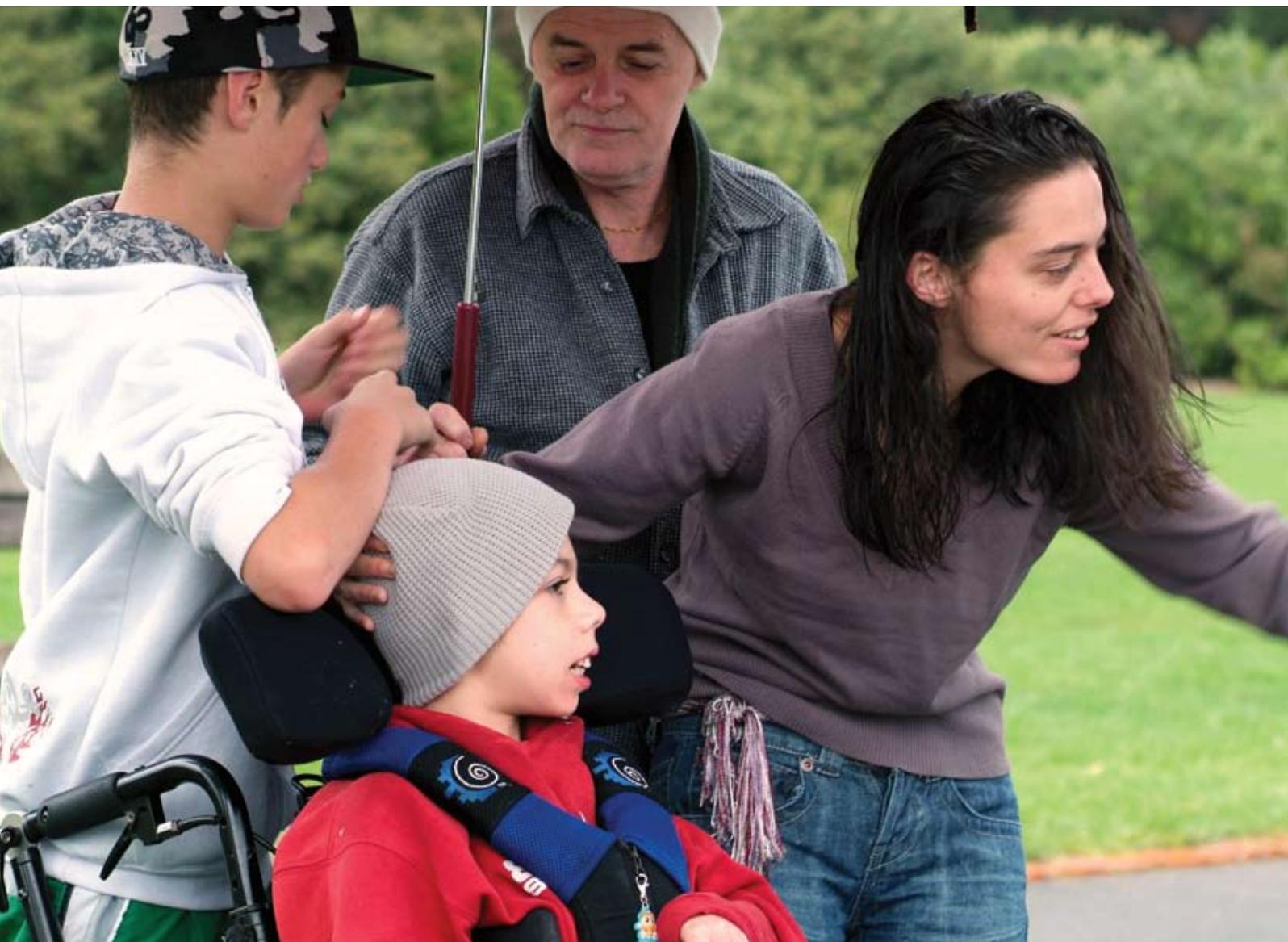


families commission
kōmihana ā **whānau**



ANNUAL REPORT
➤ **2006**



families commission
kōmihana ā **whānau**



ANNUAL REPORT

of the Families Commission for the year ended 30 June

 **2006**

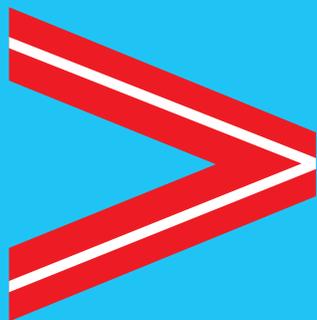
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highlights



During 2005/06, we focused on expanding and consolidating our knowledge base by talking with and researching families and establishing extensive networks within communities and government. Key projects were completed, providing a solid platform on which to launch our strategic focus for 2006 and beyond.

Key highlights for the Families Commission for the year ending 30 June 2006 included:

Families with dependent children – successful outcomes

This project identified factors that contributed to, or acted as barriers to, family well-being, and the trade-offs that families had to make to achieve wellbeing.

Family violence prevention

Our focus was on changing attitudes towards violence. Work included sponsoring a conference and forums, hosting seminars on changing attitudes and participating in the Taskforce for Action on Violence within Families.

Impacts of government policies on families

Methodologies for ‘family-centred’ policy analysis and evidence of the impact of government policies on the family form were analysed and guidance provided on the most suitable use of the different methods.

Investing in research

We administered two research funds, which generated a significant increase in knowledge about contemporary New Zealand families.

The Couch

More than 2,000 people joined the Commission's online panel for feedback on family issues. Their views provided a unique insight into the challenges facing New Zealand's families.

Community engagement programme

More than 15 large-scale meetings and visits were completed by Commissioners and staff. The views of a wide range of groups and individuals interested in families were obtained.

Public education and information

We sought opportunities to promote informed debate on issues important to family life. We published research reports, brochures, newsletters and helped fund a handbook promoting non-physical methods of discipline.

Capability enhancement

Personnel and management systems were reviewed and enhanced. We are a leader in family-friendly work policies.

chief commissioner's overview



Families are central to our lives, our communities and to society. Families are responsible for shaping the identity of their children, for providing emotional and material support and for passing on knowledge, culture and values from one generation to the next. Families also shape our social fabric by creating and socialising its future citizens and workforce. Families are also the first line of social support and many government and community services are provided to families.

There are many expressions of concern about the family in New Zealand society. While much is said about the importance of families and the family unit, our focus in policy and practice is still largely on the individual. It is important that we understand families' needs so that policies and social investments are beneficial. Business practices and community life could also better reflect the needs of families. As a society, we have some way to go before families are automatically put first in our planning and considerations.

A range of state and non-governmental organisations have been established to provide services to support the family. The Families Commission does not duplicate these functions; it advocates for the interests of families generally and its role recognises the importance of families to the economic and social wellbeing of New Zealand.

The Commission has now completed its second year. The focus of 2005/06 was on finding ways to give families a voice; learning more about New Zealand families, their concerns and challenges; and generating a work programme based on this knowledge.

We used traditional methods and developed a novel approach to gather information and engage with families, including setting up The Couch – our online feedback panel. We also carried out an extensive programme of visits by Commissioners to communities throughout New Zealand. We continued our research activities and supported other researchers and practitioners to publish and disseminate their material on families. We provided policy advice in a number of areas and continued to develop the organisation and its relationships across all sectors of society. This report details those activities.

We have identified four key areas of contemporary family life that will provide the basis for much of our work in 2006/07 and the future. They are: positive family functioning; parenting capacity and resources; economic circumstances of families; and family knowledge.

Within our positive family functioning work we will continue to examine issues affecting families with older members, and families with members who have disabilities. This work is extended by a significant focus on family violence. Families have made it clear to us that the high levels of family violence within New Zealand are unacceptable. Such violence affects all members of the family and seriously impacts on their participation in society. The Commission is taking a proactive approach to preventing family violence, working closely with other agencies and community groups to change our culture of violence (including the repeal of Section 59 of the Crimes Act 1961). We are working in partnership with the Ministry of Social Development to design and deliver a national awareness and behaviour-changing programme. We are also carrying out research into family violence, including the largely invisible issue of elder abuse.

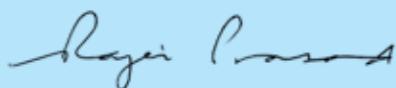
Our parenting capacity and resources work reflects our understanding of the crucial role that parenting plays in child development. Our initial research showed that parenting support was of major concern to families. We learned that parents have difficulty accessing relevant parenting education programmes and support. The Commission is working with the public and private

sectors to help co-ordinate parenting education and relationship counselling programmes, and we will develop a best-practice guide for parenting programmes.

The economic circumstances of families have a direct impact on the wellbeing of families. Poverty, income, cost of living and trying to achieve a balance between work and family and community commitments are all related to a family's economics and wellbeing. Families and research tell us that work-life balance is a major issue, especially for families with dependent children. The Commission will develop advice for extending and enhancing parental leave provisions, including specific leave for new fathers. We will work with other agencies, including employers and unions, to promote best practice in flexible work. We will also undertake work on the economics of low-income families.

A broad-based understanding and knowledge about families and their needs is vital for our future society. It is important that families are appropriately supported so that they are resilient, strong and able to make positive contributions to society. The research we have carried out over the past year and our discussions with a wide range of families and family-related organisations is helping us to build our knowledge base. We will continue to invest in and carry out quality research and make sure the results are widely disseminated. The Commission's contribution to the enhancement of this knowledge base about families is a significant investment over the next three years.

The Commission is well-placed to give New Zealand families a voice. We are focused on the key issues facing families and are advocating for their interests in the development of policy and with decision-makers. We are generating high-quality information and promoting a better understanding of families. We will continue to gather the views of families and are grateful to the many thousands who have shared their insights and ideas with us. The combined information and understanding means the Commission is well able to work with other agencies to help in the design and delivery of policies and services that better support families.



Rajen Prasad
Chief Commissioner

chief executive's review



Since joining the Commission in November 2005, I have taken a structured approach to the review of our strategic plan, approaches and systems. This has involved a review of our strategic planning process and, as you will see from the 2006/07 Statement of Intent, we have achieved much more alignment between our outputs and outcomes.

The Output Agreement for 2005/06 was reviewed mid-year and a number of priorities were amended accordingly. The work programme was substantially delivered on time to the standards agreed with the Minister. We have implemented family-friendly work practices, which I believe have already been of benefit to the organisation by being able to attract and hold on to high-calibre professional staff.

Our publication and public information programme has been a cornerstone of the Commission's work. We launched the first edition of the Commission's newsletter *Family Voice*. It provides information on our research projects, public meetings, seminars and community engagement activities. Our active publications programme included more than 10 research reports; the brochure *The Changing Face of New Zealand Families*, which provides facts and figures on how New Zealand family life has changed over the last 50 years; and a new *Family Focus* series of flyers. The first, *Moving Closer to a Violence-free Society*, featured the Families Commission's view on Parliament's consideration of a Bill to repeal Section 59 of the Crimes Act 1961.

The most important decision made during the past financial year was to prioritise our future work programme into four work-stream priority areas. This will enable us to make a substantial difference to families in these areas and not dissipate our efforts so widely as to be ineffectual. This is a major risk as everything that happens in our society, whether it is work, life or play, impacts on our families.

I am very pleased with the achievements of the Families Commission during the 2005/06 year. It has been a year of consolidation while, at the same time, identifying our strategic future direction. I am sure that over future years the Families Commission will make a direct and beneficial impact on the success of families in New Zealand.

I would like to place on record my appreciation to our many stakeholders who have supported us during the year, including government agencies, not-for-profit organisations and the philanthropic sector. We look forward to working with you over the coming years.

A handwritten signature in black ink, which appears to read 'Paul J Curry'. The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Paul J Curry
Chief Executive



PART ONE

the families commission – two years on

the families commission – two years on

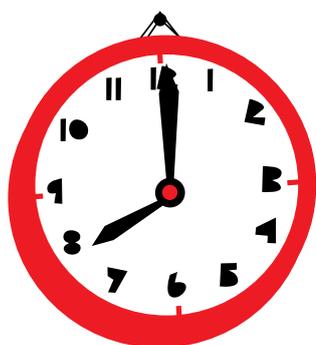
The role of the Families Commission is to generate knowledge and stimulate debate about family issues, and to advocate for families in general. Our specific functions under the Families Commission Act 2003 include to:

- > encourage and facilitate informed debate about families**
- > increase public awareness and promote better understanding of matters relating to the interests of families**

- > encourage and facilitate the development and provision of government policies designed to promote or serve the interests of families**
- > stimulate and promote research into families.**

In 2005/06, we completed a substantial work programme that addressed all aspects of our functions. The following pages highlight key achievements from the completed work programme.

families with dependent children – successful outcomes project



Finding out what makes families tick

This year saw the completion of one of the largest projects we have undertaken. To enhance our understanding of families, we initiated the *Families with Dependent Children – Successful Outcomes project*.

The objective was to improve the understanding of successful outcomes for families with dependent children by exploring the characteristics of family wellbeing as defined by families themselves. The project also examined the factors that contributed to, or acted as barriers to, family wellbeing and the trade-offs that families had to make to achieve wellbeing. The project comprised research (a literature review and focus groups) as well as a nationwide consultation. In all, nearly 4,000 people provided information to the Commission about their family life and a number of reports were produced, including this year the final two reports, *Focus on Families: Reinforcing the Importance of Family*, and *What Makes Your Family Tick?*

Focus on Families brought together findings from a literature review and information from 43 focus groups held around the country. This was followed by *What Makes Your Family Tick?* This reports on our analysis of 3,673 submissions about what makes families strong, the challenges they face, the choices they have made to improve family life, and what, in their view, would make things better for their families. The views of the families involved in the family groups and the families that made submissions to the Commission were very similar and provide an insight into the interests and concerns of a broad spectrum of New Zealand families.

This study of families with dependent children shows that the support they need is a complex business that needs to correspond to their changing circumstances and the wide-ranging influences on family life throughout that family's life span. Families need time and strong relationships to meet the demands of life. They want policies and services that will help improve their work-life balance; for example, appropriate childcare and family-friendly employment policies and practices. Families also need access to information about good parenting and to support during times of trauma and distress.

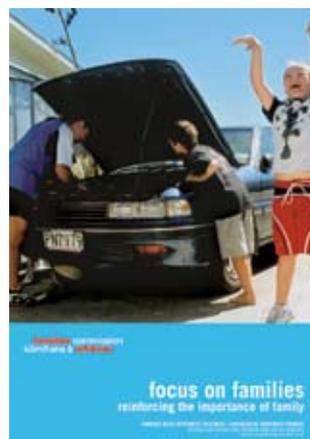
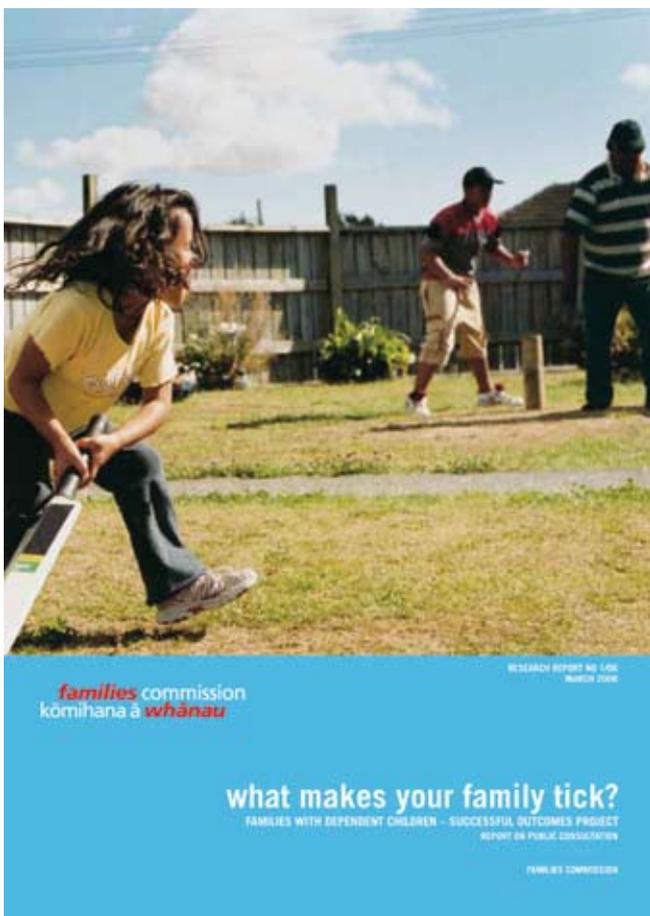
The interdependence between families and the environments in which they live is reflected in the need families have for supportive networks. Family members spoke about the importance of friends and families, their need for provision of and good access to services in their community.

Families are regular users of services provided by government and other agencies and these are often governed by policies and procedures determined without the direct input of families. In their submissions, families highlighted the importance of health, education, housing and childcare policies. While availability and accessibility were considered important for families, there was also a strong message about the need for an adequate income. Many families were struggling to make ends meet.

Our study shows that New Zealand families have a sense of the values and philosophies they want supported and reflected in their lives. These range from cultural values to those that are faith-based and those concerning social exclusion and acceptance of diversity. The ability of families to provide the best environment for nurturing the citizens and workers of tomorrow is intimately linked to how society develops values and philosophies that support families.

This project has provided us with an evidential basis for our advocacy on behalf of families. With the Children's Commissioner, we have used the results in a number of presentations to conferences and other organisations, and they have formed the basis for discussion at a workshop with practitioners, providers and policy analysts.

Other government agencies have requested copies of the reports, and it is likely that the results are being incorporated into policy development. We will do further work on some of the issues raised by the project. In particular, we followed up with a more focused consultation on parenting education. Parenting and reconciling work and family life are being further explored in the Commission's work programme for 2006/07.



family violence prevention



Contributing towards the elimination of family violence

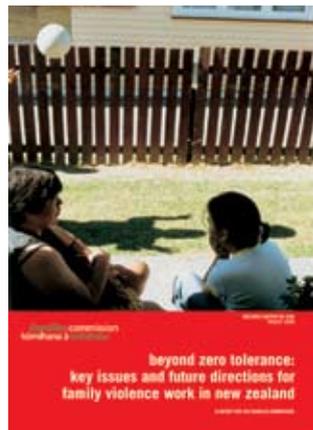
Family violence levels in New Zealand are unacceptably high. Family violence affects all facets of society – children, elderly family members and partners. It also generates a substantial cost to the economy. Addressing family violence is one of our key priorities.

A report completed for the Commission in August 2005, *Beyond Zero Tolerance: Key Issues and Future Directions for Family Violence Work in New Zealand*, by researcher Janet Fanslow, developed a theoretical framework to guide our future work in this area. Dr Fanslow concludes that attitudes towards family violence need to change.

This can be achieved by promoting changes in attitudes and actively fostering positive, healthy relationships. All sectors will need to establish common and clear goals and collaborate on priorities for responding to family violence. The response will need a mix of new and existing initiatives that promote healthy relationships in all areas of society, including homes, schools, churches and communities. The media and central and local government will also have an important role to play. The report emphasises the importance of a sustained response across all sectors of society and communities and recommends more research to track the success of various intervention and prevention strategies.

We endorse this call for action. The Commission has been putting energy into initiatives to change society's attitudes to violence and promoting the need for a nationwide campaign. Work included supporting the National Network of Stopping Violence Services conference, in October 2005. The conference brought together international and national experts in the field of family violence.

As part of this sponsorship, we hosted seminars in Christchurch and Wellington by two international social change experts. Dr Robert Donovan, Professor of Social Marketing and



Behavioural Research at Curtin University, Western Australia, discussed his involvement with a successful family violence television campaign aimed at abusive men. Social marketing campaigns, such as this one, use marketing tools, including advertising, consumer research and sales promotions to achieve socially desirable goals. American social change expert Paul Kivel also spoke about his work in violence prevention, which involves offering information and insight into human behaviour as a way of encouraging a change in attitudes.

As part of our public education work, we supported local White Ribbon Day initiatives, on 25 November 2005, to raise awareness of issues involving family violence. We supported calls for men to speak out against family violence and produced resources suggesting simple steps that could be taken to bring about change.

The Chief Commissioner is a member of the Taskforce for Action on Violence within Families. The taskforce has endorsed the call for a campaign to change attitudes and behaviour towards violence within families. As a first step, in February 2006 we provided \$100,000 towards research designed to provide an understanding of the motivations, attitudes and behaviours of the perpetrators of partner violence. The results will be used to guide a longer-term strategy to change attitudes and behaviours around family violence. The Ministry of Social Development also contributed to this research.

The Commission has also supported calls for a change to the law to further protect children from assault and provided a submission on the Bill to repeal Section 59 of the Crimes Act 1961. This section allows parents arrested for assaulting their children to use the special defence that the assault was justified, reasonable and carried out to discipline the child.

In developing our submission, we canvassed national and international research evidence on the physical punishment of children, looked at recent legal developments and hosted, with the Office of the Children's Commissioner, a forum on *Effective Discipline of Children – What Works Best for Children and Families*, for representatives from non-government organisations working with parents and in family violence prevention.

Research shows that most child abuse cases begin as physical punishment. Hitting children also models violence as a way of resolving conflict and leads to a greater tolerance of violence.

It is the Commission's view that repealing Section 59 is a step that, combined with other nationwide efforts to address violence, will help us become a violence-free society.



impacts of government policies on families

Reviewing the impacts of government policies on New Zealand families

Given the Commission's role in advocating for families in policy processes, one of the first projects completed in 2005/06 considered two key questions:

- 1 How can family-centred policy analysis be undertaken?**
- 2 What is the impact of government policies on families?**

Published in 2005, *Methodologies for Assessing the Impact of Public Policies on Families* reviews approaches to assessing the impacts of government policies on families and considers how they could be adapted and applied to New Zealand families.

The report identifies four methodologies that can be used to apply a 'family-lens' to the planning and implementation of policies. Developing family-centred policy analysis at an early stage will lead to policies and services that are better able to achieve positive outcomes for individuals, families and society.

The review, however, concludes that these methods need to be applied early in the development of policies and that, to date, conventional policy analysis tends to focus on individuals in isolation from their family context.

We are working with other government agencies to make the case for policy analysis that recognises the importance of families to the lives of individuals and wider society.

The second report, *Review of the Empirical Literature Assessing the Impacts of Government Policies on Family Form*, provides evidence as to the influence of government policies on partnership formation, dissolution and reconstitution, fertility decision-making, family size and family living arrangements.

The report concludes that government plays a minor role in influencing people's decisions to form couples, bear children or end relationships. It does, however, suggest that while evidence of direct policy impact on the family form is limited, government may have a greater influence on families through more indirect and complex pathways. For example, research on fertility decision-making indicates that economic insecurity is a significant barrier to childrearing, and numerous policies and services influence labour-market outcomes and family living standards.

This project has generated significant knowledge about the interface between government policies and families. Such information has been used to advocate for a family-centric approach to policy development, providing the tools and rationale for doing so.



families commission
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RESEARCH REPORT NO 5483
OCTOBER 2010

methodologies for analysing the impact of public policy on families

A CONCEPTUAL REVIEW

A REPORT FOR THE FAMILIES COMMISSION



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RESEARCH REPORT NO 2106
APRIL 2008

review of the empirical literature assessing the impacts of government policies on family form

A REPORT FOR THE FAMILIES COMMISSION

the couch

Using the Commission's interactive website to obtain the public's views on issues relating to family life

One of our key roles is to generate knowledge about family issues. We have sought innovative ways to do this, including the development of an interactive website where people can share their views on family life online. By the end of the financial year, almost 2,000 people had joined our new online feedback panel called The Couch (www.thecouch.org.nz).

Launched in April 2006, The Couch gives people an opportunity to provide their views and feedback on specific issues, particularly on matters connected with parenting, work-life balance and family violence, along with topical issues as they arise. Knowing more about people's experiences helps the Commission in its advocacy to improve services and support for families. It also helps inform the advice provided on proposed government policies and in targeting our public education programme.

The first poll on The Couch was designed to find out where parents learnt their parenting skills, and the results will contribute to our work on the need for nationwide access to quality parenting support. Almost all of the 1,120 people who responded said that learning parenting skills was important and more than half would attend a class to gain new information. One in four said they did not feel informed when they first became a parent. Most said they would turn to books, leaflets, magazines, friends and family to gain parenting information. Many would also use the internet for information and around 60 percent would seek help from parenting organisations, such as Plunket.

The second poll asked a series of questions about how families kept in touch and what was important to families when considering whether to move to another country. Just over 1,500 people responded. They told us that earning a higher income, living closer to family and friends, and experiencing another culture would be the most important considerations if moving overseas. Just under half (45 percent) had relatives living in Australia and, when asked to pick a country other than New Zealand, that's where many would choose to live.

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SIT BACK AND TELL US WHAT YOU THINK

Join us on The Couch, our new online panel where you can give us your views on the issues facing Kiwi families.

We'd like your feedback on issues like balancing work and family commitments, how to tackle family violence, parenting education and other hot topics of the day. Understanding what you think about these issues helps us advocate for better policies, services and support for Kiwi families.

Sign up at www.thecouch.org.nz



investing in research

Commissioning innovative family-related research

Another of our key roles is to support and promote research on issues about families and generate knowledge for those who work with families. In 2005/06, the Commission had two contestable research funds for research outside the focus of the Commission's work.

The first of these, the Blue Skies Fund, is intended for new research, emerging ideas and 'ideas papers' to examine contemporary and emerging family issues. The second, the Innovative Practice Fund, is for a wide range of New Zealand family practitioners (such as social workers and all other providers of services working with families) and researchers to investigate innovative practice methods and approaches.

The Blue Skies Fund

Our Blue Skies Fund, an annual pool of \$100,000, held funding rounds in September 2005 and March 2006. A large number of applicants proposed a wide variety of study topics. The following studies were awarded a research grant in 2005/06:

New Zealand's Cultural Norms of Parenting and Childcare

Mervyl McPherson, Social, Demographic and Evaluation Research, Auckland

This report will explore New Zealand women's ideas, beliefs and values around children's care needs and the roles of mothers/parents and public/private childcare, and how that relates to decisions about labour force participation. It will also deliver information on perceived roles of the state, the private sector, the community and families in relation to childcare.

The Role of Whānau in the Lives of Māori with a Disability

Adelaide Collins, Māori Development Research Centre (MDRC)

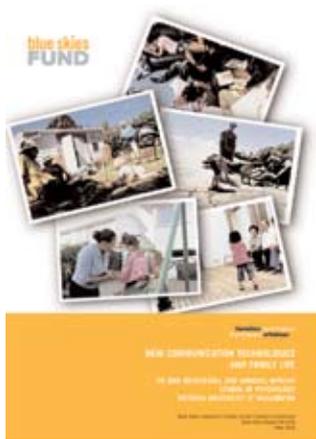
The research will identify whether the whānau is the primary or secondary social and economic unit in the lives of Māori with a disability, the part that whānau play in supporting a member with a disability and the factors that help and hinder the wellbeing of whānau when a member has a disability.

A Statistical Typology of New Zealand Households and Families

Professor Charles Crothers, Auckland University

This report uses data from the Ministry of Social Development's Standard of Living (SOL) survey(s) on members of the household, and information on their relationships within the household, including their membership (or not) of the 'core economic family'. The aim is to develop an empirical typology that will then be related to 'aggregate attributes' of the household, such as household assets and amenities.

blue skies FUND



New Spaces and Possibilities: The Adjustment to Parenthood for New Migrant Mothers

Ruth DeSouza, Centre for Asian and Migrant Health, Research Faculty of Health and Environmental Science, Auckland University of Technology

Research on parenting in New Zealand often omits the experiences of ethnic women, a growing community in New Zealand. As a result, policy and services have not developed a systemic response to their needs, resulting in *ad hoc* delivery of services. This project addresses this gap in knowledge through exploring the parenting experiences of ethnic women in order to identify possible improvements in policy and service delivery relating to health and social practice, including community-based strategies.

Korean Migrant Families in Christchurch: Expectations and Experiences

Suzana Chang, Dr Carolyn Morris and Dr Richard Vokes, Department of Sociology and Anthropology, University of Canterbury

The aim of this project is to explore the experiences of Korean migrant families in Christchurch in their attempts to forge a new sense of home in their host country. The project seeks to examine the ways in which family life and family forms are reordered and reconstructed, including through participation in different kinds of churches.

Fairness, Forgiveness and Families

Dr Shane Harvey, Professor Ian M. Evans and Tomoko Yamaguchi, School of Psychology, College of Humanities and Social Sciences, Massey University, Palmerston North

This study will investigate what forgiveness means to children, whether parental forgiveness mediates children's forgiveness, and how forgiveness interacts with family relationships. The forgiveness styles used by parents will also be evaluated. One of the unique angles this study takes is that perspectives about families and forgiveness will be mostly taken from the point of view of the child.

Diverse Forms of Pacific Families and their Financial Decision-making Approaches

Dr 'Ana H. Koloto, Takinga-Iva Singsam, Alisi Katoanga, Christina Atoa Tapu and Emosi Koloto, Koloto & Associates Ltd, Manurewa, Auckland

This study is to undertake an analysis of relevant data from the 268 randomly selected Pacific households that took part in the 2005 Pacific Living Standards study. The analysis will focus on data that will provide insights into the different types of families and the nature of the family relationships within Pacific households. It will also examine how different forms of family make financial decisions.

Managing Multiple Sclerosis and Motherhood: An Interpretive Descriptive Study

Dr Deborah Payne, Professor Kathryn McPherson and Susan Crerar, Centre for Midwifery and Women's Health Research, Auckland University of Technology

The qualitative study will interview mothers with Multiple Sclerosis (MS) about their experiences of pregnancy, birth and mothering children up to the age of five years. The interviews will be semi-structured with a focus on questions about experiences of pregnancy, birth, breastfeeding and early motherhood; strategies used to manage MS in relation to these stages, including resources, types of support and relationships with health professionals; concerns/issues in early motherhood; and ideas about what would have helped manage early motherhood more easily.

The Innovative Practice Fund

The Innovative Practice Fund was established during the 2005/06 year with an annual budget of \$100,000 for dynamic new practice-based work. There is one call for proposals each year, which closes in June. Grants are awarded for projects of up to two years' duration, and to a maximum of \$15,000 a year. In the 2005/06 year, the following studies were funded:

Developing a New Practice Paradigm: Theories of Change in Family-centred Services

Bruce Maden and Te Aroha Noa Community Services, Palmerston North

This study, over two years, intends to identify the contribution that theories of change may be able to make in New Zealand to advance our knowledge and capacity to intervene effectively; evaluate what happens in diverse programmes, taking account of diverse needs and identities; and, from this, develop a framework to assist family practitioners to better understand the role of practice in whānau/family change.

Growing Research in Practice

Neil Lunt and Christa Fouché, School of Social and Cultural Studies, Massey University at Albany

The Families Commission has funded this study together with other organisations. Over two years, this project aims to develop an understanding of what works in facilitating the uptake of research and results among social-work practitioners within organisations and in practice settings. The project includes a number of methods: seminars, demonstration studies, research mentoring and a final symposium. Individuals experienced in practice research are involved to support seminars and skill development and to offer advice and encouragement to the people involved in the demonstration studies. The project will result in a resource manual.

Improving Work-life Balance for Domestic Purposes Beneficiary Sole Parent Families

Paul Blair and Natalie Cowley and Rotorua People's Advocacy Centre (RPAC)

This single-year project aims to identify positive and negative aspects of the existing Personal Development and Employment (PDE) Plans process and the real-life implications of these for Domestic Purposes Benefit (DPB) recipients. The researchers, through a free, professional advocacy service, will be providing advice, support and representation for the DPB recipients engaged in the PDE Plan process, and will extend this service to include enhanced access to review and appeal rights under the provisions of the Social Security Act 1964. The study will evaluate the research and pilot project with a view to providing recommendations for sustained improvement in PDE Plan processes and outcomes.

Child-inclusive Counselling at the Time of Parental Separation

Jill Goldson, UNITEC

This single-year pilot study will examine the efficacy of working with the entire family at the time of parental separation, and whether child inclusion in mediation enhances the likelihood of parental agreement and minimises adverse symptoms for the child.

Building Strength Moving Forward – He Arorangi Whakamua: Ngāti Hauiti Whānau Project

Dr Heather Gifford, Whakauae Research Services, Wanganui

This single-year funding will extend the current intervention research He Arorangi Whakamua to further develop and implement an evidence-based parenting skills programme that will increase parenting confidence for Ngāti Hauiti whānau, and to externally validate the intervention framework by an independent evaluator.

Disseminating our research

Research generated by the funds is published and freely available on our website and as printed documents within a few weeks of completion. Seven Blue Skies-funded research reports were completed and published in 2005/06. These included a study that examined the effects on children of parents who drink heavily (*Families and Heavy Drinking*, Girling et al 2006). Another explored the issues for families with members living overseas (*New Zealand and Transnational Family Obligation*, Lunt 2006).



community engagement programme

Identifying the issues for families through engagement with community groups and families

The aim of our Community Engagement Programme is to obtain the views of the wide range of organisations, groups and individuals who have an interest in families.

In the past year, we focused on talking with family members and those working with them throughout the country. To do this we organised a variety of forums and public meetings and participated in several big festivals and events. A particular highlight was co-organising the Cantabrians Igniting Change forum, in October 2005.

Forums and stakeholder meetings

Through a combination of public meetings and liaison with stakeholders, Families Commission staff and Commissioners spoke with a wide range of people and groups, including community organisations, non-government organisations (NGOs), local government, central government and individual members of families and whānau.

We organised several interactive forums where people told us about the issues affecting families in their communities, and we shared information about our work.

In November 2005, Commissioners spent three days meeting West Coasters in Hokitika, Westport and Greymouth. A hui was also hosted by Ngāi Tahu hapū Ngāti Waewae at Arahura Marae. Participants included families, school principals, local government councillors and representatives from community organisations and government agencies.

Other forums were organised around the country, including a large event in Porirua, in October 2005. Just over 200 people from a host of community organisations, government agencies, NGOs, the local council and individual families, met over a two-day period. The forum included an open session to discuss issues affecting families in general as well as providing a chance for participants to join in workshops on issues facing Māori whānau, families with an older member and Pacific families.

In addition to official forums, Commissioners and staff have kept well informed about family issues by visiting large and small centres throughout the country. We have met families and stakeholders in the following locations in 2005/06: Ashburton, Christchurch, Cromwell, Dunedin, Gisborne, Greymouth, Hokitika, Invercargill, Maungaturoto, New Plymouth, Porirua, Queenstown, Riverton, Wairoa, Waipukurau, Wanganui, Warkworth, Wellington, West Auckland and Westport.



Actions following meetings have included:

- > letters to government agencies on specific matters of concern raised during the meetings
- > the distribution of research documents to those attending meetings
- > reports completed for forums and distributed to participants
- > promoting access to the Families Commission's research funding
- > ongoing involvement at local level.

Where opportunities have arisen over the past year, Commissioners have spoken at conferences and forums. This has included presentations to the South Island Budgeting Services Network forum, Dunedin Strengthening Families workshop, Tairāwhiti Abuse Intervention Network meeting and Pacific Foundation Symposium.

Cantabrians Igniting Change forum

Along with the Christchurch City Council and Family and Community Services' southern office, we organised the Cantabrians Igniting Change forum in an effort to spark a change in attitudes towards family violence in Christchurch. Participants discussed several ideas, such as having a high-profile 'champion' against family violence, a 'blue-glove day' on which individuals could publicly show their opposition to family violence, and providing information and support to staff in the workplace.

Public events

Rather than waiting for people to come to us, an effort was made to go to where people were gathering in large numbers. We attended migrant expos in Auckland, in October 2005, and Christchurch, in May 2006, to discuss the Commission's role and work with migrant and refugee families. We also promoted our work at the 2006 Pasifika Festival in Auckland, in March 2006. Some 250,000 people attended the event and hundreds visited the Commission's marquee to ask questions and obtain information. We sponsored the Children's Stage to help raise our profile in the Pacific community. We also participated in the CreekFest festival in Cannons Creek, Porirua, in March 2006.

Issues Register

In the past year we established an Issues Register to document family-related issues communicated by stakeholder groups and families. Issues recorded in the register are helping to inform, and in some instances guide, our work. The register will be further developed over the coming year.



public education and information

Informing the public about new and emerging issues for New Zealand families

Promoting informed debate and increasing public awareness on family-related issues is an important aspect of our work. Over the past year, we have continued to raise our public profile through a range of public education and information initiatives.

Promoting public debate

The Commission has continued to seek opportunities to promote informed debate on issues important to family life. Alongside other agencies, for example, we have been promoting the debate on issues surrounding the physical discipline of children and how parents can raise their children in more positive ways. The Commission has also been calling for a long-term, multi-faceted public information campaign to change society's attitudes to family violence.

Publications programme

The Commission produces a range of research, corporate and general publications to support its advocacy for better policies, services and support for New Zealand's diverse range of families and whānau.

In October 2005, the Commission launched its first edition of the newsletter *Family Voice* to tell our audiences about our work. It provides information on our research projects, public meetings, seminars and community engagement activities. Further editions of *Family Voice* were published in February and June 2006 and in future years the newsletter will be produced four times a year. The mailing list has continued to grow and, at 30 June, it numbered approximately 3,000 individuals and organisations.

Five major research reports and seven Blue Skies reports were published during the year. Other publications produced included the brochure, *The Changing Face of New Zealand*



Families, which provides facts and figures on how New Zealand family life has changed over the past 50 years.

A new Family Focus series of flyers was launched in June 2006 with the first, *Moving closer to a violence-free society*, featuring the Families Commission's view on Parliament's consideration of a Bill to repeal Section 59 of the Crimes Act 1961.

We also helped UNICEF and the Children's Commissioner to fund the reprinting of the booklet, *Children are Unbeatable, 7 very good reasons not to hit children*, and accompanying CD.

The booklet helps promote better understanding of the risks associated with hitting children, as well as providing practical information on non-physical forms of discipline.

Mediascape sponsorship

We have continued to develop strong networks and partnerships with a number of central and local government agencies, interagency groups, universities, non-governmental and community agencies, and business and professional organisations.

Specific opportunities have been sought to build on these partnerships and, in recognition of the growing influence of media on family life, we were pleased to sponsor the development of Mediascape – New Zealand's first one-stop-shop for information and resources about the media.

The Commission, along with the Advertising Standards Authority, Broadcasting Standards Authority and the Christchurch Polytechnic Foundation, sponsored the development of the Mediascape website by the New Zealand Broadcasting School.

Mediascape (www.mediascape.ac.nz) includes tips on broadcasting and media use for families, local perspectives on media debates, news on media developments and important best practice and local media research.





PART TWO

governance and operational management

providing good governance and effective operational management

The Families Commission Board

The Board is the Commission's governing body. It is appointed by the Minister for Social Development and consists of at least three, but not more than seven, Commissioners. The Minister must appoint one of the Commissioners as the Chief Commissioner and may appoint another Commissioner as the Deputy Chief Commissioner. Each appointment is for up to three years with the potential for reappointment. The Board reports to the Minister quarterly against its Output Agreement.

Board's role and responsibilities

The Board's role is to:

- > oversee the governance and performance of the Commission
- > set the strategic direction and priorities of the Commission
- > select and appoint a Chief Executive and monitor the Chief Executive's performance
- > approve the annual work programme and budget of the Commission
- > approve the key annual accountability documents (eg the Statement of Intent and Output Agreement).

The Crown Entities Act 2004 sets out the collective and individual duties of Board members.

Chief Commissioner

The Chief Commissioner is the senior statutory and full-time appointment of the Commission and is responsible for:

- > leading, chairing and managing the Board
- > providing leadership and guidance for Commissioners
- > providing the public face of the Commission as its senior public appointment
- > working with, and providing guidance to, the Chief Executive on strategic matters, work programme priorities, public or media matters and any performance matters.

Commissioners

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

- > providing expertise, advice and input into issues and work the Commission is considering or undertaking
- > providing the public face of the Commission through engaging on a regular basis with the community (at national, regional and local levels)
- > undertaking elements of the Commission's annual work programme.

As part of their public role, Commissioners have regional liaison responsibilities.

Board meetings

The full Board meets monthly. It has also established a number of committees.

Risk Assurance and Audit Committee

Members of the Risk Assurance and Audit Committee are Graeme Hall (external Chair), Rajen Prasad, Sharron Cole and Carolynn Bull. This committee meets quarterly.

Finance, Budget and Resources Committee

Members of the Finance, Budget and Resources Committee are Sharron Cole (Chair), Rajen Prasad and Sandra Alofivae. This committee meets monthly.

Chief Executive Recruitment and Performance Committee

Members of the Chief Executive Recruitment and Performance Committee are Rajen Prasad, Sharron Cole and Mason Durie. This committee meets as required.

Research Advisory Committee

Members of the Research Advisory Committee members are Mason Durie (Chair), Rajen Prasad, Sharron Cole and Lyn Campbell. This committee meets twice a year.

Research Ethics Committee

Members of the Ethics Sub-Committee are Sharron Cole (Chair), John Kleinsman (external) and Carolynn Bull. This committee meets on demand.

Whānau Strategy Committee

The Whānau Strategy Committee comprises Rajen Prasad, Mason Durie and Carolynn Bull. External members will also be appointed.

commissioners' biographies



Dr Rajen Prasad (Chief Commissioner) has wide experience working with families as a practitioner and Associate Professor in Social Policy and Social Work, and is a former Race Relations Conciliator. He is originally from the Pacific.



Sharron Cole (Deputy Chief Commissioner) has a long history of community service and participation. Her strengths include advocacy, practical bioethics and close ongoing involvement with families.



Sandra Alofivae is a senior family law practitioner in Auckland. She has worked closely with Pacific families and has been actively involved in the community and voluntary sectors. Sandra is of Samoan descent.



Carolynn Bull is a family law specialist in Christchurch and a former Human Rights Commissioner. She has links to Ngāi Tahu.



Lyn Campbell has broad family and community advocacy experience. She also has in-depth experience in senior management in primary and secondary schools.



Mason Durie is a psychiatrist with interests in community and family mental health. He has extensive experience in Māori health and is currently Professor of Māori Development and Research at Massey University.

operational management

Policy and Research Group

The Commission's policy and research activities are combined under one group with research undertaken on a project basis. Many research projects have a significant public consultation component, which is managed in collaboration with the Community Relations Group. The Policy and Research Group is led by Group Manager Michael Fletcher.

Communications and Community Relations Group

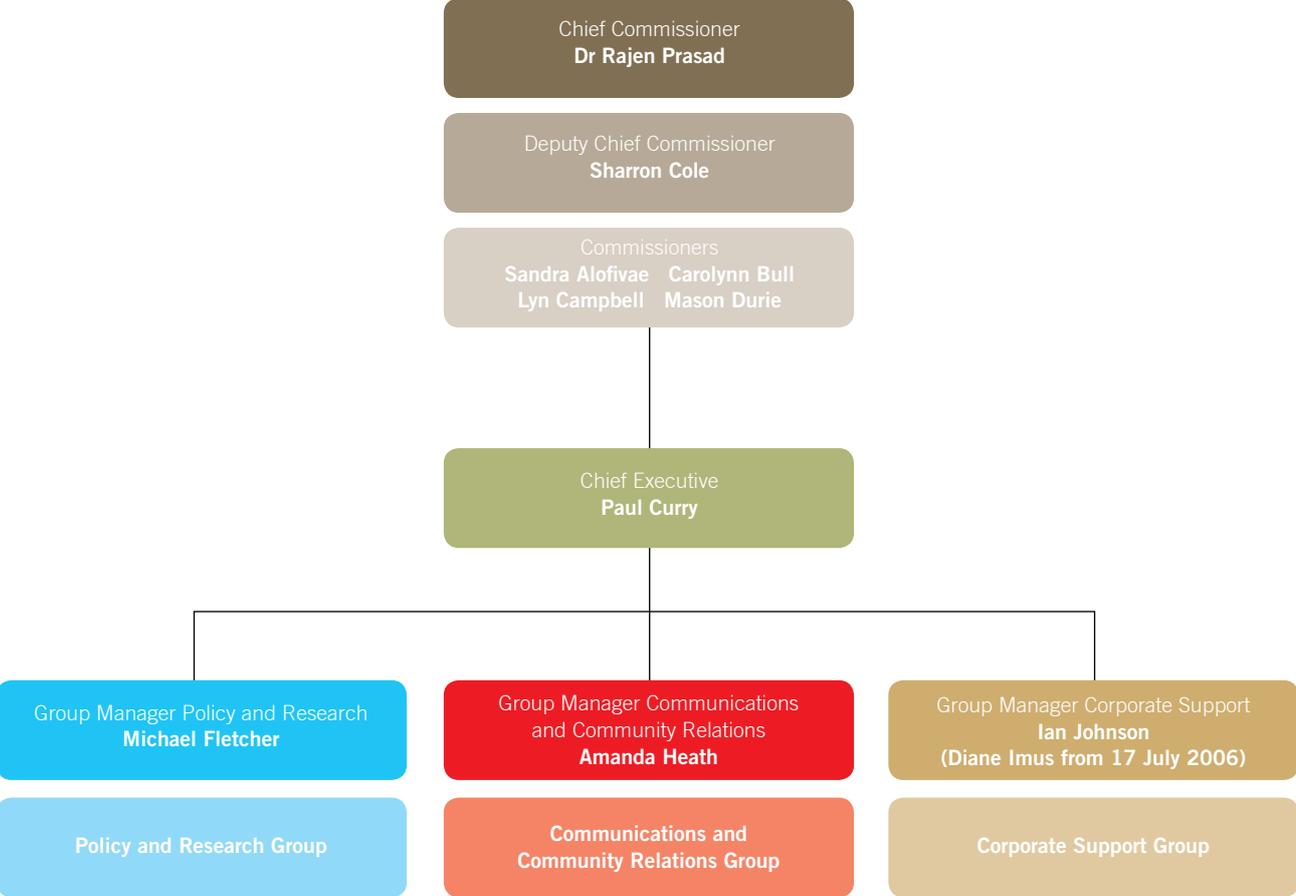
The Communications and Community Relations Group is responsible for internal and external communications (including media management and corporate publications); community engagement activity (including the co-ordination of public consultation exercises and regional networking); website management; and the co-ordination of the organisation's public education and information activities (including organising public engagements and publishing reports produced by the Policy and Research Group). The Communications and Community Relations Group is led by Group Manager Amanda Heath.

Corporate Support Group

The Corporate Support Group is responsible for managing the Commission's activities relating to financial management, human resources, IT systems, operational policies and general administration. The Corporate Support Group is led by Group Manager Diane Imus. This position was previously held by Ian Johnson.

The Commission's structure is depicted in the following organisational chart.

our organisational structure



internal capability

Enhancing our infrastructure and developing our people

Our development goals and priorities

Our organisational development priorities are to provide, maintain and develop our personnel and systems so that we can carry out our work in an effective and professional manner. We intend to set an example as a family-friendly employer.

We continue to put a high priority on recruiting high-quality staff, including policy advisors and community relations staff with expertise in research and community engagement. By 30 June 2006, we had recruited a core team of 29.3 FTEs in research, communications, community relations and corporate support.

Integral to this framework are our values and operating principles. The values that underpin the Commission's work with families are:

Human dignity	we respect the rights and aspirations of New Zealand families
Primacy	we recognise the family as foundational to New Zealand society
Diversity	we recognise different cultures and multiple family circumstances
Dual interests	we recognise that individual and collective interests are inherent in all families.

The operating principles that guide the Commission in its work are:

Independence	we value the ability of the Commission to speak with an independent voice
Accountability	we are accountable to families, communities and the Minister
Integrity	we maintain high ethical and professional standards
Complementarity	we work collaboratively with other bodies and agencies, add value to family-related activities and avoid duplication
Evidence-base	our recommendations, reports and advocacy are based on sound evidence
Fiscal responsibility	we operate sound financial management systems and are fiscally responsible
Creativity	we are innovative and creative
Accessibility	we are readily accessible.

Strategic planning processes

The strategic planning process has been reviewed and enhanced. Information and knowledge gained from the previous year's research and community engagement helped determine our future direction. A new work-stream process was developed to prioritise work and to align outputs to outcomes. The revised strategic planning process has been used to develop the 2006/07 Statement of Intent and Work Programme.

Family-friendly work environment

Our family-friendly work environment has been enhanced with policies and processes such as flexible work arrangements and the provision of school holiday programmes. An influenza immunisation programme is also offered to staff. A number of inclusive family functions were also held during the year.

Community engagement and Commissioner visits

We developed our knowledge and practices about the most effective and appropriate ways of engaging with communities. Staff and Commissioner workshops were held with external specialists to build our community engagement capabilities.

A Community Engagement Charter was developed, setting out the principles underpinning our engagement activities and will be shared in the future with communities through the engagement process.

Corporate policies

Our corporate policies were reviewed. A new Legislative Compliance Policy, Business Continuity Policy and Fraud and Integrity Assurance Policy were developed and approved by the Board.

Risk management

A Risk Management Plan was developed and approved by the Board. The plan was reviewed on a quarterly basis through the Risk and Audit Committee with an independent chair. An internal systems review was also undertaken.



PART THREE

statement of service performance
and financial information

statement of service performance 2005/06

This section reports on the actual performance of the Families Commission against the forecast Statement of Service Performance contained in the Families Commission's second Statement of Intent.

The Commission's six outputs are all contained within one Output Class (Vote – Social Development – Non-Departmental Output Class – Families Commission).

Output One

Family-centred research

The Commission will stimulate and promote research into matters relating to the interests of families or which impact on families, for example, by: collecting and disseminating information or research about families; advising on areas where further research or information about families should be undertaken or collected; conducting research, or entering into contracts or arrangements for research or information about families to be undertaken or collected. The Commission's research activity will form the basis for much of its work in other output areas. In carrying out this activity, the Commission will be informed by existing research, consultation with its stakeholders and will draw on its own expertise.

Output Two

Policy advice

The Commission will encourage and facilitate the development and provision, by Ministers of the Crown, departments of state, local government and other instruments of the Executive Government, of policies designed to promote or serve the interests of families and will work with central and local government agencies in the development of such policies. In carrying out this activity, the Commission will be informed by research and consultation with its stakeholders, and will draw on its own expertise. The Commission will work with agencies to identify and address policy gaps or issues relating to families, including the impact of policies on families and, where appropriate, recommendations on how to improve or enhance data collection. It will also consider, report on and make recommendations on any matter relating to families that is referred to it by a Minister of the Crown.

Output Three

Community engagement

The Commission will develop and maintain mechanisms to ensure that it is readily accessible to its stakeholder groups and can obtain the views of the wide range of groups and individuals interested in families. The Commission's community engagement initiatives will reflect emerging issues coming from research and feedback to the Commission. The processes for community engagement will be inclusive to ensure the voices of the full range of family forms are heard.

Output Four

Public education and information

To support its community engagement activities (Output Three), to inform families and the wider community and to promote the interests of families, the Commission will publish material and devise specific information programmes aimed at a general audience and specific segments of the population. It will encourage and facilitate informed debate on matters relating to the interests of families by representatives of the government, academic and community sectors and the general public. The Commission's publications programme, together with other initiatives (eg website development), will support this output.

Output Five

Ministerial services

The Commission will provide ministerial advisory, support and administrative services to, or on behalf of, the Minister for Social Development and Employment including: ministerial correspondence; reports; parliamentary questions; and replies required by legislation (including the Ombudsmen Act 1975, Official Information Act 1982 and Privacy Act 1993).

Output Six

Referral of significant issues

The Commission makes referrals under two categories:

- 1 Referral of complaints, information or concerns from individuals or organisations to a more appropriate government body able to respond to, or progress that matter (Section 14 of the Families Commission Act 2003 refers).
- 2 Referral to the relevant government agency or Minister of issues, or comment on policies, that the Commission considers to be of significant interest. This is part of the Commission's advocacy role and flows out of its work programme and information provided to the Commission by families and others.

For the year ending 30 June 2006, actual performance against the performance standards set out in the Families Commission's Statement of Intent for 2005/06 is outlined in the table below.

Performance measure	Standard for 2005/06 and out years	Actual performance
Timeliness and Quantity (Outputs One to Four)		
Work items will be delivered as specified in the work programme agreed with the Minister for Social Development and Employment.	> 95-100%	Delivery of the Commission's second-year work programme was 95% achieved. Details of actual performance are on pages 43 to 45.
Timeliness (Output Five)		
> The percentage of oral parliamentary questions will be answered by the time specified (noon, same day).	> 100%	No oral questions tabled.
> The percentage of written parliamentary questions will be answered by the time specified by the Minister's office.	> 100%	Standard met, achieved 100%. Thirty-four written questions answered within specified timelines.
> The percentage of replies required by legislation will be given by the statutory deadline.	> 100%	Six Official Information Act 1982 replies completed. Five were within specified deadlines. One, by agreement with requestor, was provided outside the statutory deadline.
Quantity (Output Five)		
The percentage of ministerial drafts provided for the Minister's signature where error could have been avoided will be no less than	> 95%	Standard met.
Timeliness (Output Six)		
> The percentage of referral enquiries received that will be referred to appropriate agency within 15 working days of receipt.	> 100%	Four referrals made. Three were within 15 working days of receipt (75%).
> The percentage of notifications to enquirer of the referral within 15 working days of receipt.	> 100%	Four notifications made. Three were within 15 working days of receipt (75%).
Quality (Output Six)		
Referral of comment, advice and views on significant policies or issues.	> ongoing	Comment referred. Work will be ongoing.

Performance measure	Standard for 2005/06 and out years	Actual performance
Quality (Outputs One to Four)		
<p>Process (Outputs One and Two)</p> <p>All work items delivered in accordance with the Commission's quality management system.</p>	<p>Processes are complied with as determined by audit.</p>	<p>The Commission developed an initial set of quality assurance guidelines and has begun reviewing all of its key quality assurance processes in the areas of policy, research, community engagement and Ministerial servicing. It is expected that this review will be completed and a revised quality management system in place in the second quarter of 2006/07.</p>
<p>Technical robustness (Outputs One and Two)</p> <p>All research projects have met pre-determined best-practice criteria.</p>	<p>Criteria in place and complied with.</p>	<p>Within the context of the wider review of its quality assurance policies, the Commission has begun a review of best-practice criteria.</p>
<p>Feedback (Outputs Two, Three and Four)</p> <ul style="list-style-type: none"> > Feedback from key stakeholders indicates that the Commission's policy activities are effective in supporting the Commission's advocacy of families' interests. > Feedback is sought from the Minister for Social Development and Employment. 	<ul style="list-style-type: none"> > Stakeholder feedback is positive. > Ongoing feedback is positive. 	<p>Key stakeholders were surveyed. Feedback from attendees at the Blue Skies Fund seminar was positive. Website statistics are routinely monitored.</p> <p>Feedback indicates that perceptions of the Commission are largely positive or very positive.</p>

Performance measure	Standard for 2005/06 and out years	Actual performance
Quality (Outputs One to Four)		
<p>Feedback (Outputs Two, Three and Four) continued...</p> <ul style="list-style-type: none"> > Feedback from key stakeholders indicates that the Commission's community engagement activities are effective in supporting the Commission's advocacy of families' interests. > Feedback from key stakeholders indicates that the Commission's public education and information activities are effective in supporting the Commission's advocacy of families' interests. 	<ul style="list-style-type: none"> > Stakeholder perception of community engagement is positive as shown by survey. > Stakeholder perception of the Commission's public education/ information (including publications) programme is positive as shown by survey. 	<p>Feedback indicates that perceptions of the Commission are largely positive or very positive.</p> <p>Feedback from stakeholder survey indicates that perceptions of the Commission are largely positive or very positive.</p>

The cost of the Commission's Output Class is \$6.226m (exclusive of GST) compared to a budget of \$8.519m (exclusive of GST).

The Commission's performance against the work programme deliverables set out in the organisation's Statement of Intent for 2005/06 is outlined in the following table:

Work item	2005/06 objectives	Actual performance
Community engagement/public information		
Regional networks	> establish community networks in three regions to provide feedback to the Commission – using existing networks as much as possible	Completed.
People's panel pilot	> pilot the establishment of a national people's panel (around 300 people) to periodically obtain the views of a sample of the population on a range of family-related issues	Completed.
Commissioners' forums	> complete an annual national programme of public meetings to support the Commission's engagement with communities	Completed. At least 10 meetings, which commenced August 2005.
Issues Register	> develop an Issues Register for the recording of issues affecting New Zealand families, as communicated to the Commission by stakeholder groups and families	Completed.
Commission website	> further development of website functionality to enhance the Commission's communication with the public	Completed.
Stakeholder newsletter	> development and subsequent publication of a regular stakeholder newsletter as a key public information tool	Three per year from October 2005. Completed.
Families with children research		
Families with Dependent Children – Successful Outcomes	> public reports arising from literature review, work with focus groups and public consultation findings (<i>What makes your family tick?</i> consultation)	Overview report completed in October 2005. Final report and summary publicly released on 24 April 2006.
Survey of families	> quantitative survey (around 3,000 respondents) followed by reports for public dissemination	Given delays in obtaining data tables from Statistics New Zealand, the timeframe has been revised. As agreed by the Minister, a draft report will be completed by 31 December 2006.

Work item	2005/06 objectives	Actual performance
Family functioning, caring and support		
Older people in families – contributions and care	> reports on the contribution of older people to families and on estimated care needs for older people. Issues paper for the sector followed by public consultation	Draft report provided to the Minister's office on 30 June 2006.
Families with members with disabilities	> scoping and development for major project in 2006/07	Sector engagement undertaken. Issues paper presented to the Board.
Violence within families	> work with other agencies to progress family violence prevention, including a report on trends and issues, and contribute to the inter-agency development of a family violence prevention toolkit	Trends and issues report completed. A draft toolkit developed with ACC and MSD is being trialled in eight communities.
Building whānau capacity		
Whānau capacity initiative	> work with Te Puni Kōkiri and other relevant agencies to inform whānau capacity building, including scoping paper	The Commission has developed a Whānau Strategy, which will be implemented in 2006/07.
Family living standards and costs		
Family living standards/the costs of raising children	> work on living standards and costs, including a report on estimated costs of raising children	Review of concepts and methodologies report completed.
Work-life balance	> preliminary report on work-life balance issues for families, drawing on the research findings from the Families with dependent children – Successful Outcomes Project and other analysis in the work-life balance area	Issues paper prepared and presented to a Victoria University of Wellington seminar on work-life balance in April 2006.

Work item	2005/06 objectives	Actual performance
Families, communities and society		
Impacts of government policies on families	<ul style="list-style-type: none"> > part one report, presenting the findings of a review of tools and methodologies, completed; part two report, presenting the findings of a review of empirical literature on the impacts on family form, completed; dissemination of findings 	<p>Methodologies report completed.</p> <p>Part two literature review completed.</p>
Family change and demography		
Fertility patterns, fertility decision-making	<ul style="list-style-type: none"> > initial development work for 2006/07 project 	<p>Initial scoping work completed.</p> <p>Further work to occur in 2007/08.</p>
Development of a New Zealand family-centred data infrastructure		
Blue Skies family issues research	<ul style="list-style-type: none"> > a range of innovative papers on contemporary family issues/life designed to inform and encourage debate. Ten papers envisaged, followed by seminar for the presentation and discussion of papers 	<p>Ten papers from the first Blue Skies round completed, with seven published and four in process.</p> <p>Successful seminar held on 14 June 2006. Attended by researchers, policy-makers and community group representatives.</p>
Existing longitudinal studies	<ul style="list-style-type: none"> > jointly-authored paper, using the Pacific Islands Families Study, published 	<p>Paper submitted to the Royal Society of New Zealand journal, <i>Kotuitui</i>, in March 2006.</p>
Input to government policies	<ul style="list-style-type: none"> > ongoing liaison with government agencies on policies that may affect families 	<p>Ongoing work with a range of government agencies.</p>

financial report

financial statements

Statement of financial performance for the year ended 30 June 2006

	Notes	Actual 2006 \$000	Budget 2006 \$000	Actual 2005 \$000
Revenue				
Crown revenue		7,460	7,459	7,014
Other revenue	1	327	120	172
Total revenue		7,787	7,579	7,186
Expenses				
Governance	2	513	509	579
Personnel		2,502	3,105	1,667
Other costs	4	3,090	4,580	2,305
Depreciation	8	121	125	85
Capital charge		0	200	0
Total expenses		6,226	8,519	4,636
Net surplus/(deficit)	5	1,561	(940)	2,550

Statement of movements in equity for the year ended 30 June 2006

	Notes	Actual 2006 \$000	Budget 2006 \$000	Actual 2005 \$000
Taxpayers' funds				
Opening balance		2,795	3,134	–
Surplus/(deficit)		1,561	(940)	2,550
Plus capital contribution – fixed assets		–	–	245
Closing taxpayers' funds	5	4,356	2,194	2,795

*The accompanying notes and accounting policies form an integral part of the financial statements.

**Statement of financial position
as at 30 June 2006**

	Notes	Actual 2006 \$000	Budget 2006 \$000	Actual 2005 \$000
Taxpayers' funds		4,356	2,194	2,795
Represented by:				
Assets				
Current assets				
Cash and bank		684	700	790
Short-term investments	5	3,923	1,466	2,049
Receivables and prepayments	7	223	150	160
Total current assets		4,830	2,316	2,999
Non-current assets				
Fixed assets	8	387	178	210
Total non-current assets		387	178	210
Total assets		5,217	2,494	3,209
Liabilities				
Current liabilities				
Accounts payable and accruals	9	781	240	374
Employee entitlements	10	80	60	40
Total current liabilities		861	300	414
Total liabilities		861	300	414
Net assets	5	4,356	2,194	2,795

*The accompanying notes and accounting policies form an integral part of the financial statements.

**Statement of cash flows
for the year ended 30 June 2006**

	Notes	Actual 2006 \$000	Budget 2006 \$000	Actual 2005 \$000
Cash flows from operating activities				
Cash was provided from:				
– Crown		7,460	7,459	7,014
– Interest received		260	100	160
– Rental income		26	–	–
		7,746	7,559	7,174
Cash was disbursed to:				
– Personnel expenditure		2,462	3,085	1,565
– Operating costs		3,236	5,059	2,574
– GST		(17)	130	147
– Capital charge		0	200	0
		5,681	8,474	4,286
<i>Net cash flows from operating activities</i>	6	2,065	(915)	2,888
Cash flows from investing activities				
Cash was applied to:				
– Purchase of fixed assets		(297)	(75)	(294)
<i>Net cash flows from investing activities</i>		(297)	(75)	(294)
Cash flows from financing activities				
Cash was provided from:				
– Capital contributions		–	–	245
<i>Net cash flows from financing activities</i>		–	–	245
Net increase/(decrease) in cash held		1,768	(990)	2,839
Plus opening cash balance		2,839	3,156	0
Closing cash balances		4,607	2,166	2,839
Cash and bank		684	700	790
Short-term investments		3,923	1,466	2,049
Closing cash balances		4,607	2,166	2,839

*The accompanying notes and accounting policies form an integral part of the financial statements.

Statement of commitments as at 30 June 2006

The Commission has three leases for office premises in Wellington, Auckland and Christchurch.

The lease in Wellington runs until 30 November 2008, with a right of renewal to 30 November 2011.

The Auckland lease runs until 1 December 2010, with a right of renewal to 30 November 2016.

In Christchurch, the lease runs until 1 September 2007, with a right of renewal to 31 August 2009.

Operating lease commitments	2006 \$	2005 \$
Not later than one year	331,500	155,043
Later than one, but not later than two years	331,500	155,044
Later than two, but not later than five years	259,000	295,502
Later than five years		19,963
Total lease commitments	922,000	625,552

Statement of contingent liabilities as at 30 June 2006

The Commission has no contingent liabilities. **(2005: Nil)**

*The accompanying notes and accounting policies form an integral part of the financial statements.

Notes to financial statements for the year ended 30 June 2006

1 Other revenue

	2006 \$000	2005 \$000
Interest	301	169
Rental income	26	–
Other income	–	3
Total other revenue	327	172

Interest received from investments with Westpac.

Rental income from sub-lease on office premises in Wellington which runs until June 2008.

2 Fees

Included in governance costs were the following fees, which were paid to and earned by Commissioners. Additional expenses incurred were for travel and accommodation associated with Board meetings and visits by Commissioners to various communities.

	2006 \$	2005 \$
Alofivae S	42,522	46,607
Bull C	44,454	54,483
Campbell L	56,500	56,500
Cole S	61,415	63,900
Durie M	19,775	17,775
Prasad R	155,000	155,000
Total fees paid	379,666	394,265

Fees paid to independent committee members:

	2006 \$	2005 \$
Graeme Hall – Audit Risk Committee	9,455	10,379
John Kleinsman – Ethics Committee	885	–

The Commission has taken insurance cover for Board members, Board Committee members and employees for personal loss caused by wrongful acts in the course of their duties where indemnity is not available from the organisation. The Board has also taken insurance cover covering personal accident and travel risk for Board members, Board Committee members and employees where injury or loss occurs whilst on Commission business.

3 Remuneration

On an annualised basis the following numbers of employees would have received remuneration and other benefits of \$100,000 or more:

Salary band	Employees 2006	Employees 2005
100,000 – 109,999	3	1
120,000 – 129,999	1	1
130,000 – 139,999	–	1
140,000 – 149,999	1	–
150,000 – 159,999	1	–
	6	3

Actual remuneration received by the Commission's Chief Executive during the year was in the band \$150,000 to \$159,999 (\$120,000 to \$129,999: 2005).

4 Operating costs

The breakdown of operating costs is as follows:

	2006 \$000	2005 \$000
Audit fees	42	29
Occupancy	99	171
External advice	1,218	840
Rent	287	128
Other costs	1,444	1,137
Total operating costs	3,090	2,305

5 Budget variances

The 2005/06 financial year represented the second year of operation for the Commission. The Commission was established with funding representative of a fully operational organisation. In 2005/06, the Commission continued to be responsible in its work programme, which led to a number of projects being postponed to 2006/07 or undertaken at a cost that was less than anticipated. These factors led to a surplus over the past two years, thereby increasing taxpayers' funds. In 2005/06, the Commission's strategic planning process identified its work programme over the next three-year period, thereby decreasing the taxpayers' funds accordingly.

The increase in short-term investments is reflective of an increased surplus for 2005/06 against a projected deficit as noted above. This has resulted in an increase in net assets as at 30 June, 2006.

6 Reconciliation of the net operating surplus to net cash flows from operating activities

	2006 \$000	2005 \$000
Net operating surplus	1,561	2,550
Add non-cash items:		
Depreciation	121	85
Total non-cash items	121	85
Add/(less) movements in working capital items:		
(Increase) in debtors and prepayments	(80)	(13)
(Increase) in GST receivable	17	(147)
Increase in accounts payable and accruals	406	373
Increase in employee entitlements	40	40
Net movement	383	253
Net cash flow from operating activities	2,065	2,888

7 Receivables and prepayments

	2006 \$000	2005 \$000
Accounts receivable	40	–
Interest receivable	53	12
Prepayments	–	1
GST receivable	130	147
Total receivables and prepayments	223	160

8 Fixed assets

The cost, accumulated depreciation and book value of the various classes of assets are as follows:

As at 30 June 2006 Asset class	Cost price \$000	Depreciation for the year \$000	Accumulated depreciation \$000	Net book value \$000
Leasehold improvement	171	13	23	148
Computer equipment	232	67	116	116
Software	97	30	51	46
Furniture and fittings	17	2	2	15
Office equipment	74	9	12	62
Total fixed assets	591	121	204	387

As at 30 June 2005 Asset class	Cost price \$000	Depreciation for the year \$000	Accumulated depreciation \$000	Net book value \$000
Leasehold improvement	41	10	10	31
Computer equipment	157	49	49	108
Software	73	22	22	51
Office equipment	24	4	4	20
Total fixed assets	295	85	85	210

9 Accounts payable and accruals

	2006 \$000	2005 \$000
Trade creditors	260	178
Accruals	521	196
Total accounts payable and accruals	781	374

10 Employee entitlements

	2006 \$000	2005 \$000
Annual leave	80	40
Total employee entitlements	80	40

11 Financial instruments

The Families Commission is party to financial instrument arrangements as part of its everyday operations. These financial instruments include instruments such as banking, investments and accounts receivable. The Commission had a credit card facility of \$9,000 as at 30 June 2006. (2005: \$9,000)

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Commission, causing the Commission to incur a loss. In the normal course of business, the Commission incurs credit risk from financial institutions.

The Commission does not require collateral or other security to support financial instruments with credit risks, as the Commission deals with financial institutions that have high credit ratings. The Commission does not have significant concentrations of credit risk.

Fair value

The fair value of financial instruments is equivalent to the carrying amount disclosed in the statement of financial position.

Currency and interest rate risk

The Families Commission has no exposure to currency risk.

12 Related party transactions

The Families Commission is an autonomous Crown entity. The Commission enters into transactions with government departments, Crown agencies and State-owned enterprises. These transactions are not considered to be related-party transactions.

Statement of accounting policies for the year ended 30 June 2006

Reporting entity

The Families Commission is an autonomous Crown entity as defined in Schedule 1, Part 2, of the Crown Entities Act 2004.

These financial statements have been prepared in accordance with the Public Finance Act 1989.

Accounting period

These financial statements record the financial performance of the Commission for the period 1 July 2005 to 30 June 2006.

Measurement base

The measurement base adopted is that of historical cost unless otherwise stated.

Accounting policies

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

a) Revenue

Revenue is derived through the provision of outputs to the Crown, from services to third parties and from interest on deposits. Such revenue is recognised when earned and is reported in the financial period to which it relates.

b) GST

The financial statements are stated exclusive of GST, with the exception of accounts payable and accounts receivable, which are stated GST inclusive. GST payable (or receivable) at balance date is included in accounts payable (or accounts receivable).

c) Taxation

The Commission, as an institution of the Crown, is exempt from income tax in terms of the Income Tax Act 2004. Accordingly, no provision for income tax has been made.

d) Fixed assets

All fixed assets costing \$2,000 (excluding GST) or more are capitalised and recorded at historical cost.

Initial cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition required for its intended use.

Fixed assets are written down immediately if any impairment in the value of the asset causes its recoverable amount to fall below its carrying value.

e) Depreciation

Depreciation of fixed assets is provided on a straight-line basis so as to allocate the cost of the assets, after recognising residual values, over their useful lives.

	Useful life	Depreciation rate
Computer equipment and software	3 years	33%
Furniture and fittings	5 years	20%
Office equipment	5 years	20%
Fit-out, leasehold improvements	4 years	25%

All assets are assumed to have no residual value.

The cost of the leasehold improvements is capitalised and depreciated over the term of the lease.

f) Financial instruments

The Commission is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, receivables and payables. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance.

Except for those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

g) Employee entitlements

Provision is made in respect of the Commission's liability for annual leave. Annual leave is recognised as it accrues to employees at current rates of pay.

h) Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Families Commission invests as part of its day-to-day cash management.

Operating activities includes all activities other than investing and financing activities. The cash inflows include all receipts

from the sale of goods and services and other sources of revenue that support the Families Commission's operating activities. Cash outflows include payments to employees, suppliers and for taxes.

Investing activities are those activities relating to the acquisition and disposal of current and non-current securities and any other non-current assets.

Financing activities are those activities relating to changes in equity and debt capital structure of the Families Commission and those activities relating to the cost of servicing Families Commission's equity capital.

i) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

j) Cost-of-service statements

The cost-of-service statements, as reported in the statement of objectives and service performance, report the net cost of services for the outputs of the Families Commission and are represented by the costs of providing the output less all revenue that can be allocated to these activities.

Cost allocation

The Families Commission has derived the net cost of service for each significant activity of the Commission using the cost-allocation system outlined below.

Cost-allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers.

Criteria for direct and indirect costs

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Cost drivers for allocation of indirect costs

The cost of internal services not directly charged to activities is allocated as overheads using personnel costs as a cost driver.

For the year ended 30 June 2006, the Families Commission had only one output class.

Changes in accounting policies

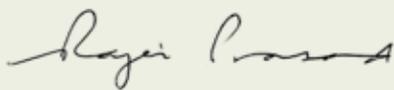
There have been no changes in accounting policies during the year. All policies have been applied on a basis consistent with the previous year.

Statement of Responsibility

The Board and management of the Families Commission accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Board and management of the Families Commission accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Board and management of the Families Commission, the annual financial statements for the year ended 30 June 2006 fairly reflect the financial position and operations of the Commission.



Rajen Prasad
Chief Commissioner
26 October 2006



Paul Curry
Chief Executive
26 October 2006

Audit report

TO THE READERS OF THE FAMILIES COMMISSION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

The Auditor-General is the auditor of the Families Commission (the Commission). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Commission, on his behalf, for the year ended 30 June 2006.

Unqualified opinion

In our opinion the financial statements of the Commission on pages 38 to 56:

- > comply with generally accepted accounting practice in New Zealand; and
- > fairly reflect:
 - the Commission's financial position as at 30 June 2006
 - the results of its operations and cash flows for the year ended on that date
 - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 26 October 2006, and 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 Commissioners and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

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

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- > determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data
- > verifying samples of transactions and account balances
- > performing analyses to identify anomalies in the reported data
- > reviewing significant estimates and judgements made by the Commissioners
- > confirming year-end balances

- > determining whether accounting policies are appropriate and consistently applied
- > determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Commissioners and the Auditor

The Commissioners are responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Commission as at 30 June 2006. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. The Commissioners' responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This 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 Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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



Ajay Sharma
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand





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