Depreciation funding	0.050	0.072	0.076	0.084	0.099
Sale of assets	0.000	0.000	0.000	0.000	0.000
Other (please specify)	0.000	0.000	0.000	0.000	0.000
Total baseline funding available (a+b+c+d)	1.029	1.001	0.977	0.961	0.960
Capital investments funded from baselines	-0.100	-0.100	-0.100	-0.100	-0.100
New capital funding sought from the centre	0.000	0.000	0.000	0.000	0.000
Closing baseline funding available	0.929	0.901	0.877	0.861	0.860

	Increase/(Decrease)				
	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Non-departmental Expenditure					
Baseline funding available for the purchase or development of Crown capital assets	0.000	0.000	0.000	0.000	0.000
New capital funding sought from the centre	0.000	0.000	0.000	0.000	0.000
Capital investment in organisations other than departments	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000

5.0 Key Operational Risks

Risk Number	Description	Likelihood	Consequences	Exposure	Financial Impact and timing by year (where applicable)	Treatment/ Mitigation
1	Baseline pressures impact upon ability to deliver outputs	Almost certain	Severe	Very High	On-going	<ul style="list-style-type: none"> Implement accurate budgeting and forecasting systems. Look to achieve savings through all of government arrangements. Quarterly strategic planning and decision making prompts regular review of baseline pressures and work priorities.
2	High staff turnover resulting in loss of institutional knowledge, workload stress on other staff and ineffective management or weakened leadership	Likely	Severe	High	On-going	<ul style="list-style-type: none"> On-going monitoring of staff engagement. Instigate succession planning in key positions. Create development opportunities, e.g. secondments to other agencies to gain knowledge and experience, and secondments into the Ministry for knowledge transfer and on-the-job up-skilling
3	Unable to manage communities' expectations of Government funding	Possible	Moderate	Moderate	On-going	<ul style="list-style-type: none"> We are clear with the community about our resources and limitations
4	Unable to manage other agencies expectations of / requests for our input into their work	Possible	Moderate	Moderate	On-going	<ul style="list-style-type: none"> We will ensure that all external requests are prioritised and we respond to issues of critical importance to Pacific New Zealanders

6.0 Detailed Activity and Financial Planning

6.1 Medium-term Intentions – Intended Changes

Intention name: Pacific Employment Support Service (PESS)					
The programme supports Pacific young people into sustainable employment.					
Type of action	Change				
Motivation for change (circle)	Generating funds for reprioritisation				
	Seeking greater efficiency/performance from current spending				
	Responding to government priorities				
	Funding ends June 2014				
The Ministry will cease to deliver the PESS programme, and ensure best practice for Pacific young people is included in other mainstream programmes.					
Decrease noted in baseline, shown in 1.2:					
	2012/13	2013/14	2014/15	2015/16	2016/17
Financial impact of intended change	(\$0.000m)	(\$0.000m)	(\$0.000m)	(\$0.000m)	(\$0.000m)
Operating impact – departmental	0.000	0.000	0.000	0.000	0.000
Operating impact – non-departmental	0.000	0.000	0.000	0.000	0.000
Capital impact – departmental	0.000	0.000	0.000	0.000	0.000
Capital impact – non-departmental	0.000	0.000	0.000	0.000	0.000
There will be no changes to workforce capability or capacity. Staff who currently manage the programme will focus their work on engagement with key government departments.					
None.					

Intention name: NCEA Level 2					
This work contributes to the <i>Better Public Services</i> target of 85 percent of Pacific 18 year olds achieving NCEA Level 2 by 2017.					
Type of action	New				
Motivation for change (circle)	Generating funds for reprioritisation.				
	Seeking greater efficiency/performance from current spending.				
	Responding to government priorities				
The Ministry will work with the Top 25 schools secondary schools which educate over 50 percent of Pacific secondary school students.					
We plan to improve the NCEA achievement of 600 Pacific students at these schools in order to reach the BPS target of 85 percent of students leaving in the next five years achieving at least a Level 2 qualification.					
	<u>Year</u>	<u>+Roll</u>			
	2013	120			
	2014	120			
	2015	120			
	2016	120			
	2017	120			

This will be funded through baseline					
Financial impact of intended change	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Operating impact – departmental	0.000	0.000	0.000	0.000	0.000
Operating impact – non-departmental	0.000	0.000	0.000	0.000	0.000
Capital impact – departmental	0.000	0.000	0.000	0.000	0.000
Capital impact – non-departmental	0.000	0.000	0.000	0.000	0.000
This will be a targeted focusing of existing resources.					
NCEA Level 2 results for the Top 25 schools will be tracked to ensure our work in this area is producing the intended outcome.					

New funding

No new funding is being sought.

6.2 Fiscal Implications

6.2.1 Cost pressures

6.2.1.1 Direct employment costs

Summary of direct employment cost pressures (summary of white boxes below)

	2012/13 (\$0.000m) %	2013/14 (\$0.000m) %	2014/15 (\$0.000m) %	2015/16 (\$0.000m) %	2016/17 (\$0.000m) %
Total departmental direct employment cost pressures	[10]				
Total non-departmental direct employment cost pressures	0.000	0.000	0.000	0.000	0.000

[10]

Value of cost pressure	2012/13 (\$0.000m) %	2013/14 (\$0.000m) %	2014/15 (\$0.000m) %	2015/16 (\$0.000m) %	2016/17 (\$0.000m) %
Departmental	[10]				
Non-departmental	0.000	0.000	0.000	0.000	0.000

6.2.1.2 Operational cost pressures arising from capital

Summary of capital/property-related cost pressures

	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Total departmental depreciation/capital charge cost pressures	0.000	0.000	0.000	0.000	0.000
Total non-departmental depreciation/capital charge cost pressures	0.000	0.000	0.000	0.000	0.000

6.2.1.3 Other cost pressures

Summary of other operating cost pressures (summary of white boxes below including residual box)

	2012/13 (\$0.000m)	2013/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Total departmental other operating cost pressures	0.000	0.023	0.045	0.067	0.089
Total non-departmental other operating cost pressures	0.000	0.000	0.000	0.000	0.000

Cost pressure as a result of general increases through inflation.

Cost pressures caused by inflationary effect on the price of goods and services used. Inflation has been assumed to be consistent at 1.2%

Value of cost pressure	2012/13 (\$0.000m)	13/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Departmental	0.000	0.023	0.045	0.067	0.089
Non-departmental	0.000	0.000	0.000	0.000	0.000

6.2.2 Offsetting operational funding from reprioritisation/third-party revenue/vote transfers

6.2.2.1 Reprioritisation

Summary of funding available from reprioritisation (summary of white boxes below)

	2012/13 (\$0.000m)	13/14 (\$0.000m)	2014/15 (\$0.00m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Total departmental reprioritised funding	0.000	0.072	0.143	0.215	0.287
Total non-departmental other operating cost pressures	0.000	0.000	0.000	0.000	0.000

Reprioritised funding available as a result of:					
The Ministry will need to adjust activities to cover cost pressures. It is likely that the level of direct funding of external activities will be reduced. Funding for existing work, mainly languages and enterprising communities work, will be reallocated to our main priority area of education, youth, skills, training and employment .					
	2012/13 (\$0.000m)	13/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Value of available reprioritised funding					
Departmental	0.000	0.072	0.143	0.215	0.287
Non-departmental	0.000	0.000	0.000	0.000	0.000

6.2.2.2 Third-party revenue

Summary of third-party revenue changes

	2012/13 (\$0.000m)	13/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Total departmental third-party revenue changes	0.000	0.000	0.000	0.000	0.000
Total non-departmental third-party revenue changes	0.000	0.000	0.000	0.000	0.000

6.2.2.3 Transfers from/to other votes

	\$m Increase/(Decrease)				
	2012/13 (\$0.000m)	13/14 (\$0.000m)	2014/15 (\$0.000m)	2015/16 (\$0.000m)	2016/17 (\$0.000m)
Total transfers	0.000	0.000	0.000	0.000	0.000

7.0 Savings Ideas

This process has been underway for a number of years and we have: reduced our headcount from 55 FTEs; relocated and co-located offices to reduce cost; reviewed travel policies and reduced the number of Ministry cars available for staff use; and introduced video-conferencing. We are already a lean organisation.

We have conducted three independent reviews in the last two years (A Performance Improvement Framework review (PIF), a follow up PIF review and a Corporate Services review. The results of these reviews indicate that we have the right people in the right roles with very little opportunity to reduce our head count any more. We do however ensure that savings and efficiency gains are discussed and explored regularly in our strategy, planning and decisions making sessions.

Any reduction in head count may lead to a negative impact on our delivery. We are already beginning the process of reallocating resources (mainly people) to focus on achieving our goals in **education, youth, skills, training and employment** ensuring we meet our contribution to the BPS targets.