

# The Treasury

## Budget 2011 Information Release

### Release Document

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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**Vote Pacific Island Affairs**

# Four-year Budget Plan

Version 1

1 December 2010

Submitted by:

**Ministry of Pacific Island Affairs**

## **Section 1: New Baseline and Summary of Changes**

### *Direction of Change*

The Ministry remains committed to delivering on its priorities of:

- Lifting incomes and standards of living for Pacific people
- Improving Outcomes in Auckland
- Promoting Pacific Culture and Languages
- Whole of Government Approach

However, the next four years will see a change of focus and emphasis in these areas.

### **Priority: Lifting incomes and standards of living for Pacific peoples**

Responding to this priority remains challenging. A recent report by the Department of Labour has shown that over the past two years, the economic downturn has had a larger than average negative impact on Pacific people.

Education will continue to be a major focus as lifting income and living standards will only be realised if we can raise achievement and attainment levels in education. This will include continuing work with the Ministry of Education to increase Pacific participation in Early Childhood Education (ECE) and improving quality of delivery to bring standards in line with main stream providers. Supporting initiatives to lift Pacific children's literacy and numeracy will also be key.

The Ministry will also be leading work to ensure best value and outcomes from the 2010 budget appropriation to support Pacific Economic Development in Auckland. This will involve a specific programme of activity that will target young Pacific people (aged 16 – 25) who are either in school at risk of exclusion, unemployed, or in low skilled low waged jobs. The aim of the funding will be to improve outcomes including educational attainment, skills and training in order to move more young people into sustainable employment.

Recent research by the Ministry has shown that Pacific people are more comfortable with the concept of collective, community wealth rather than individual wealth. This may fit well with the findings of the Housing Stakeholders Advisory Group (HSAG). HSAG has recommended that there should be greater community involvement in the provision of state housing and are proposing a transfer of housing stock to local housing providers. This move will offer opportunities to Pacific communities. The Ministry intends to work with specific communities to provide support, development and training to position communities to respond positively to any asset transfer initiative.

This work will also compliment support the Ministry will provide to Pacific organisations that have been successful in securing contracts under the Whanau Ora initiative. There are already four successful Pacific providers, with a number of other Pacific organisations identified as possible future providers, who require support to progress. The Pacific Business Trust (PBT) has already been providing governance and management training to a range of ECE centres and other Pacific not-for-profit providers. The Ministry will develop this activity within future PBT purchase agreements to broaden the range of not for profit organisations that receive this support.

In addition the Ministry will continue to provide a Pacific perspective to the work of other government departments including health, immigration, social development and justice.

**Priority: Improving Outcomes in Auckland**

Auckland remains a key focus for the Ministry. Over two thirds of New Zealand's Pacific population reside there. Therefore, the success of the Ministry depends on its ability to deliver in Auckland. A major focus of all Ministry project work will be in Auckland. In addition the Ministry will support the development of Pacific leaders to effectively engage with the new local governance structures in the region. We will also ensure that the interests of Pacific people are included in the Auckland Spatial and Economic Development Plan. We will support community engagement with officials developing the plan and will look for the plan to acknowledge the unique place and circumstances of Pacific people in Auckland.

**Priority: Promoting Pacific cultures and languages**

The Ministry will continue to work on the development and implementation of the Pacific Languages Strategy (PLS). There is strong evidence to show that bilingualism can increase educational attainment and improve employment prospects. Key priority projects will include providing support to increase community involvement in Samoan language week and further investigation of a bilingual primary school. The Ministry will look to re-prioritise within baseline to fund the implementation of PLS initiatives, including the community action plans. In addition the Ministry will continue to work with other departments, such as Education and Culture and Heritage, to ensure that Pacific languages are given due consideration within other work programmes.

**Priority: Whole of Government Approach**

In addition the Ministry will continue to work within the Whole of Government framework we developed this year to guide and strengthen the commitment of key agencies to improve outcomes for Pacific youth. This framework assists the Ministry and other government agencies to identify, prioritise and bring together key pieces of work that will contribute to six key outcome areas for Pacific youth: identity, leadership, information, innovation, creativity and enterprise; and families and communities. Key projects will include Whanau Ora for Pacific, economic development milestones for Pacific youth and Modern Apprentices in Manakau.

Overall Impact

<b>Operating</b>	<b>Impact (\$000s)</b>				
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Current Baseline	8,649	8,659	8,659	8,659	7,459
Cost of new/increased activities	0	0	0	0	0
Amount reprioritised	0	0	0	0	0
New baseline	8,649	8,659	8,659	8,659	7,459

<b>Capital</b>	<b>Impact (\$000s)</b>				
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Capital proposals seeking new funding in Budget 2011.	0	0	0	0	0
Capital proposals seeking decisions in Budget 2011 funded within baselines.	0	0	0	0	0
Total capital intentions	0	0	0	0	0

## **Section 2: Vote Priorities and Pressures**

Over the next four years the Ministry will push ahead to realise the three Government priorities for the Vote.

In 2011-12 the Ministry will focus on ensuring that significant progress is being made with the 2010 Budget allocation to support Pacific Economic Development in Auckland. This will include a review of key outcomes and continued cross government working to avoid duplication. Also of importance will be supporting key Pacific communities to respond to the HSAG recommendations. This will include skills development to enhance community capability and capacity. Similar support will also be provided to Pacific organisations with existing or potential Whanau Ora contracts.

Also of importance will be a focus on the outcomes of Pacific people in Auckland, given the majority of New Zealand's Pacific people reside there. A key element of this in 2011 will be ensuring close Pacific involvement within the new Auckland local government structures.

The development and enhancement of Pacific languages and culture will also remain a key priority. 2011/12 will include an enhanced focus on Samoan language week. In addition we will progress the bi-lingual primary school feasibility study.

In 2012-13 the Ministry intends to broaden out its work on developing capability and capacity within Pacific housing communities, Whanau Ora organisations and not for profit ECE centres. This will support the ongoing development of Pacific community social enterprises, given the collective nature of wealth for Pacific people, these organisations can become key drivers of economic growth in Pacific communities.

The Ministry continues to strive to achieve value for money. We have made considerable progress since 2009 in improving our internal business processes. This work will continue including implementation of a new records system and continued improvements to our financial systems and reporting.

The 2010 budget appropriation for Economic Development in Auckland has created tensions in terms of staff resources required to get the programme up and running. It will remain challenging over the next four years to deliver impact and improved outcomes year on year against a static budget line. Changes in Auckland governance will also create challenges over the next few years as the Ministry continues to provide support to Pacific communities to ensure a strong local Pacific voice.

### **Section 3: Proposed Changes for Budget 2011 (Reprioritisation)**

Since the reorganisation of the Ministry in 2008, we have continued to focus on improving both our effectiveness and efficiency. Significant improvements in business systems have allowed the Ministry to invest in new projects such as the New Zealand Pacific Remittance and Financial Literacy Project, Pacific Leadership Development Programme for senior public servants and the Prime Ministers Youth Awards. New initiatives have been funded from savings within baseline. We will continue our efficiency drive as well as seeking partnerships with relevant organisations to further our objectives.

The following will involve new or increased activity within existing baselines:

- 1 The Ministry is participating in the Performance Improvement Framework, a joint central agency initiative aimed to assist senior leaders drive performance improvement across the State Services. This will provide the Ministry with an independent assessment of capability, performance and ability to deliver on Governments priorities. The assessment will complete in March with the final report available in May 2011. In 2011/12 the Ministry will review its core administrative functions in particular administration and all communication functions to ensure better smarter delivery within existing baselines.
- 2 Increasing the support offered to Pacific not for profit organisations and supporting the development of governance and management capacity and capability within Pacific communities. This will support Pacific progress in housing, welfare and education. This builds on previous Ministry works, but provides a greater focus and coherence to that work. This will be managed within existing resources.
- 3 Implementing the Pacific languages strategy will require additional work in both promotional activity and feasibility study for a bi-lingual primary school. This will be key to the government's priority of promoting Pacific language and culture. The Ministry will look to allocate savings from within baseline to support this work.
- 4 Staff training and development continues to be a key priority to ensure that the Ministry has personnel capable of delivering on a diverse and challenging work programme. The Ministry will look to fund this activity from savings elsewhere in the baseline.
- 5 The Research team in the Ministry is rapidly developing a reputation as a centre of excellence in Pacific research. This reputation means that other organisations are offering us the opportunity to tender for specific research projects. The Ministry will build on this reputation and success, and where appropriate will bid for external research projects. This will enhance our knowledge base and generate additional funding to support other Ministry priorities.

## **Section 4: Summary of Financial Movements**

None