



COMET AUCKLAND  
**ANNUAL REPORT**  
**2014 - 2015**

ADVANCING  
EDUCATION  
FOR AUCKLAND

## MIHI WHAKATAKI

Tuia i runga, Tuia i raro, Tuia i roto, Tuia i waho

Tuia te herenga tangata

Ka rongo te pō, Ka rongo te ao

Te kōrero i te wānanga

Te pūatakataka, te pūāwhiowhio

Kua takoto i te hau o Tū

E ai ki ngā kōrero;

'Tāmaki Makaurau, Tāmaki Herehere o ngā waka e.'

Nā te Hononga Akoranga (COMET Auckland) anō te waimarie, te whakaatu te pūrongo a tau nei.

Mauri ora ki te whai ao, ki te ao mārama.

## WHAKATAUĀKĪ

E kore e taea e te whenu kotahi ki te raranga i te whāriki  
kia mōhio tātou ki ā tātou.

Mā te mahi tahi o ngā whenu,  
mā te mahi tahi o ngā kairaranga,  
ka oti tēnei whāriki.

I te otinga  
me titiro tātou ki ngā mea pai ka puta mai.  
Ā tana wā,  
me titiro hoki  
ki ngā raranga i makere  
nā te mea, he kōrero ano kei reira.

The tapestry of understanding  
can not be woven by one strand alone.  
Only by the working together of strands  
and the working together of weavers  
will such a tapestry be completed.  
With its completion  
let us look at the good that comes from it  
and, in time we should also look  
at those stitches which have been dropped,  
because they also have a message

nā Kūkupa Tirikatene

## CONTENTS

- 2 Message from the Chairperson
- 3 Message from the Chief Executive
- 4 How we work
- 6 Performance Report – Championing education and skills
- 8 Performance Report – Mātauranga Māori
- 10 Performance Report – Building skills capability in Tāmaki Makaurau
- 12 Performance Report – Growing Literacy for Aucklanders
- Insert – Snapshot of Education in Auckland
- 14 Strategic Plan for 2015-16
- 16 Financial Report

## ACKNOWLEDGEMENTS

The generous support of many people and organisations makes our work possible. We are grateful for the commitment and dedication shown by these people who are passionate about making education accessible for all Aucklanders.

### We thank:

- Mayor Len Brown, Councillors and Local Board members
- The many Council officers who liaise with and support our work
- The Independent Māori Statutory Board, Pacific People's Advisory Panel, Ethnic Peoples Advisory Panel and Youth Advisory Panel, who provide advice, challenge and support
- Brookfields Lawyers who provides COMET with pro bono legal work
- The Clarity Business and Hight Art and Design which provide us with communications and design support
- Our generous sponsors this year, Auckland Council, SKYCITY Auckland Community Trust, the Todd Foundation, Lottery Grants Board, Lion Foundation, Winston Churchill Memorial Trust, Ministry of Business, Innovation & Employment, Ministry of Social Development, The Fletcher Trust, Māori Language Commission, Pathways to Employment Trust, and GROW Ltd; plus our partners who provided significant in-kind support, Auckland Tourism, Events and Economic Development (ATEED), Careers New Zealand, Fin-Ed Centre Massey University, Commission for Financial Capability, BNZ Partners, WIC NZ Ltd and Education Today.
- Our kaumatua, Kūkupa Tirikatene and Sonny Rauwhero
- Our staff, volunteers and trustees
- Our many project partners, whom we value immensely but are too numerous to name here.



## Message from the Chairperson

The Auckland Plan was adopted by Council in March 2012. It is an ambitious plan that seeks to position Auckland as the most liveable city.

One of the many themes that run through the plan is the importance of education to allow Aucklanders to achieve their dreams and fulfil their potential. It is an essential component of the social and economic advancement of the city. Over the last three years there has been a steady improvement in the educational performance indicators outlined within the plan. However, there is still some way to go before they are achieved. Moreover, inequities of access and success remain, disadvantaging many of the city's inhabitants.

COMET Auckland is in a privileged position: although not in the education sector we work 'on' the education system with those in the sector in order to enhance educational outcomes of an individual from early childhood through to adulthood.

Late last year, as part of the Auckland Council's budget review, COMET Auckland was faced with a potentially significant funding cut (about 60% of the organisation's revenue comes from Auckland Council). Thankfully this did not eventuate but it provided added impetus for the Board and staff to examine how we were operating and how we could best apply our resources to most make a positive difference. A stakeholder engagement survey provided useful feedback and validated our approach. These deliberations confirmed the need for COMET Auckland to concentrate our expertise on initiatives that would lead to system change and that we could effect this best through sector leadership, advocacy and the trialling of innovative approaches.

The success of COMET's approach is evidenced by the large number of requests it receives from across a wide range of organisations. The annual report outlines some of the projects that it has either organised or been an active participant. Indeed, one of the constant dilemmas faced by the CEO and her team is how to prioritise these requests or decide which initiatives to resource. The thinking done this year provides a framework to help make these decisions, to ensure that we apply our resources where we can be most effective and thus play our part in delivering the educational goals in the Auckland Plan.

As the new chairperson, I am privileged to be associated with COMET Auckland, whose work makes a difference to the lives of others. As the report shows, as a result of strong management, we have finished the year in a sound financial position and achieved a significant amount through the expertise and dedication of our superb staff. I would also like to play tribute to Stuart Middleton, the previous Chairperson, under whose guidance COMET has thrived and acknowledge the contribution of fellow board members Carol Ngawati, Graeme McClennan, John Heyes, Rachel Tuwhangai and Sina Aiolupotea-Aiono whose term as trustees has ended. Looking forward, I would like to welcome Andrew Abernethy, Ginnie Denny, Hoana Pearson and Jannitta Pilisi who joined the board on 1st July, whose knowledge, experience and wisdom will be a valuable addition to the Board's deliberations.

Richard Hall OBE MNZM, Chairperson



## Message from the Chief Executive

Kia ora, Talofa lava, Malo e lelei, Kia orana, Fakaalofa lahi atu, Taloha ni, Nisa bula vinaka, Ni hao, Namaste, greetings from COMET Auckland, Te Hononga Akoranga.

If Auckland is to earn the title of the world's most liveable city, we need to ensure that every Aucklander has the skills they need to contribute in today's workforce and to participate fully in their family's and community's development.

As a city, we're making gradual progress on this – more pre-schoolers are participating in early learning, more teenagers are leaving school with a qualification, and the achievement gaps between ethnic groups are beginning to close.

This is good news for the children and young people concerned, because education enhances income, health and social wellbeing in both the short and long term. It's also great news for the city as a whole, because a skilled workforce increases productivity and social cohesion.

However, there is still more work to do. The next challenge is to accelerate the gains, and especially to close the gaps between ethnic groups, between boys and girls, and between learners from different socio-economic backgrounds. The gains of the past few years show that change is possible. Now we need to harness that knowledge in order to drive systems change, so education and skills can be effective for all Aucklanders.

COMET Auckland is uniquely placed to support systems change, because we are independent of any education sector and have a unique mandate to work across the life span, not just one age group. That means we can work closely with educators, community, business and other decision-makers, across sectors. We listen to the issues, explore the data and evidence, and bring people together to identify priorities for action and to plan and implement a collaborative response.

Any easy wins will have already been made, so to further close the gaps we need to look much more carefully at the data and evidence, work more collaboratively across sectors (including business and community as well as the various education sectors), and identify and expand the things that work.

For example, more young people are gaining NCEA Level 2, which should enable them to move on to an apprenticeship or other higher learning. However youth unemployment rates remain high, especially for Māori and Pacific young people. There are many reasons for this, including the state of the economy, the cost of further study, and subject choices that limit young people's post-school options, but one key issue is the lack of opportunities for young people to develop the soft skills employers need – things like communication and teamwork.

Over the past two years we've been working with stakeholders to develop a systems response to building young people's employability skills. As always, we started by partnering with others and gathering evidence – in this case, through focus groups with employers and young people, and through a scan of the literature, to explore successful models from elsewhere. We shared this evidence through a video, publication and one-day forum, from which came a plan of action. The Youth Employability Passport is now a reality, well into its first trial and with plans to expand to more sites next year. You can read more about this exciting work on page 11.

At the other end of the education system, the gains in early learning participation don't seem to be translating into higher achievement in primary school, which is worrying because early reading delays can lead to disengagement later on. Clearly, some children are missing out on the expected benefits from attending early learning.

One reason may be that ECE participation data doesn't currently separate regular attenders from children who may only go to preschool a few times before they start school. However a recent ERO report shed light on another, more significant reason – the variable quality of some early learning services. The report found that nearly half of early learning services were not doing well enough at supporting toddlers' learning in the crucial areas of communication and exploration.

Add that to evidence that the most crucial time for language development is the first three years of life, and it's clear we need to think well beyond ECE participation. Instead we need to take a systems view, bringing education, health and social services together to develop ways to better support families as they build children's first language skills at home, alongside strengthening early language development in early learning and in the first few years of school. We've been scoping work in this area over the past few months, and already 34 organisations are working with us to plan a collaborative response. You can find more information about this on page 13.

None of our work would be possible without our amazing partners and funders, whose wisdom, passion and commitment inform and enable our work. Thank you for the contribution you have made to education and skills in Auckland over the past year. We look forward to working with you again in 2015/16.

Ngā mihi,

Susan Warren, Chief Executive

# HOW WE WORK

## AUCKLAND'S PROGRESS

HOW IS AUCKLAND DOING TOWARDS ITS EDUCATION GOALS?

ECE Participation	NCEA Level 2	Post-school qualifications
<b>95.2%</b>	<b>84.5%</b>	<b>21%</b>
by arrival at school in 2015	of 18-years-olds in 2014	of 15 to 24-years-olds in 2013
▲ Up from 92.7% in 2011	▲ Up from 78.3% in 2011	▲ Up from 18.6% in 2006

## OUR ROLE

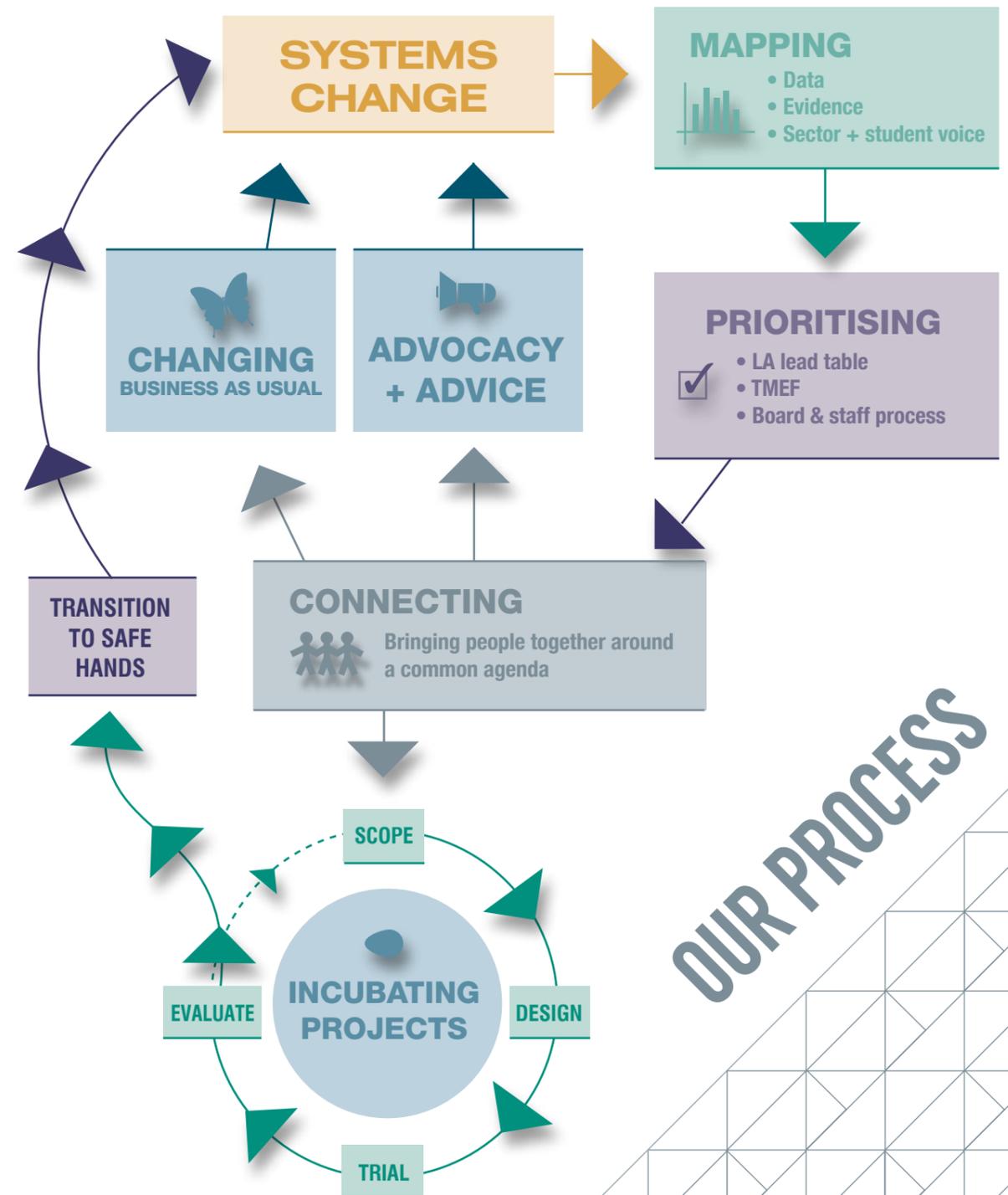
As a charitable trust and CCO of Auckland Council, we are uniquely placed to drive systems change because we are the only Auckland-based organisation that takes a cross-sector, helicopter view of our education and skills system and that can focus long-term on the learning-related goals and targets in the Auckland Plan. This means we can identify the most pressing gaps and opportunities and bring the right people together across education, business, community and government to design, advocate and incubate actions that harness education to drive Auckland's economic and social development.

## MISSION

Driving systems change to make education and skills more effective and equitable across Auckland.

## VISION

All Aucklanders have the right to shine and realise their dreams through lifelong learning.



# Championing Education & Skills

This project stream contributes to Auckland Plan transformational shift 1, to dramatically accelerate the prospects of Auckland's children and young people. It also contributes to Economic Development Strategy action 4.1, champion education and skills; to Southern Initiative priority 1, strong family attachment and early learning; and to Economic Development Strategy action 4.2.4 to facilitate skills outcomes for Pacific Peoples.

## LEARNING AUCKLAND

Learning Auckland is a collective impact partnership that focuses the efforts of educators, businesses and the community on evidence-informed action to drive systems change in education and skills throughout Auckland.

COMET Auckland acts as the backbone entity for Learning Auckland, providing leadership, coordination and data analysis, using collective impact processes that have proven to be effective overseas.

During 2014 we restructured the leadership of Learning Auckland, introducing CEO-level representatives from across education, business, community and research sectors. The leadership table meets quarterly to drive Learning Auckland's vision of long-term, positive change in educational achievement in Auckland.

To inform their thinking about priorities for action, the leadership table carried out consultations with key stakeholders, using the 2014 Learning Auckland baseline data report as a basis for discussion. These consultations informed decisions on overall goals and a framework of measures for Learning Auckland.

Since then, the first Learning Auckland action group has been established, focusing on school readiness and early oral language development. You can read more about the Talking Matters project on page 13.

## DATA ANALYSIS

Data collection plays a central role in enabling us to make evidence-based decisions and carry out informed advocacy. Last year we created a baseline report summarising data on education and skills across Auckland, which we published as an insert in our 2013/14 Annual Report and on both the COMET Auckland and Learning Auckland websites.

This year we have also published updated snapshots of Auckland's education and skills data for each Local Board, as well as snapshots for the Southern Initiative area and for Auckland as a whole.

## AUCKLAND LANGUAGES STRATEGY

Auckland is the most ethnically diverse region in New Zealand, with Aucklanders speaking over 160 different

languages. This diversity offers significant economic, cultural, social and educational advantages.

We have facilitated a diverse group of practitioners and researchers from across a wide range of languages-related organisations to create a draft Auckland Languages Strategy.

The draft strategy was presented to the Office of Ethnic Communities "Lining up Languages" forum in March; to Auckland Council's Regional Strategy & Policy Committee; the Pacific People's Advisory Panel and the Ethnic People's Panel. As a result, Auckland Council is conducting a stocktake of their current actions to determine how they align with the languages strategy.

After wide consultation, the strategy has now been finalised, and will be launched in November. To date 13 organisations have formally endorsed the strategy.

## ADVOCACY

Contributing to policy development with both central and local government is a key part of our systems change role.

Here are some of the contributions we have made to policy over the past year:

- We participated in discussions with the Education Review Office (ERO) on how its policy and implementation could be tailored to more effectively meet unique needs and opportunities in Auckland. ERO have identified four key actions from these discussions.
- We presented to Housing Review Office staff about the educational and financial literacy implications of housing policies on families.
- We supported the Manukau ECE Taskforce to make written and oral submissions on the Unitary Plan.
- We supported the Auckland Languages Strategy Working Group to make written and oral submissions on the Te Reo Māori Bill, and have contributed a number of press releases and media interviews on this issue.
- We also made submissions on the Treasury Request for Information (RFI) on vulnerable children, the Budget Policy Statement and Auckland Council Long Term Plan.



## BRINGING OUR OBJECTIVES TO LIFE: EDUCATION SNAPSHOTS

This year we created a series of 23 infographics presenting important statistics on education, skills and employment, with a particular focus on families.

The suite of education infographics cover Auckland's 21 local boards, an Auckland-wide snapshot and, for the first time, information on The Southern Initiative (TSI), which combines data from Mangere-Otahuhu, Manurewa, Otara-Papatoetoe and Papakura.

These snapshots act as a valuable resource for Local Boards, Government, education professionals, community organisations, parents, caregivers and learners, enabling people to understand the key characteristics of their regions and make informed decisions. The infographics have received positive feedback from the Ministry of Education since being released in mid-2015.

The Southern Initiative infographic highlights some of the education and skills gaps affecting Auckland's southern suburbs:

- The number of school leavers achieving University Entrance is significantly lower in South Auckland at 36.2%, compared to Auckland as a whole, at 57.1%.
- The unemployment rate in South Auckland is at 10.4%, compared to Auckland as a whole, at 5.4%
- 29% of South Aucklanders have no qualifications whatsoever, compared to 16.8% Auckland-wide
- A major concern is the lack of internet for households with children. In South Auckland, 33% of households with school-aged children don't have Internet access, compared to 15% of families Auckland-wide.

Quotes from stakeholders:

*"I met with some of the White House Initiative leaders in education today and gave them copies of your snapshots (Maori, Pasifika) and explained how important these have been. They went down very well with the people I was meeting with."*

Professor Airini,  
Thompson Rivers University, Canada.

*"We all love the snapshots"*

Paul Prestidge,  
Auckland Council

*"I was able to use the Devonport Takapuna snapshot in conversation with the youth board and the new youth board applicants at our meet & greet on Monday evening, very timely."*

Steve McLuckie,  
Auckland Council

*"The factsheets were helpful in gaining an understanding of the demographic issues throughout Auckland, and particularly within my ward area."*

George Wood,  
CNZM, Auckland Councillor

# Mātauranga Māori

This project stream primarily contributes to Auckland Plan transformational shift 6, to significantly lift Māori social and economic wellbeing. It also contributes to Economic Development Strategy action 4.2.3, to facilitate skills outcomes for Māori; and to the education-related actions in the Independent Māori Statutory Board plan, to advocate for Te Reo Māori in all Auckland schools; and to establish the Tāmaki Makaurau Education Forum.

## TĀMAKI MAKĀURAU EDUCATION FORUM

Equipping young Māori with the necessary educational and developmental skills to succeed in the workforce is of primary importance, considering the fact that 26.4% of young Māori between the ages of 20 and 24 years old are unemployed in Auckland. To provide a voice for Māori education in Auckland and to drive collaborative action, we coordinate the Tāmaki Makaurau Education Forum (TMEF).

The TMEF meets on a quarterly basis, with strong participation from iwi, as well as education organisations working with Māori. A steering group meets more frequently to drive the work programme. The TMEF hui has provided a valuable platform for sharing iwi initiatives and models of success. This has supported and encouraged collaborative iwi action outside the TMEF.

The TMEF has used data from our Snapshot of Māori Education, and more detailed data which they requested from Statistics NZ, to establish a work plan which prioritises four areas:

- Mātauranga Māori
- Te Reo Revitalisation
- School Readiness
- Iwi Education Plans

Work is progressing in the Mātauranga Māori, Te Reo revitalisation, and iwi education plan areas, and you can read more about these areas of work below. Planning is also under way for a project in the school readiness area, for possible implementation in 2016.

## AN INNOVATIVE APPROACH TO MĀTAURANGA MĀORI

This year we have coordinated initial planning towards the Waka Education Development Pathway, an

innovative project that taps into rich cultural tradition to support learning for young people. The goal is to establish learning opportunities for Kura Kaupapa Māori in Tāmaki Makaurau, iwi and business, so young people can benefit educationally from the Waka Tangata that will be built in Tāmaki Makaurau in 2015.

## TE REO REVITALISATION

Despite being an official language of Aotearoa, less than one in 40 Aucklanders speak Te Reo Māori and the majority of Māori in Tāmaki Makaurau are still being taught very little or no Te Reo Māori at school.

The TMEF has supported three hui to share expertise from national experts in Te Reo Māori revitalisation. These hui were well-attended by iwi, and the materials are also available on our website, as a resource for any organisations wishing to support learning and use of Te Reo Māori in their environment.

We also regularly contribute to national discussions about Te Reo Māori. Our Project Manager Mātauranga Māori, Hauāuru Rawiri, has contributed expertise to the development of Te Reo Māori strategies at the regional and national level. While the national strategy has not yet been released, early indications suggest that our submission and advocacy has been influential.

We have also provided expertise and connections to Auckland Transport and Kiwa Digital for their development of an engaging resource for children in Te Reo Māori and English, incorporating local Māori cultural history.

## SUPPORTING IWI EDUCATION PLANNING

The August meeting of the TMEF provided an opportunity for iwi to share and learn from their Iwi Education Plans, and for iwi to hear from the MOE about support available to help achieve iwi educational objectives.

Following on from this hui, we offered to provide advice and expertise to iwi as they develop the education and skills aspects of their own plans. Two iwi accepted the offer and have since completed their plans.



## BRINGING OUR OBJECTIVES TO LIFE:

# TE REO REVITALISATION

Te Reo Māori is a taonga – a national treasure – and yet it's declining on a national level. The latest 2013 Census reveals only 4% of the national population can speak Te Reo well enough to hold a conversation. This shows the urgent need for Te Reo to be promoted and supported.

At present, 70% of Māori school students in Auckland are getting very little or no Te Reo, meaning the majority of Māori students are missing out on the social, economic and cultural benefits to be gained by learning Te Reo Māori.

Working alongside community, council and iwi groups, COMET Auckland plays an active role in discussing and advocating for the best strategies to promote Te Reo Māori in Tāmaki Makaurau, with an increased emphasis on quality, early childhood learning to support Māori learners and whānau.

Te Reo revitalisation has become an important topic of conversation at the Tāmaki Makaurau Education Forum, which COMET's Māori Education Manager Hauāuru Rawiri leads and facilitates. The TMEF platform is used to discuss effective strategies to identify what is working in our communities and what can be developed further.

A TMEF hui held in November included over 20 iwi representatives, the Education Review Office, Te Puni Kokiri, the Ministry of Education, Serco, Auckland Transport and Auckland Council, and it was agreed that Te Reo revitalisation is a community issue and is addressed more effectively with a single focus from across the sector.

The TMEF hui in May discussed government and community engagement strategies, language resilience and how policy can support Māori education.

The hui in May also identified four focus areas which were:

- **Empowering communities** – supporting community initiatives around Māori education.
- **Speaking Te Reo** – encouraging Māori to be comfortable in participating and speaking Te Reo in immersion environments.
- **Best Learning** – identify broad strategies that foster effective iwi cohesion.
- **Te Ataarangi** – maintaining Te Reo proficiency outside of immersion environments.

One further action towards supporting Te Reo Māori revitalisation this year has been support for a collaborative project led by Auckland Transport, with Kiwa Digital and Pukekohe North School, to develop a fantastic new resource that became available in Māori Language Week 2015.

He Rā Ngahau Mā Te Whānau I Runga Tereina, or Whānau Fun on the Train is a digital book available in both Te Reo Māori and English, and is a valuable resource for local Māori cultural history and Te Reo language.

The book is about a whānau from Pukekohe who go by train on a day trip to Eden Park to watch the Dick Smith NRL Auckland Nines. Along the way the whānau teaches us Māori history of Tāmaki Makaurau (Auckland) by sharing stories about sites of significance such as maunga (mountains), events and traditional names for train stops. The app can be downloaded free and is a wonderful resource for schools and kura, and also for families wishing to strengthen and celebrate Te Reo Māori with their children.

# Building Skills Capability in Tāmaki Makaurau

This project stream primarily contributes to Economic Development Strategy actions 4.1.2, to work with Local Boards; and 4.3.2, to create a better match between skills supply and skills demand; and to the Shared Economic Agenda priority 2, to raise youth/ rangatahi employability; and priority 3, to build, retain and attract talent. It also contributes to Auckland Plan transformational shift 5, to substantially raise living standards for all Aucklanders and focus on those most in need; and to the Southern Initiative priority 2, pathway to further education, training or employment.

## EMPLOYABILITY PROJECT

Ensuring our young people are equipped with the necessary educational and developmental skills to secure and retain employment is crucial for the young people themselves and for Auckland as a city.

Across Auckland, 10.4% of young Aucklanders between 15 and 24 years old are not in education, employment or training (NEETS). This percentage is even higher in Auckland's southern suburbs, at 16.1%, revealing an urgent need for systems change.

In response to this pressing issue, we have worked with partners to develop a Youth Employability Passport, a pilot project aimed at supporting young people to secure and retain employment by building, practising and integrating the competency skills employers are seeking.

The draft Youth Employability Passport was created by Workchoice in January 2015, with generous funding from Auckland Council. We received very positive feedback on the draft passport from employers, schools and youth organisations, with 78% of Auckland businesses saying the passport would assist in their recruitment process and 71% saying they would consider being involved in the programme.

Alongside the passport itself, Careers NZ designed professional development for teachers and youth workers, to help them build young people's employability skills and use the passport to attest to these skills.

The passport and training package are currently being trialled in three schools and a youth service provider. You can read more about the trial and our future plans for this innovative project in the story on the opposite page.

## AUCKLAND STEM ALLIANCE

During 2014 we worked with a small group of business and science interpretation representatives to shape the Auckland STEM Alliance (ASA).

The aim of the ASA is to encourage more young people to study sciences in senior secondary and tertiary education,

by coordinating more effective pathways between business and education based around STEM subjects.

To support this aim, we published A Business Lens on STEM report, which was distributed to 150 Auckland businesses and other stakeholders in September 2014. The ASA developed a strategy based on the report's findings and we met with several Government departments, including MSD, MoE, TEC, MBIE and Callaghan Innovation, to consider how we can align the ASA's objectives with those of government. Sir Peter Gluckman also offered his support.

The Auckland STEM Alliance and COMET Auckland also won a joint bid to lead the Ministry of Business Innovation and Employment's Participatory Science Platform pilot in the South Auckland area, in partnership with ATEED and the TSI.

This groundbreaking project enables communities to engage in research that is scientifically valid and relevant to them. The project is already underway and will continue until February 2016, with a possible extension to three years depending on results and MBIE directions.

## SUPPORTING LOCAL BOARDS

We have worked with Auckland Council in the development and support of Local Board Economic Development plans for Mangere, Manurewa, Albert/Eden, Otara/Papatoetoe, Devonport/Takapuna and Rodney. We also supported community discussions around adult learning in Orakei.

We have coordinated a process with the Franklin Local Board, Central Government, local schools, mana whenua, MIT, WINTEC and Te Wananga o Aotearoa to establish the Franklin Trades Academy.

This work stream now includes five pathways in schools, and additional strands are developing around a skills-to-work programme for NEETS, a Māori education initiative with Ngāti Tamaoho and an employer summit. The project is being recognised by the MoE as a successful model for vocational pathway projects.

Sirila at work with SKYCITY Apprentice Trainer and Coordinator, Martin Harrap

## BRINGING OUR OBJECTIVES TO LIFE: YOUTH EMPLOYABILITY PASSPORT PROGRAMME



This year we launched the Youth Employability Passport (YEP) to help young people build, practise and integrate the competency skills employers have identified as being critical for them to succeed in securing and retaining employment.

The objective of the YEP is to establish successful education and industry partnerships that connect young people with vocational opportunities within the region to ensure students are aware of their career options in the trades and technology sectors, and have the opportunity to build their employability skills.

## OUTCOMES OF THE PROGRAMME:

Around 100 young people across three Auckland schools and one training organisation are participating in a pilot programme designed and led by our Skills Manager, Shirley Johnson. The young people are receiving training and on-the-job experience, recording their developing skills in the passport along their journey.

We have generated positive feedback on the passport, with a number of other schools showing interest in the programme.

The Youth Employability Passport not only equips young people with the necessary skills employers are seeking, but it places them in industries they are passionate about.

Papatoetoe student Sirila Alao has aspirations to be a chef in the Navy, and has been placed at SKYCITY Hotel's 24/7 staff restaurant and room service kitchen to get a taste of what it's like to get behind the chopping board.

Before showing up to work in the kitchen, Sirila was taught the skills his employer would be looking for, such as attitude and punctuality, so he was able to make a good impression from the get-go.

Now, with the help of the passport programme, Sirila knows his dream to work in a kitchen is an achievable outcome and looks forward to stamping SKYCITY on his CV.

SKYCITY Apprentice Trainer and Coordinator, Martin Harrap, said the passport provides just as many opportunities for young people as it does for employers. He is currently supporting two other young people from the programme, and says the possibility of permanent roles for the young people is definitely on the table.

Thank you to our partners Auckland Council, Auckland Tourism, Events and Economic Development (ATEED), Careers New Zealand, CDANZ, Employers and Manufacturers Association, Employers Association Trust, Pathways to Employment Trust, Tindall Foundation, Work and Income, Workchoice Trust.

A special thank you also to the Lottery Grants Board, Work and Income, Auckland Council and Pathways to Employment Trust, who have made it possible for us to trial the passport, including bringing on a programme and logistics coordinator to organise work placements for the young people taking part in the programme, handle logistics and liaise with young people, schools and employers.

## NEXT STEPS:

At this stage, the trial involves monthly reviews to improve the workability of the passport. We hope to conduct an expanded trial in 2016 to further refine the programme. Already a number of schools and youth organisations have indicated their interest in being involved. Eventually, we aim for the passport to be widely used by Auckland schools, tertiary institutions and youth training organisations, and we are working with relevant government departments towards that goal.

# Growing Literacy for Aucklanders

This project stream primarily contributes to Economic Development Strategy action 4.2.1, to improve literacy, language and numeracy. It also contributes to Auckland Plan Priority 2, to improve learning for all Aucklanders, especially those most in need; and to Southern Initiative priority 1, strong family attachment and early learning; and priority 2, pathway to further education, training or employment.

## COLLABORATIVE LITERACY INITIATIVES

Literacy is integral to our day to day lives. Reading, writing, speaking, listening, digital literacy, financial literacy and critical thinking skills play a vital role in our social and economic lives.

Early in 2014, six local community literacy organisations, all members of Literacy Aotearoa's national network, asked us for support to explore how collaboration could increase adult provision across Auckland. This has resulted in shared training and programme development, and a small shared workplace literacy programme.

In collaboration with the National Centre for Literacy and Numeracy for Adults and the Ministry of Education (MoE) we held two forums in November 2014 to gain a deeper understanding of ISAS (the International Survey of Adult Skill) and its significance for Auckland. Findings from this survey are influential in informing adult literacy policy, funding and provision. Representatives of 16 organisations attended and one outcome has been RIMU deciding to incorporate ISAS related work into their 2015 planning.

## FINANCIAL LITERACY NETWORK

The Auckland Financial Literacy Practitioners and Providers Network (organised with the support of the Commission for Financial Capability) provides a platform for those involved in programmes and community initiatives to share effective practice, learn from one another and drive towards the common goal of improving financial capability throughout Auckland.

The network meets bi-monthly, hosted at different venues across the city by generous supporting organisations. The focus of last year's meetings included: kaupapa Māori financial literacy provision; consumer rights, third tier lenders and a new community micro-financing programme; and women and financial literacy. Feedback from participants is always positive and membership continues to grow as more Auckland organisations incorporate a focus on building financial wellbeing into their work.

Housing stability is important for education because when families move and children change schools, learning often suffers. During Money Week 2014, we co-hosted a think tank on financial literacy and

housing, attended by housing advocates, government and council. The meeting collaboratively designed a strategy to increase financial literacy support for tenants in social housing throughout Auckland. This led to a meeting with the Regional Manager of Work and Income to discuss ways to keep families in their current communities and so mitigate the effects of transience on children's education.

## PLACE-BASED FINANCIAL WELLBEING PROJECTS

With the support of funding from SKYCITY Auckland Community Trust and coordination from COMET Auckland, communities in Tamaki and Randwick Park are developing strategies to build up their financial wellbeing. This is the start of a three year project for both communities.

We are partnering with Te Waipuna Puawai Mercy Oasis in Tamaki to establish Growing Financial Independence in Tamaki (GFIT), which was launched in July 2014 at Ruapotaka Marae. The launch event experienced a large turn out and widespread media coverage. GFIT will drive effective, long-term, sustainable change for Tamaki residents and their attitudes, awareness and actions towards personal finance.

We have also partnered with Te Awa Ora Trust in Randwick Park, Manurewa, where local partners are developing and trialing a financial literacy training programme, Money Story. The project's initial evaluation has shown very positive results and the project is now being delivered to a wider audience.

## INTERGENERATIONAL FAMILY LEARNING

COMET Auckland continues to advocate for intergenerational family learning because many of the children who are most at risk at school come from families where parents have low literacy. To break the cycle we have to work with parents as well as children.

Whānau Ara Mua (WAM), the intergenerational family learning and literacy programme COMET owns, continues to grow because of the dedication of our delivery partner the Solomon Group. We continue in our role as course owner until the end of 2016, when all locally owned qualifications such as WAM are replaced by national qualifications.

Most students are solo parents with few or no qualifications, who enrol as a means of equipping themselves to move into work, while also supporting their children's learning. WAM equips them with a wide range of skills including nutrition and health, personal finance, children's development, and time management.

Of the 150 adults who enrolled in 2014, 122 graduated with a Level 2 Certificate in Family Learning and Child Development. This 80% graduation rate is an outstanding result for second-chance tertiary learners. As a result the Tertiary Education Commission further increased funding to Solomon Group, so WAM is now available in 14 different locations, with 250 student places.

We provided advice and expertise to the ECE and Foundation/Bridging Education working groups that shaped low level qualifications during the Tertiary Review of Qualifications, promoting the importance of whānau-facing foundation level qualifications. Initial indications suggest we have been influential, and that the final qualifications structure will enable tertiary providers to develop programmes that can focus on the parenting role as a context for tertiary learning. This will mean WAM could be re-shaped to fit the new requirements and may then be available nationally through tertiary providers.

## BRINGING OUR OBJECTIVES TO LIFE: TALKING MATTERS

Oral language skills are an important part of learning, and yet research has shown that roughly a third of young people lack the necessary language skills needed to make a great start on reading.

COMET Auckland and Learning Auckland are sponsoring Talking Matters, a collaboration of representatives from more than 30 organisations in teacher education, health, early learning, family services, child development researchers, parenting programmes, family literacy and government.

Talking Matters is raising awareness of the importance of early oral language and will explore ways to encourage and upskill families and educators to provide the richest oral language environment possible.

Two forums have explored the importance of early oral language and school readiness and considered strategies that are effective in growing the communication confidence of children in their first few years. Already some of the participating organisations have made small changes to their practice as a result of the information shared.

Talking Matters is drawing on insights from Alison Sutton's Winston Churchill Fellowship early in 2015 when she looked at city-wide literacy initiatives. Enhancing oral language in families and in early learning and family services emerged as a key strand of action in the cities Alison visited in England and the USA. Alison has been active in the media, advocating for more attention and action on children's oracy. We are encouraging adults to talk, sing, read and tell stories to their kids as much as they can - simple, free and easy strategies that make a big difference.

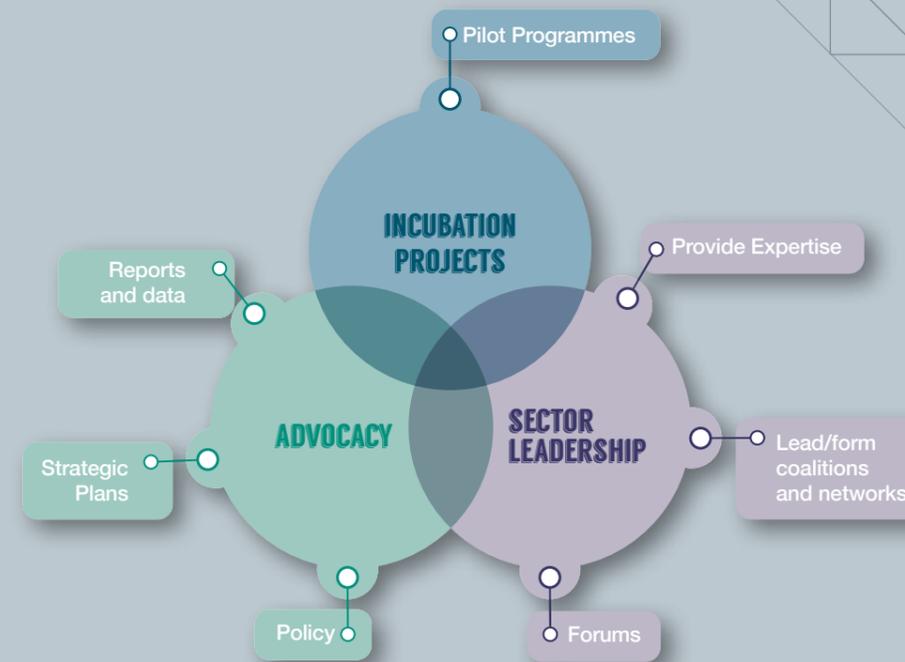
## NEXT STEPS:

Talking Matters has been in a scoping phase this year. More network meetings are planned for 2015, a work programme is being developed and we are applying for funding to support this collaboration.

# STRATEGIC PLAN 2015-2016

The diagram on the right summarises the three main aspects of our work – advocacy, sector leadership and incubation projects. All three aspects of our work contribute to systems change, towards the Auckland Plan and Economic Development Strategy targets.

Sector leadership is the largest and most important part of our work but the knowledge and credibility we bring to our sector leadership role come from, and feed into, what we learn through our incubation projects and the messages we communicate through our advocacy and publications.



	STRATEGIC LEADERSHIP	SKILLS	MĀTAURANGA MĀORI	LITERACY	
<b>INCUBATION PROJECTS</b>	» <i>'Talking Matters'</i> Oracy Project	» Youth Employability Passport » Science in Society Project » Franklin skills project	» Auckland Council/DOC kaitiaki training project » STEM aligned Waka education programme	» Tamaki and Randwick Financial Wellbeing project » Whānau Ara Mua	<b>INCUBATION PROJECTS</b>
<b>ADVOCACY</b>	» Analysis & Data » Policy Input	» Support to Local Board plans	» Promote education in Iwi strategic plans » Te Reo Māori Strategy	» Promote foundation qualification (Post TroQ) » Promote, advise and collaborate on literacy initiatives	<b>ADVOCACY</b>
<b>SECTOR LEADERSHIP</b>	» <i>'Learning Auckland'</i> Initiative » Contribution to other education groups and forums » Launch 'Auckland Languages Strategy'	» Contribute to Auckland Skills Steering Group	» Coordinate TMEF	» Host Literacy and Language Event » Co-Chair Auckland Financial Literacy Network » Co-host Financial Literacy Conference	<b>LEADERSHIP</b>

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

COMMUNITY  
EDUCATION  
TRUST  
AUCKLAND

## CONTENTS

Directory	16
Independent auditor's report	17
Statement of financial performance	18
Statement of financial position	19
Statement of cash flows	20
Statement of changes in trustees funds	20
Notes to and forming part of the financial statements	21

## DIRECTORY

### OBJECTS OF TRUST

The objects of the Trust are to undertake actions, programmes and initiatives that support and promote education and improve educational outcomes for persons living in Auckland, with a special focus on the areas of greatest education need.

### PLACE OF BUSINESS

Unit D, Lower Lobby Level, 2 Princes Street,  
Auckland Central

### POSTAL ADDRESS

PO Box 3430, Shortland Street, Auckland 1140

### SETTLOR

Auckland Council

### TRUSTEES

Sina Ai olupotea-Aiono  
Morgan Borthwick  
Julie Dent  
Richard Hall (Chairperson)  
John Heyes  
Sarah MacCormick  
Graeme McClennan  
Brian Putt  
Rachael Tuwhangai

### SOLICITORS

Brookfields Lawyers  
PO Box 76004, Manukau City, Auckland 2241

### INDEPENDENT AUDITORS

BDO Auckland, PO Box 2219, Auckland 1140

### BANKERS

Bank of New Zealand

### COMMENCEMENT DATE

July 1, 2012

## INDEPENDENT AUDITOR'S REPORT TO THE READERS OF COMMUNITY EDUCATION TRUST AUCKLAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The Auditor-General is the auditor of Community Education Trust Auckland (the Trust). The Auditor-General has appointed me, Chris Neves, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements and performance information of the Trust on her behalf.

### OPINION ON THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

We have audited:

- the financial statements of the Trust on pages 18 to 25, that comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in trustees funds 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 performance information of the Trust on pages 6 to 13.

In our opinion:

- the financial statements of the Trust:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2015; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Public Sector).
- the performance information of the Trust presents fairly, in all material respects, the trust's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on 25 August 2015. 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 Board of Trustees and our responsibilities, and explain our independence.

### BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General'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 performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. 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 in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the

Trust's financial statements and performance information 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 Trust's internal control.

An audit also involves evaluation:

- 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 Board of Trustees;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Board of Trustees is responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is also responsible for preparation of the performance information for the Trust.

The Board of Trustees' responsibilities arise from the Local Government Act 2002 and clause 9.2 of the Trust Deed of the Trust.

The Board of Trustees is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Trustees is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

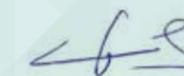
### RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001, clause 9.2 of the Trust Deed of the Trust and section 69 of the Local Government Act 2002.

### INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Chris Neves

BDO Auckland - On behalf of the Auditor-General,  
Auckland, New Zealand

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

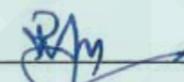
	Notes	2015	2014
		\$	\$
<b>REVENUE</b>			
Funding from central or local government			
- Grants	5	666,614	484,600
- Other funding		31,955	2,142
Grants from non-governmental organisations	5	235,763	129,200
Contract fees received		-	20,000
Deposits for future services brought forward	3	28,333	47,241
Deposits for future services carrying forward	3	(102,777)	(28,333)
Donations	4	147	28,333
Events registration		-	12,491
Interest earned		19,409	13,175
Partnership contributions	1	1,000	7,870
Sundry income		10,023	2,862
<b>Total revenue</b>	<b>2, 16</b>	<b>890,467</b>	<b>719,581</b>
<b>EXPENSES</b>			
Operating expenses	6	219,832	168,292
Human resource expenses	7	490,513	460,147
Partnership contributions	1	162,200	78,400
Trustees' expenses		2,303	88
Loss on disposal of fixed assets		162	257
<b>Total expenses</b>		<b>875,010</b>	<b>707,184</b>
<b>Surplus/(deficit) before tax</b>		<b>15,457</b>	<b>12,397</b>
Income tax expense/(benefit)	1	-	-
<b>Surplus/(deficit) after tax</b>	<b>2</b>	<b>15,457</b>	<b>12,397</b>

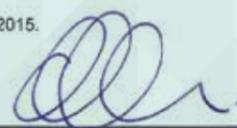
The above statement should be read in conjunction with the notes to and forming part of the financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015	2014
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
BNZ current account		251,661	5,024
Accounts receivable		2,255	8,510
Accrued interest		2,632	2,382
GST refund		-	2,569
Petty cash		119	39
Petrol voucher		140	200
AT Hop card		274	-
Treasury call account		59,879	52,969
Prepayments		729	2,379
BNZ term deposits		308,375	302,918
<b>Total current assets</b>		<b>626,064</b>	<b>376,990</b>
<b>Non-current assets</b>			
Property, plant, and equipment	8	21,619	28,874
Intangible assets	9	2,611	5,739
<b>Total non-current assets</b>		<b>24,230</b>	<b>34,613</b>
<b>Total assets</b>		<b>650,294</b>	<b>411,603</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable		11,758	6,890
Visa		594	1,462
GST payable		20,882	-
PAYE tax payable		8,325	8,092
Student loan payable		743	422
K-saver employee payable		1,995	1,917
K-saver employer payable		824	719
ESCT Payable		316	300
Provision for holiday pay		16,561	11,560
Accrued expenses		26,688	23,399
Deposits for future services	3	102,777	28,333
Project funding held for MBIE		114,865	-
<b>Total current liabilities</b>		<b>306,328</b>	<b>83,094</b>
<b>Total liabilities</b>		<b>306,328</b>	<b>83,094</b>
<b>Net assets</b>		<b>343,966</b>	<b>328,509</b>
<b>Represented by:</b>			
Trustees funds	10	343,966	328,509
<b>Funds in hand</b>		<b>343,966</b>	<b>328,509</b>

Approved for and on behalf of the Board of Trustees this 25<sup>th</sup> day of August 2015.

Chairperson 

Trustee 

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
<b>Cash flows from operating activities</b>		\$	\$
<b>Cash was received from:</b>			
Funding from central or local government		813,434	486,741
Funding from non-governmental organisations		252,026	168,042
Donations		147	28,333
Interest received		19,159	13,409
Net GST		24,703	520
<b>Cash was applied to:</b>			
Payments to suppliers and employees		849,113	668,881
<b>Net cash flows from operating activities</b>		<b>260,356</b>	<b>28,164</b>
<b>Cash flows from investing and financing activities</b>			
<b>Cash was received from:</b>			
Sale of property, plant and equipment		661	-
<b>Cash was applied to:</b>			
Acquire property, plant and equipment		1,933	29,728
Acquire intangibles		-	5,409
Increase in term deposits		5,457	473
<b>Net cash flows from investing and financing activities</b>		<b>(6,729)</b>	<b>(35,610)</b>
<b>Net increase / (decrease) in cash</b>		<b>253,627</b>	<b>(7,446)</b>
<b>Opening Cash</b>		<b>58,032</b>	<b>65,478</b>
<b>Closing Cash</b>		<b>311,659</b>	<b>58,032</b>
<b>This is represented by:</b>			
BNZ current account		251,661	5,024
Petty cash		119	39
Treasury call account		59,879	52,969
<b>Total</b>		<b>311,659</b>	<b>58,032</b>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

## STATEMENT OF CHANGES IN TRUSTEES FUNDS FOR THE YEAR ENDED 30 JUNE 2015

	Retained Earnings	Forward Operating Expenses Reserve	Future Project Development Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2014	50,509	248,000	30,000	328,509
Total comprehensive income	15,457	-	-	15,457
Transfer to Future Project Development	(30,000)	-	30,000	-
<b>Balance at 30 June 2015</b>	<b>35,966</b>	<b>248,000</b>	<b>60,000</b>	<b>343,966</b>
Balance at 1 July 2013	38,112	248,000	30,000	316,112
Total comprehensive income	12,397	-	-	12,397
<b>Balance at 30 June 2014</b>	<b>50,509</b>	<b>248,000</b>	<b>30,000</b>	<b>328,509</b>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 1. Statement of accounting policies

#### REPORTING ENTITY

Community Education Trust Auckland (the Trust) is a charitable trust registered under the Charities Act 2005 and is domiciled in New Zealand. The Trust is a council-controlled organisation under Auckland Council as defined under section 6 of the Local Government Act 2002, by virtue of Auckland Council's right to appoint the Board of Trustees.

The primary objectives of the Trust are to undertake actions, programmes and initiatives that support and promote education and improve educational outcomes for persons living in Auckland, rather than making a financial return. Accordingly, the Trust has designated itself as a public sector public benefit entity for the purpose of External Reporting Board Standard A1 Accounting Standards Framework (XRB A1).

#### BASIS OF PREPARATION

##### STATEMENT OF COMPLIANCE

The financial statements of the Trust have been prepared in accordance with the requirement of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The Trust has elected to apply Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) (PBE SFR-A (PS)) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000, therefore eligible to report in accordance with Tier 3 Public Sector PBE Accounting Standards. All transactions in the financial statements are reported using the accrual basis of accounting.

##### GOING CONCERN

The financial statements have been prepared on the basis that the Trust is a going concern. This assumption is dependant on the continuing funding from Auckland Council.

##### MEASUREMENT BASE

The financial statements are prepared on a historical cost basis.

##### FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars (NZ\$).

##### BANK ACCOUNTS AND CASH

Bank Accounts and Cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

##### CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the financial year (last year - nil).

##### Application of Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) (PBE SFR-A (PS)) First-time Adoption of PBE SFR-A (PS).

The financial statements have been prepared in accordance with NZ GAAP, applying Tier 3 Public Sector PBE Accounting Standards. These are the Trust's first financial statements under PBE SFR-A (PS).

The financial statements of the Trust until 30 June 2014 had been prepared in accordance with NZ GAAP, applying the Framework for Differential Reporting for entities adopting the NZ IFRS and its interpretations as appropriate to public benefit entities that qualify for differential reporting concessions.

NZ IFRS differs in certain respects from PBE SFR-A (PS). When preparing the financial statements for the year ended 30 June 2015, management has amended certain accounting and valuation methods applied in the previous NZ IFRS financial statements to comply with PBE SFR-A (PS). Comparative figures have been restated to reflect these adjustments.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There has been no impact on the Trust's financial position or financial performance due to the adoption of PBE SFR-A (PS).

#### SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which materially affect the measurement of earnings and financial position, have been applied.

##### REVENUE

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable.

##### Grants

Grants received from Auckland Council are a significant source of funding to the Trust and are restricted for the purpose of the Trust meeting its objectives as specified in the Trust's Trust Deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions are not met. If there is such an obligation, the grants are initially recorded as grants received in advance (deposits for future services) and recognised as revenue when conditions of the grant are satisfied.

##### Interest income

Interest income is recognised as it accrues, using the effective interest method.

##### Partnership contributions received

Partnership contributions received are contributions received from our partners for co-hosting specific events. Partnership contributions are recognised as revenue when they become receivable.

##### EXPENSES

Expenses are recorded on the occurrence of recognition events.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONT'D)

### Partnership contributions

Partnership contribution expenses relate to the Trust's revenue which are passed on to partners as part of whole-project activities.

### PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are stated at cost, less accumulated depreciation.

### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the assets. Gains and losses on disposals are presented net in the surplus or deficit.

### Depreciation

Depreciation is calculated on a diminishing value basis over the expected useful economic lives of the assets concerned. The following rates have been used:

Furniture and fittings	0% - 16%
Office equipment	20% - 67%
Computers	30% - 50%

### INTANGIBLE ASSETS

Costs of software license, website design and database development are capitalised. Amortisation is calculated at 40% - 80% per annum on a diminishing value basis over the expected useful economic lives.

### IMPAIRMENT

#### Financial assets

The Trust assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics. All impairment losses are recognised in profit or loss and reflected in an allowance account against receivables.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted. For trade receivables, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default in payments are considered indicators that the receivable is impaired.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

### Property, plant, and equipment and intangible assets

Property, plant, and equipment and intangible assets are reviewed for indicators of impairment as at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. The impairment loss is recognised in the surplus or deficit.

### EMPLOYEE BENEFITS

#### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis.

A liability for sick leave is recognised 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 it will be used by staff to cover those future absences.

#### Defined contribution pension plans

Obligations for contributions to defined contribution pension plans (including KiwiSaver) are recognised as an expense in profit or loss when they are due.

### DEPOSITS FOR FUTURE SERVICES

Deposits for future services are recognised as current liabilities for income received for specific projects, which have not completed at balance date. The amount is calculated based on the income and expenses incurred for the specific projects.

### GOODS AND SERVICES TAX

These financial statements have been prepared exclusive of goods and services tax (GST), except for accounts receivables and accounts payables which are GST inclusive.

### INCOME TAX

The Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for this exemption.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONT'D)

### 2. Project segment

	2015		2014	
	\$		\$	
	Revenue	Surplus/ (Deficit)	Revenue	Surplus/ (Deficit)
General Administration	177,052	8,107	146,104	(13,881)
Leadership & Advocacy	211,345	(102)	229,296	34,495
Champion Education & Skills	332,027	12,796	-	-
Literacy, Language & Numeracy	213,002	(11,421)	76,474	2,702
Coordination	-	-	171,181	(14,734)
Skills Auckland	226,607	6,077	267,183	(1,445)
Data & Evidence	-	-	110,143	5,260
Corporate Recharge Elimination	(269,566)	-	(280,799)	-
<b>Total</b>	<b>890,467</b>	<b>15,457</b>	<b>719,581</b>	<b>12,397</b>

### 3. Deposits for future services

	2015	2014
	\$	\$
Champion Education & Skills	5,000	-
Literacy, Language & Numeracy	4,851	-
Coordination	-	28,333
Skills Auckland	92,926	-
<b>Total</b>	<b>102,777</b>	<b>28,333</b>

### 4. Donations

	2015	2014
	\$	\$
Storypark	147	-
Todd Foundation	-	28,333
<b>Total</b>	<b>147</b>	<b>28,333</b>

### 5. Grants received

	2015	2014
	\$	\$
<b>Grants from central or local government</b>		
Auckland Council	583,300	484,600
Department of Internal Affairs	5,652	-
Ministry of Business, Innovation & Employment	72,845	-
Ministry of Social Development	4,817	-
<b>Subtotal</b>	<b>666,614</b>	<b>484,600</b>
<b>Grants from non-governmental organisations</b>		
Auckland Communities Foundation	-	30,000
Lion Foundation	8,000	9,000
Lottery Grants Board	30,000	-
SKYCITY Auckland Community Trust	187,200	90,200
The Fletcher Trust	10,563	-
<b>Subtotal</b>	<b>235,763</b>	<b>129,200</b>
<b>Total</b>	<b>902,377</b>	<b>613,800</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONT'D)

### 6. Operating expenses

		2015	2014
		\$	\$
Audit Fees		11,000	10,700
Bank charges		414	665
Computer & ICT expenses		3,659	3,299
Depreciation & Amortisation exps	17	11,691	20,479
Events & seminars		12,945	23,440
General expenses		1,767	3,112
Insurance		3,574	3,419
Mileage		16,084	9,114
Office supplies		2,162	3,752
Parking		408	283
Postage & courier		1,967	3,818
Printing & copying		5,417	5,001
Professional services		83,139	25,367
Project Evaluation		-	780
Publications, brochures & media		17,637	15,755
Rental		29,081	29,589
Telephone & cellphone		7,924	6,390
Travel & accommodation		9,780	2,510
Website		1,183	819
<b>Total</b>		<b>219,832</b>	<b>168,292</b>

### 7. Human resource expenses

	2015	2014
	\$	\$
ACC levy	2,241	2,876
Professional development-staff	16,024	15,489
Recruitment expenses	4,403	-
Salaries & wages	454,516	428,846
K-saver employer contributions	13,324	12,704
Other employment expenses	5	232
<b>Total</b>	<b>490,513</b>	<b>460,147</b>

### 8. Property, plant, and equipment

	Cost	Accum depn	Carrying value
2015	\$	\$	\$
Furniture & Fittings	16,553	(4,113)	12,440
Office Equipment	4,550	(2,728)	1,822
Computers	23,557	(16,200)	7,357
<b>Total</b>	<b>44,660</b>	<b>(23,041)</b>	<b>21,619</b>
2014	\$	\$	\$
Furniture & Fittings	15,936	(2,232)	13,704
Office Equipment	4,800	(2,215)	2,585
Computers	23,435	(10,850)	12,585
<b>Total</b>	<b>44,171</b>	<b>(15,297)</b>	<b>28,874</b>

### 9. Intangible assets

	2015	2014
	\$	\$
Cost	9,547	16,414
Accumulated amortisation	(6,936)	(10,675)
<b>Carrying Amounts</b>	<b>2,611</b>	<b>5,739</b>

### 10. Allocation of reserves

	2015		2014	
	\$		\$	
<b>Contingency funds</b>				
- Forward operating expenses	248,000		248,000	
- Future project developments	60,000	308,000	30,000	278,000
Retained earnings		35,966		50,509
<b>Total reserves</b>		<b>343,966</b>		<b>328,509</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONT'D)

Contingency Funds are part of the reserves that are set aside for a specific purpose. Forward operating expenses provide funds for three months operating expenses. Future project developments are funds set aside to launch new projects that do not have guaranteed external funding or to underwrite projects not funded.

### 11. Capital management

The Trust's capital includes accumulated trustees' funds. The Trust's policies in respect of capital management and allocation are reviewed regularly by the Board of Trustees. There have been no material changes in the Trust's management of capital during the period. The Trust is not subject to any externally imposed capital requirements.

### 12. Lease and capital commitments

#### NON-CANCELLABLE OPERATING LEASE PAYMENTS:

	2015	2014
	\$	\$
Not later than one year	27,188	26,788
Later than one year and not later than 5 years	78,137	103,725
Later than five years		

### 13. Contingencies

There were no contingencies as at 30 June 2015 (2014: \$NIL).

### 14. Related party transactions

#### AUCKLAND COUNCIL

The Trust is a council-controlled organisation and receives a significant amount of grants from Auckland Council to deliver outcomes as specified in each year's Statement of Intent.

The total amount of income received from Auckland Council is disclosed in note 16. There was no outstanding balance at 30 June 2015 (2014: \$NIL).

Goods and services of \$8,088.50 (2014: \$60.26) were purchased from Auckland Council. There was no outstanding balance at 30 June 2015 (2014: \$NIL).

#### AUCKLAND COMMUNITIES FOUNDATION (ACF)

Alison Sutton, one of the key management personnel of the Trust, is a trustee of ACF. The total amount of income received from ACF was \$NIL (2014: \$50,000). The balance of receivable at 30 June 2015 was \$NIL (2014: \$5,750).

#### AUCKLAND UNIVERSITY OF TECHNOLOGY (AUT)

Goods and services of \$914.20 (2014: \$98) were purchased from AUT, an organisation in which Richard Hall, the Chairperson of the Trust's Board of Trustees, is a member of the key management personnel. At balance date, there was no outstanding balance.

### 15. Post balance date events

There have been no post balance date events.

### 16. Revenue

	2015	2014
	\$	\$
Contributions from Auckland Council	613,300	486,741
Contributions from all other sources	277,167	232,840
<b>Total</b>	<b>890,467</b>	<b>719,581</b>

### 17. Depreciation & Amortisation

	2015	2014
	\$	\$
<b>Depreciation by category</b>		
Furniture & fittings	1,881	2,075
Office equipment	735	1,207
Computers	5,947	10,850
	8,563	14,132
Amortisation	3,128	6,347
<b>Total</b>	<b>11,691</b>	<b>20,479</b>

