

2017
2018



Families Commission
Annual Report

Superu's purpose was to increase the use of evidence by people working across the social sector so that they can make better decisions that improve the lives of New Zealanders, New Zealand's communities, families and whānau.



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In accordance with section 151 of the Crown Entities Act 2004, and the responsibilities passed to me under the Families Commission Act Repeal Act 2018, I submit the final Annual Report of the Families Commission for the year ended 30 June 2018.

Brendan Boyle
Chief Executive
Ministry of Social Development
25 September 2018





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Foreword from the Families Commissioner

This was the last year of Superu as an entity but I hope that the expectations for the place of evaluation in policy, that have developed during our time, will continue to grow.

Evaluation also requires Parliamentarians, agency heads, auditors, news media and advocates to appreciate that policy is not always well informed even if it is based on the best evidence we have. And often we cannot be sure that policies have been put in place in the manner assumed by policy makers. We simply cannot take account of all the diversity, mobility and variability in our society in making rules that are intended to be fair to all. This is why evaluation and good-quality evidence are so important.

We have seen a lot more evaluation published over the past five years than the previous period, and the world has not fallen apart with the increased capacity to criticise and do better.

Let's carry on in this way, as whatever name it will have in the future there is always a need for a Superu.



Len Cook
Former Families Commissioner and
Chair of the Superu Board



01

The year in review





About Superu

Superu’s purpose was to focus decision-makers on what works to improve the lives of families and whānau.

Superu worked closely with decision-makers in the social sector to help them use good quality evidence about what works to solve complex social issues. These are the people who develop, fund, deliver, research and evaluate social policies and programmes. This was done to improve the lives of families and whānau.

Superu’s staff helped decision-makers to understand:

- the complex challenges faced by many families and whānau, along with what needs to change to improve their life outcomes
- what should work to improve outcomes
- what did work.

Superu was an autonomous Crown entity established by the Families Commission Act 2003 (the Act). The Act was amended in 2014 and it adopted the name Social Policy Evaluation and Research Unit – or Superu – to better reflect the changed role in the sector. The functions that existed through 2017-18 included:

To act as an advocate for the interests of families generally, by:	To monitor and evaluate programmes and interventions in the social sector, and provide social science research into key issues, programmes and interventions across that sector by:
<ul style="list-style-type: none"> • encouraging and facilitating informed debate on matters relating to the interests of families • increasing public awareness and promoting better understanding of matters relating to the interests of families • encouraging and facilitating the development and provision of policies designed to promote or serve the interests of families • stimulating and promoting research into any matter relating to the interests of families • preparing and publishing an annual Families Status Report that measures and monitors the wellbeing of New Zealand families. 	<ul style="list-style-type: none"> • identifying evidence and research that will assist in determining or achieving the Government's policies and priorities in the social sector • commissioning or managing contracts for social science research in the social sector on behalf of the Government and others • setting standards and specifying best practice for monitoring and evaluating programmes and interventions in the social sector • establishing and maintaining a database of social science research undertaken by or on behalf of the Government.



Disestablishment of Superu

Cabinet made the decision in principle to disestablish Superu in April 2017. A report-back in July 2017 provided more detail about how and when this would happen. The 2017/18 Statement of Performance Expectation, released on 24 August 2017, was based on how Superu would implement those decisions.

During the course of the year a number of major programmes were either transferred or delegated to other agencies with the associated funding being transferred as part of the October Baseline Update, and subsequently included in the 2018 Supplementary Estimates.

The programmes were:

Work stream transferred	New agency
Management of the contract for Growing Up in New Zealand (GUINZ) and the GUINZ research fund	Ministry of Social Development
Management of the contract for the New Zealand Family Violence Clearinghouse	Ministry of Justice
Management of the Ministerial Fund questions: <ul style="list-style-type: none"> • South Auckland Customer Satisfaction • Support for Adult Male Victims of Sexual Abuse • Social Workers in School 	Ministry of Social Development
Management of the Ministerial Fund question on quantifying social enterprises	Department of Internal Affairs

Work stream delegated	New agency
Families and Whānau Status Report and associated work programme	Ministry of Social Development
The Hub, an online repository of government social science research	Social Investment Agency

The Families Commission Act Repeal Act received royal assent on 28 May 2018, with the Families Commission ceasing to exist on 30 June 2018. Under the terms of the Act all remaining assets and liabilities of the Commission at the time of disestablishment were transferred to the Ministry of Social Development (MSD).



Impact in 2017-18

Given that the disestablishment of Superu had been signalled in April 2017, its Statement of Performance Expectation for 2017/18 was based on a realistic work programme, taking into account the likelihood of significant staff attrition.

Activities were focused in the following four areas:

1. Transfer specified functions to their new homes as agreed by Cabinet.
2. Support the Families Commissioner to advocate for the interests of families.
3. Continue activities to build NGO capability with a view to ensuring their continuation somewhere in the system.
4. Run functions that must continue until the legislation was repealed and cannot be delegated; wind down remaining activities.

In summary, the following results were achieved:

1. Transfer specified functions to their new homes as agreed by Cabinet

- *Families and Whānau Status Report and associated work programme.*
This was delegated to MSD as of 1 November 2017, under the terms of a Memorandum of Understanding. A version of the 2018 Status Report was published on the Superu website on 29 June 2018.
- *Management of the contract for Growing Up in New Zealand (GUINZ) and the GUINZ research fund.*
This was transferred to MSD via a contract novation and the second contestable funding round, begun by Superu, was completed by MSD.
- *Management of the contract for the New Zealand Family Violence Clearinghouse*
This was transferred to the Ministry of Justice via a contract novation.
- *The Hub, an online repository of government social science research*
This was delegated to the Social Investment Agency on 1 April 2018, under the terms of a Memorandum of Understanding.
- *Ministerial Social Science Research Fund management*
The contract for one project that remained in the field was novated to MSD, along with two approved questions. One other question was transferred to the Department of Internal Affairs. Allocation of funding for these projects was also made to the respective departments.

2. Support the Families Commissioner to advocate for the interests of families

- An Evidence to Action Conference with a theme of ‘Families and Whānau, past present and future’ was held on 10 April 2018.
- In partnership with Ngā Pae o te Māramatanga, a workshop on whānau and whakapapa (‘Toi Tū Te Whānau’) was held on 29 May 2018.
- A number of submissions were made and placed on the Superu website¹.

3. Continue activities to build NGO capability with a view to ensuring their continuation somewhere in the system

- Staff made a number of presentations, led training events and produced resources on making sense of evaluation and evidence.
- Staff liaised with other agencies to find a new home for NGO capability building work. A number expressed interest, but no formal mandate was passed on.

4. Run functions that must continue until the legislation is repealed and cannot be delegated; wind down remaining activities

- These functions were carried out as required.



¹ The Superu website (superu.govt.nz) will remain live until 30 June 2019.

02

Organisational health and capability





Promoting organisational health and capability

Attrition of staff followed Cabinet's confirmation in July 2017 that Superu would be disestablished. Some staff transferred to MSD along with their work programmes. All staff had access to Employee Assistance Programme (EAP) support services, meetings, workshops and regular communication about what was happening.

Staff members who remained were given expert assistance to update their curricula vitae.

Workforce profile

As at 30 June 2018, Superu employed no staff, as the last four staff left on 29 June 2018, being the last business day of the financial year.

Equal opportunities

Superu was committed to being an Equal Employment Opportunity (EEO) employer. It had organisation-wide EEO good employer practices for recruiting, selecting, developing, managing and retaining staff, and it also reviewed its EEO policies and practices regularly.

Its commitment to being an EEO employer was put into practice in the following ways:

- making sure that all its policies and practices complied with its EEO policy
- implementing flexible work practices
- providing equal opportunities for all staff
- making sure that EEO principles and activities were reflected in recruitment processes, job descriptions, employment agreements, performance agreements and induction processes
- promoting and respecting diversity and openness among staff
- creating a harassment-free environment for all staff, clients, stakeholders and visitors
- providing development opportunities and support for staff so they could contribute to Superu's work to their full potential and draw fully from their range of knowledge and experience
- removing any potential barriers that would prevent staff accessing training and development opportunities
- working with staff to find solutions that worked for them and Superu
- continuing to develop programmes (on cultural awareness, for example) that encourage the breaking down of traditional stereotypes and that helped staff in their employment with Superu.



Working with and for Māori

Superu had a particular interest in issues that required a whole-of-system perspective. To help policy and programme developers better respond to the needs of Māori and whānau, in the 2017-18 year Superu delivered the following reports and events:

- **Families and Whānau Status Report 2018**

The sixth in a series of annual reports on the wellbeing of families and whānau. The 2018 research focuses on sole parent families and whānau, and the importance of housing from a te ao Māori perspective.

- **Bridging Cultural Perspectives report**

This report describes the He Awa Whiria – Braided Rivers model of using Western science and mātauranga Māori knowledge side-by-side for research and evaluation in the social sector.

- **The wellbeing of New Zealand families and whānau: Demographic underpinnings**

This report looks at the changes that have affected every aspect of New Zealand's families and whānau. Superu investigated what's known about families and whānau of today and its antecedents, and whether the demographic transition and resulting family and whānau changes irrevocably altered the way they perform.

- **In Focus: What we've learned about families and whānau**

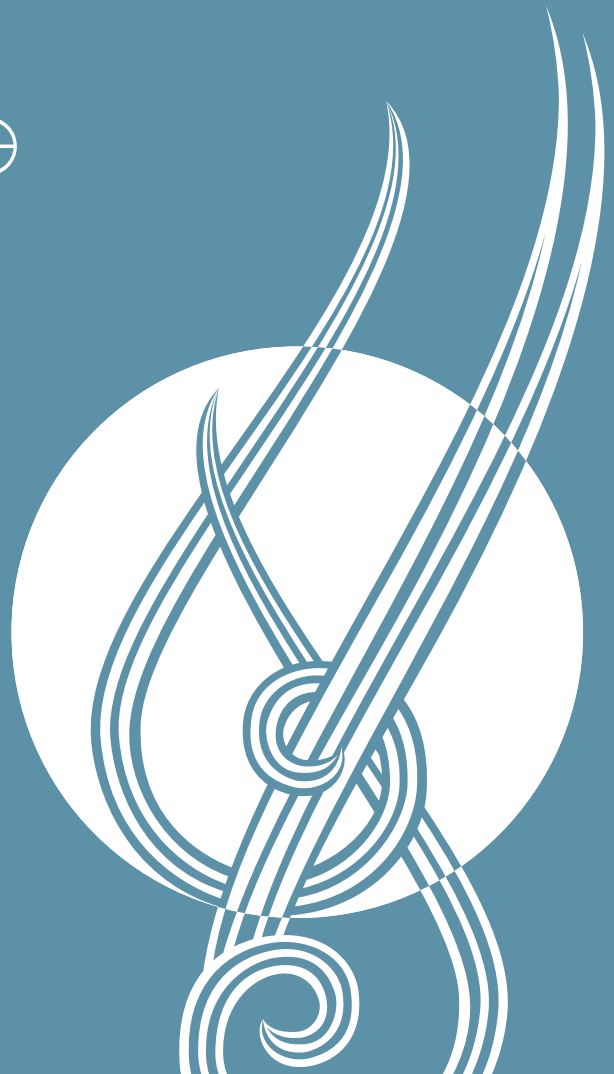
This report looks at what Superu learned about the nature of families and whānau since 2003.

- **Toi Tu Te Whānau, Toi Tu Te Kawai Whakapapa: workshop on whānau and whakapapa for public policy**

Superu and Ngā Pae o te Māramatanga co-hosted a workshop with the aim of contributing to a public sector better equipped to comprehend the nature of whānau and whakapapa within Aotearoa New Zealand society, and positively responding to the unique characteristics of whānau in addressing the needs and aspirations of Māori.

03

Governance and risk management





Governance

The Board

Superu was governed by a Board of Directors, made up of a Families Commissioner (who was typically also the Board Chair) and up to six other members. Board members were appointed by the Minister or Associate Minister for Social Development, and their collective and individual duties were set out in the Crown Entities Act 2004.

During the 2017/18 year the Board met seven times to discuss governance and strategic issues.

These were the members of the Board:

Board member	Term start date	Term end date
Len Cook	May 2015	May 2018 – on rollover provisions
Jo-anne Wilkinson	March 2014	March 2017 – on rollover provisions
Sir Peter Gluckman	November 2012	November 2018 – ended on 30 June 2018
Paul von Dadelszen	March 2014	March 2017 – on rollover provisions until August 2017
Haami Piripi	June 2014	June 2017 – on rollover provisions
Dame Tariana Turia	May 2015	May 2018 – on rollover provisions

Board sub-committees

The **Audit, Finance and Risk sub-committee** did not meet during the year. The members were James Prescott, Len Cook and Suzanne Snively (who was an external member). Mr Prescott was retained in an independent capacity after he completed his Board role in October 2016.

The **Human Resources sub-committee** met once during the year. The members were Len Cook and Jo-anne Wilkinson.

Reference and advisory groups

Superu operated a number of reference groups (Whānau, Pacific and Ethnic), an Ethics Committee and a Social Science Experts Panel. With the change in focus in 2017/18 none of the groups met, and were disbanded.

Risk management framework

Superu operated a risk management framework, which coordinated how it managed risk in achieving its strategic objectives. The framework complied with AS/NZS ISO: 31000: 2009. Under this framework Superu regularly monitored and reviewed risks, and any significant changes to the framework were presented to the Board for approval.



04

Accountability statements



Statement of responsibility

Under the terms of the Families Commission Act Repeal Act 2018, I am responsible for the preparation of the Families Commission (operating as Superu) financial statements and statement of performance, and for the judgements made in them.

I am responsible for any end-of-year performance information provided by Superu under section 19A of the Public Finance Act 1989.

I have sought the opinion of the former Families Commissioner Len Cook to confirm that the Superu Board had the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Superu for the year ended 30 June 2018.

Signed on behalf of the Families Commission:



Brendan Boyle
Chief Executive
Ministry of Social Development
25 September 2018





AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of the Families Commission's financial statements and performance information for the year ended 30 June 2018

The Auditor-General is the auditor of the Families Commission, operating as the Social Policy Evaluation and Research Unit (Superu). The Auditor-General has appointed me, Jacques Coetzee, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of Superu on his behalf.

Opinion

We have audited:

- > the financial statements of Superu on pages 27 to 48, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include the statement of accounting policies and other explanatory information; and
- > the performance information of Superu on pages 21 to 26.

In our opinion:

- > the financial statements of Superu on pages 27 to 48, that are prepared on a disestablishment basis:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2018; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime; and
- > the performance information on pages 21 to 26:
 - presents fairly, in all material respects, Superu's performance for the year ended 30 June 2018, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and

- what has been achieved with the appropriation; and
- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 28 September 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the financial statements being appropriately prepared on a disestablishment basis. In addition, we outline the responsibilities of the Chief Executive of the Ministry of Social Development (the Chief Executive) and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

The financial statements are appropriately prepared on a disestablishment basis

Without modifying our opinion, we draw your attention to the statement of compliance disclosure on page 30 and notes 18 and 19 on page 45, about the financial statements being prepared on a disestablishment basis because the Families Commission Act Repeal Act 2018 disestablished Superu on 30 June 2018. We consider the disestablishment basis of preparation and related disclosures to be appropriate to Superu's circumstances.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Chief Executive for the financial statements and the performance information

The Chief Executive is responsible on behalf of Superu for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Chief Executive is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible on behalf of Superu for assessing Superu's ability to continue as a going concern. If the Chief Executive concludes that the going concern basis of accounting is inappropriate, the Chief Executive is responsible for preparing financial statements on a disestablishment basis and making appropriate disclosures.

The Chief Executive's responsibilities arise from the Families Commission Act Repeal Act 2018, Crown Entities Act 2004 and the Public Finance Act 1989.



Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to Superu's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- > We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > We obtain an understanding of internal control relevant to the audit 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 Superu's internal control.
- > We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- > We evaluate the appropriateness of the reported performance information within Superu's framework for reporting its performance.
- > We conclude on the appropriateness of the disestablishment basis of accounting by the Chief Executive.
- > We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 3 to 16, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of Superu in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in Superu.



Jacques Coetzee

Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand



Statement of performance

This section reports actual performance for the year ending 30 June 2018 against the performance standards set out in the 2017/18 Statement of Performance Expectations (SPE).

Superu's outputs were appropriated through Vote: Social Development – Non-Departmental Output Expense – Families Commission.

Given that the disestablishment of Superu had been signalled in April 2017, its Statement of Performance Expectation for 2017/18 was based on a realistic work programme, taking into account the likelihood of significant staff attrition.

During 2017/18 work was carried out in four areas:

1. Transfer specified functions to their new homes as agreed by Cabinet.
2. Support the Families Commissioner to advocate for the interests of families.
3. Continue activities to build NGO capability with a view to ensuring their continuation somewhere in the system.
4. Run functions that must continue until the legislation was repealed and cannot be delegated; wind down remaining activities.

Output expenditure to 30 June 2018

Area	Actual \$000	SPE budget \$000	Variance \$000
Revenue	2,184	2,084	100
Expense	3,288	5,649	2,361
Surplus/(Deficit)	(1,104)	(3,565)	2,461

Appropriation funding

Superu was primarily funded through Vote: Social Development – Non-Departmental Output Expense – Families Commission. The 2017/18 Estimates of Appropriation contained the following with regard to Superu’s funding.

This appropriation was intended to improve the lives of New Zealand families and whānau through the provision of research and evidence to inform the development and implementation of social policies, programmes and services by government and community organisations.

Summary of expenditure incurred against the appropriation

	2017/18 Actual \$000
Total appropriation	1,930
Superu’s portion of appropriation (Crown Revenue)	1,930
Superu’s expenditure against appropriation ²	3,288

The measures below support the Families Commission Appropriation

Assessment of performance	2017/18 budget standard	2017/18 Actual	2016/17 Actual
The percentage of key deliverables agreed with the Minister for Social Development in the Families Commission’s Statement of Performance Expectations completed to agreed standards ³ will be no less than	85%	Achieved 90%	Achieved ⁴
The percentage of key stakeholders who agree that research and evidence provided by the Families Commission has informed their development and implementation of social policies, programmes and services will be no less than	70%	Not achieved ⁵	Not achieved ⁶

² Superu’s budget for 2017/18 provided for the drawdown of its reserves.

³ Agreed standards are achievement of performance measures as set out in the Statement of Performance Expectations and the Memorandum of Understanding.

⁴ Refer to pages 43-46 of the 2016/17 Annual Report.

⁵ On the basis that Superu was to be disestablished, it elected not to complete a survey which would provide the data to enable it to report on this measure. The reason for this course of action was a consideration towards undue costs and current resourcing constraints. Performance can be interpreted from the decision to disestablish the entity and, therefore, a ‘Not achieved’ is recorded.

⁶ As per footnote 4 above.



Performance measures and standards to 30 June 2018

1. Transfer specific functions to their new homes as agreed by Cabinet

Measured by:

Success	Indicator	Target	Result
There is an improved understanding of what works to improve family and whānau wellbeing	Sixth annual Families and Whānau Status Report.	Published by 30 June 2018 Agreed deliverables met on time and to required quality standards ⁷	Report published on Superu website on 29 June 2018 Programme and associated staff successfully transferred to MSD
Government-funded social research is accessible	The Hub is transferred as a going concern to the Social Investment Agency (SIA)	31 December 2017 Agreed deliverables met on time and to required quality standards	31 December target not met due to technical issues, but Hub delegated to SIA from 1 April 2018, along with associated staff member Deliverables were achieved on time as per the Memorandum of Understanding
Increased understanding within government of what works to improve outcomes for families and whānau	Superu Children and Families Research Fund Increased amount of policy relevant research from the Growing Up in New Zealand (GUINZ) study	Research funding successfully allocated or transferred to another agency	GUINZ contract transferred to MSD, along with associated staff
	Ministerial Social Sector Research Fund ⁸	Current questions delivered by Superu or successfully transferred to agreed agencies	Four reports published on the questions completed by Superu Four active questions successfully transferred to agreed agencies

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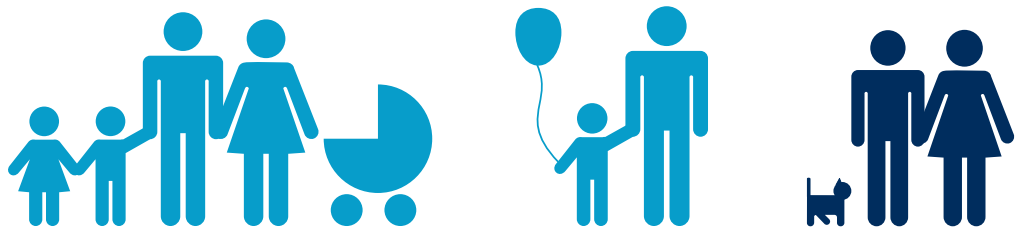
⁷ This was delivered by MSD under delegation from the Superu Board.

⁸ Under the Ministerial Social Sector Research Fund (the Fund), Superu commissioned external social sector research in response to questions asked by Ministers to inform their decision-making in relation to effective social sector policy, practice and investment. This was part of the legislated requirement “to commission social science research in the social sector on behalf of the Government and others” (Families Commission Act 2003, s8A(1)(b)).



Continued from previous page:

Success	Indicator	Target	Result
System level architecture and research assets developed	GUINZ data is collected efficiently and is available for use by researchers	Contract deliverables met while managed by Superu. Contract transferred to MSD	Contract deliverables met and transfer of programme and associated staff successfully carried out. Contract novated to MSD
	Family violence information available through the Family Violence Clearinghouse	Contract deliverables met while managed by Superu Successfully transferred to Ministry of Justice	Contract deliverables met, and contract novated to Ministry of Justice





2. Support the Families Commissioner to advocate for the interests of families

Measured by:

Success	Indicator	Target	Result
Informed debate about selected issues relating to the interests of families	Media comment	Key issues gain coverage	Initiated media coverage on issues including whānau and family courts, and children transitioning to school. Media comment also provided on issues such as multi-family housing, paid parental leave and stay-at-home fathers
	Feedback to Superu	Feedback from participants in Superu events demonstrates satisfaction or better with their relevance and quality	Surveys after every event returned an average result of 92% of attendees agreeing or somewhat agreeing that 'Information presented was relevant and of high quality'
The development and provision of policies designed to address issues relating to the interests of families	Evidence from Superu influences policy	At least 2 examples	<p>Superu has no specific evidence that the research released this year has influenced policy, as this was not measured, however here are examples of where its research is being used:</p> <ul style="list-style-type: none"> • Superu collaborated with the Ministry of Health and Stats NZ to add family type classification to the individual records of the New Zealand Health Survey (NZHS) as part of the Families and Whānau Status Report work programme. Family type will be an on-going feature of the NZHS data, allowing for new research to be undertaken on health and family wellbeing. • Oranga Tamariki's evaluation of its Family Start programme is being informed by the Bridging Cultural Perspectives report to ensure that te ao Māori and Western science knowledge streams are embedded in the evaluation approach.

3. Continue activities to build NGO capability with a view to ensuring their continuation somewhere in the system

Measured by:

Success	Indicator	Target	Results
Decision-makers in the community and voluntary sector and their funders can, and do, use evidence in their decision-making	More people in the sector: <ul style="list-style-type: none"> • use Superu's tools • attend Superu's training 	At least 4 training sessions At least 4 new resources are available on the web by June 2018	Five training sessions delivered: <ul style="list-style-type: none"> • three presentations on use of evidence in programmes and policy • two one-day 'Introduction to Evaluation' courses in conjunction with Oranga Tamariki Six new resources published: <ul style="list-style-type: none"> • two 'making sense' handbooks • one 'At a Glance' on using evidence in policy • a glossary of evaluation terms • a review of the sustainability of public social research institutions • a 'Bridging Cultural Perspectives' report

4. Run functions that must continue until the legislation is repealed and cannot be delegated; wind down remaining activities

Measured by:

Success	Indicator	Target	Results
The Families Commission is wound down efficiently and effectively	Wind down and handover complete	By date legislation repealed	Operational wind down completed on 29 June 2018 All assets and liabilities handed over to MSD



Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2018

	Note	2017/18 Actual \$000	2017/18 SPE budget \$000	2016/17 Actual \$000
Revenue				
Revenue from Crown		1,930	1,930	14,092
Other revenue		254	154	515
Total revenue	2	2,184	2,084	14,607
Expenses				
Board member remuneration	16	67	104	102
Personnel expenses	3	1,147	2,314	4,604
Other expenses	4	2,049	3,206	8,016
Depreciation and amortisation	7	25	25	30
Total expenses		3,288	5,649	12,752
Surplus/(Deficit) for the year		(1,104)	(3,565)	1,855
Other comprehensive revenue		-	-	-
Total comprehensive revenue and expense		(1,104)	(3,565)	1,855

Explanations of significant variances against budget and previous year are detailed in notes 23 and 24.

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2018

	Note	2017/18 Actual \$000	2017/18 SPE budget \$000	2016/17 Actual \$000
Assets				
Current assets				
Cash and cash equivalents	5	2,755	642	7,642
Debtors and other receivables	6	76	45	242
Prepayments		-	-	9
Total current assets		2,831	687	7,893
Non-current assets				
Property, plant and equipment	7	-	34	59
Total non-current assets:		-	34	59
Total assets		2,831	721	7,952
Liabilities				
Current liabilities				
Creditors and other payables	8	33	193	3,591
Employee entitlements	9	-	-	199
Provision for redundancies	10	-	-	191
Lease incentives	11	-	-	69
Total current liabilities		33	193	4,050
Total liabilities		33	193	4,050
Net assets		2,798	528	3,902
Equity				
General funds	12	2,798	528	3,902
Total equity		2,798	528	3,902

The accompanying notes form part of these financial statements.



Statement of changes in equity for the year ended 30 June 2018

	Note	2017/18 Actual \$000	2017/18 SPE budget \$000	2016/17 Actual \$000
Balance at 1 July		3,902	4,093	2,047
Total comprehensive revenue and expenses		(1,104)	(3,565)	1,855
General funds at 30 June	12	2,798	528	3,902

Statement of cash flows for the year ended 30 June 2018

	Note	2017/18 Actual \$000	2017/18 SPE budget \$000	2016/17 Actual \$000
Cash flow from operating activities				
Receipts from the Crown		1,930	1,930	14,092
Interest received		127	11	128
Receipts from other revenue		232	160	489
Payments to suppliers		(5,713)	(6,370)	(6,858)
Payments to employees		(1,524)	(2,594)	(4,380)
Goods and services tax (net)		61	(137)	(28)
Net cash from operating activities		(4,887)	(7,000)	3,443
Cash flows from investing activities				
Purchase of property, plant and equipment		-	-	-
Net cash from investing activities		-	-	-
Net (decrease)/increase in cash and cash equivalents		(4,887)	(7,000)	3,443
Cash at the beginning of the year		7,642	7,642	4,199
Cash at the end of year	5	2,755	642	7,642

The accompanying notes form part of these financial statements.

Notes to financial statements

1. Statement of accounting policies for the year ended 30 June 2018

Reporting entity

The Families Commission is a Crown entity as defined by the Crown Entities Act 2004 and domiciled in New Zealand. The Commission's ultimate parent is the New Zealand Crown. Since December 2014 the Commission has been operating under the name of the Social Policy Evaluation and Research Unit (Superu).

Superu's primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return. Accordingly, Superu has designated itself as a Tier 2 public benefit entity (PBE) for the purposes of complying with generally accepted accounting practices in New Zealand (NZ GAAP).

The financial statements for Superu are for the year ending 30 June 2018 and were authorised for issue by the Chief Executive of the Ministry of Social Development on 25 September 2018.

Basis of preparation

Statement of compliance

The financial statements have been prepared on a disestablishment basis. The effects of this are disclosed in note 19.

The financial statements of Superu have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards. Superu regards that it is a Tier 2 PBE on the basis that it is not publicly accountable and has expenses in the range of \$2-\$30 million.

Measurement base

The financial statements have been 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 thousand dollars (\$000). The functional currency of Superu is New Zealand dollars (NZ\$).

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.



Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

Income tax

Superu is a public authority and consequently is exempt from payment of income tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the Board for the beginning of the financial year.

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements Superu has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no known significant risks within these estimates and assumptions that would cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Cost allocation

Within the statement of performance, the cost of outputs has been determined through a direct allocation and overhead allocation:

- Direct allocation – where costs can be directly allocated to an output.
- Overhead allocation – where costs cannot be directly attributed to an output they have been classified as an overhead. Overhead costs include expenditure related to the Board and corporate administration costs. Overhead costs are allocated across the outputs based on the proportional allocation of full-time equivalent employees (FTEs) within each output.

2. Revenue

Accounting policy

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

Superu is primarily funded through revenue from the Crown, which is restricted in its use for the purpose of Superu meeting its objectives as specified in the Statement of Intent and the Statement of Performance Expectations.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest revenue is recognised by accruing on a time proportion basis the interest due for investments.

Rental revenue

Lease receipts under an operating sublease are recognised as revenue on a straight-line basis over the lease term.

Provision of services

Services provided to other organisations are recognised as revenue in proportion to the stage of completion at balance date.

Recoverable administrative expenses

Superu will be reimbursed by a sub-tenant for administrative expenses based on an agreed allocation methodology. This revenue will be recognised when the expense by Superu is incurred.

Superu has been provided with funding from the Crown within Vote: Social Development – Non-Departmental Output Expense – Families Commission for specific purposes as set out in the Families Commission Act 2003 and the scope of relevant government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2017: \$nil).

	2017/18 Actual \$000	2016/17 Actual \$000
<i>Other revenue includes</i>		
Interest revenue	102	137
Rental revenue	128	91
Revenue from work commissioned by other agencies	-	117
Other miscellaneous	24	170
Total other revenue	254	515



3. Personnel expenses

Accounting policy – superannuation schemes

Obligations for contributions to KiwiSaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of comprehensive income as incurred.

	2017/18 Actual \$000	2016/17 Actual \$000
Salaries and wages	1,194	4,130
Employer contributions to defined contribution plans	31	116
Increase/Decrease in employee entitlements	(113)	(65)
Provision for redundancies	(35)	191
Other	70	232
Total personnel expenses	1,147	4,604

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

4. Other expenses

Accounting policy

Operating leases

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

Lease incentives received are recognised in the statement of comprehensive income over the lease term as an integral part of the total lease expense.

Grant expenses

Grants expenses are recorded on an accrual basis when specific contractual deliverables have been met.

	2017/18 Actual \$000	2016/17 Actual \$000
Fees to auditor (fees to Audit NZ for audit of financial statements)	41	40
Staff travel	23	70
Operating lease expense	273	298
Advertising	9	7
Commissioned research ⁹	929	5,593
Consultancy/contractors	191	497
Grant expenses ¹⁰	-	200
Research grants	122	403
Other	461	908
Total other expenses	2,049	8,016

5. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment. For bank deposits, impairment is established when there is objective evidence that Superu will not be able to collect amounts due according to the original terms of the deposit.

	2017/18 Actual \$000	2016/17 Actual \$000
Cash at hand at the bank	2,755	269
Cash equivalents – term deposits	-	7,373
Total cash and cash equivalents	2,755	7,642

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

⁹ Commissioned research includes evaluation and research carried out on behalf of other agencies. It includes \$440,000 (2017 \$4,756,000) under the contract for GUINZ.

¹⁰ Grant expenses relates to a conditional grant in favour of the White Ribbon Trust.



6. Debtors and other receivables

Accounting policy

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that Superu will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

	2017/18 Actual \$000	2016/17 Actual \$000
Debtors	-	81
Net debtors	-	81
GST receivable	76	136
Interest receivable	-	25
Total debtors and other receivables	76	242

The carrying value of debtors and other receivables approximates their fair value.

The carrying amount of receivables that would otherwise be past due, but not impaired, whose terms have been renegotiated in 2018 is \$nil (2017: \$nil).

As at 30 June 2018 and 2017, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2017/18 Actual \$000	2016/17 Actual \$000
	Gross	Gross
Not past due	-	9
Overdue	-	72
Total debtors	-	81

No provision for doubtful accounts have been required or made in 2018 and 2017.

7. Property, plant and equipment

Accounting policy

Property, plant and equipment asset classes consist of leasehold improvements, furniture, computer equipment and office equipment. Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Individual assets, or groups of assets, are capitalised if their costs are greater than \$2,000 (excluding goods and services tax (GST)). The value of an individual asset that is less than \$2,000 (excluding GST) and is part of a group of similar assets is capitalised. All are 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.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to Superu and the cost of the item can be measured reliably. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

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

Subsequent costs

Costs incurred subsequent to the initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Superu and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive revenue and expense as they are incurred.



Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful life	Depreciation rate
Leasehold improvements	7–8 years	12.5%–14%
Computer equipment	3 years	33%
Furniture	5 years	20%
Office equipment	5 years	20%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

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

Impairment of non-financial assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Superu would, if deprived of the asset, replace its remaining future economic benefits or 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 total impairment loss is recognised in the statement of comprehensive revenue and expense.

	Leasehold improvements \$000	Computer equipment \$000	Furniture \$000	Office equipment \$000	Total \$000
Costs or valuation					
Balance at 1 July 2016	23	38	52	86	199
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 30 June 2017	23	38	52	86	199
Balance at 1 July 2017	23	38	52	86	199
Additions	-	-	-	-	-
Disposals	(23)	(38)	(52)	(86)	(199)
Balance at 30 June 2018	-	-	-	-	-
Accumulated depreciation and impairment losses					
Balance at 1 July 2016	4	14	18	74	110
Depreciation expense	3	11	10	6	30
Disposals	-	-	-	-	-
Balance at 30 June 2017	7	25	28	80	140
Balance at 1 July 2017	7	25	28	80	140
Depreciation expense	3	8	10	4	25
Disposals	(10)	(33)	(38)	(84)	(165)
Balance at 30 June 2018	-	-	-	-	-
Carrying amounts					
At 30 June and 1 July 2016	19	24	34	12	89
At 30 June 2017	16	13	24	6	59
At 30 June 2018	-	-	-	-	-

Superu does not own land or buildings. There are no restrictions over the title of Superu's assets, nor are any assets pledged as security for liabilities.

As part of the disestablishment process, those assets that had future use were gifted to the Office of the Children's Commissioner with the balance written off.



8. Creditors and other payables

Accounting policy

Short-term creditors and other payables are recorded at their face value.

	2017/18 Actual \$000	2016/17 Actual \$000
Creditors	10	980
Accrued expenses	23	2,611
Total creditors and other payables	33	3,591

9. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that Superu expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

Superu recognises a liability for sick leave to the extent that compensated 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 Superu anticipates it will be used by staff to cover future absences.

Superu recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

	2017/18 Actual \$000	2016/17 Actual \$000
Annual leave	-	113
Accrued salary	-	86
Total employee entitlements	-	199

Superu does not have retirement or long service leave as an employee entitlement. On 29 June 2018 the remaining four staff at Superu were made redundant and all employee liabilities were discharged.

10. Provisions

	2017/18 Actual \$000	2016/17 Actual \$000
Provision for redundancy	-	191
Total provision for redundancy	-	191

As a result of Cabinet's decision on 10 July 2017 to disestablish the Families Commission, a provision for redundancy was provided in the 2016/17 financial year. This was either paid out or reversed during the 2017/18 year.

11. Lease incentives

	2017/18 Actual \$000	2016/17 Actual \$000
Lease incentives	-	69
Total lease incentives	-	69

Superu relocated premises in December 2014 and received a four month rent free period. The total amount had been capitalised and was being written back over the full eight years of the lease. At 30 June 2018 the balance of the provision was written back, as Superu was no longer a party to the lease.

12. Equity

Accounting policy

Equity is measured as the difference between total assets and total liabilities.

	2017/18 Actual \$000	2016/17 Actual \$000
Balance at 1 July	3,902	2,047
Net surplus/(deficit)	(1,104)	1,855
General funds at 30 June	2,798	3,902

Superu incurred no re-evaluations or cash flow hedging in 2018 (2017: \$nil).



13. Operating leases

Operating commitments

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2017/18 Actual \$000	2016/17 Actual \$000
Not later than one year	370	306
Later than one year and not later than five years	1,264	1,224
Later than five years	-	128
Total	1,634	1,658

In December 2014 Superu moved to new premises, and co-located with Inland Revenue. This was under a non-cancellable co-location memorandum of understanding that committed Superu to an eight year lease. Under the terms of the Families Commission Act Repeal Act 2018, this lease liability transfers to the Ministry of Social Development.

14. Contingencies

Contingent liabilities

Superu has no contingency liabilities related to legal actions or superannuation schemes (2017: \$nil).

Contingent assets

Superu has no contingent assets (2017: \$nil).

15. Related party transactions and key management personnel compensation

All related party transactions have been entered into on an arm's length basis. Superu is a wholly-owned entity of the Crown.

Significant transactions with government-related entities

Superu has been provided with funding from the Crown of \$1.93 million (2017: \$14.092 million) for specific purposes as set out in the Families Commission Act 2003, and the scope of relevant government appropriations.

Collectively, but not individually, significant transactions with government-related entities

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

Superu also purchased goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. These purchases are all at normal commercial terms and conditions.

Key management personnel

No transactions were entered into during the year with key management personnel.

Key management personnel compensation

	2017/18 Actual \$000	2016/17 Actual \$000
Board remuneration	67	102
Senior management salary and other short-term benefits	313	905
Termination benefits	79	-
Total key management personnel compensation	459	1,007

Full time equivalents (FTE)

	2017/18	2016/17
Board members	0.35	0.57
Senior management	1.19	4.01
Total FTE	1.54	4.58

Key management personnel included the Families Commissioner, Board members, the Chief Executive and senior managers (Tier 2).

In 2017/18 two key management personnel received compensation or other benefits in relation to cessation (2017: nil).



16. Board member remuneration

The total value of remuneration paid or payable to each Board member during the financial year was:

	2017/18 Actual \$	2016/17 Actual \$
Cook, L (Chair)	40,764	50,278
Wilkinson, J (Deputy Chair)	17,617	21,077
Afeaki-Mafle'o, E	-	4,661
Gluckman, P ¹¹	565	565
Piripi, H	4,803	7,684
Prescott, J	-	6,356
Turia, T	2,437	7,663
Von Dadelszen, P	424	4,167
Total Board member remuneration	66,610	102,451

Superu provided a deed of indemnity to Board members for certain activities undertaken in the performance of Superu's functions. Superu arranged Directors and Officers Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

¹¹ No direct payments are made to Professor Sir Peter Gluckman. His office is reimbursed for the time he spends on Superu business.

Advisory committee member remuneration

The total value of remuneration paid or payable to advisory committee members was -\$1,366 (2017: \$20,628) relating to the reversal of a 2016/17 accrual that was not brought to charge. The membership of the advisory committees follows:

Ethnic Reference Group
Cho, S
Kim, Z
Ramasami, S
Tayawa-Figuracion, M
Wong, G
Wood, P
Yor, A

Pacific Reference Group
Anae, M
Enoka, A
Fa'alili-Fidow, J
Holmes, T
Lima, L
Pulu, M
Tautolo, E

Ethics Committee
Kleinsman, J
Cole, S
Suaalii-Sauni, T
Water, T

Social Science Experts Panel
Bedford, R
Moewaka-Barnes, H
Spoonley, P
Merry, S

Whānau Reference Group
Cameron, G
Downs, S
Kingi, T
Kukutai, T
Reynolds, A

Audit & Risk Committee
Prescott, J
Snively, S

No Board members or committee members received compensation or other benefits in relation to cessation (2017: \$nil).



17. Employee remuneration

Annual salary paid (not including compensation or other benefits in relation to cessation – disclosed separately in note 3)	2017/18 Actual	2016/17 Actual
100,000 – 109,999	1	3
110,000 – 119,999	-	4
120,000 – 129,999	-	6
130,000 – 139,999	2	1
150,000 – 159,999	2	1
170,000 – 179,999	-	1
190,000 – 199,999	-	1
270,000 – 279,999	-	1
Total employees	5	18

During the 2017/18 year five staff members received \$155,555 in payments in connection with their cessation of employment. (2017: 1 staff member, \$33,367)

18. Disestablishment

During the 2017/18 financial year there have been a number of transactions that specifically relate to the disestablishment. These are listed below in terms of their effect on the Statement of Financial Performance:

	2017/18 Actual \$'000
Reversal of lease inducement	(58)
Gifting of assets to the Office of the Children's Commissioner	25
Write off of leasehold improvements connected with Superu	8

19. Events after balance date

The Families Commission Act Repeal Act 2018 disestablished Superu on 30 June 2018, with all remaining assets, liabilities and obligations of Superu transferring to the Ministry of Social Development (MSD). On 2 July 2018, the balances of the bank accounts (\$2,754,158) were transferred to MSD and the accounts closed.

In addition, MSD picked up responsibility for collecting GST refunds due of \$76,547 and making payments to outstanding liabilities of \$32,168.

There have been no other events after balance date that have materially affected these accounts.

20. Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2017/18 Actual \$000	2016/17 Actual \$000
Loans and receivables		
Cash and cash equivalents (note 5)	2,755	7,642
Debtors and other receivables (note 6)	76	242
Total loans and receivables	2,831	7,884
Financial liabilities measured at amortised cost		
Creditors and other payables (note 8)	33	3,591
Total financial liabilities measured at amortised cost	33	3,591

21. Financial instrument risks

Market risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. Superu's exposure at fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flow from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose Superu to cash flow interest rate risk.

Superu's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. Superu currently has no variable interest rate investments. Superu's policy is to not engage in borrowings.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Superu does not purchase significant goods or services overseas and does not hold balances in foreign currencies and therefore has no exposure to currency risk.

Credit risk

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



Due to the timing of its cash inflows and outflows, Superu invests surplus cash with registered banks. Superu's investment policy limits the amount of credit exposure to any one institution.

Superu has processes in place to review the credit quality of customers prior to the granting of credit.

Superu's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 5) and net debtors (note 6). There is no term deposit over three months. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Superu has no significant concentrations of credit risk, as it has no credit customers and only invests funds with registered banks with specified Standard and Poor's credit ratings.

Liquidity risk

Liquidity risk is the risk that Superu will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Superu aims to maintain flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, Superu maintains a target level of investments that must mature within specified timeframes.

Superu had a credit card facility of \$14,000 as at 30 June 2018 (2017: \$14,000).

The table below analyses Superu's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate at the balance sheet date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 3 months
2016/17	\$000
Creditors and payables (note 8)	3,591
2017/18	
Creditors and payables (note 8)	33

22. Capital management

Superu's capital is in its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

Superu is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

Superu manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure Superu effectively achieves its objectives and purpose.

23. Explanation of significant variances against budget

Statement of comprehensive revenue and expense

Revenue

The SPE budget assumed lower levels of cash reserves throughout the year therefore an associated lower level of interest revenue.

Board remuneration

Board remuneration is lower than budget due to lower hours being charged as a result of a reduced meeting schedule.

Personnel/Operating expenses

The budget was prepared on the basis that a higher number of staff would remain in the organisation longer than they actually did. This resulted in parts of the planned work programme being scaled back. In addition, the budget provided for the cost of redundancy to be charged in the 2017/18 year, however this ended up being charged in the previous financial year.

24. Explanation of significant variances against the previous year

The 2016/17 year was the last year that Superu was fully operating all of its programmes and running a full complement of staff. The focus in the 2017/18 financial year was giving effect to the decisions made by Cabinet in July 2017 to disestablish the organisation. Therefore comparisons between the two years are not valid.



superu