

Ministry of Women's Affairs
Annual Report
For the year ended 30 June 2012

**Te Minitatanga mō
ngā Wāhine**
Te Pūrongo-ā-Tau
Mō te tau i mutu i te 30 o ngā rā o Pipiri 2012

Presented to the House of Representatives pursuant to
section 44(1) of the Public Finance Act 1989



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Chief Executive's overview

Women are critical to achieving New Zealand's vision for a stronger economy, and prosperous and healthy families and communities.

Our work programme for the year was focused on our three priority areas: increasing women's economic independence, increasing the number of women in leadership and increasing women's safety from violence.

We learnt more about what increasing women's economic independence means for New Zealand women and what policy changes are required to ensure the next generation of women make informed choices about education, skills, training and employment.

Our work with the private sector to increase the number of women in leadership positions gained momentum and culminated with the launch of the 25 Percent Group, a group committed to increasing the number of women in leadership from its present level of 9.3 percent to 25 percent by 2015.

We also worked closely with NZX, which announced a new diversity ruling requiring companies listed on the New Zealand stock exchange to report on the number of women on their boards and in senior management. These initiatives have been backed up by work in the public sector to increase the number of women on state sector boards from its current level of 41 percent to 45 percent by 2015.

We continued to have input into violence policy issues and successfully influence a range of justice-related policy developments. We commenced a ground-breaking policy research project to understand more about the sexual revictimisation of women and girls. This research will be used to raise awareness amongst frontline workers of the factors contributing to revictimisation and what can be done to prevent it from occurring.

In the international arena, we attended the Commission on the Status of Women and prepared the Minister of Women's Affairs for her presentation and oral examination by the United Nations Committee on the Elimination of Discrimination against Women. That examination was conducted in July 2012.



We continue to have a focus on organisational improvement to be fit for purpose and cost-effective. During the year we maintained a focus on improving the areas highlighted in our Performance Improvement Framework report: shared purpose and direction, clear focus for our priorities, and stakeholder engagement. We are also fully committed to the Better Public Services programme, which will provide us with opportunities to work more effectively across the public sector.

During the year we have been supported by staff and our partners from government, non-government agencies, community organisations and the private sector. Thank you for helping us achieve better outcomes for women in New Zealand.

Finally, I congratulate and welcome Dr Jo Cribb as the incoming Chief Executive for the Ministry of Women's Affairs. Jo will begin her role in November 2012.

Kim Ngarimu

Kim Ngarimu
Acting Chief Executive

Our highlights

Greater economic independence

The Ministry is committed to learning more about the relationship between women's skills and women's economic outcomes and identifying practical ways in which the skills of women can be translated into better earning outcomes.

We undertook a substantive study to produce more in-depth information and analysis on the economic returns to women of their skills, how the returns on women's skills have changed over the past 30 years, and how these changes may affect returns to women over the next 10 to 15 years.

This research will be completed and published in the next financial year, positioning the Ministry to better articulate

key fact:



During the last four years the gender pay gap has trended down: it is now 9.3 percent (2012), down from 9.6 percent (2011), 10.6 percent (2010) and 11.3 percent (2009).

the relationship between women's skills and women's economic outcomes.

We have provided decision-makers with a gender perspective across a range of policy issues including the gender pay gap, women's employment, enablers of employment, early childhood education, child support, welfare reform, careers advice, industry training, flexible work, and women's employment in Canterbury.

We have worked with industry and education partners to develop practical solutions and share information that promotes improved women's participation in non-traditional occupations.

More women in leadership

Significant business-led progress was made toward increasing the number of women on private sector boards, with the Ministry providing expertise and advice to business leaders on why and how to increase women's participation.

We collaborated with NZX on the development and adoption (pending Financial Markets Authority approval) of its diversity listing rule. Our unique contribution has been to synthesise business case evidence and progress the development of best practice guidelines, distilled and adapted from other jurisdictions, to support New Zealand companies to establish diversity policies and practices.

We also provided expert advice to support the formation, launch and work programme of the 25 Percent Group, a group of business leaders committed to increasing women's

key fact:



The private sector is committed to increasing women's participation on private sector boards from the current level of 9.3 percent to 25 percent by 2015.

participation on corporate boards to 25 percent by 2015. The Ministry's efforts included developing the content of the group's website (www.25percentgroup.co.nz).

We will continue to work with both NZX and the 25 Percent Group in the coming year to implement these initiatives and to influence mainstream business practices in ways which will support the advancement of women into senior management and board roles.

In the state sector, the Ministry worked with other public sector departments to achieve progress towards the Government's target of women holding 45 percent of state sector board roles by 2014. We continued to nominate women for state sector board and committee roles, and monitored women's participation through our annual stocktake.

Increased safety from violence

key fact:



Over one quarter of women will experience intimate partner violence or sexual violence in their lifetime and at least 50 percent of girls and women who are sexually assaulted are likely to be revictimised.

Increasing safety and reducing the occurrence of violence against women continue to be issues of concern for the Ministry. Our recognised expertise has enabled us to successfully contribute to a range of justice-related policy developments, such as the reviews of the bail system, Family Court and legal aid.

We began a new policy research project to build the evidence on revictimisation and continued engaging with agencies to progress cross-government work on sexual violence and violence against women. We disseminated the evidence on revictimisation to government agencies and non-government organisations. This process has particularly focused on identifying opportunities to work with other government agencies to embed this evidence in policy and practice.

Our international obligations

key fact:



New Zealand consistently ranks highly in respect of gender equality and our expertise in gender issues is sought after by other countries. New Zealand is currently placed sixth out of 135 countries in the World Economic Forum's Global Gender Gap Index 2011.

We supported the Minister's attendance at the 2011 APEC Women and the Economy Summit. We also made a strong contribution to the United Nations Commission on the Status of Women, identifying issues of relevance to rural women and promoting best practices. During the year we prepared for the Minister's presentation of, and examination on, the New Zealand country report to the United Nations Committee

on the Elimination of Discrimination against Women (CEDAW Committee).

We also responded to requests from a range of international agencies such as the OECD, Commonwealth Secretariat and United Nations for expert advice on gender issues and examples of best practices.

Looking forward

The Ministry is strongly focused on ensuring women have greater economic independence, increasing the number of women in leadership positions and enabling women to lead secure lives, free from violence.

To do this we need to make the best use of available resources and continue to work with our partners and stakeholders to bring about positive change for women, their families and communities, and for New Zealand.

Performance against expectations set out in the Statement of Intent and Output Plan

For the year ended 30 June 2012

At the beginning of the financial year, the Minister and the Chief Executive agreed a Statement of Intent and Output Plan. These documents set out the performance expectations for the year, the detailed outputs to be delivered, and the performance measures and standards to be achieved.

Outcomes, and associated outputs, for 2011/12 covered:

- Outcome 1: Greater economic independence
- Outcome 2: More women in leadership roles
- Outcome 3: Increased safety from violence
- Our international obligations
- Ministerial servicing.

The achievements against targets for each area are described in the following sections.

Outcome

1

Greater economic independence

Impact Objectives

Impact Achievements¹

Improvements in women's:

- Lifetime incomes²
- Assets
- Earnings

Improvements in women's earnings³:

- ↑ Median hourly earnings increased 2.31 percent from \$19.50 in June 2011 to \$19.95 in June 2012.
- ↓ The gender pay gap reduced from 9.6 percent in June 2011 to 9.3 percent in June 2012.
- ↔ The percentage of women in lowest two income quintiles has remained constant at approximately 59 percent between June 2010, June 2011 and June 2012.

Improvements in women's assets:⁴

- ↑ Women's average net worth increased 13.2 percent between 2004 and 2006.

Better return to the economy from investment in women's skills

- ↔ There is currently no relevant data available to track the return to the economy on the investment in women's skills.⁵

¹ Impact achievements are reported where reliable data is currently available. Most recently available data is reported.

² The Ministry of Women's Affairs is currently developing a cohort based measure of women's lifetime incomes, using Census data.

³ New Zealand Income Survey, June 2012 quarter, published in October 2012.

⁴ Survey of Family, Income and Employment 2004 and 2006.

⁵ The Household Labour Force Survey to June 2012 indicates that women with qualifications (school and post-school) participate in the labour force and employment at higher rates than women with no qualifications.

Outcome



Our contribution:

The Ministry articulates the relationship between women’s skills and women’s economic outcomes, identifies practical solutions that make better use of women’s skills and identifies practical ways in which the skills of young women and future generations of women can be translated into better earning outcomes.

Our Contribution: Output Objectives

Our Contribution: Output Achievements

Report on our latest understanding of the return on women’s skills in terms of employment and earning outcomes.

We progressed a substantive study on the economic returns to women of their skills. The study will be released by December 2012.

We completed a study on the career aspirations and pathways of men and women in engineering. The study was released in August 2012.

Provide advice on ways to increase women’s economic independence, such as:

- women moving from welfare (dependence) to sustainable economic independence
- childcare (ECE and out of school care) that considers both education and caring outcomes for children and education and labour market outcomes of parents (mainly mothers).

We provided advice on increasing women’s economic independence across a range of issues including: the gender pay gap; women’s employment; enablers of employment, including early childhood education and flexible work; child support; welfare reform; careers advice; industry training, and women in Canterbury.

We facilitated the sharing of recent work on the importance of gender for economic development. As part of this work, we hosted a seminar presented by the World Bank on its 2012 World Development Report, *Gender Equality and Development*.

We also hosted a seminar presented by Goldman Sachs on its report *Closing the Gender Gap: Plenty of Potential Economic Upside*. This report identifies that a potential 10 percent increase in GDP could be achieved through better use of women’s skills.

We promoted gender-specific issues in the Canterbury labour market. This work is resulting in increased actions by government, training institutions and industry to support women taking up non-traditional work and increased gender analysis of labour market data.

We continued to increase the profile of women in non-traditional work through publishing research, supporting industry and education-led initiatives and supporting professional networks.

We contributed to the Financial Literacy and Retirement Commission’s work on influences on women’s financial well-being and net worth in retirement.

We provided advice on the transfer of the responsibility for the National Advisory Council on the Employment of Women (NACEW) from the Minister of Labour to the Minister of Women’s Affairs.

outcome

2

More women in leadership roles

Impact Objectives

Impact Achievements⁶

Decision-making and governance practices are improved, contributing to better business performance.

There is currently no New Zealand quantitative data available to measure this impact. International research demonstrates a correlation between board diversity and improved business performance.

Women's skills at board level are valued and women candidates are sought out.



Women's representation on state sector boards increased from 40.7 percent in December 2010 to 41.1 percent in December 2011.



Women's representation on NZSX top 100 boards in 2010 was 9.3 percent.⁷



The Ministry of Women's Affairs responded to 283 requests for nominations for board candidates in the 2010/11 financial year, and 217 in the 2011/12 financial year. The decrease reflects the cycle of state sector board appointments, which are typically multi-year terms.

Women can apply their skills to suitable governance roles across sectors.



Women's representation increased across 22 of the 48 portfolio areas that make appointments to state sector boards between December 2010 and December 2011.

⁶ Impact achievements are reported where reliable data is currently available. Most recently available data is reported.

⁷ Human Rights Commission Census of Women's Participation 2010 (next edition due November 2012).

Outcome

2

Our contribution:

Focusing on women's contribution to governance, the Ministry advises decision-makers on how to improve women's participation in governance, disseminates data on women's participation on state sector boards and committees, puts forward appropriate women candidates for a range of governance roles, and advises women on advancing their own governance participation and experience.

Our Contribution: Output Objectives

Provide support, information and advice to decision-makers in the state and private sectors to improve women's participation in leadership and governance.

Collect and disseminate data on women's participation on state sector boards and committees.

Our Contribution: Output Achievements

We provided advice on a range of issues relating to women in leadership including: diversity in public sector senior management; achieving the Government's 45 percent target for women's participation on state sector boards; and strategies to increase women's participation on private sector boards.

To support progress towards the 45 percent target, we provided advice on boards where women's participation rates could be improved and upcoming state sector board vacancies, as well as regular monitoring of progress towards the target.

We made significant contributions to a number of business-led initiatives to increase the number of women in private sector leadership roles. This included advice to support the formation, launch and work programme of the 25 Percent Group, a group of business leaders committed to increasing women's participation on corporate boards to 25 percent by 2015.

It also included support for the NZX's diversity listing rule consultation document, including a policy rationale, comparative analysis of gender diversity measures in other jurisdictions, and advice on how the proposed rule could be strengthened.

We commissioned the EEO Trust to prepare *Transforming Cultures to Grow Women Leaders*, a set of case studies on companies that have implemented successful policies to increase gender diversity.

We hosted a major business event on women in leadership in Auckland to stimulate action in the private sector. Guest speakers at this event included the Prime Minister, the Minister of Women's Affairs, the Chair of Goldman Sachs, and the Chair of NZX.

We assisted the Institute of Directors to select participants, and match these with suitable mentors, for its Mentoring for Diversity programme.

We completed the gender stocktake of state sector boards and committees for the 2010 calendar year. The stocktake results were analysed and disseminated to Ministers and departments, and were quoted in ministerial speeches and Ministry publications.

We engaged with Te Puni Kōkiri, the Office of Ethnic Affairs and the Office for Disability Issues in a project to estimate state sector participation rates for different populations, using data collected for the annual gender stocktake.

outcome

2

Our contribution: *(continued)*

Our Contribution: Output Objectives

Our Contribution: Output Achievements

Put forward appropriate women candidates for a range of governance roles.

We responded to all nomination requests from government departments, and provided suitable women nominees, where appropriate. The nominations were targeted to the particular vacancy and provided within the agreed timeframe.

Advise women on advancing their involvement in governance.

We provided governance information and advice to women, including groups from the agri-business, telecommunications, and NGO sectors, via speeches, media articles and newsletters.

We provided online information and advice through our website and interactive self-assessment tool *my board strengths*. We also provided individualised governance career advice to 46 current and aspiring women directors.

outcome

3

Increased safety from violence

Impact Objectives

Impact Achievements⁸

Prevalence of violence against women is reduced.



The lifetime prevalence of sexual violence experienced by women dropped from 26 percent in 2006 to 23 percent 2009.⁹



The lifetime prevalence of partner confrontational crime experienced by partnered women stayed at similar levels over this same period: 26 percent in 2006 and 25 percent in 2009.¹⁰

The effects of violence are mitigated, including victims restored to well-being.



There is currently no relevant data available to track outcomes for victims.¹¹

⁸ Impact achievements are reported where reliable data is currently available. Most recently available data is reported.

⁹ New Zealand Crime and Safety Survey, Ministry of Justice.

¹⁰ New Zealand Crime and Safety Survey, Ministry of Justice. These data, provided by the Ministry of Justice, update prevalence estimates provided in our Statement of Intent 2012-2015.

¹¹ The improvements to NZ Police data will allow detailed analysis of victims from 2013 – including victims who become offenders, and revictimisation.

Outcome

3

Our contribution:

The Ministry takes a victim-centred approach to identifying ways in which violence against women can be reduced and the effects mitigated; provides advice on improving the safety of particular groups of women, such as those at risk of revictimisation; and identifies practical solutions to manage risk factors, such as alcohol use.

Our Contribution: Output Objectives

Our Contribution: Output Achievements

Provide advice on ways to improve safety from violence for women, including:

- managing risk factors such as alcohol use (e.g. through input to the Alcohol Reform Bill)
- improving responses to violence
- preventing revictimisation.

We provided advice on a range of issues related to improving women's safety from violence.

This included advice on policies to prevent violence against women, sexual violence, the Green and White Papers for Vulnerable Children, and suicide prevention.

We commenced a policy project aimed at preventing sexual revictimisation. This included developing an evidence base from the New Zealand and international literature on sexual revictimisation, its links with child maltreatment and intimate partner violence, and promising practice to prevent it.

We have begun disseminating the evidence on revictimisation and discussing how it can be used to strengthen policy and practice. This involved facilitating workshops with government and non-government agencies, to present the findings and identify opportunities for further work on the issue.

We have contributed to the Taskforce for Action on Family Violence, with a focus on the gendered nature of violence and international approaches to reducing violence against women.

Provide advice on women's access to justice (e.g. review of the Family Court and legal aid).

We provided advice on issues that could affect women's access to justice, including: Ministry of Justice reviews of the bail system, legal aid and the Family Court.

Our focus has been on ensuring policy and practices increase the safety of women and reduce revictimisation.

Our international obligations

The Ministry is the lead agency for managing New Zealand's international obligations on the status of women and is responsible for managing the process of reporting on New Zealand's obligations under the United Nations Convention on the Elimination of Discrimination against Women (CEDAW) – the core international agreement for advancing the status of women. The outcome sought through this work is the alignment of government policy with international obligations to improve the status of women.

Contribution of the Ministry this year

The Ministry's key focus this year was preparation for the Minister's presentation of, and examination on, the New Zealand country report to the United Nations Committee on the Elimination of Discrimination against Women, which occurred on 18 July 2012.

The Ministry also contributed to the UN Commission on the Status of Women (CSW), identifying issues relevant to rural women, and attending the annual CSW meeting in New York.

Our Contribution: Output Objectives

Manage New Zealand's responses on the status of women to international treaties and bodies such as the:

- Convention on the Elimination of Discrimination against Women (CEDAW) – preparing for presentation of the 7th report and responding to issues raised by the CEDAW Committee prior to the presentation
- Organisation for Economic Co-operation and Development (OECD) – responding to ad hoc requests for information.

Participate in and support ministerial attendance at international meetings, such as the United Nations Commission on the Status of Women (CSW) and the Asia-Pacific Economic Cooperation (APEC).

Our Contribution: Output Achievements

We provided the Minister with a range of briefings in preparation for her presentation to the CEDAW Committee.

This included a response to the CEDAW Committee's follow-up questions on New Zealand's country report.

We provided substantive input to requests from the OECD including: advising on and completing an OECD questionnaire on National Gender Frameworks and presenting to an OECD conference on gender equity.

We also contributed to the Select Council on Women's Issues, which comprises New Zealand and Australian Federal and State Ministers and has a focus on reducing violence against women and improving gender equality.

International organisations such as the United Nations and Commonwealth secretariat sought advice and input from us on best practice examples of policies and processes to improve outcomes for women.

The Ministry attended the annual CSW meeting, where officials presented the country statement, contributed to the negotiations, co-hosted a side event with Australia, and supported the NGO delegation through regular meetings and sharing of information.

We supported the Minister's attendance at the APEC Women and the Economy Summit in San Francisco, USA (September 2011) and provided advice to the secretariat and senior officials attending the APEC Women and the Economy Forum in St Petersburg, Russia (June 2012).

Ministerial servicing

The Ministry aims to provide high quality and timely advice to the Minister of Women's Affairs. The Minister assesses the Ministry's performance on a quarterly basis.

Output Objectives	Output Achievements
<p>Ministerial support services will be provided as required:</p> <ul style="list-style-type: none"> • draft replies to ministerial correspondence (Estimated 70) • draft responses to parliamentary questions (Estimated 35) • draft media releases, speech notes and speeches. (Estimated 40) 	<p>36 draft replies were provided. (2011: 41 draft replies)</p> <p>59 draft responses were provided. (2011: 129 draft responses)</p> <p>22 draft media releases, speeches and speech notes were provided. (2011: 34 speech notes and background material)</p>
<p>Status reports on work progress, emerging issues and portfolio activities will be completed fortnightly. (Estimated 20)</p>	<p>30 status reports on work progress, emerging issues and portfolio activities were completed. (2011: 22 status reports on progress and emerging issues)</p>
<p>Cabinet schedules on upcoming Cabinet papers will be completed as required. (Estimated 25)</p>	<p>30 Cabinet schedules providing advice on upcoming Cabinet papers were completed. (2011: 30 upcoming Cabinet paper reports)</p>
<p>Draft responses to ministerial correspondence will be provided within 20 working days of receipt of the correspondence. (100 percent)</p>	<p>100 percent within 20 working days of the receipt of the correspondence. (2011: 100 percent within 20 working days)</p>
<p>Draft responses to parliamentary questions will be provided within specified reporting deadlines. (100 percent)</p>	<p>100 percent within specified reporting deadlines. (2011: 98 percent within deadline)</p>
<p>Draft media releases, speech notes and speeches will be provided within agreed deadlines. (100 percent)</p>	<p>95 percent within agreed deadline. (2011: 100 percent within deadline)</p>

Statement of responsibility

For the year ended 30 June 2012

In terms of the Public Finance Act 1989, I am responsible, as Acting Chief Executive of the Ministry of Women's Affairs, for the preparation of the Ministry's financial statements and statement of service performance, and for the judgements made in them.

I have the responsibility for establishing and maintaining, and I have established and maintained, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Ministry for the year ended 30 June 2012.



Kim Ngarimu

Acting Chief Executive

27 September 2012



Jenny Coleman-Walker

Chief Financial Officer

27 September 2012

Statement of objectives

For the year ended 30 June 2012

The Ministry of Women's Affairs is the government's primary provider of gender-specific advice. The Ministry advises the government on achieving better outcomes for women, which will mean better outcomes for New Zealand.

The Ministry agreed to provide output services in 2011/12 that meet the requirements of its Vote Minister in terms of their nature, timeliness, quality and quantity specifications, and cost.

The Ministry has one output expense – policy advice and nomination services:

- Policy advice on improving outcomes for women in New Zealand, nomination services, the management of New Zealand's international obligations related to the status of women, and associated ministerial support.

Statement of service performance

For the year ended 30 June 2012

Output expense: Policy advice and nomination services

The Ministry is the government's primary provider of gender-specific advice. The Ministry advises the government on achieving better outcomes for women, which will mean better outcomes for New Zealand. This included:

- providing policy advice on issues that impact on women
- providing suitable women nominees for appointment to state sector boards and committees
- managing New Zealand's international obligations in relation to the status of women
- providing support services to the Vote Minister.

Policy advice

Performance measure and target

Meets the requirements of a comprehensive policy service, as rated by the Vote Minister on a quarterly basis.

A comprehensive policy service includes:

- the delivery of an agreed policy work programme
- the capacity to respond urgently
- written and oral briefings on significant issues that are timely, clear and succinct
- support for the Vote Minister to fulfil her role in Cabinet Committees and in the House, and in meeting New Zealand's international obligations.

(Rated as 'meeting requirements' or better in all the Vote Minister's quarterly feedback questionnaires.)

Actual

The Vote Minister rated her satisfaction as 'partly met requirements' in the first quarter, 'met requirements' in the second and third quarters and 'more than met requirements' in the fourth quarter.

(2011: The Vote Minister rated her satisfaction as 'more than met requirements' in the second quarter, 'met requirements' in the third quarter and between 'met requirements' and 'more than met requirements' in the fourth quarter. No feedback was provided in the first quarter.)

Performance measure and target

The quality of written policy papers to the Vote Minister, as assessed by an external reviewer on an annual basis.

(Mean score of 8 or better.)

Actual

The New Zealand Institute of Economic Research (NZIER) completed a review of the quality of the Ministry's written policy advice. The mean score of the papers was 7.95 on a scale of 5 to 9. The papers were chosen to reflect a representative crosssection of Ministry advice with an emphasis on significant policy and organisational papers.

(2011: NZIER completed a review of the quality of the Ministry's written policy advice. The mean score of the papers was 7.85 on a scale of 5 to 9.)

Nomination service

Performance measure and target

Actual

Meets the requirements of an effective nominations service, as rated by key appointing agencies on an annual basis.

An effective nominations service provides nominations for appointment to state sector boards and committees that are:

- targeted to the vacancy (i.e. all nominees broadly meet the criteria required for membership of that particular board or committee)
- provided within the agreed timeframe
- accompanied by relevant information to assist the appointment decision (e.g. a profile summary and recent curriculum vitae).

(Rated as 'meeting requirements' or better in all key appointing agencies' annual questionnaires.)

100 percent of key appointing agencies rated their satisfaction with the Ministry's nominations service as 'met requirements' or higher.

(2011: 100 percent of key appointing agencies rated their satisfaction with the Ministry's nominations service as 'met requirements' or higher.)

Number of responses to requests for nominations to state sector boards and committees.

(Estimated 160 requests)

217 responses to nomination requests.

(2011: 283 responses to nomination requests)

Cost:

Outputs in this class were provided at an appropriation cost of \$4,518,000 excluding GST compared with the appropriated sum of \$4,576,000 excluding GST.

Revenue and costs are shown below.

2011 Actual \$000		2012 Actual \$000	Main Estimates \$000	Supp Estimates \$000
Income				
4,875	Revenue Crown	4,491	4,402	4,491
131	Departmental revenue	73	73	66
-	Other revenue	12	-	13
5,006	Total income	4,576	4,475	4,570
4,717	Expenses	4,518	4,475	4,562
289	Surplus/(deficit)	58	-	8

Statement of comprehensive income

For the year ended 30 June 2012

2011 Actual \$000		Note	2012 Actual \$000	Main Estimates \$000	Supp Estimates \$000
Income					
4,875	Revenue Crown		4,491	4,402	4,491
131	Departmental revenue	1	73	73	66
-	Other revenue	2	12	-	13
5,006	Total income		4,576	4,475	4,570
Expenses					
3,291	Personnel costs	3	2,963	3,158	3,021
333	Rent and outgoings	4	298	290	256
32	Audit fees		33	32	33
897	Operating costs	5	1,086	819	1,085
25	Capital charge	6	27	27	27
52	Depreciation expense	7	44	51	50
87	Amortisation expense	8	67	98	90
4,717	Total expenses		4,518	4,475	4,562
289	Net surplus/(deficit)	9	58	-	8
-	Other comprehensive income		-	-	-
289	Total comprehensive income		58	-	8

The accompanying notes form part of these financial statements

Statement of financial position

As at 30 June 2012

2011 Actual \$000	Note	2012 Actual \$000	Main Estimates \$000	Supp Estimates \$000
Assets				
Current assets				
849	Cash and cash equivalents	733	690	573
21	Debtors and other receivables	20	21	19
4	Prepayments	8	-	-
874	Total current assets	761	711	592
Non-current assets				
148	Property, plant and equipment	109	148	111
92	Intangible assets	43	141	41
240	Total non-current assets	152	289	152
1,114	Total assets	913	1,000	744
Liabilities				
Current liabilities				
322	Creditors and other payables	272	415	250
289	Provision for repayment of surplus	58	-	8
-	Provisions	-	20	-
152	Employee entitlements	237	213	135
763	Total current liabilities	567	648	393
Non-current liabilities				
15	Employee entitlements	10	16	15
15	Total non-current liabilities	10	16	15
778	Total liabilities	577	664	408
336	Net assets	336	336	336
Taxpayers' funds				
336	General funds	336	336	336
336	Total taxpayers' funds	336	336	336

The accompanying notes form part of these financial statements

Statement of movements in taxpayers' funds

For the year ended 30 June 2012

2011 Actual \$000		2012 Actual \$000	Main Estimates \$000	Supp Estimates \$000
General funds				
336	Balance at 1 July	336	336	336
289	Total comprehensive income	58	-	-
(289)	Repayment of surplus to the Crown	(58)	-	-
336	Balance at 30 June	336	336	336

The accompanying notes form part of these financial statements

Statement of cash flows

For the year ended 30 June 2012

2011 Actual \$000		2012 Actual \$000	Main Estimates \$000	Supp Estimates \$000
Cash flows from operating activities				
4,875	Receipts from Crown	4,490	4,402	4,491
134	Receipts from departmental revenue	75	73	68
-	Receipts from other revenue	12	-	13
(1,564)	Payments to suppliers	(1,459)	(1,177)	(1,463)
(3,308)	Payments to employees	(2,850)	(3,122)	(3,002)
(25)	Payments for capital charge	(27)	(27)	(27)
90	Goods and Services Tax (net)	(44)	-	(15)
202	Net cash from operating activities	197	149	65
Cash flows from investing activities				
(29)	Purchase of property, plant and equipment	(6)	(45)	(13)
-	Purchase of intangible assets	(18)	(89)	(39)
(29)	Net cash from investing activities	(24)	(134)	(52)
Cash flows from financing activities				
(71)	Repayment of surplus to Crown	(289)	-	(289)
(71)	Net cash from financing activities	(289)	-	(289)
102	Net increase/(decrease) in cash	(116)	15	(276)
747	Cash at the beginning of the year	849	675	849
849	Cash at the end of the year	733	690	573

The accompanying notes form part of these financial statements

Reconciliation of net surplus/(deficit) to net cash from operating activities

For the year ended 30 June 2012

2011 Actual \$000		2012 Actual \$000	Main Estimates \$000	Supp Estimates \$000
289	Total comprehensive income	58	-	8
	Add non-cash expenses			
52	Depreciation expense	44	98	90
87	Amortisation expense	67	51	50
139	Total non-cash items	111	149	140
	Add/(deduct) movements in working capital items			
14	(Increase)/decrease in debtors, other receivables and prepayments	(3)	-	6
(240)	Increase/(decrease) in creditors and other payables	31	-	(89)
(226)	Net movements in working capital items	28	-	(83)
202	Net cash from operating activities	197	149	65

The accompanying notes form part of these financial statements

Statement of commitments

As at 30 June 2012

2011 Actual \$000		2012 Actual \$000
Non-cancellable operating lease commitments		
286	Less than one year	237
600	Later than one year and not later than five years	271
886	Total non-cancellable operating lease commitments	508
886	Total commitments	508

Non-cancellable operating lease commitments

The Ministry leases property, plant and equipment in the normal course of its business. These leases are for premises and photocopiers, which have a non-cancellable leasing period ranging from four to five years.

The Ministry's non-cancellable operating leases have varying terms and renewal rights. There are no restrictions placed on the Ministry by any of its leasing arrangements.

Statement of contingent liabilities and contingent assets

As at 30 June 2012

Contingent liabilities

There were no contingent liabilities or guarantees given under the Public Finance Act in relation to the activities of the Ministry at 30 June 2012 (2011: Nil).

Contingent assets

The Ministry had no contingent assets at 30 June 2012 (2011: Nil).

The accompanying notes form part of these financial statements

Statement of departmental expenses and capital expenditure against appropriations

For the year ended 30 June 2012

2011 Actual Expenditure \$000		2012 Actual Expenditure \$000	2012 Voted Appropriation \$000
VOTE WOMEN'S AFFAIRS			
Appropriations for departmental output expenses			
4,717	This appropriation is limited to policy advice on improving outcomes for women in New Zealand, nomination services, the management of New Zealand's international obligations related to the status of women, and associated ministerial support	4,518	4,570
Appropriations for capital expenditure (Permanent legislative authority)			
29	This appropriation is limited to the acquisition or development of assets by and for the use of the Ministry, as authorised by section 24(1) of the Public Finance Act 1989	24	52
4,746	Total appropriations	4,542	4,622

Voted Appropriation

The Voted Appropriation includes adjustments made in the Supplementary Estimates.

The accompanying notes form part of these financial statements

Statement of departmental unappropriated expenditure and capital expenditure

For the year ended 30 June 2012

Expenses and capital expenditure incurred in excess of appropriation

No expenses or capital expenditure were incurred in excess of appropriation during the year (2011: Nil).

Expenses and capital expenditure incurred without appropriation or other authority

No expenses or capital expenditure were incurred without appropriation or other authority during the year (2011: Nil).

Breaches of projected departmental net asset schedules

No breaches of projected departmental net asset schedules occurred during the year (2011: Nil).

The accompanying notes form part of these financial statements

Statement of accounting policies

For the year ended 30 June 2012

Reporting entity

The Ministry of Women's Affairs (the Ministry) is a government department as defined by section 2 of the Public Finance Act 1989 and is domiciled in New Zealand.

The primary objective of the Ministry is to provide services to the public rather than making a financial return. Accordingly, the Ministry has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Reporting period

The reporting period for these financial statements is the year ended 30 June 2012. These financial statements were authorised for issue by the Acting Chief Executive of the Ministry on 27 September 2012.

Basis of preparation

The financial statements of the Ministry have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP and Treasury Instructions).

These financial statements have been prepared in accordance with, and comply with, NZ IFRS as appropriate for public benefit entities.

Accounting policies

The financial statements have been prepared on a historical cost basis unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$000). The functional currency of the Ministry is New Zealand dollars.

There have been no changes in accounting policies during the financial year.

As the External Reporting Board is to decide on a new accounting standards framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS with a mandatory effective date for annual reporting periods commencing on or after 1 January 2014 will not be applicable to public benefit entities. This means that the financial reporting requirements for public benefit entities are expected to be effectively frozen in the short-term. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Revenue

The Ministry derives revenue through the provision of outputs to the Crown and for services to third parties. All revenue is recognised when earned and is measured at the fair value of consideration received.

Capital charge

The capital charge is recognised as an expense in the period to which the charge relates.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Ministry's loans and receivables comprise cash and cash equivalents and debtors and other receivables.

Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks.

Debtors and other receivables

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

Impairment of a receivable is established when there is objective evidence that the Ministry will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the loss is recognised in the statement of comprehensive income. Overdue receivables that are renegotiated are reclassified as current.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment consists of computer equipment, office equipment and furniture, fitout and leasehold improvements, library books, and artwork.

Property, plant and equipment is shown at cost less accumulated depreciation and impairment losses. Artwork is stated at cost.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, except artwork, at rates that will write off the cost of the asset over its useful life.

The useful life and associated depreciation rates of the various classes of assets are estimated as follows:

Asset class	Years	Depreciation rate
Computer equipment	3	33%
Office equipment	5	20%
Furniture	5-10	10%-20%
Fitout and leasehold improvements	the term of the lease	the term of the lease
Library		
– legal reference	2-10	10%-50%
– non-fiction and reference	10	10%

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

Intangible assets

Software acquisition

Acquired computer software licences are capitalised on the basis of the costs to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Ministry are recognised as an intangible asset.

Statement of accounting policies *(continued)*

Amortisation

Intangible assets with finite lives are amortised on a straight-line basis over their estimated 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 life and associated amortisation rates of the classes of intangible assets are estimated as follows:

Asset class	Years	Amortisation rate
Acquired computer software	3	33%

Impairment of non-financial assets

Property, plant and equipment, and intangible assets that have a finite 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. Losses resulting from impairment are recognised in the statement of comprehensive income. Any reversal of an impairment loss is also 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 the effective interest method.

Employee entitlements

Short-term employee entitlements

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

The Ministry recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount

is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Ministry anticipates it will be used by staff to cover those future absences.

The Ministry 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.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave, have been calculated on an actuarial basis using a Treasury-issued spreadsheet. The calculations are based on:

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information
- the present value of the estimated future cash flows using a discount rate of 2.43% and a salary inflation factor of 3.50% (as per Treasury Instructions).

Provisions

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

Taxpayers' funds

Taxpayers' funds are the Crown's investment in the Ministry and are measured as the difference between total assets and total liabilities.

Commitments

Expenses yet to be incurred on non-cancellable contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising the option to cancel are included in the statement of commitments at the value of that penalty or exit costs.

Statement of accounting policies *(continued)*

Goods and Services Tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for payables and receivables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, 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.

Commitments and contingencies are stated on a GST-exclusive basis.

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

Income tax

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

Budget figures

The budget figures are those presented in the 2011 Budget (Main Estimates). In addition, the financial statements also present the updated budget information from the Supplementary Estimates.

Statement of cost accounting policies

The Ministry has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those that cannot be identified in an economically feasible manner, with a specific output.

Direct costs are allocated directly to outputs. Indirect costs are allocated to outputs based on each output's direct salary costs.

There have been no changes in cost accounting policies, since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements the Ministry has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and judgements 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 estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the financial statements

For the year ended 30 June 2012

Note 1 Departmental revenue

2011 Actual \$000		2012 Actual \$000
57	State Services Commission contribution for the State Sector Retirement Savings Scheme	39
15	State Services Commission contribution for the KiwiSaver Savings Scheme	22
59	Departmental contributions for staff secondment	12
131	Total departmental revenue	73

Note 2 Other revenue

2011 Actual \$000		2012 Actual \$000
-	Recovery of carpark rental	12
-	Total other revenue	12

Note 3 Personnel costs

2011 Actual \$000		2012 Actual \$000
3,188	Salaries and wages	2,797
93	Employer contributions to defined contribution plans	92
(39)	Increase (decrease) in employee entitlements	33
34	Temporary staff	30
15	ACC levy	11
3,291	Total personnel costs	2,963

Employer contributions to defined contributions plans include contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund.

Note 4 *Rent and outgoings*

2011 Actual \$000		2012 Actual \$000
275	Rent and building operating expenses	243
4	Archive security	6
16	Cleaning	17
11	Energy	13
4	Repairs and maintenance – premises	1
16	Repairs and maintenance – furniture and equipment	8
7	Insurance	10
333	Total rent and outgoings	298

Note 5 *Operating costs*

2011 Actual \$000		2012 Actual \$000
89	Recruitment expenses	35
32	Training and conference costs	49
64	Travel expenses	70
8	Library	2
411	Consultants and contractors	599
96	Publications	47
12	Operating lease payments	12
185	Other output expenses	272
897	Total operating costs	1,086

Note 6 *Capital charge*

The Ministry pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year.

The capital charge rate for the year ended 30 June 2012 was 8.0% (2011: 7.5%).

Note 7 *Depreciation expense*

2011 Actual \$000		2012 Actual \$000
26	Computer equipment	18
2	Office equipment	2
22	Furniture, fitout and leasehold improvements	22
2	Library	2
52	Total depreciation expense	44

Notes to the financial statements

For the year ended 30 June 2012

Note 8 Amortisation expense

2011 Actual \$000	2012 Actual \$000
87 Computer software	67
87 Total amortisation expense	67

Note 9 Repayment of surplus

Pursuant to section 22 of the Public Finance Act, any operating surplus is returned to the Crown. The repayment of surplus is to be paid by 31 October of each year.

The Ministry has a provision for repayment of the operating surplus to the Crown of \$58,000 (2011: \$289,000).

Note 10 Debtors and receivables

Debtors and other receivables are non-interest bearing and are normally settled on 30-day terms; therefore the carrying value of debtors and other receivables approximates their fair value.

Note 11 Property, plant and equipment

	Balance 1 July 2011 \$000	Additions \$000	Disposals \$000	Balance 30 June 2012 \$000
Cost				
Computer equipment	264	4	-	268
Office equipment	117	2	(2)	117
Furniture, fitout and leasehold improvements	418	-	(19)	399
Library	208	-	-	208
Artwork	17	-	(1)	16
Total cost	1,024	6	(22)	1,008

	Balance 1 July 2011 \$000	Depreciation Expense \$000	Elimination on Disposal \$000	Balance 30 June 2012 \$000
Accumulated depreciation				
Computer equipment	231	18	-	249
Office equipment	111	2	(2)	111
Furniture, fitout and leasehold improvements	340	22	(19)	343
Library	194	2	-	196
Artwork	-	-	-	-
Total accumulated depreciation	876	44	(21)	899
Net carrying amount	148			109

Notes to the financial statements

For the year ended 30 June 2012

Note 12 Intangible assets

	Balance 1 July 2011 \$000	Additions \$000	Disposals \$000	Balance 30 June 2012 \$000
Cost				
Computer software	444	18	-	462
	Balance 1 July 2011 \$000	Amortisation Expense \$000	Elimination on Disposal \$000	Balance 30 June 2012 \$000
Accumulated amortisation				
Computer software	352	67	-	419
Net carrying amount	92			43

Note 13 Creditors and other payables

2011 Actual \$000		2012 Actual \$000
107	Creditors	113
100	Accrued expenses	88
115	GST payable	71
322	Total creditors and other payables	272

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, and therefore the carrying value of creditors and other payables approximates their fair value.

Note 14 Provisions

2011 Actual \$000		2012 Actual \$000
-	Provision for Chief Executive development fund	-
-	Total provisions	-

Notes to the financial statements

For the year ended 30 June 2012

Note 15 Employee entitlements

2011 Actual \$000		2012 Actual \$000
Current employee entitlements are represented by:		
66	Annual leave	104
16	Sick leave	10
3	Long service leave	9
67	Accrued salaries and wages	114
152	Total current portion	237
Non-current employee entitlements are represented by:		
15	Long service leave	10
167	Total employee entitlements	247

Note 16 Related party transactions

The Ministry is a wholly-owned entity of the Crown. The Government significantly influences the role of the Ministry as well as being its major source of revenue.

The Ministry enters into transactions with other government departments, Crown entities and state-owned enterprises on an arm's length basis. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Ministry would have adopted if dealing with that entity at arm's length in the same circumstances are not disclosed.

The Ministry received funding from the Crown of \$4,490,000 to provide services to the public for the year ended 30 June 2012 (2011: \$4,875,000). The Ministry also received \$74,000 in departmental

revenue and other agency funding for the year ended 30 June 2012 (2011: \$131,000). Refer to note 1 for further information.

In conducting its activities, the Ministry is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Ministry is exempt from paying income tax.

The Ministry also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2012 totalled \$82,000 (2011: \$81,000). These purchases included the purchase of electricity from Genesis, air travel from Air New Zealand, and postal services from New Zealand Post.

Notes to the financial statements

For the year ended 30 June 2012

Note 17 Key management personnel compensation

2011 Actual \$000		2012 Actual \$000
770	Salaries and other short-term employee benefits	1,008
-	Post-employment benefits	-
-	Other long-term benefits	-
72	Redundancy payments	-
842	Total key management personnel compensation	1,008

Key management personnel include the Chief Executive and the four members of the Leadership team.

Note 18 Severance payments

Last year the Ministry initiated a review of its administrative and support services to ensure they were aligned with business needs. As a result of implementing decisions following the review, \$290,000 was paid out in severance payments to seven staff members in 2010/11.

No severance payments were paid out this year.

Note 19 Events after balance date

There have been no events after balance date that materially affect the financial statements.

Note 20 Financial instrument risks

The Ministry's activities expose it to a variety of financial instrument risks, including currency risk, interest rate risk, credit risk and liquidity risk. The Ministry has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in foreign exchange rates.

The Ministry does not have significant concentrations of currency risk for its financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market interest rates.

The Ministry has no interest-bearing financial instruments and therefore has no exposure to interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Ministry, causing the Ministry to incur a loss.

In the normal course of its business, credit risk arises from debtors and bank deposits.

The Ministry is only permitted to deposit funds with Westpac, a registered bank. This entity has a high credit rating. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the carrying amount of cash and cash equivalents, and debtors and other receivables. There is no collateral held as security against these financial instruments.

Notes to the financial statements

For the year ended 30 June 2012

Liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The Ministry maintains a target level of available cash to meet its liquidity requirements.

The Ministry's creditors and other payables (note 13) will be settled in less than six months after balance date.

Note 21 *Capital management*

The Ministry's capital is its equity (or taxpayers' funds), which is represented by net assets.

The Ministry manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. The Ministry's equity is largely managed as a by-product of managing income, expenses, assets and liabilities, and compliance with the Government Budget processes and Treasury Instructions.

The objective of managing the Ministry's equity is to ensure the Ministry effectively achieves its goals and objectives for which it has been established, whilst remaining a going concern.

Auditor's report

To the readers of the Ministry of Women's Affairs financial statements and statement of service performance for the year ended 30 June 2012

The AuditorGeneral is the auditor of the Ministry of Women's Affairs (the Ministry). The AuditorGeneral has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Ministry on her behalf.

We have audited:

- the financial statements of the Ministry on pages 18 to 36, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2012, the statement of comprehensive income, statement of movement in taxpayers' funds, statement of departmental expenses and capital expenditure against appropriations, statement of departmental unappropriated expenditure and capital expenditure and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Ministry on pages 16 and 17.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 18 to 36
 - › comply with generally accepted accounting practice in New Zealand; and
 - › fairly reflect the Ministry's:
 - » financial position as at 30 June 2012;
 - » financial performance and cash flows for the year ended on that date;
 - » expenses and capital expenditure incurred against each appropriation administered by the Ministry and each class of outputs included in each output expense appropriation for the year ended 30 June 2012; and
 - » unappropriated expenses and capital expenditure for the year ended 30 June 2012; and

- the statement of service performance of the Ministry on pages 16 and 17:
 - › complies with generally accepted accounting practice in New Zealand; and
 - › fairly reflects for each class of outputs for the year ended 30 June 2012 the Ministry's:
 - » service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
 - » actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 27 September 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the AuditorGeneral's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the statement of service performance. The procedures selected depend on our judgement, including our assessment of risks

Auditor's report *(continued)*

of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Ministry's preparation of the financial statements and the statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Chief Executive;
- the adequacy of all disclosures in the financial statements and the statement of service performance; and
- the overall presentation of the financial statements and the statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Ministry's financial position, financial performance, cash flows, expenses and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
- fairly reflect its service performance.

The Chief Executive is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

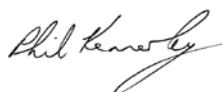
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit, we followed the independence requirements of the AuditorGeneral, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with, or interests in, the Ministry.



Phil Kennerley
Audit New Zealand

On behalf of the AuditorGeneral
Wellington, New Zealand

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of the Ministry of Women's Affairs (the Ministry) for the year ended 30 June 2012 included on the Ministry's website. The Chief Executive is responsible for the maintenance and integrity of the Ministry's website. We have not been engaged to report on the integrity of the Ministry's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 27 September 2012 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Managing the Ministry

Performance Improvement Framework

The Ministry implemented a strategic response to the central agencies' Performance Improvement Framework review released in September 2011. The response focused on four key areas of improvement: further development of the shared purpose and direction; developing a clear and consistent focus on achieving the three priorities; more involvement of external stakeholders in the Ministry's work; and continuing to have fit-for-purpose services, systems and processes.

We have made progress in each area during the year. Shared purpose and direction have benefited from two whole-Ministry planning and engagement days, which enabled staff to align their work more clearly with the Ministry's goals and to understand better their personal contribution to our success.

We took a highly participative approach to developing our latest Statement of Intent, to make our three priorities visible and relevant to staff and to build understanding of, and commitment to, the specific targets and measures against each priority.

The Chief Executive also established two new leadership forums to enable a sharper focus on Ministry strategy and policy initiatives in support of the three priorities.

External relationships were strengthened with the establishment of a formal NGO Reference Group. We also hosted a number of seminars for key stakeholders on aspects of policy work during the year, as well as engaging with stakeholders over our international obligations, particularly the CEDAW presentation at the United Nations.

At the start of the year, we implemented changes to our business support arrangements to enable a shift in resources to policy advice and to place us on a sustainable footing. Since then, we have initiated a number of changes to our business systems and processes to reduce cost and, where possible, align with all-of-government arrangements in areas such as information technology, printing services, travel, legal services and procurement of general office supplies.

People

The Ministry is committed to a culture of high achievement and ongoing skill development. That is reflected in the Ministry's top ranking among 22 policy agencies assessed for quality of policy advice by the New Zealand Institute of Economic Research.

We are also committed to the Better Public Services programme, with its strong focus on results, innovation and cross-government collaboration. Our staff actively participate in a variety of public sector networks and forums and inter-agency working groups.

The Ministry's Chief Executive, Rowena Phair, resigned in May 2012 to take up a role as Deputy Secretary, Student Achievement, with the Ministry of Education. Kim Ngarimu was seconded from Te Puni Kōkiri as Acting Chief Executive. The State Services Commissioner has appointed Dr Jo Cribb as incoming Chief Executive and she begins her role in November 2012.

Equal employment opportunity (EEO) continues to be a strong part of the Ministry's work culture, reflected in a range of flexible working arrangements, support for individual choices around work-life balance and commitment to professional development.

Keeping our staff engaged and motivated to give of their best is an essential ingredient of our success. During the year we ran two staff consultations focused on improving our working environment and ensuring that staff feel valued. Both attracted a high level of staff participation and many constructive suggestions for improvement, which the Ministry's leadership team has acted on.

Managing the Ministry *(continued)*

Continuous improvement

We continued to review and improve business strategies, systems and processes to ensure they are cost-effective and fit for purpose. We implemented a significant upgrade of the Ministry's workflow and records management systems to improve reliability and functionality, and reduce maintenance costs.

We continued to pursue options for improving the Ministry's office accommodation, at lower cost, and negotiated a reduced rental for the remainder of the lease at Revera House (September 2014). We also adopted more effective business approaches to records and storage services, telephony and business continuity.

Publications and other communications

The Ministry published the following reports, publications and website features during the year:

- *Pānui* newsletter in October, December, March/April and June/July
- Statement of Intent 2012-2015
- Annual Report for year ended 30 June 2011
- Briefing to the Incoming Minister 2011
- EEO Trust report *Transforming Cultures to Grow Women Leaders*.

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