



TE MĀNGAI PĀHO
STATEMENT OF INTENT

Tauākī Whakamaunga Atu 2013-2018

*Presented to the House of Representatives
Pursuant to section 149 of the Crown Entities Act 2004
He mea tāpae atu ki te Whare Pāremata i raro i te wāhanga 149
o te Ture Hinonga Karauna 2004*

Te Tirohanga Whakamua Me Te Koromakinga a Te Māngai Pāho

Vision & Mission of Te Māngai Pāho

Vision (Tirohanga Whakamua)

*Ahakoā kei whea,
Ahakoā āwheā,
Ahakoā pēwheā,
Kōrero Māori!*

Māori language – everywhere, every day, in every way!

Mission (Koromakinga)

*Tuhia te hā o Te Reo Māori ki te rangi,
e kaha ai te mapu o te manawa ora,
e rekareka ai te taringa whakarongo,
e waiwai ai te karu mātakitaki.*

Bringing the joy of Māori language to all listeners and viewers.

Office Address

Level 8
Eagle Technology House
135 Victoria Street
Wellington 6011
Aotearoa – New Zealand

Postal Address

PO Box 10 004
Wellington 6143
Aotearoa – New Zealand

Telephone 04-915 0700

Facsimile 04-915 0701

Email webconnect@tmp.govt.nz

Web-site www.tmp.govt.nz

Rārangi Kaupapa Contents

Introduction on behalf of the
Board of Te Māngai Pāho

PART A: STATEMENT OF INTENT: Outcomes, Strategies & Objectives

- 4 About Us
- 5 Our Strategic Environment
- 8 Our Strategic Direction
- 9 Our Outcome Framework
- 10 How we contribute to Government
Strategies & Frameworks
- 12 Our Strategies
- 15 Measuring Our Performance
- 17 Ensuring Our Capability to Perform
- 18 Consultation and Reporting to the
Minister of Māori Affairs
- 19 Key Funding Areas for the Next
Five Years
- 20 Purchase and Funding Framework
- 21 Priorities for the Year Ahead
– 2013/14

PART B: FORECAST FINANCIAL STATEMENTS

- 23 Statement of Responsibility
- 24 Statement of Significant
Underlying Assumptions
- 25 Statement of Forecast Service
Performance
- 33 Forecast Financial Statements

Kupu whakataki nā te poari o Te Māngai Pāho

Introduction on behalf of the Board of Te Māngai Pāho

Kaua e rangirua te hāpai o te hoe; e kore tō tātou waka e ū ki uta.

Tēnā koutou katoa

We are pleased to present Te Māngai Pāho's 2013-2018 Statement of Intent.

Over the last eighteen months the Board has taken stock of the broad strategic direction of this agency and made a number of changes which are set out in this Statement of Intent.

After careful consideration, the Board amended some aspects of the aspirations and objectives in our Outcome Framework. In considering how to best implement its strategy, the Board agreed at the outset that it would adopt an evidence based approach to any significant change in direction.

The Board then undertook a careful re-examination of the literature around language revitalisation and was provided access to a current research project which promotes a new model for language revitalisation.¹ The Board has adopted this model as it is tailored to the specific needs of the Māori language revitalisation environment and efforts.

The model highlights how Right-shifting the position of an individual from Zero to Passive to Active can strengthen the position of the language within society. The key difference is that the emphasis is not simply on moving directly from Zero to Active. Right-shifting an individual from Zero to Passive can generate increased awareness and support for language revitalisation more broadly, and the subsequent Right-shifting from Passive to Active is then easier to achieve.

To successfully revitalise the language, Māori language initiatives are needed that support and proactively encourage a Right-shift – to increase the value, status and use of the language over time.

The adoption of the Right-shift approach is a response to the government's drive for better outcomes and better results. Our aim is for the Māori broadcast sector to be able to demonstrate a tangible impact on Māori language and Māori cultural outcomes.

This document sets out our long and medium term outcomes, and sets out the strategies we have developed in response to our environment. It also sets out how we plan to work towards our outcomes by setting out in broad terms our intended direction for the next five years.

This document also details how Te Māngai Pāho will be accountable for the resources entrusted to it for its activities and statutory functions for the 2013/14 financial year.

¹ Higgins, R. & Rewi, P., *Indigenous Languages within the Entity* (Language, Education and Diversity Conference paper. Auckland University June 2011).



Prof Piri Sciascia
Te Māngai Pāho Board Chair
30 May 2013 (30 Haratua 2013)



Dr Rawinia Higgins
Te Māngai Pāho Board
30 May 2013 (30 Haratua 2013)

**WĀHANGA A
TAUĀKĪ WHAKAMAUNGA ATU**
Whakaputanga Hua, Rautaki, Whāinga hoki

PART A
STATEMENT OF INTENT
Outcomes, Strategies & Objectives

Ko Te Māngai Pāho Tēnei About Us

Our Purpose and Functions

Te Māngai Pāho, the Māori Broadcasting Funding Agency, is a Māori language agency operating in the broadcast sector.

Our purpose is to promote Māori language and Māori culture. The Māori language is currently somewhere between definitely endangered and severely endangered.² As a result, this purpose is perhaps better expressed as an imperative to revitalise the Māori language and culture.

The primary levers that we can use to pursue this revitalisation are to make funds available for broadcasting, producing programmes for broadcasting and archiving programmes. We also make funds available for transmitting on demand, producing content for transmitting on demand and archiving content. In practice, this translates to providing funding for Māori language programmes, Māori culture programmes and music, for television and radio broadcast.

Our Structure and Governance

Te Māngai Pāho was established in 1993 under the Broadcasting Amendment Act, giving life to the acknowledgement of successive governments that te reo Māori is a taonga warranting its active protection and support.

Te Māngai Pāho is a statutory Crown Entity under the Crown Entities Act 2004, and is funded by Parliament through Vote Māori Affairs and is accountable for its conduct and performance to the Minister of Māori Affairs.

Te Māngai Pāho is governed by a Board appointed by the Minister of Māori Affairs. The Board's governance role is to:

- set the agency's goals and overall direction;
- make policies and decisions about its programme funds;
- ensure the agency has the personnel, systems and resources to carry out its role; and
- ensure the agency complies fully with its legal and other obligations.

The Board employs a Chief Executive and ten staff to carry out Te Māngai Pāho's operations. The core work of the agency staff is to manage over \$51 million (GST exclusive) in funding contracts between the agency and various programme makers, service providers and broadcasters.

² Te Paepae Motuhake (2011), *Review of the Māori Language Strategy and the Māori Language Sector*.

Te Taiao Rautaki Our Strategic Environment

Government

One of the Government's four highest priorities is a higher performing State sector that New Zealanders trust, that is delivering outstanding results and value for money. The Government's Better Public Services programme extends a strong theme of innovation to achieve better results, better value for money and stronger leadership across the State sector – both within each agency and at a sector and system level.

In this context, Te Māngai Pāho can be expected to play both:

- a leadership role – guiding and supporting others to achieve better outcomes for the Māori language and Māori culture; and
- an innovator role that is more entrepreneurial – enabling and empowering others to experiment and develop novel approaches and solutions.

Māori

Te Māngai Pāho was born out of the Māori people's struggle to win support for te reo Māori in broadcasting. Our principal Māori stakeholders are those who are engaged in the broadcasting industry including those who campaigned for the Government to support Māori language and culture broadcasting. Our approach

is to remain the objective funder while engaging with Māori to understand the aspirations and strategies to support Māori language and culture.

Wider New Zealand

Our work is part of a wider effort among government agencies, community groups and individuals to revitalise the Māori language. What we bring to this shared task is a unique Māori lens on broadcasting, a powerful medium for social change.

We need to ensure that our message is in sync with our strategic environment and strikes a chord with audiences in a way that changes attitudes, motivates action, and ultimately delivers the desired results: *more people speaking more Māori and a greater awareness of Māori values, practices and views within Aotearoa.*

While there is now broad acceptance that Māori language and Māori culture are integral to New Zealand's national heritage and identity, we remain aware that ongoing Māori language revitalisation efforts cannot succeed without the goodwill and support of the wider community.

Māori language revitalisation

We have had and will continue to have an important role in the delivery of the Government's Māori language strategy.³ There is a strong foundation of research on language revitalisation. We have built this focus on revitalisation into our funding activities, and these activities are likely to be consistent with current and future Māori language strategies. The current challenge is to develop more objective measures of quality and outcomes that can be used to guide performance against these goals.

Māori language strategies

The Government's current Māori language strategy dates back to 2003. Te Paepae Motuhake has reviewed the Māori language strategy and sector, and Te Puni Kōkiri and Te Taura Whiri i te Reo Māori are developing advice on the Government's response to this review.

Language revitalisation

The academic literature on language revitalisation is well-developed⁴ and various theories have been applied in the development of strategies to address Māori language loss. These theories have also influenced how these strategies have been measured.

³ Te Puni Kōkiri & Te Taura Whiri i te Reo Māori (2003), *Te Rautaki Reo Māori – The Māori Language Strategy*.

⁴ See, for example, Fishman, Joshua (1991), *Reversing language shift: theoretical and empirical foundations of assistance to threatened languages*; Clevedon, *Multilingual Matters*; Spolsky, Bernard (2003), *Reassessing Māori Regeneration* (Language in Society, 32(4): 553-578).

More recent research has highlighted the important impact of societal ideologies, and the value and attitudes attributed to the language by society, on language revitalisation. Language values are an inherent factor of language choice amongst bilingual Māori communities. Against this background, current revitalisation strategies emphasise shifting this ideology to advance the Māori language and encourage normalisation across the nation.

The ZePA⁵ model highlights how Right-shifting the position of an individual from Zero to Passive to Active can strengthen the position of the language within society. The key difference is that the emphasis is not simply on moving directly from Zero to Active. Right-shifting an individual from Zero to Passive can generate increased awareness and support for language revitalisation more broadly, and the subsequent Right-shift from Passive to Active is then easier to achieve.

The evidence reported in the Te Puni Kōkiri surveys on the Health of the Māori Language⁶ suggests that there has been continued left-shifting in New Zealand over time that has contributed to the decline of the language, leaving the language in the precarious state described by Te Paepae Motuhake.

To successfully revitalise the language, Māori language initiatives need to both stem the factors that support this left-

shift and proactively encourage a Right-shift – to increase the value, status and use of the language over time. Māori broadcasting is one such initiative. A review of international research also suggests that broadcasting can be a cost-effective intervention to revitalise the language.⁷

Māori Broadcasting Industry

Iwi Radio

The iwi radio network is a significant deliverer of te reo Māori programme hours for broadcast with 21 iwi radio stations broadcasting on frequencies specifically reserved for the promotion of Māori language and culture. Stations are encouraged to focus on community engagement and Māori language outcomes.

Television

TVNZ has a long established history of providing iconic Māori programming. There is a modest appetite for Māori themed programming on other mainstream channels. Māori Television has created unprecedented opportunities for te reo Māori and kaupapa Māori television programme makers.

Māori Producers

Māori programme makers, and in turn the broadcaster that commits to air their programmes, demonstrate a passion and commitment to their craft, language

and culture that will contribute to the sustainability of the industry. There is optimism within the industry that a real niche exists in the global market for indigenous stories and storytelling. While the Māori television production sector might still be in a development phase, increased competition for a static government funding pool, limited scope for securing alternative revenue sources, rapidly changing technologies and increasingly sophisticated audience demands indicate a level of consolidation is likely. Te Māngai Pāho will encourage programme makers and broadcasters to support Māori language in their workplaces and to continue to strengthen their te reo Māori and tikanga Māori capability.

Music Industry

Research shows that music can be a strong aid for those learning a new language. Feedback from those actively engaged in Māori language courses also points to the benefit of learning the lyrics of Māori language music. Te Māngai Pāho provides a relatively modest contestable fund for music. Our objective in providing this funding is to provide a source of new Māori language tracks for the iwi radio network and their listeners. If this music also finds a wider audience then this is an added bonus. Although there is strong demand for music from the iwi radio network, previously funded artists and independent producers have demonstrated that a wider audience also has an appetite for well crafted Māori language music.

⁵ Higgins, R. & Rewi, P., *Indigenous Languages within the Entity* (Language, Education and Diversity Conference paper. Auckland University June 2011).

⁶ Te Puni Kōkiri (2008), *Te Oranga o te Reo Māori 2006: The Health of the Māori Language in 2006*.

⁷ Grin, Francois and Vaillancourt, Francois (1998), *Language Revitalisation Policy: An Analytical Survey Theoretical Framework, Policy Experience and Application to Te Reo Māori Working Paper 98/6*.

In the 2012/13 year the first annual list of the top 40 most played songs on iwi radio was published. This was for the 2012 calendar year. The stations now also receive a weekly te reo top twenty list for the iwi radio network which shows what music is popular around the network. The enhanced reporting also means that better information is now available for the distribution of royalties to Māori artists and musicians.

Digital Initiatives

Te Māngai Pāho continues to adopt a cautious approach to the funding of digital initiatives. Experience in Australia and New Zealand indicates that growth in digital consumption is occurring on top of and not replacing conventional television viewing. Nielsen research says that 60% of television audiences are simultaneously online. Our experience to date indicates that a phased approach to development is supported by our producers and also provides more prudent management of funds in a new and uncharted zone. Our expectation is that, as time goes on, additional resources will be diverted to this area, but only on the back of quality proposals that point to enhanced user experience and better audience engagement. Proposals would need to also include a means to demonstrate effectiveness.

Production Sector

Within New Zealand and globally, the production sector is undergoing major change. Traditional broadcasting outlets have new competitors for audiences and revenue as telecommunications and broadcasting converge.

Free to air digital transmission, along with the closedown of analogue broadcast transmission this year and proposed changes to how production related intellectual property rights are held, mean that television as we know it will change dramatically.

Broadcasting is already being replaced by narrowcasting, with individuals increasingly able to choose both what they consume and when they consume it. These developments support today's society where people want to interact with media and want products and services to come to them "Anywhere, Anytime, on Any device". This means that programme producers of the future need to create products that can be distributed via a wide range of media eg. television, radio, interactive TV, mobile phones, smartphones and the internet.

The increased focus of producer and consumer activity on the internet, including social media, means that we need to encourage opportunities that provide access to programmes via the web. We also recognise that if we want the content that we fund to reach the widest possible audiences then we need to give greater consideration to that content being addressable, re-useable, capable of being re-versioned and even re-mashed.

Broadcasters and producers are rising to this challenge from their own resources and are utilising the programme content we fund for reuse in other platforms. This is a positive development as it leaves us free to continue to concentrate the bulk of our scarce resources on developing quality programme content.

Audiences

A good proportion of both Māori and non-Māori people in New Zealand support government funding for Māori language and cultural programmes. Programmes for and/or about Māori are perceived as having inherent value, even though most people do not watch these programmes. Unsurprisingly, Māori and Pacific people are much more likely to watch these programmes and call for an increase in the quantity shown.⁸

Our Approach

We use a Purchase and Funding Framework to specify the categories of Māori language and Māori cultural content we seek from producers. We invite producers to develop proposals that fall within the framework parameters and will gain a positive commitment from distributors.

We reviewed our framework in 2012/13 as part of our strategic direction review. The review has led to a changed framework, which is set out in full in the section titled *Key Funding Areas for the Next Five Years*.

⁸ Premium Research for NZ on Air, *Public Perception Research 2008/2009*.

Te Ahunga Rautaki Our Strategic Direction

During 2012/13 we have reviewed our strategic direction. The review determined there was broad support for the existing Outcome Framework. In particular, the aim, major outcome, intermediate outcomes and strategies have all been retained. A new intermediate outcome has been added to reflect a stronger focus on capability building.

Our vision is Māori language – everywhere, every day, in every way! The outcome that we seek is:

**Whakanuia ai ngā tāngata e
kōrero Māori ana me te reo e
kōreretia ana, whakanuia ai hoki
te māramatanga i ngā tikanga me
ngā tirohanga Māori ki Aotearoa
puta noa.**

**More people speaking more
Māori and a greater awareness
of Māori values, practices and
views within Aotearoa.**

We contribute directly to this outcome by broadcasting te reo Māori. We actively expose the New Zealand public to greater use of te reo Māori, role modeling the normalisation of te reo Māori by catering to the wide range of proficiency in te reo Māori. This contributes to the revitalisation of te reo Māori and tikanga Māori among whānau, hapū, iwi, Māori communities and all New Zealanders. Our role is pivotal in supporting windows of opportunity for Māori and non-Māori to access quality te reo Māori and tikanga Māori programmes in their own homes.

Our desired outcome aligns with government’s strategic policy goals and Māori aspirations for te reo Māori. For the Outcome to be achieved:

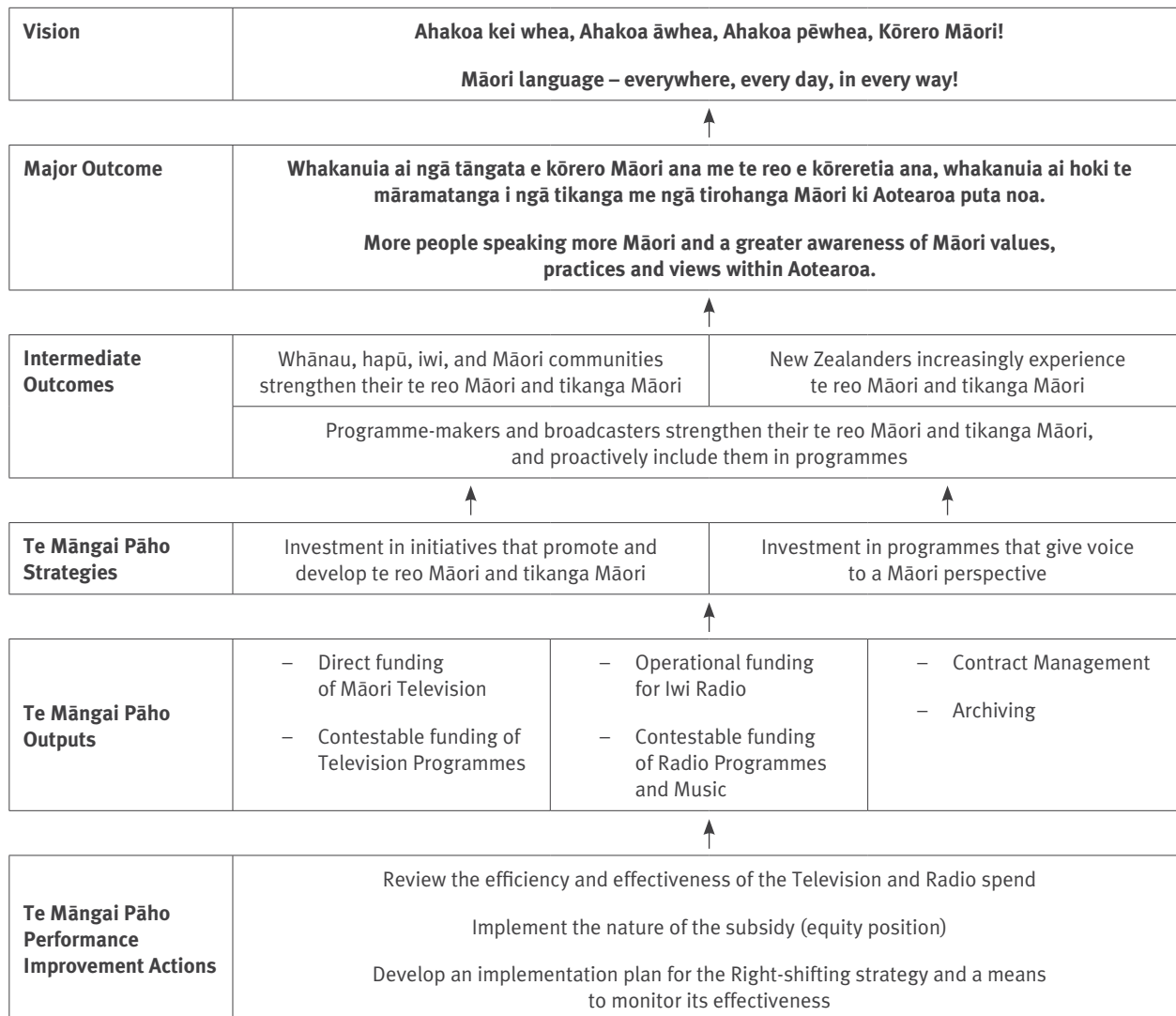
- a focus on restoring Māori language among Māori people must be a “first principle” to ensure the sustainable and proper guardianship of te reo Māori;
- the main platforms for Māori language broadcasting to Māori, namely the iwi radio network and Māori Television, must deliver quality Māori language outcomes appropriate to the needs of their audiences;

- an appropriate level of support must be provided by other national broadcasters for Māori language and cultural content within their programme schedules in order that te reo Māori and tikanga Māori programmes are accessible to wider audiences; and
- our community must be supported to strengthen its te reo Māori and tikanga Māori capabilities in order to ensure that the demand for high quality, vibrant and diverse Māori programmes is adequately met.

These requirements are reflected in the Intermediate Outcomes that we pursue and to which we contribute. The Intermediate Outcomes are critical because they drive our short to medium-term funding policy, management and operational decisions. The Intermediate Outcomes we seek, and the strategies we use to contribute to them, are detailed over the following pages.

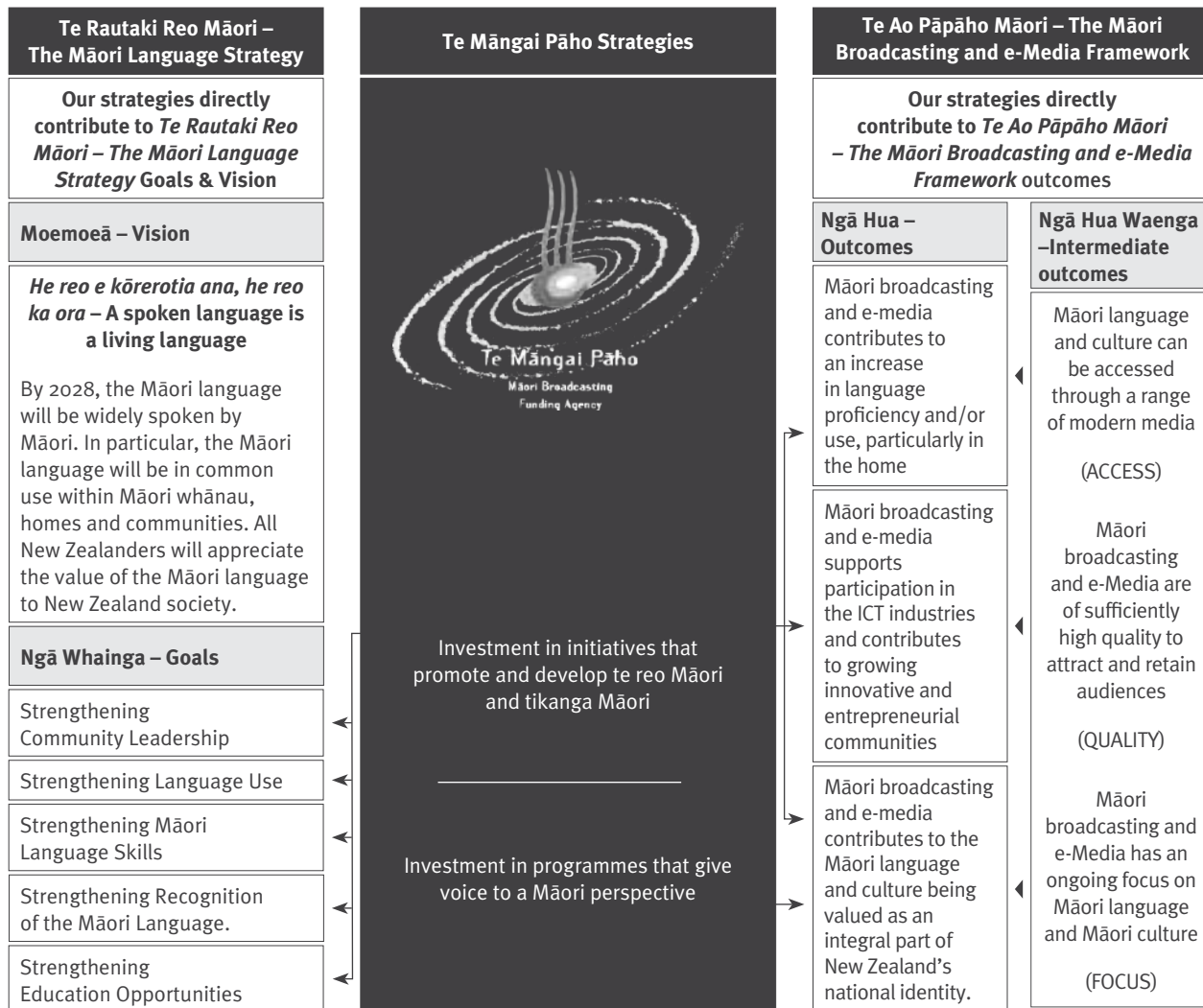
Te Poutarāwaho Whakaputa Hua

Our Outcome Framework



Te Tautoko i ngā Rautaki me ngā Poutarāwaho a te Kawanatanga

How we contribute to Government Strategies & Frameworks





Kaupapahere Rautaki Our Strategies

Investment in initiatives that promote and develop te reo Māori and tikanga Māori

What We Will Do

We will work together with iwi radio, to promote and celebrate hapū and iwi identity at a local level, and with Māori Television and other broadcasters/ programme producers to engage audiences at a national level on matters and issues important to Māori. We will also work with music producers and contracted archive providers. In all contexts, we endeavour to ensure that programmes:

- comprise a substantive measure of quality te reo Māori and/or convey relevant aspects of tikanga Māori; and
- are produced and distributed across multiple platforms in a manner that attracts as wide an audience as possible, informing, entertaining and educating people of all ages and abilities.

Through our funding priorities and decisions we encourage programme makers and broadcasters to take this approach with as many genre as possible, including documentaries, news, current affairs, drama and children’s programmes.

We will also work collaboratively with other agencies and entities in the sector to develop a shared understanding of the value of, and approach to, the promotion of te reo Māori and tikanga Māori to all New Zealanders.

Why We Will Do It

Successive governments have recognised the value of culture and heritage for individuals, wider communities and for the country as a whole.⁹ The Crown recognises that the Māori language is a taonga guaranteed to Māori by the Treaty of Waitangi and is committed to supporting the revitalisation of the Māori language.¹⁰ It also appreciates that whānau, hapū, iwi, and Māori communities play an important role in the long term sustenance, ownership and use of te reo Māori and tikanga Māori.

Some Māori and non-Māori already value Māori language and culture as part of New Zealand’s heritage. For New Zealand to maximise the benefits that Māori language and Māori culture can make nationally and internationally as our nation’s point of difference, there is a need for more New Zealanders to make an attitudinal shift toward accepting and supporting bi-culturalism. The first step toward such acceptance and support is an increased understanding of the value of te reo Māori and tikanga Māori.

One way to strengthen te reo Māori and tikanga Māori is by enabling it to be seen and heard in more homes and places in New Zealand. Radio and television broadcasting, and increasingly the internet, provide cost effective ways of taking te reo Māori and tikanga Māori to all New Zealanders.

As a result, Te Māngai Pāho is tasked with contributing directly and meaningfully to the revitalisation of te reo Māori and tikanga Māori among whānau, hapū, iwi, Māori communities and other New Zealanders through the funding of original, informative and entertaining programmes to be broadcast.

Contribution

This strategy contributes to both our intermediate outcomes, with a particular emphasis on helping whānau, hapū, iwi, and Māori communities to strengthen their te reo Māori and tikanga Māori. It also helps programme-makers and broadcasters strengthen their te reo Māori and tikanga Māori, and proactively include them in their programmes.

⁹ Te Manatū Taonga Ministry for Culture and Heritage (2005), *Statement of Intent 2005-2009*.

¹⁰ Te Puni Kōkiri (2003), *Te Rautaki Reo Māori – The Māori Language Strategy*.

How We Will Do It

We will support the Māori programming efforts of iwi broadcasters, Māori and mainstream national broadcasters so that New Zealanders can enjoy universal access to quality Māori programming. We will also support the development and consolidation of the Māori screen production industry to ensure the ongoing provision of such programmes. We will fund programmes that promote, explain and/or raise awareness and appreciation of the benefits that New Zealand as a whole gains from te reo Māori and tikanga Māori.

In carrying out this role, we will give particular focus to programmes and broadcasts that have community support and support the efforts of learners of the language, including students enrolled in Māori language education.

Over the next five years we will:

- regularly review our Purchase and Funding Framework to ensure that it continues to support our strategy;
- support capability building activities that strengthen programme-makers and broadcasters’ te reo Māori and tikanga Māori capabilities in order to improve the quality of programmes produced across all genres and platforms

- fund quality te reo Māori and tikanga Māori programmes, to be distributed on multiple platforms and broadcast on television and radio, that meet the criteria set out in our Purchase and Funding Framework;
- purchase core operational production and broadcast capability and te reo Māori content from iwi radio stations and purchase national programmes for distribution;
- purchase radio and television archiving services from Ngā Kaitiaki O Ngā Taonga Whitiāhua (The New Zealand Film Archive);
- maximise the accessibility and utilisation of programmes in which we have invested by ensuring our investment approach encourages, and allows for, the re-use of quality Māori programming;
- work in a co-ordinated way with Irirangi Te Motu (NZ On Air) in terms of programme purchasing. In particular, we will look to ensure that our respective purchasing policies are aligned and complementary;
- work closely with Māori Television who have a specific long-term objective to “significantly contribute to te reo and tikanga Māori being increasingly valued and embraced”;
- work collaboratively with other agencies including Te Puni Kōkiri, Te Taura Whiri i te Reo Māori (The Māori Language Commission), Te Tāhuhu o Te Mātauranga (the Ministry of Education), Te Manatū Taonga (the Ministry for Culture and Heritage), Te Tumu Whakaata Taonga (the New Zealand Film Commission); Toi Aotearoa (Creative New Zealand); and
- consult with, and respond to information provided by, our industry advisory groups e.g. the Television Industry Advisory Group and with iwi radio via the executive team of Te Whakaruruhau o Ngā Reo Irirangi Māori.

Investment in programmes that give voice to a Māori perspective

What We Will Do

We will facilitate the development of programmes that provide Māori perspectives on, and insights into, current affairs and topical issues.

Why We Will Do It

New Zealand is increasingly multi-cultural. In order to live and work together in harmony it is important that all groups within New Zealand understand and appreciate the perspectives of others. One way to increase New Zealanders' understanding and appreciation of Māori viewpoints is to provide programmes that explore and explain Māori perspectives and insights. Such programmes have the added benefit of developing stronger Māori to Māori connections.

Contribution

This strategy contributes to both our intermediate outcomes, with a particular emphasis on all New Zealanders increasingly experiencing te reo Māori and tikanga Māori.

How We Will Do It

We will promote awareness of current Māori issues by funding documentaries, debates, news and current affairs programmes that traverse current issues, diverse Māori viewpoints and historical contexts and present them using different levels of Māori language content depending on the fluency level of the target audience.

Over the next five years we will fund quality programmes for multiple platforms that reflect Māori perspectives and insights and are presented using varying degrees of Māori language content depending on the target audience.

Te Ine Whakatutukinga Measuring Our Performance

Outcome Measures

We work collaboratively with entities that share a direct stake in achieving Māori language outcomes to rationalise effort around outcome measurement and evaluation.

To date we have utilised longitudinal nationwide Māori language surveys such as the *Survey of the Health of the Māori Language* and the *Survey of the Attitudes, Values and Beliefs*

towards the Māori Language to measure progress toward our respective and complementary Māori language outcomes and to see if our collective efforts are having the impact we seek.

We have also commissioned annual Māori Programming Audience Survey Research to provide further information about our audiences and to quantify the impact broadcasting has on their perspectives and te reo and tikanga Māori understanding.

With the introduction of the Right-shift model, work will be undertaken in the 2013/14 year to refine our measures in order to better reflect the impact of the new approach.

Major Outcome

We will determine the state of the major outcome by monitoring results and trends in the following set of indicators.

Measuring Performance

Intermediate Outcome Indicator	2012 Māori Programming Audience Survey	2011 and 2012 Surveys Two Year Average	2014 Target	2016 Target	2018 Target
<i>Whānau, hapū, iwi, and Māori communities strengthen their te reo & tikanga Māori</i>					
% of New Zealanders who have a 'good' understanding of te reo Māori or are fluent.					
▲ Youth Māori	13%	12%	11%	12%	15%
▲ General Population of Māori	33%	34%	34%	36%	37%
▲ All New Zealanders	2%	3%	3%	4%	5%
% of New Zealanders who have a 'good' understanding of Māori Culture or are well versed.					
▲ Youth Māori	48%	45%	45%	46%	50%
▲ General Population of Māori	70%	69%	69%	69%	70%
▲ All New Zealanders	20%	18%	18%	19%	20%
<i>New Zealanders increasingly experience te reo Māori and tikanga Māori</i>					
% of New Zealanders who have more opportunity to learn about Māori culture.					
▲ Youth Māori	67%	73%	73%	74%	75%
▲ General Population of Māori	93%	95%	93%	94%	95%
▲ All New Zealanders	74%	83%	84%	85%	86%

Strategy Impact

We measure our operational performance and strategy impact by monitoring results and trends in the following set of indicators.

Intermediate Outcome Indicator	2012 Māori Programming Audience Survey	2011 and 2012 Surveys Two Year Average	2014 Target	2016 Target	2018 Target
<i>Investment in initiatives that promote and develop te reo Māori and tikanga Māori</i>					
% of New Zealanders who indicate their understanding of te reo Māori has increased from watching or listening to Māori Programming.					
▲ Youth Māori	17%	16%	17%	18%	20%
▲ General Population of Māori	33%	35%	36%	37%	40%
▲ All New Zealanders	11%	10%	10%	11%	12%
% of New Zealanders who indicate their understanding of Māori Culture has increased as a result of watching or listening to Māori Programming.					
▲ Youth Māori	29%	26%	29%	30%	30%
▲ General Population of Māori	41%	45%	46%	47%	48%
▲ All New Zealanders	18%	17%	18%	19%	20%
% of New Zealanders who watch Māori Television at least once a week.	41%	45%	46%	47%	48%
▲ Youth Māori					
▲ General Population of Māori	28%	32%	32%	32%	33%
▲ All New Zealanders	77%	81%	78%	79%	80%
% of New Zealanders who listen to iwi radio 3 or 4 times a week.	21%	22%	23%	24%	25%
▲ Youth Māori	8%	7%	8%	9%	10%
▲ General Population of Māori	25%	23%	25%	26%	28%
▲ All New Zealanders	<1%	<1%	1%	1%	2%
<i>Investment in programme that give voice to a Māori perspective</i>					
% of New Zealanders who are better informed on Māori issues.					
▲ Youth Māori	49%	50%	50%	51%	52%
▲ General Population of Māori	80%	84%	82%	84%	85%
▲ All New Zealanders	39%	47%	40%	41%	42%

Te Whakaū i tō mātou kaha whakatutuki

Ensuring Our Capability to Perform

We are a relatively small organisation with just 11 staff. Even so we have a diverse workplace profile, made up of:

- 9 full-time and 2 part time staff;
- 4 male and 7 female;
- 7 Māori and 4 non-Māori; and
- a wide age range.

Our organisational make-up, the Government priority – delivery of better public services to New Zealanders within tight financial constraints, and SSC’s Performance Improvement Framework¹¹ provide the context for our future capability development considerations.

Our performance improvement actions are listed below. We expect them to improve our efficiency and effectiveness, while at the same time meeting our obligations in terms of the Development Goals for the State Sector¹² and our ‘good employer’ obligations under the Crown Entities Act 2004.

External Relationships / Financial and Resource Management

We will review our current frameworks and spend to ensure they are evidence-based and deliver value for money in terms of use, capture, distribution and impact of the programmes we fund and the outcomes we seek. Areas for review include the efficiency and effectiveness of the Television and Radio spend.

We plan to implement the nature of the subsidy (Equity Position) during the 2013/14 financial year. We will also develop an implementation plan for the Right-shifting strategy and a means to monitor its effectiveness.

Leadership, Direction and Delivery / People Development

We will continue to implement our internal Māori Language Strategy and capacity building initiatives. These initiatives will enhance the expertise and people resources we have available to carry out all aspects of our business.

¹¹ State Services Commission (2010), *Performance Improvement Framework*. Retrieved March 2010 from <http://www.ssc.govt.nz>

¹² State Services Commission (2005), *Development Goals for the State Services*. Retrieved April 2007 from <http://www.ssc.govt.nz>

Te Whakapānga me te Tuku Pūrongo ki te Minita i ngā Take Māori

Consultation and Reporting to the Minister of Māori Affairs

In accordance with section 141(1)(g) of the Crown Entities Act 2004, there are no specific matters contained in this Statement of Intent on which Te Māngai Pāho intends to consult or notify the Minister before making a decision.

However, Te Māngai Pāho will adopt the following approach:

No Surprises

Te Māngai Pāho will ensure that the Minister is adequately advised in advance, (where possible), about:

- issues likely to attract external attention, or represent potential risk to the Government; and
- key risks or matters that may have a bearing on the role of the Minister.

Te Māngai Pāho will actively keep both the Minister and Te Puni Kōkiri informed through regular scheduled meetings with the Minister, as well as meetings between the chief executives of Te Māngai Pāho and Te Puni Kōkiri and regular meetings between management and staff from both organisations.

Reporting

The matters on which Te Māngai Pāho will report to the Minister and the frequency of reporting are summarised below:

- Annual Report – as per the Crown Entities Act 2004 and the Public Finance Act 1989 requirements;
- Quarterly reporting against the performance and financial information established in both the Statement of Intent and the Output Plan, including providing an updated forecast of operating revenue and expenditure for the financial year in the third quarterly report; and
- Risk management – briefing papers to the Minister as issues arise.

Kaupapa Matua mō ngā Tau e Rima kei Mua

Key Funding Areas for the Next Five Years

During 2012/13 we reviewed our Purchase and Funding Framework in line with reviewing our strategic direction. We found that the existing Purchase and Funding Framework went some way to expressing our overall strategic direction. However, in light of our new emphasis on Right-shifting we determined that:

- We would develop a Māori Language Strategy that more explicitly incorporates a focus on Right-shifting, from the current situation for the language.
- We would align the Purchase and Funding Framework to ensure funding allocations support progressive and incremental Right-shifting.
- The assessment of funding applications would consider how these applications support progressive and incremental Right-shifting.
- Funding applicants would be encouraged to incorporate in their language plans how they will progressively and incrementally support Right-shifting.

Our challenge is to target our funding resources in a way which meets the viewing expectations of individuals across the whole continuum of Māori language interest and participation, and to do so in a way which will best achieve the longer-term Māori language outcomes we seek and are tasked with achieving.

This includes providing an environment for *Fluent* speakers that helps the language endure in their everyday lives across all of the domains in which they are active. We want to provide *Second Language Learners* with the programming which supports them in their efforts to extend their Māori language abilities, and we want our *Receptive Audiences* to have access to a mix of opportunities to reinforce their interest and encourage and challenge them to pursue their own Māori language goals.

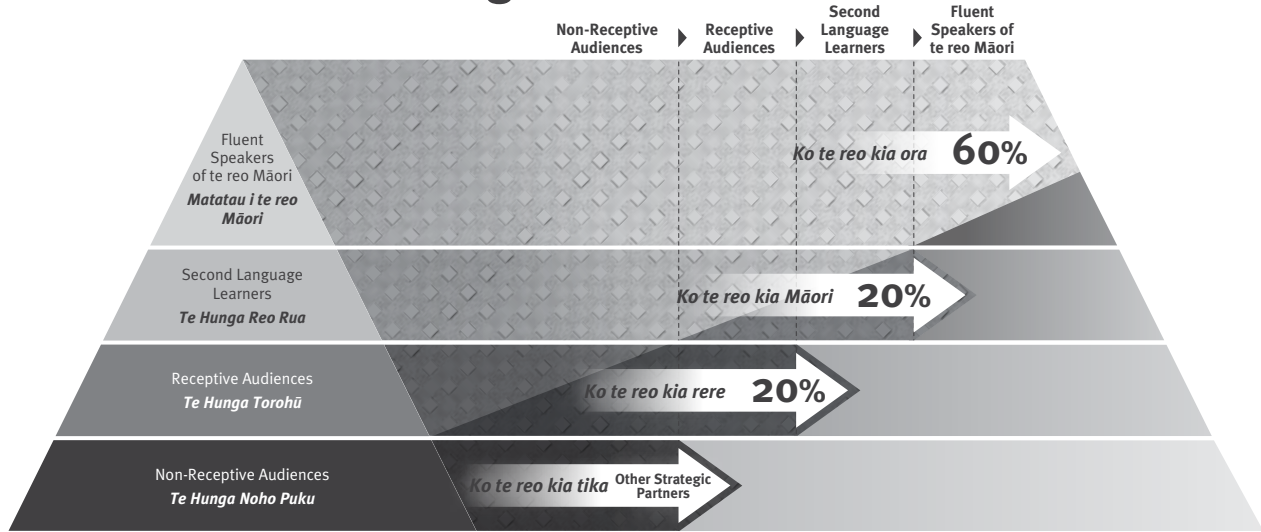
We also identify a fourth group which are *Non-Receptive Audiences*, that is, broadcasting audiences that have little or no interest in either Māori language or Māori culture. We have taken a strategic decision to focus our purchase and funding investments going forward on those audiences among whom we are most likely to realise some appreciable Māori language gains.

Accordingly, rather than attempting to persuade otherwise *non-receptive* listeners and viewers as to the merits of Māori language broadcast programming, we will continue to target audiences in the upper three tiers of the intervention triangle. Furthermore, we consider our work to be building upon the base provided by our colleagues at New Zealand On Air, who through their Māori language strategy, *Rautaki Māori*, generally provide more broad-spectrum funding for Māori themed and general programming for audiences on radio and television.

Therefore, our purchase decisions will be guided by the needs of the other three identified audience groups.

A copy of our new Purchase and Funding Framework follows.

Te Māngai Pāho Purchase and Funding Framework



Our new purchase and funding framework is a representation of both our purchase intentions and our purchase objectives. The intervention triangle shows the four audience segments described above and is representative of the numbers in these categories.

The grid out to the right of the triangle shows our audience segments in a line on a language continuum under the ZePA¹³ model with a view to increasing normalisation. In pursuit of our long-term vision of Māori language *everywhere, everyday, in every way* as te reo Māori becomes increasingly accessible in homes throughout New Zealand, we would ultimately like to see audiences moving along this continuum. This would see receptive listeners and viewers in time becoming second language

learners for example, and individuals already at this point moving to becoming fluent speakers. The intention of our funding interventions is therefore to Right-shift audiences along this continuum to increase awareness, acceptance and use of the language, particularly at a whānau and community level.

Our Māori Language Objectives

- Ko te reo kia tika** High Quality
- Ko te reo kia rere** Frequency and eloquence
- Ko te reo kia Māori** Promote a Māori World View
- Ko te reo kia ora¹⁴** Normalisation of the Māori language

With 60% of contestable funding devoted to Fluent programming, the diagram is also intended to show the broader impact of fluent language television programmes due to their availability to other audience groups by means of subtitles.

We appreciate that such broad Right-shifting will not necessarily be accomplished through broadcasting alone. However, we do believe it is important that the opportunities continue to be made available to support those who may be prompted to take their first or next steps on this journey.

¹³ Higgins, R. & Rewi P., *Indigenous Languages within the Entity* (Language, Education and Diversity Conference paper. Auckland University June 2011).

¹⁴ Adapted from 'Ko tā Te Kohanga Reo Rehu' in *Te Ara Tuapae* (2006).

Kaupapa Matua mō te Tau kei Mua – 2013/14

Priorities for the Year Ahead – 2013/14

The coming year will be the first in the period to which this Statement of Intent relates.

Details of the specific outputs that we plan to deliver are provided in Part B of this document (see pages 25 to 32 for our Statement of Forecast Service Performance). In addition, we want to provide readers with some sense of the more significant projects and initiatives we will undertake this year.

The significant projects and initiatives we will undertake in 2013/14 follow.

Overall

- Develop an implementation plan for the Right-shifting strategy and a means to monitor its effectiveness.

Television – specific

- Continued development of initiatives to improve the quality of the television spend.
- Implement the nature of the subsidy (equity position).

Radio – specific

- Continued development of initiatives to improve the quality of the radio spend.
-

WĀHANGA B

MATAKITENGA TAUĀKĪ RATONGA ME
TE MATAKITENGA TAUĀKĪ PUTEA

PART B

FORECAST FINANCIAL STATEMENTS

Statement of Responsibility

Te Māngai Pāho's forecast financial statements have been prepared in accordance with sections 139 and 141 of the Crown Entities Act 2004 and are consistent with generally accepted accounting practice.

The Board and management of Te Māngai Pāho are responsible for the preparation of the Statement of Intent and the forecast financial statements contained in this report.

The financial performance forecasts to be achieved by Te Māngai Pāho for the year ending 30 June 2014, specified in the Statement of Forecast Service Performance, are agreed with the Board of Te Māngai Pāho and its Responsible Minister.

The performance for each class of outputs forecast to be achieved by Te Māngai Pāho for the year ending 30 June 2014 is as specified in a separate output plan also agreed between the Board of Te Māngai Pāho and the Responsible Minister.

We certify that the information contained in this report is consistent with the appropriations contained in the Estimates for the year ending 30 June 2014 that are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.



Prof Piri Sciascia
Te Māngai Pāho Board Chair
30 May 2013



Dr Rawinia Higgins
Te Māngai Pāho Board
30 May 2013

Statement of Significant Underlying Assumptions

The forecast financial statements on pages 25 to 45 have been completed on the basis of existing Government policies and after consultation by the Board and management of Te Māngai Pāho with the Minister of Māori Affairs. The forecast financial statements have been prepared on the basis of assumptions as to future events that the Board and management of Te Māngai Pāho reasonably expect to occur, associated with the actions they reasonably expect to take, as at the date the information was prepared.

These statements have been prepared also in the context of the budgetary process.

It is not intended that this published material will be updated.

The main assumptions are that:

- Te Māngai Pāho is a going concern;
- the broadcasting landscape in which Te Māngai Pāho operates will remain substantially the same as the previous year;
- Te Māngai Pāho will continue to fund the types of broadcasting activities currently funded; and
- the scale of Te Māngai Pāho's activities will remain substantially the same.

Other Measures and Standards and Additional Information

There are no other relevant performance measures or standards or additional information which needs to be disclosed as required by s 142(i) (c) and (e) of the Crown Entities Act 2004.

Statement of Forecast Service Performance

Performance measures for all outputs will be included in the following documents:

- Te Māngai Pāho's 2013-18 Statement of Intent; and
- The 2013/14 Output Plan.

Cost of Services

Te Māngai Pāho has three output classes and forecast total revenue and expenses are as disclosed in the forecast financial statements on page 39.

Details of actual and forecast appropriations and expenditure by Output Class and total actual and forecast expenditure are set out below:

Output Class	2012/13 Estimated Actual \$m	2013/14 Forecast
Māori Television Broadcasting		
Revenue		
Appropriation	40.3	40.3
Other	0.1	0.1
Total Revenue	40.4	40.4
Total Expenditure	40.6	40.5
Movement in Reserves	(0.2)	(0.1)
Māori Radio Broadcasting		
Revenue		
Appropriation	10.8	10.8
Total Revenue	10.8	10.8
Total Expenditure	11.0	11.0
Movement in Reserves	(0.2)	(0.2)
Administration of Māori Broadcasting		
Revenue		
Appropriation	1.8	1.8
Interest Received	1.0	1.0
Total Revenue	2.8	2.8
Total Expenditure	2.4	2.6
Movement in Reserves (excl Interest)	0.6	(0.8)
Net Movement in Reserves	0.4	0.2
Total Appropriations	52.9	52.9
Total Other Revenue	0.1	0.1
Total Interest Received	1.0	1.0
TOTAL REVENUE	54.0	54.0
TOTAL EXPENDITURE	54.0	54.1
Net Movement in Reserves	0.0	(0.1)
as per Statement of Prospective Comprehensive Income		

Māori Television Broadcasting

The Minister of Māori Affairs will purchase this class of outputs from Te Māngai Pāho to:

- promote Māori television broadcasting;
- promote capability in the Māori television broadcasting and production sector; and

- purchase programmes to be broadcast on television.

Outputs will be provided within the appropriated sum of \$40.3 million (exclusive of GST), Other Revenue of \$0.1 million and reserves of \$0.1 million (exclusive of GST), a total of \$40.5 million (exclusive of GST).

	2011/12 Actual	2012/13 Estimated Actual	2013/14 Forecast
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Quantity and Quality of Māori Language

The following quantity and quality measures apply to all outputs in this output class based on samples of at least 90% of funded programmes.

Quantity

Samples from at least 90% of funded programmes are assessed as meeting the required Māori language content according to target audience group.*

97%

>90%

>90%

Quality

Samples from at least 90% of funded programmes reviewed are assessed as meeting a quality standard of (at least) 4 on a 5 point scale based on our Māori Language Evaluation Framework.

3.9

Achieved

Achieved

(Quality is assessed on six quality aspects, each on a five point scale where 5 is Excellent and 1 is Poor).

* Te Māngai Pāho funds programmes with a range of Māori language content appropriate to three different target audience groups, as follows:

- Fluent 70 to 100% Māori language content
- Second language learners 30 to 70%
- Receptive up to 30%

	2011/12 Actual	2012/13 Estimated Actual	2013/14 Forecast
Output 1			
Direct Funding for Māori Television	Hours	Hours	Hours
Target Audience Group			
Fluent Māori Language Speakers (Over 70% Māori language content)	687.0	717.0	584.0
Second language learners (between 30 – 70% Māori language content)	0	0	84.0
Receptive Audiences (up to 30% Māori language content)	252.5	270.0	379.0
Total Hours	939.5 Hours	987.0 Hours	1,047.0 Hours
Total Cost Output 1	\$16.2m	\$16.1m	\$16.1 m
	2011/12 Actual	2012/13 Estimated Actual	2013/14 Forecast
Output 2			
Contestable Television Programme Funding			
Target Audience Group			
Fluent Māori Language Speakers (Over 70% Māori Language Content)	386.0	414.0	360.0
Second language Learners (Between 30 – 70% Māori Language Content)	202.0	127.0	120.0
Receptive Audiences (Up to 30% Māori Language Content)	140.5	119.0	120.0
Total Hours	728.5 Hours	660.0 Hours	600.0 Hours
Total Cost Output 2	\$24.8m	\$24.5m	\$24.4m
Total Cost for Non Departmental Output Class 04 Māori Television Broadcasting (GST Exclusive)	\$41.0m	\$40.6m	\$40.5m

Statement of Forecast Service Performance

Māori Radio Broadcasting

The Minister of Māori Affairs will purchase this class of outputs from Te Māngai Pāho to:

- promote Māori radio broadcasting;
- promote capability in the Māori radio broadcasting sector;
- support the operational costs of iwi radio stations; and

– purchase programmes to be broadcast on radio.

Outputs will be provided within the appropriated sum of \$10.8 million (exclusive of GST) and reserves of \$0.2 million (exclusive of GST), a total of \$11.0 million (exclusive of GST).

	2011/12 Actual	2012/13 Estimated Actual	2013/14 Forecast
Quantity and Quality of Māori Language			
<i>The following quantity and quality measures apply to all outputs in this output class based on samples of at least 90% of funded programmes.</i>			
<i>Quantity</i>			
Samples from at least 90% of funded programmes are assessed as meeting the required Māori language content according to target audience group.*	96%	>90%	>90%
<i>Quality</i>			
Samples from at least 90% of funded programmes reviewed are assessed as meeting a quality standard of (at least) 4 on a 5 point scale based on our Māori Language Evaluation Framework.	4.1	Achieved	Achieved
<small>(Quality is assessed on six quality aspects, each on a five point scale where 5 is Excellent and 1 is Poor).</small>			

* Te Māngai Pāho funds programmes with a range of Māori language content appropriate to three different target audience groups, as follows:

- Fluent 70 to 100% Māori language content
- Second language learners 30 to 70%
- Receptive up to 30%

	2011/12 Actual	2012/13 Estimated Actual	2013/14 Forecast
Output 1			
Operational Funding for Iwi Radio			
<i>Operational Funding for iwi stations</i>			
Target Audience Group: Fluent Māori Language Speakers (Over 70% Māori Language Content)	21	21	21
The number of iwi radio stations that broadcast at least eight hours Māori language each day within an 18 hour broadcast window.			
Cost	\$8.9m	\$8.1m	\$8.1m
<i>Funding for centrally managed Iwi Radio service provider contracts</i>			
For each contract, the percentage of Iwi stations that rank provider service as “satisfactory” or better in a six monthly survey.	>90%	>90%	>90%
Cost	\$1.2m	\$1.2m	\$1.3m
Output 1 Cost	\$10.1m	\$9.3m	\$9.4m

	2011/12 Actual	2012/13 Estimated Actual	2013/14 Forecast
Output 2			
Contestable Funding for Radio Programmes and Music			
<i>Radio Programmes Within the 18 Hour Broadcast Window</i>			
Target Audience Group: Fluent Māori Language Speakers (Over 70% Māori Language Content)	1,140 Hours	860 Hours	860 Hours
Digital Media File Uploads	New Measure in 2012/13	8,852 Files	8,852 Files
<i>Music</i>			
Number of Music Tracks	93	113	100
<i>Radio Programmes Outside the 18 Hour Broadcast Window</i>			
Programmes			
Target Audience Group: Fluent Māori Language Speakers (Over 70% Māori Language Content)	1,560 Hours	1,560 Hours	1,560 Hours
Output 2 Cost	\$1.7 m	\$1.7 m	\$1.6 m
Total Cost for Non Departmental Output Class 03 Māori Radio Broadcasting (GST Exclusive)	\$11.8 m	\$11.0 m	\$11.0 m

Administration of Māori Broadcasting

The Minister of Māori Affairs will purchase this class of outputs from Te Māngai Pāho so that Te Māngai Pāho can:

- meet its statutory functions, including the management and disbursement of funds to promote Māori language and Māori culture;
- pursue the outcomes in the 2013-18 Statement of Intent; and
- deliver the outputs in the 2013/14 Output Plan.

Outputs will be provided within the appropriated sum of \$1.8 million (exclusive of GST) and reserves of \$0.8 million, a total of \$2.6 million (exclusive of GST).

	2011/12 Actual	2012/13 Estimated Actual	2013/14 Forecast
Output 1			
Funding for Contract Management			
Funding for contract management as a proportion of Total Expenditure	<5%	<5%	<5%
No purchase decisions are overturned as a result of an identified departure from Te Māngai Pāho's statutory requirements, guidelines and policies.	Achieved	Achieved	Achieved
Number of funding Recipients selected for review by a contracted chartered accountancy firm engaged to substantiate costs reported to Te Māngai Pāho for selected productions and ensure that such costs are appropriate, complete and correct.	2 Radio 3 Contracts for TV	5	5
Percentage of completed reviews with final recommendations fully accepted by funding recipient	100%	>90%	>90%
Total Cost Output 1	\$2.3 m	\$2.2m	\$2.2 m

	2011/12 Actual	2012/13 Estimated Actual	2013/14 Forecast
Output 2			
Radio and Television Archiving			
Hours of Television Archiving	1,410	610	610
Hours of Radio Archiving	Not Achieved	Not Achieved	500
Independent Assessment of service delivery confirms that archiving in the period has been in accordance with good practice	Achieved	Achieved	Achieved
Output Cost Output 2	\$0.2	\$0.2 m	\$0.4 m
Total Cost for Non Departmental Output Class 01 Administration of Māori Broadcasting (GST Exclusive)	\$2.5 m	\$2.4 m	\$2.6 m

Forecast Financial Statements Statement of Accounting Policies

For the year ending 30 June 2014

Reporting Entity

These are the financial statements of Te Māngai Pāho, a Crown Entity established under the Broadcasting Act 1989.

These financial statements have been prepared in accordance with Section 41 of the Public Finance Act 1989 and the Crown Entities Act 2004.

The primary function of Te Māngai Pāho is to promote the Māori language and Māori culture by making funds available for broadcasting, the production of programmes to be broadcast and archiving programmes.

As a secondary function Te Māngai Pāho may also make funds available for transmitting on demand, producing content for transmitting on demand and archiving content.

In the exercise of these functions Te Māngai Pāho will consult from time to time with representatives of Māori interests, broadcasters and others who, in the opinion of Te Māngai Pāho, can assist in the development of funding policies.

Te Māngai Pāho has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (“NZ IFRS”).

The forecast financial statements of Te Māngai Pāho are for the year ending 30 June 2014. The financial statements were approved by the Board in May 2013.

Basis of preparation

1. *Statement of Compliance*

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) as required by Crown Entities Act 2004. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

2. *Measurement Base*

The accounting principles recognised as appropriate for the measurement and the measurement base adopted is that of historical cost unless otherwise stated.

3. *Functional and Presentation Currency*

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest million dollars (\$m). The functional currency of Te Māngai Pāho is New Zealand dollars.

4. *Judgements and estimations*

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumptions and estimates are:

- Broadcasters and producers will fulfil their legal obligation within the timeframe as per the contract;

- Te Māngai Pāho assesses property, plant and equipment’s useful lives and residual value by considering a number of factors such as the physical condition of the asset, expected period of use of the asset by Te Māngai Pāho, and expected disposal proceeds from the future sale of the asset. Te Māngai Pāho has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements

Management has exercised no critical judgements in applying the accounting policies for the year ending 30 June 2014.

Accounting Policies

The following accounting policies which materially affect the measurement of financial performance and financial position have been applied consistently to all periods presented in these financial statements.

1. Budget figures

The budget figures are those approved by the Board at the beginning of the financial year.

The budget figures have been prepared in accordance with

generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

2. Revenue

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

Revenue from the Crown

Te Māngai Pāho is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of Te Māngai Pāho meeting its objectives as specified in the Statement of Intent. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

3. Treatment of the Allocation of Funds

The allocation of funds to broadcasting projects is treated as expenditure in the financial year the allocation is made:

- Provided that prior to the end of the financial year, the project has received Board approval and the funding applicant must have received notice of approval in writing. Expenditure therefore includes funds allocated but

not paid out at the year end.

The funds not paid out are recorded as funding liabilities in the balance sheet. This liability is reduced as the applicant is paid according to the drawdown schedule specified in the production contract.

- And except where the funding allocations are acknowledged by the Board as applying to future accounting periods, in which case the expenditure will be recorded in the financial period to which it relates. Allocations approved by the Board prior to 30 June that relate to a future financial period are treated as operating commitments at balance date.

4. Taxation

A. Income Tax

No income tax liability is incurred in respect of any operations. Te Māngai Pāho is exempt from income tax in accordance with section 53 of the Broadcasting Amendment Act 1993.

B. Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis, except for payables and receivables, which are recorded on a GST inclusive basis.

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 statement of cash flows has been prepared on a net GST basis. That is, cash receipts and payments are presented exclusive of GST. A net GST presentation has been chosen to be consistent with the presentation of the statement of financial performance and statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

C. Fringe Benefit Tax

Fringe Benefit Tax is payable on all fringe benefits.

5. Debtors and other receivables

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

A provision for impairment of receivables is established when there is objective evidence that Te Māngai Pāho will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

6. Investments

Investments in bank deposits are measured at fair value plus transaction costs.

For bank deposits, impairment is established when there is objective evidence that we will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payment are all considered indicators that the deposit is impaired.

7. Property, plant and equipment

Property, plant and equipment consists of office equipment, furniture and fittings, computer equipment, leasehold improvements, and motor vehicles.

Property, plant and equipment is shown at cost less accumulated depreciation and impairment loss.

Additions

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

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

Disposals

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

Subsequent costs

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

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

8. Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at a rate which will write off the cost of the assets over their useful lives, with no residual value. The depreciation rates of major classes of assets have been estimated as follows:

Office Equipment	20%
Furniture & fittings	5-15%
Computer Equipment	33%
Leasehold Improvements	17-50%
Motor Vehicle	20%

9. Intangible assets

Computer software that is not integral to the operation of the hardware is recorded as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs that are directly associated with the development of software for internal use by Te Māngai Pāho are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software	
3 years	33%
Developed computer software	
4 years	25%

10. 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 Te Māngai Pāho 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.

11. Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

12. Financial Instruments

Te Māngai Pāho is party to financial instruments as part of its normal operations. These are non-derivative financial instruments including bank accounts, short term deposits, accounts receivable and accounts payable. All financial instruments are recognised in the statement of financial position and all revenue and expenditure in relation to the financial instruments are recognised in the statement of financial performance.

A financial instrument is recognised if Te Māngai Pāho becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if Te Māngai Pāho's contractual rights to the cash flows from the financial assets expire or if Te Māngai Pāho transfers the financial assets to another party without retaining control or substantially all risk and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that Te Māngai Pāho commits itself to purchase or sell the assets. Financial liabilities are derecognised if Te Māngai Pāho's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents includes cash on hand, held at call at banks with Te Māngai Pāho invests as part of its day-to-day cash management and other short-term highly liquid investments with original maturities of three months or less.

13. Employee benefits

Short-term benefits

Employee benefits that Te Māngai Pāho expects to be settled within twelve 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 to, but not yet taken at balance date, and sick leave.

Te Māngai Pāho recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Te Māngai Pāho anticipates it will be used by staff to cover those future absences.

Te Māngai Pāho recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation scheme and are recognised as an expense in the statement of financial performance as incurred.

14. Operating Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and

benefits of ownership of the leased items, are charged as expenses on a straight-line basis over the lease terms in the statement of financial performance.

15. Provisions

Te Māngai Pāho recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

16. Commitments

Future payments are disclosed as commitments at the point when a contractual obligation arises, to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

17. Statement of Cashflows

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

Operating activities include 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 operating activities of Te Māngai Pāho. Cash outflows include payments made to employees, suppliers and for taxes.

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

Financing activities comprise those activities relating to changes in the equity of Te Māngai Pāho.

18. Comparative Figures

To ensure consistency with the current year's presentation, comparative figures have been restated where appropriate.

19. Output Cost Statements

The Output Cost Statements, as reported in the Statement of Objectives and Service Performance, report the total funding allocations made for the radio and television outputs for the year ending 30 June 2014. They also report the costs of administrative activities undertaken by Te Māngai Pāho.

20. Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited financial statements prepared under NZ GAAP.

21. Related Parties

Te Māngai Pāho transacts with other government agencies on an arm's length basis. Any transaction not conducted at arm's length, or falling within the requirements of NZ IAS 24, will be disclosed in the financial statements in the annual report.

Statement of Prospective Comprehensive Income

For the five years ending 30 June 2018

	2013 Estimated Actual	2014 Forecast	2015 and out years Forecast
	\$m	\$m	\$m
REVENUE			
Crown Appropriation	52.9	52.9	52.9
Other Revenue	0.1	0.1	0.1
Interest received	1.0	1.0	1.0
Total revenue	54.0	54.0	54.0
FUNDING EXPENDITURE			
Television	40.6	40.5	40.5
Radio	11.0	11.0	11.0
Total funding expenditure	51.6	51.5	51.5
OPERATING EXPENDITURE			
Administration and consultation	2.4	2.6	2.5
Total operating expenditure	2.4	2.6	2.5
Total expenditure	54.0	54.1	54.0
NET SURPLUS FOR THE YEAR	0.0	(0.1)	0.0
OTHER COMPREHENSIVE INCOME	0	0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	0.0	(0.1)	0.0

The accompanying accounting policies form part of these financial statements.

Statement of Prospective Movements in Public Equity

For the year ending 30 June 2014

	2013 Estimated Position 30 June 2013 \$m	2014 Forecast Position 30 June 2014 \$m
PUBLIC EQUITY AT 1 JULY	2.1	2.1
Add surplus / (deficit) for the year	0.0	(0.1)
Total comprehensive income	0.0	(0.1)
PUBLIC EQUITY 30 JUNE	2.1	2.0

The accompanying accounting policies form part of these financial statements.

Statement of Estimated Financial Position As at 30 June 2013, and Prospective Financial Position As at 30 June 2014

	2013 Estimated Position 30 June 2013 \$m	2014 Forecast Position 30 June 2014 \$m
PUBLIC EQUITY		
Opening equity 1 July	2.1	2.1
Add surplus / (deficit)	0.0	(0.1)
PUBLIC EQUITY 30 JUNE	2.1	2.0
Represented by:		
ASSETS		
Current Assets		
Cash and Cash Equivalents	3.0	3.7
Investments	12.1	12.1
Debtors and Other Receivables	0.2	0.2
Total Current Assets	15.3	16.0
Non-Current Assets		
Property, Plant and Equipment	0.3	0.3
Intangible Assets	0.0	0.0
Total Non-Current Assets	0.3	0.3
TOTAL ASSETS	15.6	16.3

The accompanying accounting policies form part of these financial statements.

Statement of Estimated Financial Position As at 30 June 2013, and Prospective Financial Position As at 30 June 2014 (continued)

	2013 Estimated Position 30 June 2013 \$m	2014 Forecast Position 30 June 2014 \$m
LIABILITIES		
Current Liabilities		
Creditors and Other Payables	0.2	0.3
Employee Entitlements	0.1	0.1
Funding Provisions	13.2	13.9
Total Current Liabilities	13.5	14.3
TOTAL LIABILITIES	13.5	14.3
NET ASSETS	2.1	2.0

The accompanying accounting policies form part of these financial statements.

Statement of Prospective Cash Flows

For the year ending 30 June 2014

	2013 Estimated Actual \$m	2014 Forecast \$m
Cash Flows from Operating Activities		
Cash provided from –		
Receipts from Crown	52.9	52.9
Interest received	1.0	1.0
Receipts from other revenue	0.1	0.1
	54.0	54.0
Cash applied to –		
Payments to employees	(1.1)	(1.1)
Payments to suppliers	(1.2)	(1.4)
Payments to broadcasters and programme producers	(56.2)	(50.7)
Net Cash Flows from Operating Activities	(58.5)	(53.2)
Cash Flows from Investing Activities	(4.5)	0.8
Cash provided from		
Receipts from investments	0.0	0.0
	0.0	0.0
Cash applied to –		
Acquisition of Investments	(3.1)	(0.0)
Purchase of Property, Plant and Equipment	(0.1)	(0.1)
	(3.2)	(0.1)
Net Cash Flow from Investing Activities	(3.2)	(0.1)

The accompanying accounting policies form part of these financial statements.

Statement of Prospective Cash Flows

For the year ending 30 June 2014 (continued)

	2013 Estimated Actual \$m	2014 Forecast \$m
Net Cash Flow from Financing Activities	0	0
Net increase/(decrease) in cash held and cash equivalents	(7.7)	0.7
Plus Opening cash and cash equivalents at the beginning of the year	10.7	3.0
Closing cash and cash equivalents at the end of the year	3.0	3.7

The accompanying accounting policies form part of these financial statements.

Reconciliation of Net Cash Flows from Operating Activities to Net Surplus in the Forecast Statement of Comprehensive Income

For the year ending 30 June 2014

	2013 Estimated Actual \$m	2014 Forecast \$m
Net Surplus / (Deficit)	0.0	(0.1)
Add / Less non-cash expenditure / (income):		
Depreciation	0.1	0.1
Total non-cash items	0.1	0.0
Add/Less movements in working capital items:		
Increase / (decrease) in accounts payable and funding liabilities	(4.6)	0.8
Net movements in working capital items	(4.6)	0.8
Net Cash Flows from Operating Activities	(4.5)	0.8

The accompanying accounting policies form part of these financial statements.



Te Māngai Pāho

Māori Broadcasting
Funding Agency

Office Address Level 8, Eagle Technology House, 135 Victoria Street, Wellington 6011, Aotearoa – New Zealand
Postal Address PO Box 10 004, Wellington 6143, Aotearoa – New Zealand
Telephone – 04-915 0700 *Facsimile* – 04-915 0701 *Email* – webconnect@tmp.govt.nz *Website* – www.tmp.govt.nz