



# Pūrongo-ā-tau | Annual Report

For the year ended 30 June 2018





## Cover

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Lou Tawhai with her mokopuna Marcia-Kruz Tamati (left) and Aroha Tamati (right) at their new whare in Hastings. Photo credit: Josie McClutchie.

The three home papakāinga will provide safe, warm and affordable rental housing for the Tawhai whānau. They have realised the aspirations of their parents, developing a legacy for future generations to come. The papakāinga highlights one of the key outcomes of the Te Puni Kōkiri Māori Housing Network, which is to provide affordable housing for whānau.

## Inside cover

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Moana Smith-Dunlop and daughter Te Maire share an embrace as they visit whānau at their papakāinga in Waimarama, Hawkes Bay, 2017. Photo credit: Josie McClutchie





**Ehara taku toa i te toa takitahi engari, he toa takitini**

Success is not the work of one, but the work of many





# Pūrongo-ā-tau

## Annual Report of Te Puni Kōkiri

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Mō te mutunga o te tau i te 30 o ngā rā o Pipiri 2018

For year ended 30 June 2018

(Corrected Version)

Presented to the House of Representatives pursuant to section 44 (1) of the Public Finance Act 1989





# Rārangi Take

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# Mai i te Toihautū

## From the Chief Executive

The arrival of the coalition government following the 2017 General Elections was a catalyst for Te Puni Kōkiri to review its strategy and consider alignment of its activities with government priorities. As a consequence our priorities focussed on five significant kaupapa for Māori: whānau; mātauranga Māori; kāinga; whenua and pakihi.



### Whānau

Whānau development and whānau centred approaches sit at the centre of everything we do. We believe empowering whānau is key to supporting wider Māori aspirations. Whānau decide what is necessary for their wellbeing and we provide the support.

Growing confident tamariki and learning about healthy living through dance is an example of a successful community initiative. The Hī Hī Dance

Fitness Programme is not just about getting kids moving but helping them enjoy school. Manurewa South Primary School introduced the programme and has never looked back. Children who were quiet and lacked confidence began to participate and tamariki Māori particularly responded positively to the activity.

Image: Members of the Te Puni Kōkiri Executive Team at the powhiri of newly elected Māori Ministers and MPs, 2017.  
Photo credit: Adrian Heke.







### Mātauranga

Our focus is to provide ways for whānau to nurture their reo and tikanga and enable them to connect and share their unique perspective and knowledge with te ao Māori. These investments contribute to a shared national identity and understanding about what it means to live in Aotearoa New Zealand. Not surprisingly modern technology is central to the way our stories are now captured and told. For example, PointCloud Visualisation Limited (PCV) has developed a unique 3-D scanning software that, with support from our Ka Hao fund, is now able to scan marae, thereby creating models that stand as robust digital records of these structures. Among the marae that were scanned is Waiwhetū in Lower Hutt. Whānau describe the experience of seeing their poupou, tukutuku and kōwhaiwhai designs through this technology as ‘mind-blowing’. Young Māori students, long recognised as early adopters of new technology and savvy operators, were invited to learn about this new technology and participated in the scanning process. They are our future innovators and technicians.



### Kāinga

Warm, safe, healthy homes are the right of all whānau. We continue to support a wide range of whānau housing initiatives. Te Puni Kōkiri work with government housing agencies and Māori organisations to develop policies and programmes that address the Māori housing needs. In Hastings for example, a Te Puni Kōkiri investment of almost \$550,000 helped complete a new papakāinga project for the Tawhai whānau. It was a significant journey for them but they were committed to ensuring future generations, currently more than 100 tamariki and mokopuna, would benefit from the site that had been their home for almost 70 years. Providing three, healthy, affordable rental homes was their goal. But along the way they established a Trust, completed feasibility studies, engaged with local and regional government and other whānau and rōpu, and engaged with papakāinga experts to ensure the success of their dream.







## Whenua

An investment in whenua is an investment in whānau and in our future. Our focus on developing options to support a more responsive and supportive system for whānau to engage with their whenua remains a key priority. Our investments also support Māori land owners who want more say and control over their land, including improving existing operations, diversifying and preparing for new opportunities. Across the motu, whānau are exploring options for their whenua. In Te Tai Hauāuru for example, iwi and Māori land owners have joined forces and are working with local and central government to consider land development opportunities. The whenua is in the Whanganui, Rangitikei and Manawatū regions. This collective of land owners includes more than 46,000 hectares of Māori freehold land and a further 6,500 hectares of land owned by Māori. Te Puni Kōkiri has been a proud supporter for the last few years of this mahi.



## Pakihi

Focussing on new and sustainable ways to lift whānau prosperity has resulted in many successful enterprises throughout the country. But arguably the most exciting have been the growth of innovative, Māori-owned and led 'digi tech' businesses. Te Ao Hangarau, is one example. Formerly known as Digital Natives Aotearoa, it is comprised of Ariki Creative, Māui Studios and Manu Media. Together they will grow their respective specialist areas, while also developing learning opportunities, educational pathways and fostering interest for digital technologies in other young Māori. Their vision is to host rangatahi at 'digi-wānanga', funnel those most interested into tertiary education pathways, and provide internship opportunities which can lead to employment in the digital creative industry. The collective has grown organically since 2015, receiving support through Whānau Ora, and more recently, through our Ka Hao Māori Digital Technology Development Fund.

Through these priorities Te Puni Kōkiri remains committed to successfully delivering improvements and success to whānau, hapū and iwi, and through these efforts, contribute to a modern and prosperous Aotearoa New Zealand.

*Nō reira kei aku parepare, kei aku whakaruruhau, tēnā tātou katoa.*

**Michelle Hippolite**

Toihautū | Chief Executive



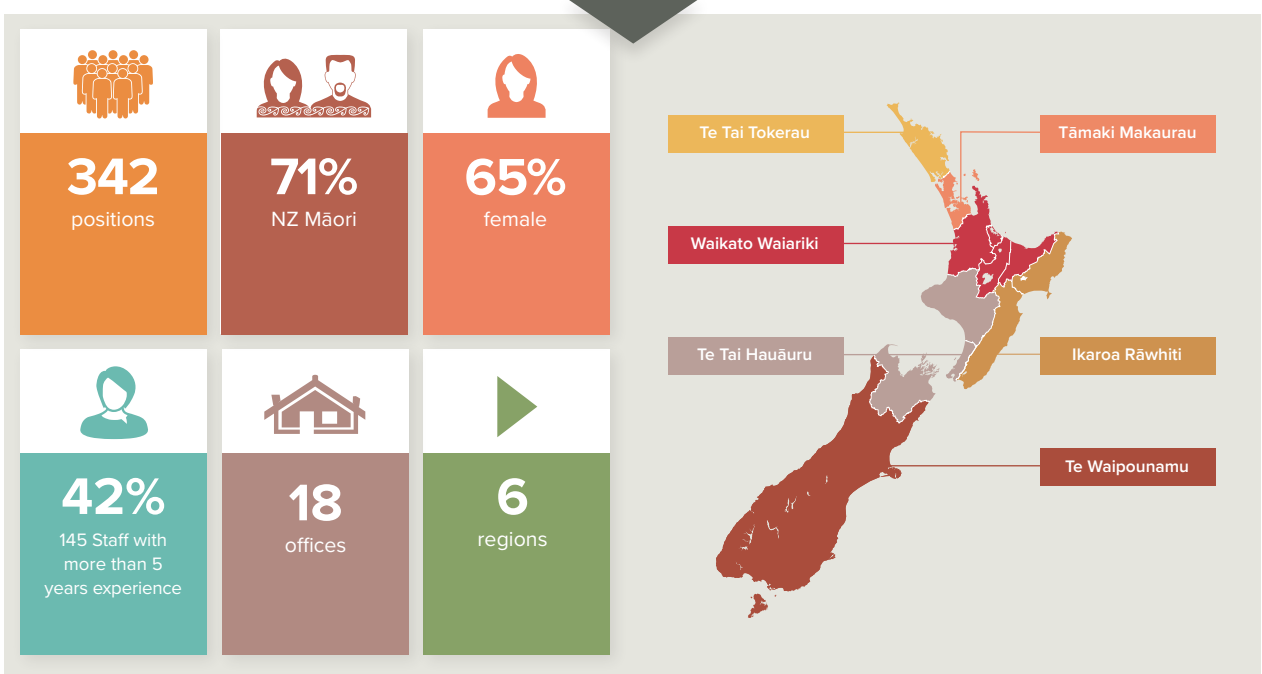


# Te Puni Kōkiri at a Glance

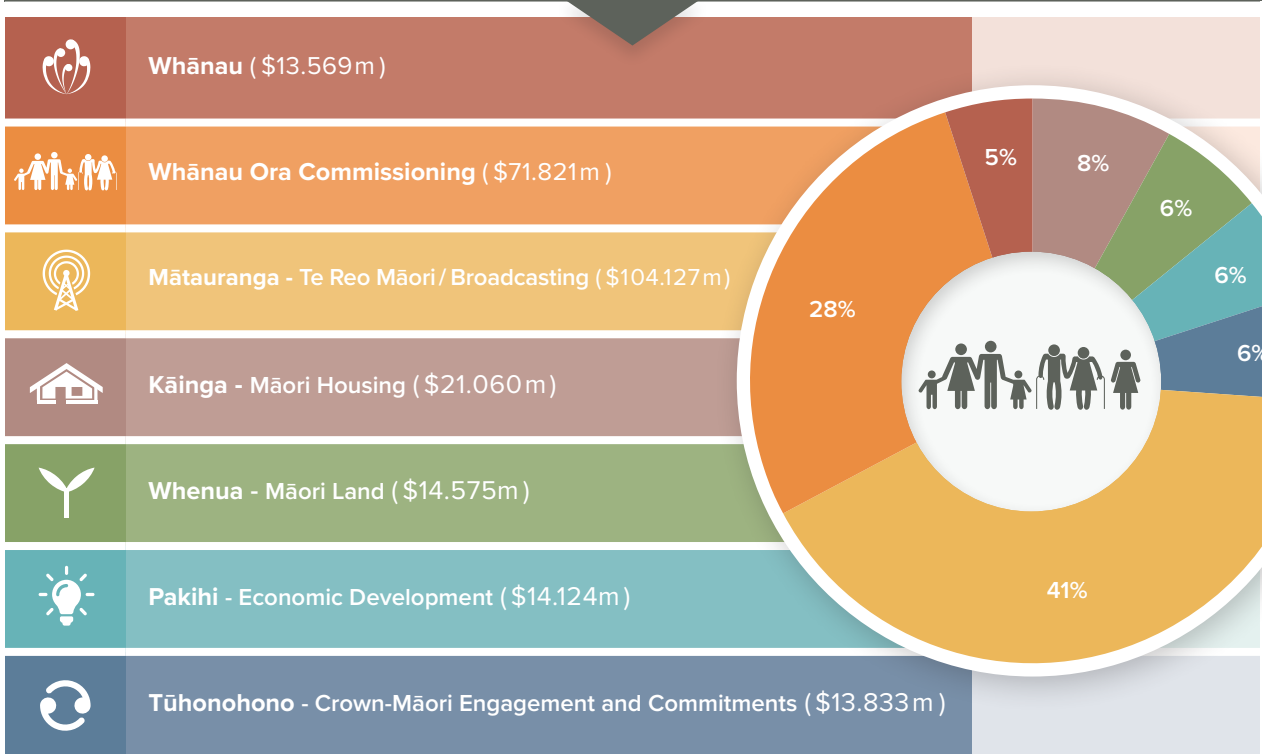
Impacts and Achievements for Māori	
Whānau	Mātauranga
 <p>More than <b>13,500</b> families supported through Whānau Ora to achieve their aspirations</p>	 <p>More than <b>270</b> community-based events supported to raise awareness of te reo and te ao Māori</p>
 <p><b>352</b> cadets supported to develop and improve their work-related skills to achieve better employment outcomes</p>	 <p><b>10</b> events supported to build awareness and commemorate the New Zealand land wars as part of our history</p>
 <p><b>3</b> innovative initiatives trialled to improve whānau relationships for those affected by family violence</p>	 <p><b>30</b> women learned the art of creating korowai</p>
Kāinga	Whenua
 <p><b>271</b> whānau-owned homes repaired making them warmer, drier and safer to live in</p>	 <p><b>219,122</b> hectares of Māori-owned land has been identified for development under the Whenua Māori Fund</p>
 <p><b>14</b> rūpū supported to realise their aspirations for papakāinga</p>	 <p><b>57</b> Whenua Māori Fund projects supported to explore options for improving land productivity</p>
 <p><b>7</b> rūpū selected to trial innovative pathways to home ownership for whānau on low income</p>	 <p><b>6</b> sectors identified for land productivity opportunities in apiculture, forestry, energy, horticulture, agriculture and tourism</p>
Pakihi	Tūhonohono
 <p><b>60</b> Māori businesses provided one-to-one support through the Māori Business Growth initiative</p>	 <p><b>18</b> Ministerial visits supported focussed on strengthening relationships between Crown and Māori</p>
 <p><b>16</b> projects supported creating opportunities to advance Māori in digital technologies</p>	 <p><b>Locally</b> supported regional engagements between Crown and Māori to ensure whānau interests and aspirations are reflected</p>
 <p><b>20</b> countries were represented at the World Indigenous Tourism Summit in support of indigenous tourism</p>	 <p><b>Globally</b> supported other government agencies to ensure Māori interests within the international domain are reflected</p>



## Our People and Our Reach



## Non-departmental funding was \$253.108 million







Rorena Wahanui  
Qualification  
L1 Basic TC  
Exp. L1: 21/05/19  
ID: 59391  
TRANSPORT AGENCY

# Te Ohu Whanake

## Our Part in Māori Development

*Te Ohu Whanake* (sowing the seeds of development) is based on the idea that a strong and thriving cultural identity is essential to sustainable development and provides a strong sense of ownership and self-determination.

Te Ohu Whanake provides a foundation for the Te Puni Kōkiri strategy, which is to:

- create a strong platform of community-based relationships and engagement with whānau, hapū and iwi;
- improve outcomes by focusing on Māori aspirations, and opportunities and innovative ways to accelerate development; and
- position government to be an enabler, empowering Māori choices.

Key to this strategy is providing an environment in which whānau, hapū and iwi can:

- succeed on their own terms, both domestically and globally;
- have a strong sense of identity, where their values including tikanga, manaakitanga and kaitiakitanga are understood and practised across government; and
- succeed because they are Māori.

By working with Māori communities, Te Puni Kōkiri aims to create growth and prosperity that is place-based and strengths-based, and reflects the aspirations of those communities. We accelerate this development through targeted investments and

where necessary partner with others to help bridge the gaps between the skills and resources of the communities and their aspirational goals.

Having Te Ohu Whanake at the heart of our strategy, ensures our development outcomes are focussed around whānau, hapū and iwi.

Te Puni Kōkiri organises its mahi according to areas we lead, influence, or invest in. Specifically we:

- **lead** work that delivers outcomes for Māori through direct engagement and changes at a government and systems level, such as through legislative change and policy development. For example, leading work to provide options that help to improve the ability of Māori land owners to actively connect to their whenua;
- **influence** the mahi of others through working in partnership, providing advice on policies and designs, and bringing Māori voices to decision-makers. For example, working with major agencies and partners to influence choices around reducing the number of tamariki Māori in poverty and State care; and
- **invest** with Māori to build capability and to pursue development opportunities. For example, partnering with a whānau or Māori entity on a housing project on Māori land, assisting with the

Image: Ngāti Toa Māori Warden Rorena Manihera Wahanui providing support at the opening of the Te Puni Kōkiri Te Ūpoko o te Ika office in Porirua, March 2018. Photo credit: Adrian Heke.





establishment and development of a whānau business, as well as building communities and strengthening connections.

## Our Priorities

Throughout 2017/18, our focus was on:

- Whānau enterprise and community development;
- Rangatahi leadership and governance;
- Culture, language, identity and mātauranga; and
- Regional growth and Māori opportunity.

To achieve success in these areas, and to ensure Māori are well positioned to take advantage of changes and emerging trends, Te Puni Kōkiri has focussed its effort through five priorities.

**Whānau** - enabling whānau wellbeing, through being healthy, safe, and having capability within the whānau to realise their aspirations.

**Mātauranga Māori** - empowering whānau to nurture te reo and tikanga Māori through protecting and supporting the transfer of knowledge underpinning te ao Māori. Providing a basis for whānau to connect and share knowledge through tikanga, whakapapa, kawa, pōwhiri and tangihanga.

**Kāinga** - improving and developing homes and communities for whānau, hapū, and iwi. Working with government housing agencies and Māori organisations to develop policies and programmes that address Māori housing needs.

**Whenua** - developing options to support a more responsive and supportive system for whānau to engage with their whenua. Investing to support Māori land owners who want more say and control over their land, including improving existing operations, diversifying and preparing for new opportunities.

**Pakihi** - focussing on new and sustainable ways to lift whānau prosperity. Actively supporting Māori regional and economic development through the Provincial Growth Fund. Directly investing in Māori business growth support and capability.

## Our Investment Impact

Many of our investments impact on multiple areas of development. For example, investing in papakāinga is not just about building or providing a house – it is also about community and business development and influences wellbeing elements including health, self-reliance, economic security and community cohesion.

Underpinning our efforts has been a focus on empowering whānau, on building trusting relationships, and linking Māori to opportunities within New Zealand and internationally.





Te Rūnanga o Te Rarawa, in partnership with Te Aho Tu Roa, ran marae-based wānanga enabling whānau to reconnect and learn the importance of mauri, te taiao and people. Photo credit: Rawhitiroa Photography.

## Our whānau focus

At Te Puni Kōkiri, whānau development and whānau-centric approaches sit at the centre of everything we do. Te Puni Kōkiri supports the view that understanding and empowering whānau is key to supporting wider Māori aspirations. Whānau is the basis for how Māori engage, how they view their strengths, and how they share their success.

There is a strong basis for taking whānau-centred approaches. This was recognised in the Productivity Commission's report on 'More Effective Social Services'<sup>1</sup>:

*'Government agencies often fail to work with others such as families, friends, providers and community groups who each have potentially*

*important influence on outcomes. For example, a programme about caring for young children that targets only parents is not effective when several members of the whānau are involved in the care and support of children'*

It is, therefore, no surprise that whānau-centred approaches underpin Te Puni Kōkiri priorities and the design and delivery of investments. While the Whānau Ora programme is the most well known example, whānau-centred approaches span the organisation's entire policy and investment portfolio, from papakāinga to addressing family violence, as examples through this report demonstrate.

<sup>1</sup> Productivity Commission of New Zealand (2015), More Effective Social Services – Summary version P7.







## Ngā Hau e Whā housing development

A Christchurch urban marae-based housing development that opened in March 2018, was about building communities as much as building houses according to Te Puni Kōkiri Regional Manager, Te Waipounamu, David Ormsby.

'After nearly a decade of Te Rūnanga o Ngā Maata Waka and the Aranui community working hard to make it happen, it's immensely satisfying to see whānau settling in to these warm, safe, dry homes.'

General Manager of the marae Norm Dewes said the project embodied the Ngā Hau e Whā vision of

being a marae for all nations, all Māori, all people, exclusive of none.

'Opening day was a celebration of the people who made up our vibrant community. Now we've got grandparents raising their grandchildren, former women prisoners reintegrating into society, people with disabilities and kaumātua here with us.'

Jeanette Campbell who works for the marae also lives in one of the whare as the onsite property manager.

'My moko is really excited. It's a great place for children. It's a living marae. There's someone







Tenants, supporters and Ngā Hau e Whā marae whānau, Ōtautahi. Photo credit: Maui Studios.

here all the time. We'll be building a village with a community feeling.'

Tenants can access wrap-around social services delivered on site including budgeting advice, parenting classes and driver licensing.

The construction cost has been shared between Te Puni Kōkiri, Housing New Zealand Corporation and the Rātā Foundation.

Te Rūnanga o Ngā Maata Waka plans to extend the number of homes and the community living on the marae in the future.



Ngā Hau e Whā marae housing development, Ōtautahi. Photo credit: Maui Studios.





## Our relationships

Strong relationships are critical to Māori development. For Te Puni Kōkiri this has two particular dimensions:

- Our national networks: our networks across the motu connect with whānau, hapū, iwi, and Māori organisations ensuring their voices are heard at a local level and in policy development. We have a presence across the motu in 18 sites; and
- Our relationships with and across government: most large-scale government programmes that affect Māori are led by other government agencies including Oranga Tamariki, the Ministry of Health and District Health Boards. We focus on influencing these agencies to ensure the needs of whānau, hapū, iwi and Māori are met.

The community based relationships with Māori have typically been built over many years. The relationships, and the associated trust, are critical to our effectiveness, particularly in bringing a Māori voice to policy decisions and realising Māori aspirations.

Our regional relationships also support our decisions on where, and how, to invest for the greatest impact, as well as ensuring whānau are at the centre of our programmes and services. We consider real world information from our regional teams about what works, and what does not, in considering proposed work programmes.

We collaborate with other agencies and Māori organisations to run a range of investments that focus on whānau and rangatahi. These investments include:

- **Arai Whakamomori Rangatahi Māori** (Rangatahi Suicide Prevention Fund);
- **Te Ara Mauwhare** (Pathways to Homeownership);
- **He Tikanga a-Whānau mō te Whakakore Tūkino** (Whānau-centred Family Violence Interventions); and
- **Ka Hao** (Māori Digital Technology Development Fund).

We support Māori relationships with the Crown, underpinned by Te Tiriti o Waitangi. We focus on building a productive and enduring relationship based on a shared sense of responsibilities and experience of working together. Recent areas of focus for improving the Crown's relationship with whānau, hapū, iwi and Māori organisations include support for the Government consultation with Māori, progressing resolution of historical grievances (such as pertaining to Rua Kēnana), and efforts to increase the awareness and levels of participation by rangatahi Māori in electoral processes.

Relationships with Māori continue to grow in their complexity, in large part because technology has made communication and engagement so open and accessible. It is important to recognise that Māori expect to be engaged with, and consulted, on issues of importance. They have a greater understanding of their rights and interests, as well as the means to bring attention to them.





Thirty members from Te Amiorangi Rangatahi o Tāmaki youth programme took part in the 50th Dinagyang Festival in the Philippines in January 2018. The theme was "Timeless Tradition, Culture and Devotion". Photo credit: Niko Meredith, No Six.

## Our international focus

As Aotearoa New Zealand becomes increasingly linked to the world, it is important for Māori to be a part of, and benefit from, these international connections, opportunities and responsibilities.

Our international strategy has three overlapping areas of focus:

- indigenous rights and interests;
- cultural cooperation; and
- economic development.

In terms of indigenous rights and interests, Te Puni Kōkiri, for example, participated in developing advice for Aotearoa New Zealand's reporting against the United Nations Declaration of the Rights of Indigenous Peoples and is the national focal point for the Convention on Biological Diversity for issues relevant to Māori.

The free trade arrangement with the separate customs territory of Taiwan (ANZTEC), is a useful example of cultural cooperation. We partnered with the Taipei-based Council of Indigenous Peoples to host a delegation of indigenous Taiwanese tourism operators and interns at the World Indigenous Tourism Summit, followed by the World Indigenous Tourism Research Symposium at Waitangi in April 2018. We also worked with the Ministry of Foreign Affairs and Trade to finalise a feasibility study to identify economic opportunities for Māori in the Taiwanese market.

We assist Māori businesses to engage with international markets through trade missions and participating in international business engagements. These engagements are important for exchanging ideas and finding opportunities for our peoples in corresponding markets.







More than 50 indigenous representatives from the Pacific Islands, Micronesia, Australia and Aotearoa gathered in Whangārei in May 2018 to discuss ways of protecting traditional knowledge with a focus on indigenous food sources.

### Pacific Regional Training Workshop on Biodiversity

Supporting indigenous rights and projecting Māori interests on the international stage are key areas for Te Puni Kōkiri.

In late May 2018, the New Zealand Government co-hosted a workshop with Whangārei-based He Puna Marama Trust on the importance of traditional knowledge to the Convention on Biological Diversity (the Convention) – a global agreement set up to ensure the conservation and sustainable use of biological diversity. Te Puni Kōkiri is the national focal point for the Convention on issues relevant to Māori.

There was strong emphasis on the importance of traditional knowledge for biodiversity work, now and in the future. Attendees were briefed on important upcoming international decisions on global efforts to protect and maintain biodiversity, and how indigenous peoples must be part of those discussions.

Attendees agreed that across the Pacific, there are many challenges remaining in the protection of traditional knowledge and that indigenous peoples have an important role in determining what that protection should look like.



## Regional Kōrero

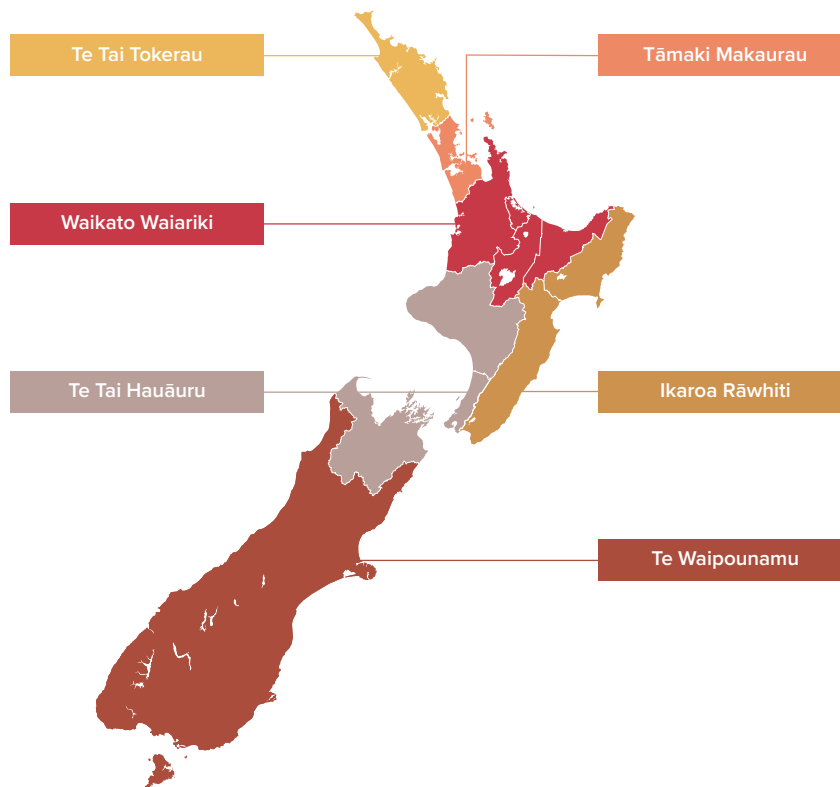
Te Puni Kōkiri engages with Māori through a well-established regional presence and broad investment relationships with whānau, hapū and iwi across the motu. We help bring the voice of Māori to government.

The longevity of our relationships means we are able to support, feedback and work alongside Māori – generating ideas, encouraging sustainability and building connections.

We understand the aspirations of Māori, because we hear them every day, through interaction across the motu. Our engagement at a flax roots-level is key to partnering with Māori on projects

that address or advance their interests for their whānau, their mātauranga, their kāinga, their whenua, and their pakihi.

With over 120 staff working in 18 offices positioned across New Zealand, both in urban centres and the regions, we support government to strengthen partnerships and enable opportunities.





For example, in a rohe we might partner with a whānau or Māori entity on a housing project on Māori land, but also assist with progressing establishment of a whānau business. We might also work with a marae on improving the transfer of their mātauranga, the upgrading of facilities, as well as civil defence preparedness.

Our wider regional role includes brokering information flows between agencies and whānau, hapū, iwi and Māori to ensure appropriate reach and participation, and tikanga and manaakitanga at consultation hui.

In 2017/18, we were involved in a range of regional consultation hui including:

- National launch of the Crown-Māori Relationships Engagement Strategy led by the Minister for Crown-Māori Relationships, in support of the Ministry of Justice;
- Civil Defence and Emergency Management, in support of the Department of Prime Minister and Cabinet;
- Overseas Investment Forestry Rights, in support of the Treasury;
- Māori Arts Strategy, in support of Creative New Zealand;
- New Zealand Human Rights Periodic Review and Progressive and Inclusive Pacific Alliance Trade Agreement Negotiations, in support of the Ministry of Foreign Affairs and Trade; and
- National Housing Strategy, in support of Housing New Zealand.

Although our investment activity is managed nationally, our investments are largely delivered at a regional and local level. This sees us working

with Māori groups on a variety of issues, such as the physical and cultural revitalisation of marae as centres of Māori identity and mātauranga, as well as spaces for youth learning and engagement.

Regionally there is also a significant focus on youth, recognising both their potential as future leaders and the many challenges that they face.

The benefit to the nation of increased rangatahi participation in wider employment and training opportunities is significant. We have continued to target the most disengaged rangatahi (15-24 years). We contribute to He Poutama Rangatahi – the government strategy aimed at getting more rangatahi into employment. Our efforts are aimed at ensuring rangatahi have what they need to move along the pathway from education to employment.

This year, 352 cadets were also placed with 16 employers across a range of sectors as part of the Te Puni Kōkiri Cadetships Initiative. Sectors targeted by the Initiative include energy, infrastructure, telecommunications, transport/logistics, food processing and knowledge-intensive manufacturing or primary industries (excluding forestry).

An evaluation of the Cadetships Initiative by BERL in 2017, described the opportunities for training, networking and career development as 'impressive.' Such findings help enhance the Cadetships Initiative and further improve the outcomes for Māori as well as the industry sectors that employ them.

The separate Ministers' Report in relation to non-departmental appropriations for the year ended 30 June 2018, contains further details on the Te Puni Kōkiri partnership and Vote Māori Development investment profile.





Rangatahi in Whangārei show their flair for business at the He kai kei aku ringa Māori business challenge.  
Photo credit: Chevon Horsford.

## Marae alive with rangatahi entrepreneurship

More than 250 students from across Te Ika a Māui relished a programme to boost business skills that in its previous years had only ever had mixed success with Māori.

The Māori Business Challenge wānanga were delivered by Young Enterprise in Rotorua, Whangārei, Whakatāne, Waikato and Manawatū. The programme was well established in schools over 25 years but organisers knew it needed to change to be effective and relevant for Māori students and communities.

For the first time, the course for Year 10 and 11 students was delivered on marae, not school grounds. The change of venue saw the power dynamic shift. Facilitators said they became visitors in the students' space, one the students took ownership of and were comfortable in. As a result, attendance rates remained high for the duration of the wānanga.

It didn't take long for the students to show their flair for business and connect with local business people invited to the wānanga. Rangatahi identified health, education, land or water issues affecting their community, and devised ways to transform their concept into reality. Finally they pitched their concept to a panel of local business experts.

Feedback from the wānanga illustrates the success; 90 per cent of students said they learnt a lot about business, 83 per cent felt more confident afterwards and 82 per cent said the course opened their eyes to opportunities.

The wānanga was supported by Te Puni Kōkiri and the Ministry for Business, Innovation and Employment under the Crown-Māori economic growth partnership, *He kai kei aku ringa*.







Associate Māori Development, Minister Willie Jackson, surrounded by students from Te Kura Kaupapa Māori o Kaikohe, Ngāpuhi kaumātua Nau Epiha and MPs Anahia Kanongata'a Suisuiki and Willow-Jean Prime at the launch of Taiohi Ararau in Kaikohe, March 2018.

### Passport to life (Taiohi Ararau)

Taiohi Ararau – Passport to Life is an innovative programme that supports Māori aged – 15 to 24 who are not in employment, education or training. It is funded via the Māori Development Fund of Te Puni Kōkiri and contributes towards He Poutama Rangatahi (the Government's Youth Employment Pathways Strategy).

Taiohi are supported with mentoring and pastoral care to obtain essential documents such as a birth certificate, IRD number, bank account and

driver licence to increase eligibility and access to employment and educational pathways. The programme is being trialled in Te Tai Tokerau, in partnership with four Māori providers.

The trial project commenced in December 2017 and had a goal to support 40 taiohi to obtain their essential documents. By the end of May 2018, 39 taiohi had either obtained, or were in the process of obtaining essential documents.



# Supporting Government Priorities - Māori Voices and Perspectives

Our te ao Māori perspective and strong regional connections enable us to support government priorities. The table below illustrates some of the key ways that we are working to support government priorities impacting on Māori.

Government Priority	Contribution
Build closer partnerships with Māori	Bringing the Māori voice and perspectives to government through strong relationships, partnerships and investment across the motu.
Grow and share New Zealand's prosperity	Delivering prosperity for whānau, hapū and iwi Māori, through land development, business growth, exports, information technology and tourism.
Support thriving and sustainable regions	Optimising regional development opportunities for Māori through our regional networks and investment in regional economic development opportunities.
Ensure everyone is earning, learning, caring or volunteering	Assisting rangatahi to transition from learning to earning, with a particular focus on improving the number of Māori in education, employment, or training.
Support healthier, safer and more connected communities	Supporting Māori and their wider communities to be safe in the event of a natural disaster or emergency.
Ensure everyone has a warm, dry home	Ensure Māori housing needs and aspirations are recognised with housing and urban development work programmes.
Make New Zealand the best place in the world to be a child	Contributing to reductions in child poverty, improvements in the welfare systems supporting vulnerable children, and improving the cultural environment and support for tamariki Māori.
Create an international reputation we can be proud of	Supporting New Zealand's international indigenous rights and interests, cultural cooperation obligations and economic development.







# Our Priorities

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# Whānau and Community Development

## Improving whānau wellbeing and strengthening the communities they live in.

Understanding and empowering whānau is key to supporting wider Māori and community aspirations.

A whānau-centred approach places whānau at the centre of policy creation and implementation as well as service design and delivery.

We apply a whānau-centred approach and advocate for government agencies to view the wellbeing of Māori through a collective family-orientated approach.

It is an approach with strong te ao Māori foundations. It recognises the strength and resilience of whānau as holding untapped potential for change, on the one hand, and as agents of change on the other. It centres on the fact that a strong and thriving cultural identity is essential to sustainable development, by providing a strong sense of ownership and self-determination in the outcomes sought.

Because whānau and community wellbeing is influenced by multiple factors and a range of actors, our efforts can be best understood under the following categories:

- Leading discrete areas of policy and innovation affecting whānau and rangatahi, such as Whānau Ora.
- Influencing and injecting a Māori voice into the social policy discussions and the design of

programmes led by other agencies, such as the reduction in child poverty and the review into the abuse of children in State care.

- Investing in whānau and rangatahi – our future leaders – to build their capability, improve their health, promote employment pathways, and reduce the risks to which they are exposed.

The promotion of whānau wellbeing and community development is critical to meaningful engagement with Māori, and ensuring future generations are adequately prepared to engage in their communities and to build a stronger, more cohesive Aotearoa New Zealand.

### Whānau-centred approaches

Our focus is on increasing government agencies' awareness, understanding and uptake of whānau-centred policy approaches, as well as influencing key social policy workstreams being led by others.

Across 2017/18, we have worked alongside interested agencies such as Oranga Tamariki, Department of Corrections and ACC to incorporate a whānau-centred approach to policy and programmes. This increased interest helps raise awareness among agencies that taking a whānau-centred approach to services and programmes supports improved outcomes for whānau.

Image: Kuia and pepi at Te Rā o te Raukura in January 2018. Photo credit: Adrian Heke.





### Māori in the social sector

We have also provided input to a number of initiatives and reviews across the social sector which are of significant interest to Māori, with the outcomes having an important impact on whānau wellbeing.

Recognising the present-day reality that tamariki Māori are more likely to be exposed to severe and persistent poverty than non-Māori, we prioritised input to the government's Child Poverty Reduction work being led by the Department of Prime Minister and Cabinet. This included bringing the Prime Minister and Māori stakeholders together to discuss the proposed approach, share the life-experiences of Māori, and to explore key issues and opportunities. The Child Poverty Reduction Bill sets an expectation that the Child Wellbeing Strategy will be effective for Māori, and that its design and development will be done in consultation with them.

We have also worked closely with Oranga Tamariki and the Department of Internal Affairs in development work leading to the establishment of the Royal Commission of Inquiry into Historical Abuse in State Care. Our advocacy for early engagement with key Māori stakeholders helped shape the establishment of the inquiry.

Efforts have also focussed on the Future of Work review being managed at an agency level through the Ministry of Business, Innovation and Employment and the Ministry of Education, as well as early coordination with the Ministry of Justice on the Waitangi Tribunal's kaupapa inquiries.

All these bodies of work will have significant impact for Māori and it is important the voice and experiences of whānau inform future decisions.

### Rangatahi development and leadership

We have established a group of young employees in an effort to promote rangatahi development and leadership within the organisation. This group has been tasked with developing a policy position and approach that provides a pathway for rangatahi to develop their skills and become future leaders.

The Ministry of Social Development, the Centre for Social Impact, and rangatahi cohorts from around the country have been engaged by our Te Puni Kōkiri Rangatahi group to assist the initiation of their thinking and planning to better engage with rangatahi.

We support an innovative environment for employees to collaborate and create new ways of working.

### Promoting whānau wellbeing

We have directly supported whānau wellbeing through a range of community-led engagements, activities and investments. These span holistic approaches to wellbeing and promoting active lifestyles, strengthening pathways from education to employment and cadetships, and reducing the risk of harm.

### Matika: Moving the Māori Nation

Under the Matika: Moving the Māori Nation Fund, we invest in projects that focus on holistic te ao Māori approaches to wellbeing, encompassing aspects of tinana (physical wellbeing), hinengaro (emotional wellbeing) and wairua (spiritual wellbeing).

This year we provided \$3.104 million<sup>2</sup> funding to support organisations and whānau initiatives that encouraged whakapakari tinana and created opportunities for whānau to pursue wider whānau-centred outcomes.

2 Of this total, \$2 million in 2017/18 was managed through the Whānau Ora Commissioning Agencies.





Lleuarne Panoho takes Beach Haven Primary School students through Hī Hī Dance Fitness Programme. Photo credit: Beach Haven Primary School.

## Growing confident tamariki and learning about healthy living through dance

The Hī Hī Dance Fitness Programme gets tamariki up and moving and by the end of the term tamariki are volunteering themselves to be on stage and leading their classmates through the routines.

'For some tamariki it takes time to get up the courage to join in. That's why we do it together,' says Lleuarne Panoho, Hī Hī Dance Fitness Programme Leader.

Before you know it, children, teachers and whānau are up on their feet moving and enjoying themselves at school.

'Our School and our community of learners (Tai Taiako), have been looking at ways to get our students more engaged in learning and happier at school,' explains Jaqueline Yates, Assistant Principal at Manurewa South Primary School.

Jaqueline says the Hī Hī Dance Fitness Programme has made such a difference to the students' behaviour toward school.

'Generally quiet children become alive and junior students proudly show how skilled they have become at the moves. They are excited to be at

school and look forward to getting out of the class and dancing,' says Jaqueline.

While it is sometimes hard to get tamariki moving in today's social media and gaming culture, Lleuarne said that by the end of the term she was competing with tamariki for room on the stage.

'When I use songs like 'Wairua' and 'Poi-E' I can see tamariki Māori physically changing. It's fantastic! I want to look at using traditional movements like pūkana and wiriwiri in future programmes.'

Lleuarne and her team of qualified instructors had a target to dance with approximately 10,000 tamariki from within 15 schools in the Auckland region.

'I target the lower decile schools with high Māori student numbers because for some whānau it's hard to get their tamariki involved in activities.'

'By running the programme at school during school hours, it takes pressure off whānau and tamariki get to spend time out of the classroom learning about living healthy in a fun approach,' says Lleuarne.





### Pathways from education to employment

The Passport to Life programme (Taiohi Ararau), being trialled in Te Tai Tokerau, in partnership with four Māori providers, seeks to improve the number of Māori youth (15-24 years) in education, employment and training.

Contributing to the Government's Youth Employment Pathways Strategy, He Poutama Rangatahi, taiohi are supported with mentoring and pastoral care to obtain essential documents such as a birth certificate, IRD number, bank account and driver licence to increase eligibility and access to employment and educational pathways.

Initiatives have also supported 352 cadetships (covered above under Regional Kōrero), as well as expanding the horizons of 430 rangatahi in the Manawatū and Bay of Plenty studying STEM (Science, Technology, Engineering and Mathematics) through the Pūhoro Stem Academy. The Pūhoro programme provides a range of tutorials, hands on wānanga and events that introduce rangatahi to a wide range of career options. Pūhoro students are exceeding the national pass rates for core science, physics, chemistry and biology external achievement standards.

### Reducing risks to whānau and rangatahi

#### Supporting whānau

We work closely with partners to develop policy and programmes that enrich the future lives of whānau Māori.

Community-led pilot initiatives in Christchurch, Waikato, and Hutt Valley this year are addressing family violence within whānau. The goal is to restore healthy and safe whānau relationships, so that together, they can build a strong and bright future for their whānau.

New strategies are being implemented and we have taken a lead role in ensuring the voice of Māori are an integral part of the advice to Ministers.

#### Supporting rangatahi

One aim of the Rangatahi Suicide Prevention fund is to grow rangatahi leadership. Programmes that incorporated a tikanga and kaupapa Māori approach to their engagement, weaving in elements of cultural pride, te reo Māori, identity and mātauranga to build resilience, connectedness, confidence and leadership, have been supported throughout the motu.





Tom Pickering (Tu Kaha Foundation Kaiako) with pupils from Holy Family School in Porirua. Photo credit: Adrian Heke.

### Tu Kaha mobile classroom - changing the lives of rangatahi

'It's a mobile classroom. People in Tikitiki or Tolaga Bay or Ruatoki can't come to us, but we can go to them,' says Pera Te Amo (Tūhoe, Ngāti Porou), owner and director of Complete Siteworks Limited, and founder of the mobile classroom. 'We take the school to them, we take the teacher to them, and we're able to educate and hopefully help engage that kid to do better and to see there's actually better things out there to aspire to.'

The Tu Kaha Foundation has developed a values programme for year 5 to 9 students at decile one schools. The overall objective of the programme is to connect and reconnect rangatahi with their whakapapa, language, culture and identity, and to build resilience and self-belief.

'Getting students talking about values and sharing those values with each other, and making it normal to be proud of your culture and your identity, is what I really like about the mahi,' says Tom Pickering, Tu Kaha Foundation Kaiako (Teacher).

The Tu Kaha Foundation hopes 2,400 pupils will go through the values programme during the 40 week school year.

'Holy Family School is a very diverse community in Cannons Creek, Porirua,' says Chris Theobald, Principal Holy Family School. 'We have students who come from different backgrounds and we want for them to develop their own sense of purpose and identity.'

'For us the Tu Kaha Foundation coming to support our school is really adding another strength to what we are doing here.'

The values programme helps identify the strengths and talents each rangatahi has. Teachers reinforce the importance of being a good person and good decision maker, and put supportive and encouraging messages into their lives.

'If we change the mind-set of the kid, they can go home to their parents and hopefully say to them 'I've got an opportunity to make a career out of myself', says Pera Te Amo.

'It's about tu kaha, tu tangata. It's about us, stand up, stand proud, and seeing a kid smile and leave the classroom engaged, that's exciting for me.'







Raniera Rewiri (centre) with rangatahi at the Au.E! Conference in Napier, June 2018. Photo credit: Josie McClutchie.

### **Hawke's Bay rangatahi gather for rangatahi suicide prevention**

Te Puni Kōkiri partnered with Te Rau Matatini to deliver an Au.E! Conference aimed at increasing awareness around suicide prevention and to reassure rangatahi that help and support is available.

Inspirational speakers and workshops focussed on celebrating uniqueness, encouraging pride and acknowledging talents.

Keynote speaker Raniera Rewiri, Health and Wellness advocate, shared his emotional story of

growing up being bullied and how he used Kapa Haka to stay strong.

He spoke of courage, connectedness, uniqueness and strength within rangatahi and the importance of being proud of who you are.

'Tīpuna had the courage and strength to leave Hawaiki with only the belief in themselves. That strength is in you,' says Raniera.







'Ka pū te ruha, ka hao te rangatahi. Each of you are important because you are tomorrow's rangatira.'

Kenny McFadden, President Wellington Basketball Association, mentor and keynote speaker, spoke about the struggles Steven Adams faced as a young man on his journey to achieve his NBA dreams.

'He had a goal and he worked hard. Commitment to school and commitment to training were the only two things he needed to do. He asked for help at school

and in basketball and because he asked, he got the help and support he needed to achieve his goal.'

Kenny's advice to rangatahi about what to do when faced with a decision, or at a crossroads in their lives, was 'Go to your heart. You know in your heart what is right and wrong.'

150 rangatahi attended Au.E! Conference, Hawke's Bay in June 2018.





### Whānau Ora

Whānau Ora and the work of the three Commissioning Agencies (Te Pou Matakana, Te Pūtahitanga o Te Waipounamu and Pasifika Futures), is a key focus for advancing whānau wellbeing – and it's the most prominent of the whānau-centred approaches. Whānau Ora places whānau at the centre of decision-making and helps to build on their strengths and work towards improved outcomes in areas such as housing, employment, health, education and cultural participation.

Kaiārahi (navigators) are a key part of Whānau Ora support. Navigators work alongside whānau to support them in planning, working towards, and achieving improved outcomes. It is through this direct engagement with whānau in their homes and communities, listening to their needs and

aspirations, and then working closely with them to achieve these things, that whānau drive the objectives and outcomes of Whānau Ora.

As at 30 June 2018, over 13,500 whānau had received services or support from a Whānau Ora Commissioning Agency during the 2017/18 financial year.

Commissioning Agencies, through funding of \$71.821 million plus an additional \$2 million from Matika: Moving the Māori Nation Fund<sup>3</sup>, continued to support whānau to identify their aspirations, set goals and access services, and support to help them achieve those goals.

The outcomes achieved by the three Commissioning Agencies during 2017/18 were as follows:

3 Matika – Moving the Māori Nation Fund is covered separately in this section.



## Te Pou Matakana



# 7,068

whānau engaged  
(exclusive of Whānau Direct)  
throughout Te Ika a Māui



# 3,060

whānau were supported  
by Kaiārahi in priority  
communities



# 49%

of whānau improved  
their standard of living  
with Kaiārahi support



# 1,317

priority whānau have  
been referred to relevant  
services/programmes



# 47%

financial literacy or  
budgeting outcomes  
achieved by Kaiārahi-  
supported whānau



# 86%

of the 3,256 whānau  
supported through Whānau  
Direct, achieved their  
outcomes including 1,008  
whānau who improved their  
physical or personal health



# 53%

whānau health,  
31% standards of living and  
22% knowledge were the  
domains where the most  
common Collective Impact  
outcomes occurred



# 33

whānau engaged  
through Collective Impact  
evidenced by having a  
warmer house



# 86%

of outcomes were  
achieved by whānau  
through the Collective  
Impact Innovation Fund





## Te Pūtahitanga o Te Waipounamu



# 1,366

whānau engaged  
throughout Te Waipounamu



# 252

households were supported due to the  
impact of the Kaikōura Earthquake



# 140+

initiatives funded through  
Wave funding since inception



# 20

expressions of interest received for  
the newly established Pūtea Whakatipu  
(investment for growth) Fund



## Pasifika Futures



# 5,973

Pacific families engaged throughout Aotearoa New Zealand



# 77%

of families engaged through Core Commissioning completed a family plan



# 68%

of families prioritising debt reduction managed to reduce their debt by 5%



# 77

jobs in place through programmes run by The Cook Island Development Agency



# 77%

of families prioritising Early Childhood Education engagement have now enrolled their children into Early Childhood Education



# 36%

of families prioritising smoking cessation are now smoke-free



# 80%

of families engaged through the Wellington Tongan Leaders' Council had a health plan and achieved a health goal



# 40

families became involved in community sport and leadership programmes through the Tuvalu Auckland Community Trust



# 87%

of families prioritising cultural participation report that they are now engaged in cultural and language programmes





### Whānau Ora Review

A review of the Whānau Ora delivery model and commissioning approach commenced in March 2018. The intention of the review is to:

- ensure Whānau Ora is accountable and transparent in its delivery;
- assess the capability of the Whānau Ora delivery model to achieve sustainable outcomes for whānau; and
- scope the applicability of a whānau-centred approach as a useful exemplar for improving outcomes for whānau across government with an emphasis on the social sector.

The review is due to be completed in late 2018 with the findings of the review informing future government policy on whānau development.

### Māori Wardens

Māori Wardens have been volunteering their services since the 1860s supporting whānau and Māori communities across the motu.

They advocate, promote and create safe, healthy and strong communities by providing a range of services including support at events, administering first aid, and working closely with whānau and rangatahi.

They have well established relationships with their communities enabling them to encourage harmonious relations with individuals and diverse groups to enhance community wellbeing.

A video produced this year highlighted the commitment Ngāti Toa Māori Wardens have to the Cannons Creek community of Porirua, Wellington, especially with the rangatahi. A new \$1 million allocation was announced in the 2018 Budget to support Māori Wardens working with disengaged rangatahi.

Kaikōura Māori Wardens have established a close working relationship with New Zealand Red Cross as a result of their earlier partnership during the November 2016 Kaikōura earthquake and when Cyclone Gita hit the area in February this year.

Both organisations approach community support in similar ways, enabling them to complement and strengthen the services they provide to the Kaikōura community.

Te Puni Kōkiri, alongside the New Zealand Police, provides practical support to over 700 Māori Wardens. Together we develop and deliver targeted training programmes and provide dedicated resources (including vehicles, uniforms and equipment) that help Māori Wardens provide daily support to New Zealand communities.

On 1 April 2018, an agreed warranting process (between the District Māori Council and Māori Wardens) was introduced. The streamlined process will continue to operate within the parameters of the Māori Community Development Act 1962. It is anticipated that an online warranting system will be 'rolled out' nationally before the end of the 2018 year once regional trials are completed.





Māori Wardens Shaan Kingi and Huhana Tukaki.  
Photo courtesy of Katikati Māori Wardens.

### Māori Wardens bring brighter future for Katikati kids

Māori Wardens, with support from Te Puni Kōkiri, are helping Katikati rangatahi pass NCEA, raise children and gain confidence and leadership skills.

About 80 rangatahi attended the Katikati Māori Wardens Youth Project camp which targets at risk rangatahi. Rangatahi are asked to undertake a series of challenges that get them to work together to achieve goals. This fosters connectedness, and identifies potential leaders.

Other support programmes run by the Katikati Māori Wardens include helping students gain credits in NCEA over the school holiday period, and pairing teen mothers with kuia who teach them life skills.

Teachers have noticed a change in behaviour in rangatahi who were previously disruptive and distracting. They now find them engaging with the class more and eager to learn. Whānau members are also enjoying the change in behaviour at home.

## Civil Defence and Emergency Management

We are working to improve understanding, collaboration and partnership between iwi/Māori and Civil Defence and Emergency Management (CDEM). This is in recognition of the capability and capacity that iwi and Māori entities bring to emergency management, through local knowledge, networks and partnerships, community engagement, information dissemination and situational awareness.

We have a joint role with the Department of the Prime Minister and Cabinet (DPMC) to fully engage iwi in the ongoing governance of local emergency management systems, and ensure iwi representation at the executive level of emergency management. This follows recommendations made in the

ministerial Technical Advisory Group Review Report (undertaken post-Kaikōura earthquake), released in January 2018 – Better Responses to Natural Disasters and other Emergencies.

We will provide expertise to facilitate the process for Civil Defence groups to work with marae and iwi members in emergency response situations. This will ensure the necessary infrastructure and marae protocols are in place, and the resources including clear financial arrangements to support marae, and appropriate training received to respond in an emergency. This will help marae to be prepared and resourced to meet the needs of Māori during an emergency, and ensure that iwi/Māori are included in the regional planning for emergency events.









# Mātauranga

## Empowering whānau to nurture te reo and tikanga Māori to be passed on to their mokopuna.

The aim of the organisation's priority focus on Mātauranga is to protect and support the intergenerational transfer of Māori knowledge. This knowledge includes language, culture, values and perspectives which are unique to Māori, but also contribute to a shared national identity and understanding of what it means to live in Aotearoa New Zealand.

Mātauranga provides the basis for whānau, hapū and iwi to be connected to their history and culture, which will maximise the inherent strengths and skills within communities and participation in the economy and society.

We have been working alongside Māori groups and public sector agencies to ensure the value of te reo Māori, mātauranga, marae, and Māori historical perspectives are recognised and celebrated.

### Maihi Karauna and Maihi Māori

Enacted in 2016, Te Ture mō te Reo Māori outlines the Crown's commitment to work in partnership with whānau, hapū, iwi and Māori to promote and preserve the taonga of te reo Māori for current and future generations. The Act requires the development of the Maihi Karauna (the Crown's Māori language strategy), led by Te Puni Kōkiri, and the Maihi Māori (the iwi and Māori strategy for te reo Māori), led by Te Mātāwai.

In 2017/18 the foundations for the Maihi Karauna were agreed across government enabling a draft of the full strategy to be released for consultation in early 2018/19. These included its overarching vision, outcomes and objectives. Broadly, the strategy focusses on three areas:

- Whakanui – increasing the number of people in Aotearoa valuing te reo Māori as a central part of our national identity;
- Whakaako – increasing the number of people in Aotearoa learning te reo Māori; and
- Whakaatu – increasing the use of te reo Māori within Aotearoa whānui.

We have worked with a wide range of stakeholders across government in the development of the Maihi Karauna strategy, including the Ministry of Education, Ministry for Culture and Heritage, Te Taura Whiri i te Reo Māori, Te Māngai Pāho and the Māori Television Service. We have also worked closely with Te Mātāwai to ensure there is complementarity between the Maihi Karauna and Maihi Māori strategies.

### Directly supporting te reo and mātauranga aspirations

Te reo Māori and mātauranga aspirations are also supported through a range of funds, including Taha Whanaketanga Māori (Māori Development

Image: Taha Tunisia Turipa (Ngāti Kahungunu) with nine-year old Saul Ramage (Ngāi Tahu) preparing kai at Mataura Marae, Maruawai (Gore), November 2017. Photo credit: Vincent Egan.



## Mātauranga

Fund) and Ka Hao (the Māori Digital Technology Development Fund).

The Māori Development Fund supports initiatives and projects that promote te reo me ngā tikanga Māori and community events, and supports awareness of traditional knowledge and history. The fund invested in programmes to help connect rangatahi to their whakapapa and local initiatives

such as support for the Reweti Marae Trust Board to increase the use of te reo Māori and traditional skills amongst Ngāti Whātua members.

The fund has also helped support more than 270 community-based te ao Māori events across the country. These include 70 Matariki community celebrations, kapa haka, sporting events, and the development of māra kai community gardens.

## Oranga Marae

The Oranga Marae initiative, launched in May 2018, provides support for whānau, hapū and iwi Māori seeking to restore, rebuild, and revive their marae which are repositories of tikanga, whakapapa, kawa, pōwhiri and tangihanga.

This co-investment initiative draws upon the combined resources of Te Puni Kōkiri and the Department of Internal Affairs.

The shared outcomes of this initiative include:

- marae are safe and healthy, contributing to the wellbeing of whānau, hapū and iwi;
- people are engaged on the marae and an increasing number of events and activities are held to ensure the transmission of mātauranga Māori;
- marae increasingly contribute to the revitalisation of te reo and tikanga Māori; and
- whānau work together to develop the marae.





## Māori and New Zealand's historical narrative

There is increasing awareness of Māori perspectives within New Zealand's historical narrative and further support has been provided through Te Pūtake o te Riri – Wars and Conflicts in New Zealand funding of \$1 million per annum.

During 2017/18, Te Pūtake o te Riri Fund supported ten events held across the country to commemorate the New Zealand Wars.

Te Tai Tokerau, for example, successfully hosted the inaugural Te Pūtake o te Riri - Rā Maumahara commemoration event in March 2018. It provided the platform from which to build the national story about the historical battles and conflicts within Aotearoa New Zealand and their impact on tangata whenua and our national identity.

We are also involved in supporting the upcoming acknowledgement of the Rātana Church and movement 100 years milestone, set to take place in November, 2018.

To assist the celebrations, we have established regular meetings with the organisers and the local council, to gain an understanding of how the event will take place and where we can provide the best support.

## Indigenous rights and traditional knowledge

We take a keen interest in the impact of policy that affects Māori rights and interests, including international indigenous rights relating to mātauranga, and the consistency of policy with obligations under Te Tiriti o Waitangi.

We have been focussed specifically on traditional knowledge issues. This has included:

- building a strong working relationship with the Ministry of Business, Innovation and Employment on Intellectual Property policy issues including the Plant Variety Rights Act Review, Disclosure of Origin and the Copyright Act Review;
- stronger participation in work on the Convention on Biological Diversity (covered under Crown-Māori Engagements and Commitments); and
- better understanding the relationship between trade and intellectual property policy and the impacts this could have on traditional knowledge.

We have also provided information to the Ministry of Justice for the one-year report back to the UN Committee on the Convention on the Elimination of Racial Discrimination. This concerned the Waitangi Tribunal claim regarding the recognition of rights around, and control of, traditional Māori knowledge, customs and relationships with the natural environment (WAI 262).





Piatarahi (Pat) Heke and her mokopuna Te Hapairangi Ririnui at the wānanga korowai, Huria Marae, Tauranga 2018.  
Photo credit: Toni Heke-Ririnui.

### Weaving a connection through whatu raranga

Tears fell and voices quavered as wāhine stood in the whare tipuna Tamateapōkaiwhenua sharing their personal journeys of creating their very first korowai.

At the wānanga whatu raranga at Huria Marae in Tauranga, 'He Taonga Tuku Iho', more than 30 women learned the fundamental knowledge and methodologies associated with creating korowai. These included designing tāniko patterns which were inspired by the many tukutuku in the whare tipuna, as well as how to work with feathers, from sizing to colour coordination, combinations and putting them together to create that 'finishing touch' adornment.

Over three weekends the women gathered enough knowledge to create their first full korowai, referred to as 'tauirā' (an example or model).

For kaiako Rae Midwood (Ngāti Ranginui, Ngāti Awa) the aim of the wānanga was to ensure whānau

of Tauranga Moana have someone to pass their skills and taonga whatu korowai, whatu kākahu on to. The concept underpins the name of the wānanga, He Taonga Tuku Iho – treasures handed down from our ancestors.

For the final weekend, the women's whānau came to support them on their significant achievement. They listened as their mothers, sisters, wives, daughters and grandmothers reflected on the significance of the opportunity to learn the weaving art of their tipuna.

Te Puni Kōkiri supported the wānanga through its Māori Development Fund. This Fund contributes support for community events and activities that contribute to Māori development and kaupapa that strengthen whakapapa and relationships through culture and te reo Māori.



## Marae tell their own stories through virtual reality

### PointCloud Visualisation Ltd

PointCloud Visualisation Limited (PCV) has a unique software that can quickly and accurately render large sets of digital data into 3D visuals or models. These 3D representations can then be experienced in virtual reality.

Since receiving Te Puni Kōkiri Ka Hao funding support, PCV has been able to apply the technology to the scanning of marae, creating models that will stand as robust digital records of marae structures.

Marae that have been scanned include Te Tumu Herenga Waka (Victoria University of Wellington) and Waiwhetū in Lower Hutt.

'This was our opportunity to communicate our history through technology,' says Waiwhetū Marae Chairman, Kura Moeahu. 'Rather than sitting on the floor looking up, we could look directly at a particular design in the poupou, tukutuku or kōwhaiwhai panel through the 3D models to tell the story of our meeting house.'

Kura describes the experience of putting on the virtual reality goggles for the first time as 'mind blowing'. 'Instead of putting on goggles to go diving for kina you were diving for knowledge to fill up your mind. It was amazing.'

As part of a wider education programme, young Māori students (aged mostly between 13 and 17 years of age) were invited to learn first-hand how the 3D scanning operates. The students assisted with the scanning process, asked questions and gained technical insights from the staff who carried out the scanning of the marae.



Waiwhetū Marae Chairman, Kura Moeahu.  
Photo credit: Adrian Heke

'We know rangatahi Māori are early adopters of new and emerging technologies, and are incredibly savvy operators of those technologies; however, this hasn't transferred into seeing more Māori working in the technology industry. We want to help change that because we think innovation and technology are important for Māori to get into,' said Co-founder of PCV Limited, Toko Kapea.

PCV are also actively exploring business development opportunities. As such, an agreement with one of Australasia's largest providers of information technology services is under development and it is through this relationship that PCV will be able to service this company's clients.

Toko shares with the new partnership that they expect significant growth for PCV potentially leading to the creation of jobs.

'When the time comes to fill new jobs we will welcome the Māori students to fill the positions that have been a part of the project,' said Toko.







## A focus on improving homes and communities for whānau, hapū and iwi Māori.

Access to healthy, secure and affordable homes is a key building block of thriving communities. Kāinga goals support wider whānau, hapū, iwi and Māori aspirations, such as:

- improving the health of tamariki and other whānau members through better quality homes;
- establishing a secure economic base through improved housing affordability and building whānau, hapū, iwi and Māori assets;
- providing the stability that can encourage whānau enterprises; and
- strengthening whānau links with whenua and whakapapa within communities.

There are opportunities for whānau, hapū, iwi and Māori as developers, housing providers, building contractors and as potential home owners.

During 2017/18, Te Puni Kōkiri worked with other agencies across government – the Ministry of Business, Innovation and Employment, the Ministry of Social Development and Housing New Zealand Corporation – to progress Māori housing within the Government’s wider Housing and Urban Development programme.

We have continued, through our Māori Housing Network, to advance direct engagement and investment in activities to support kāinga aspirations. This has involved working with whānau and communities on:

- improving the quality of whānau homes through community-led housing repair programmes;
- building Māori capability relating to housing issues; and
- supporting papakāinga projects and activities to help whānau into home ownership.

The approach is based on a partnership model – to understand whānau and community aspirations and to work with them to provide tailored support to help achieve them. Where possible, we look to maximise benefits for whānau and communities by aligning with other initiatives and investments. We also support initiatives that recognise the unique factors faced by Māori, such as building on Māori freehold land.

More extensive information on funded activities to support housing is detailed in the separate Ministers’ Report in relation to non-departmental appropriations for the year ended 30 June 2018.

### Māori Housing Network

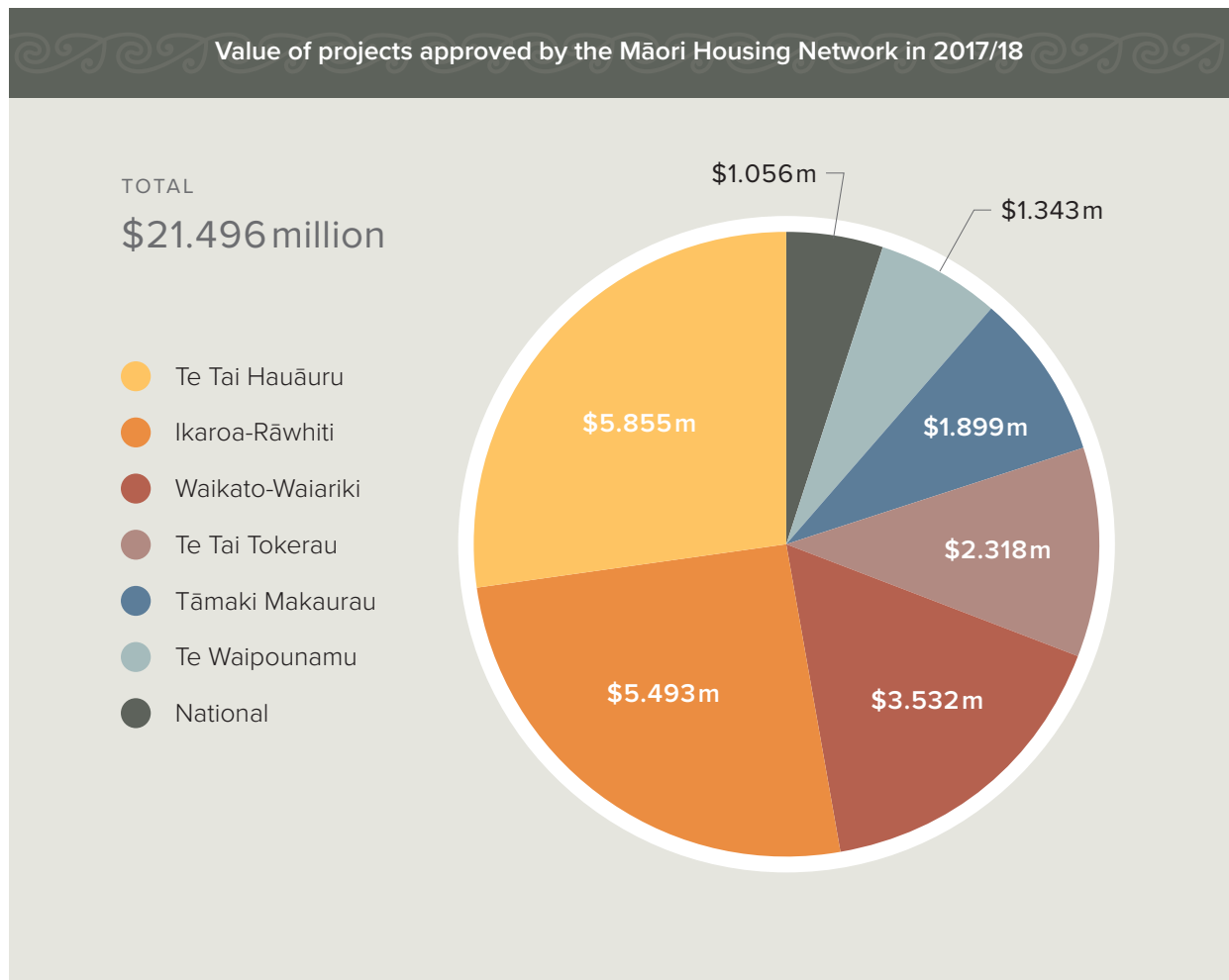
The Māori Housing Network helps whānau and rōpū, assisting them to identify and progress their housing aspirations in the context of community and whānau development. Our regional offices have advisors that lead the work of the Network. This role can include facilitation and brokering of key relationships with local councils, potential partners and funding agencies.

Image: Aroha Tamati in front of her new whare in Hastings. Photo credit: Josie McClutchie.



Since its launch in October 2015, the Network has supported 247 projects worth more than \$62 million to improve housing for whānau Māori. A total of \$21.496 million was invested in projects

that commenced in 2017/18 and there continues to be significant demand, especially for community housing repairs and papakāinga projects.





## 2017/18 Māori Housing Network Achievements

Projects approved during 2017/18, some of which may not be completed until later financial years.

<p><b>Repair Projects</b></p>  <p><b>271</b></p> <p>whānau owned homes to be repaired</p>	<p><b>Increasing Knowledge</b></p>  <p><b>94</b></p> <p>initiatives to increase whānau knowledge about home ownership and housing issues</p>	<p><b>Papakāinga Planning</b></p>  <p><b>14</b></p> <p>rōpū assisted in planning for their papakāinga</p>
<p><b>Emergency Projects</b></p>  <p><b>6</b></p> <p>transitional housing initiatives established</p>	<p><b>Total Investment</b></p>  <p><b>\$21.5m</b></p> <p>approved to support projects across the motu</p>	<p><b>Affordable Homes</b></p>  <p><b>5</b></p> <p>new affordable rental homes on papakāinga co-funded</p>
<p><b>Repair Assessments</b></p>  <p><b>221</b></p> <p>whānau homes assessed for repairs</p>	<p><b>Capability Projects</b></p>  <p><b>9</b></p> <p>rōpū supported to build their capability to respond to Māori housing issues</p>	<p><b>Infrastructure Projects</b></p>  <p><b>62</b></p> <p>infrastructure projects for new homes on Māori land for whānau</p>



Co-design and co-investment examples advanced through the Network are providing useful insights that are relevant across government. Where possible, we partner with others to maximise opportunities and also create more integrated solutions. For example, the Kōkōhinau Marae papakāinga (transitional housing in response to the Edgecumbe floods) was jointly funded by the Māori Housing Network and the Ministry of Business, Innovation and Employment. In another example, we partnered with Te Tuinga Whānau Social Services Trust in Tauranga, for set-up costs of transitional housing, while the Ministry of Social Development has entered into a contract to fund on-going places for whānau.

The Network’s investment aligns to areas of high housing and socio-economic deprivation, low home ownership, and poor quality housing. In Tāmaki Makaurau, where issues of scale are important, we work with larger agencies to support their efforts.

In December 2017, an independent research company (Litmus) evaluated the impact of the first two years of Māori Housing Network investments. The evaluation found that the Network’s investments contributed to improving whānau wellbeing. The grants improved whānau health and wellbeing, strengthened connections to whakapapa, whānau and whenua, and restored whānau pride and self-esteem. The grants also enhanced whānau understanding of the building process, creating possibilities for future housing development. The evaluation highlights the importance of housing policies and programmes that are designed specifically for Māori.

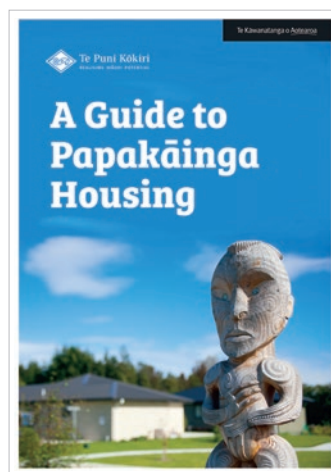
## Papakāinga development

Papakāinga projects supported through the Māori Housing Network use housing as a vehicle to contribute to broader whānau development outcomes. Papakāinga also contribute to broader community and regional economic development, offering business and employment opportunities for Māori.

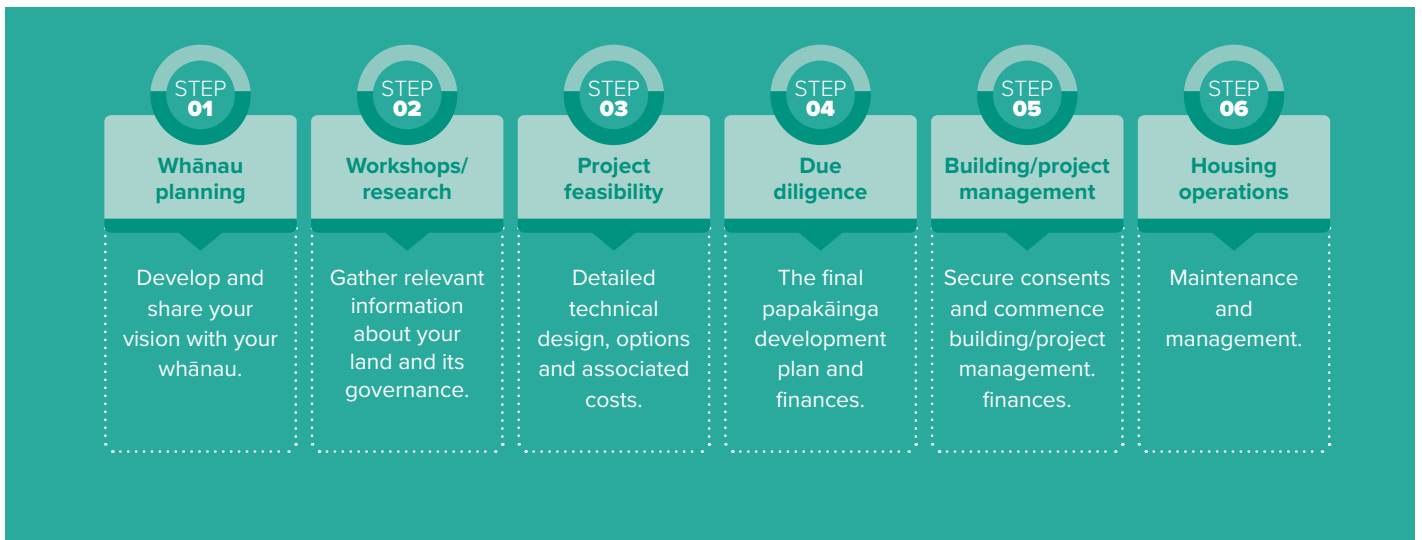
In 2017/18, 14 rōpū were supported to plan for their papakāinga projects across the country and five rōpū were provided with a contribution to their build and/or infrastructure costs. Papakāinga are more than physical structures, they typically involve multiple homes and are a space where identity, whakapapa and whenua come together, and where whānau are living as a community according to kaupapa Māori. They sometimes incorporate kaumātua housing or support services, such as kōhanga.

During the year we released a 'Guide to Papakāinga Housing' booklet to inform and support whānau and rōpū interested in developing their papakāinga.

The guide sets out the following process for developing papakāinga housing in three stages with self-assessment, tips and advice to progress their papakāinga housing development.



## The three stages of papakāinga housing development



## Te Ara Mauwhare (Pathways to home ownership)

Te Ara Mauwhare<sup>4</sup> was established through Budget 2017 funding of \$9 million over a three-year period, to identify, trial and evaluate innovative approaches to assist low to median income whānau Māori to own their own homes. According to the 2013 census only 28 per cent of Māori adults own their own home – around half of the national figure.

The models being trialled will include variations of shared equity, rent-to-own and co-housing models. The trials will be closely monitored and evaluated to

see which models work effectively for both whānau and rūpū, and can be replicated more widely to move more low to median income whānau Māori onto a pathway to home ownership.

All trials under Te Ara Mauwhare will include a programme to build the financial capability of whānau to achieve their housing aspirations. The programme was developed jointly by ourselves and the Commission for Financial Capability.

<sup>4</sup> Named He Huarahi ki te Whare in 2017/18 Estimates.







The Tawhai whānau often have monthly potluck gatherings at their new papakāinga in Hastings. Ruruhira Tawhai sharing kai with mokopuna inside their new whare. Photo credit: Josie McClutchie.

### Sustaining the future wellbeing of whānau

A new papakāinga will provide safe, warm and affordable rental housing for the Tawhai whānau in Hastings. A total of three homes have been built, with one 3-bedroom and two 4-bedroom homes, to provide for the Tawhai whānau who have lived on the site for almost 70 years.

They have traversed a significant journey and finally have realised the aspirations of their parents, Te Hore and Ngaikiha Tawhai, by developing a legacy for future generations including more than 100 tamariki and mokopuna.

Their focus on the wellbeing of mokopuna and generations to come is perhaps best captured through their guiding vision ‘manaaki whenua, manaaki tangata, haere whakamua – utilise the whenua for the wellbeing of whānau’.

Working on the papakāinga project has brought them together on many occasions to share whakaaro, knowledge, laughter, tears, time and aroha.

Planning for this papakāinga began in 2015. During the early stages of the development the Trustees





and whānau organised numerous wānanga and hui to discuss their priorities from which many decisions were made for the papakāinga.

The first thing they had to do was to agree what was to happen to the existing homestead on the property, and whether or not they wanted to build more housing.

An early decision was to change the status of their housing section to Māori land and establish the Te Hore & Ngaikiha Ahu Whenua Trust to govern the whenua.

To kickstart the development the Trustees had undertaken a significant project feasibility and needs analysis for the proposed papakāinga.

In addition to working with Te Puni Kōkiri, the Trust engaged with a number of organisations and rōpū in the development of their papakāinga including Hastings District Council, Hastings Regional Council and they sought the advice of an expert papakāinga consultant.

Trustees also met and spoke with whānau and rōpū who had completed their own papakāinga housing projects in the wider Hawke's Bay region to seek their advice.

Providing healthy, affordable rental accommodation for whānau members has remained the main goal for the whānau in the pursuit and completion of this papakāinga project.

The Trust manages the properties and the rent is set at no more than 80 per cent of the current market rates making it easier for the whānau residents to save towards home ownership.

The homes are for whānau members who do not own their own home, are currently renting or boarding, are eligible for a Housing New Zealand home, or in need of urgent accommodation.

This papakāinga highlights one of the key outcomes of the Māori Housing Network, that is, to provide affordable housing for whānau.

The Trust received \$457,603 from the Māori Housing Network to use towards housing construction and infrastructure costs. The Trust also made a significant contribution with cash and securing a Kāinga Whenua loan.

In addition, the Trust secured Māori Housing Network funding of \$69,000 towards the development of papakāinga plans and to undertake the feasibility of the housing project.

Construction and infrastructure works commenced in March 2017 and building was completed in June 2018.









## Enabling Māori land owners to engage with and realise aspirations for their whenua.

Land provides both an ancestral connection and a platform for potential economic opportunity. Protecting and utilising whenua Māori is an essential element in realising whānau success more widely. It is critical that Māori are able to realise the full economic potential of their tangible and intangible assets, while maintaining their protection for future generations.

Māori land comprises 1.42 million hectares, approximately five per cent of New Zealand's land mass. Research in 2011 estimated that 20 per cent of Māori land is well developed with potential for further growth, 40 per cent is currently developed for productive use but is under performing, and 40 per cent is currently underutilised.

The shifts being sought by Māori are to have a more responsive and supportive system that maintains the role of whānau as kaitiaki of their resources, while enabling land owners to unlock the economic potential of the land.

We have worked with the Ministry of Justice to consider options to better enable Māori land owners to actively engage with their whenua. Through investment mechanisms we have also supported land owners to develop their land according to their aspirations.

### Māori freehold land

During 2017/18, the government confirmed that improving the situation regarding Māori freehold land would continue to be an area of focus, although under a redefined approach. A new whenua Māori programme is being developed to improve the information available about Māori freehold land. This will help to explore options to improve the administration and governance of Māori freehold land, and to support owners in considering the development of whenua within the context of broader governmental priorities such as regional economic development.

In April 2018, the government agreed to the development of a business case proposal to outline this new approach for delivering improved and new services for Māori freehold land owners. Together with the Ministry of Justice (which has responsibilities for the Māori Land Court) we are working to support further development of options to the systems supporting Māori land. Contingency funding, set aside through Budget 18, will support such efforts.

We also continue to engage with the Department of Internal Affairs and Land Information New Zealand on rating and valuation issues that affect land use and engagement by owners.

Image: Wilson Karatea, Reureu Kotahitanga Limited. The Kotahitanga Project enabled the whānau who have shares in Reureu Kotahitanga Limited to investigate new ways of investing in their whenua.



### Supporting owner aspirations

We also work to support land owners through direct funding and support for wider government activities.

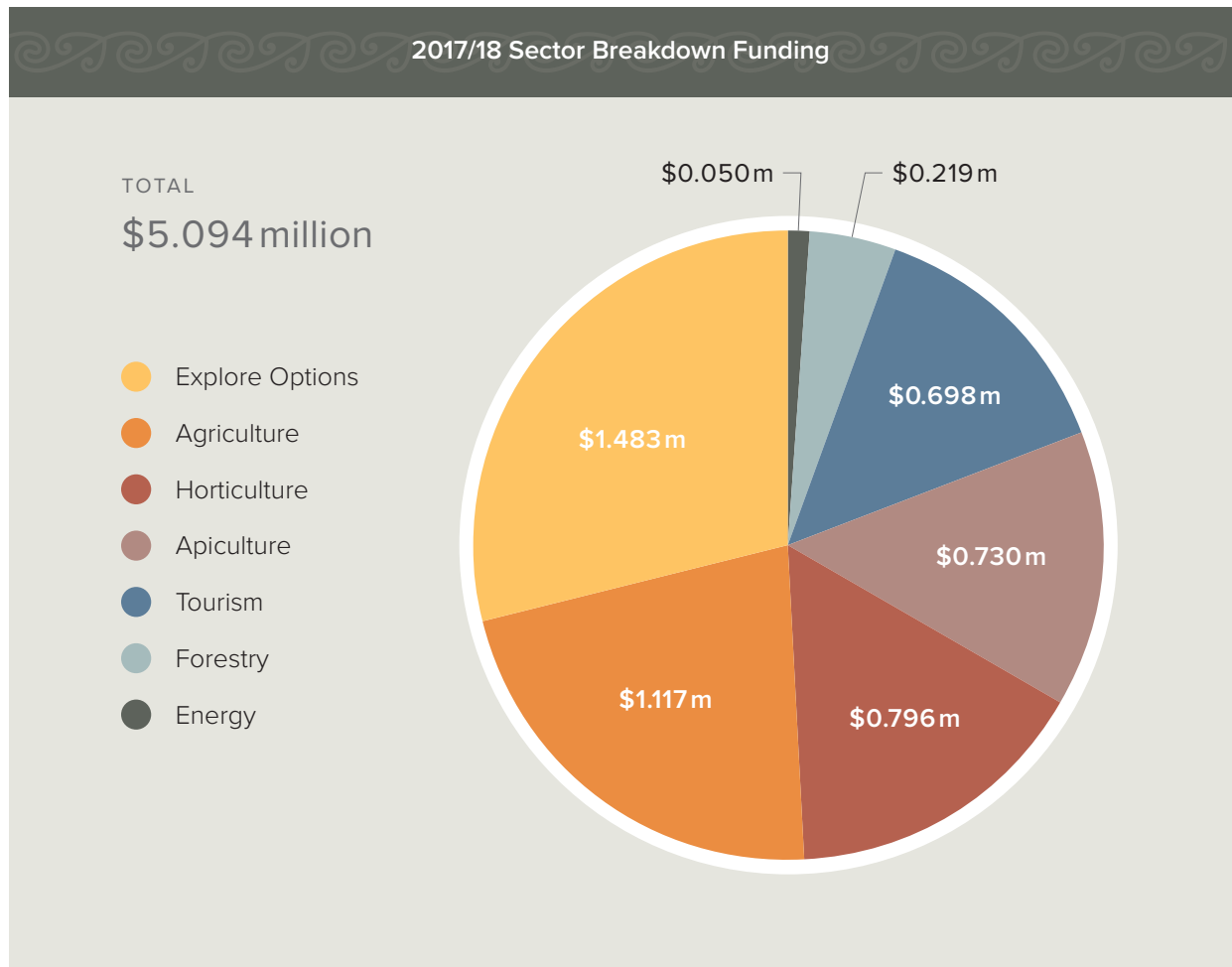
The Whenua Māori Fund, for example, provides financial support to enable land owners to investigate and pursue options for their land.

During the 2017/18 financial year funding of \$5.094 million was committed to support 57 projects encompassing 219,122 hectares of land from Northland to Stewart Island. The funding helps owners and trustees of Māori land to

improve their existing operations, diversify, or prepare for new opportunities.

The funding supported land owners to explore options as well as to advance initiatives encompassing apiculture, horticulture and tourism.

Commitments made during 2017/18 for the Whenua Māori Fund totalled \$5.094 million. The following graph summarises how funding was allocated by sector.



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We provided input to the Ministries of Primary Industries and Justice regarding the One Billion Trees Programme, Māori interests in forestry, and ensuring Māori can exercise the opportunities the programme provides.







The Whanganui River near Hiruharama, Te Tai Hauāuru.

## A regional focus on supporting Māori land owners

### Investment in whenua, in whānau and in our futures

Across the motu, whānau are exploring options for their whenua. In Te Tai Hauāuru iwi and Māori land owners have joined forces. They are working with local and central government to look at local land development opportunities.

The land owners' whenua is in the Whanganui, Rangitīkei and Manawatū regions. While the work is co-led by Te Rūnanga o Ngā Wairiki – Ngāti Apa based in Bulls including owners of Kauangaroa 2 Māori Reservation, Atihau-Whanganui Incorporation and Mangaporou Trust.

This collective of land owners includes more than 46,000 hectares of Māori freehold land and a further 6,500 hectares of land owned by Māori.

Working across land blocks, with multiple owners and government initiatives allows the owners to collectively participate in land development activities as a region. The collective will work with more than 1,000 hectares of Māori land initially and will increase this as the project progresses.

Te Puni Kōkiri has supported this regional whenua Māori development with \$94,000 from the Whenua Māori Fund. In Te Tai Hauāuru there has been a focus on supporting collaborative initiatives. In the previous financial year, the region had 13 initiatives with \$1.685 million invested in 103 hectares.







Michelle Hippolite with the Ahuwhenua Young Māori Farmer Award winner, finalists and other supporters of the kaupapa. Photo credit: Alphapix.nz.

### Te Puni Kōkiri congratulates 'super stars' of Māori agribusiness

Māori agribusiness excellence was on show in spades as the winners of the 2018 Ahuwhenua Trophy BNZ Māori Excellence in Farming and Ahuwhenua Young Māori Farmer Awards were announced.

Te Puni Kōkiri has been a proud sponsor of the awards for many years. Now in its 85th year, the Ahuwhenua Awards continue to showcase the very best in Māori farming and excellence.

Ōnuku Māori Lands Trust from Rotorua won the 2018 Ahuwhenua Trophy BNZ Māori Excellence in Farming Award for dairy.

The announcement was made by the Governor General, Her Excellency, The Rt Hon. Dame Patsy Reddy, at a special awards function held in Ōtautahi. The function was attended by more

than 650 people including the Minister for Māori Development, the Hon Nanaia Mahuta and other dignitaries representing te ao Māori, central and local government, agribusiness and communities.

The winner of the 2018 Ahuwhenua Young Māori Farmer Award was also announced, as 26 year-old Harepaora Ngahe (Ngāti Awa, Te Whānau ā Apanui) from the Eastern Bay of Plenty. Harepaora is a manager on a dairy farm near Te Teko and plans to go contract milking for the same farmer in the new season. He was selected from two other finalists, Mathew Pooley (Ngāi Tahu) and Cheyenne Wilson (Ngāi Tūhoe, Te Arawa).

To find out more about the winners and finalists visit the Ahuwhenua Trophy website.









## A focus on new and sustainable ways to lift whānau, hapū and iwi prosperity.

The aim of Pakihi is to enable whānau, hapū and iwi Māori and Māori entrepreneurs to grow a more connected, productive, innovative and sustainable Māori economy, that delivers prosperity for Māori and opportunities for rangatahi Māori.

Growth in the Māori economy will provide more opportunities, jobs and income for Māori. Rangatahi Māori can also benefit from an increase in the value of the Māori economy, through education, training and employment opportunities.

Regional economic development is being accelerated across a number of fronts, in particular regionally-focussed processes, support for the Provincial Growth Fund, as well as activities and initiatives directly led by us.

### Support for Māori business growth

We support thriving enterprise through:

- access to information, networking and provision of business advice;
- collaboration amongst and between supporters of business; and

- investment to help Māori businesses increase their business capability.

We liaise with other business support services (such as New Zealand Māori Tourism, New Zealand Trade and Enterprise and Callaghan Innovation) to refer clients for specialist support where this is identified as needed in their business growth plans.

We have also continued to build on the success of the business hub in Tairāwhiti and developed facilities for a business hub in Tāmaki Makaurau. The aim is to extend facilities to provide more business hubs.

Funding support covered a range of areas as well as through Ka Hao, which supports progress towards Māori sustainably growing and developing technology resources.

We have arranged events in several locations to showcase Ka Hao as part of Tech Week (19-27 May 2018). The organisers of Tech Week are keen to support events that showcase Māori technology entrepreneurs succeeding.

Image: Amy Patena of Amy P Jewellery Ltd. standing in front of her stall at Te Rā o te Raukura. She is an emerging artist and Māori business owner who is supported through the Māori Business Growth Support Programme. Photo credit: Adrian Heke.





(L-R) Madison, Luke and Hikairo, members of Te Ao Hangarau. Photo credit: Vincent Egan.

## Helping rangatahi get into the 'digi tech' space

Meaning 'The Modern World', Te Ao Hangarau, formerly known as Digital Natives Aotearoa, is comprised of Ariki Creative, Māui Studios and Manu Media. Together they aim to learn and grow together in their respective specialist areas, while also developing learning opportunities, educational pathways and fostering interest for digital technologies in other young Māori.

Creative lead for Ariki Creative Hori Mataki says Te Ao Hangarau is paving the way for rangatahi to build off their shoulders to get into the 'digi space'.

'We believe in sharing our skills with the community, using digital technology to help whānau and rangatahi, as well as leaving a legacy for other aspiring Māori digital creatives to follow should they wish to pursue a career in the digital creative industry,' says Hori.

The overarching vision for Te Ao Hangarau is to host rangatahi at digi-wānanga, funnel those whose interest is ignited into tertiary education pathways, and provide internship opportunities for

them to grow experience and leverage existing relationships to help them get employment in the digital creative industry.

Hori shares the idea to form a collective of young Māori working in digital creative spaces started with a tono (invitation) from the Whānau Ora commissioning agency, Te Pūtahitanga o Te Waipounamu.

'They wanted us to come up with some ideas on how we could help whānau interested in the digital technology space so a group of about eight of us pulled together,' says Hori.

Since its inception in 2015, the collective has grown organically receiving support through Whānau Ora, and more recently, through the Te Puni Kōkiri Ka Hao, Māori Digital Technology Development Fund.

With Ka Hao funding, Te Ao Hangarau has taken on four interns and established two roles, a Kaiarahangarau (Career-path Manager) and an advocate to help formalise the Te Ao Hangarau pathway between tertiary and industry partners.





Māori business clients attending one of the business training workshops in Ōtautahi.

## Boosting business in Te Waipounamu

A series of successful Māori business training workshops held in Ōtautahi, Ōtepoti and Waihopai in December 2017 have boosted business in Te Waipounamu.

The 'Essential Skills for Success in Business' series was designed for small to medium business owners to help them expand their market, build management skills and sustain employment opportunities in the region.

Te Puni Kōkiri invited twelve Māori business clients from sectors such as construction, health and fitness, digital and creative to attend for free. The workshops were designed so attendees could bring their real business matters to the table to consider and leave with practical steps to address them.

Topics included financial management, internal operations, marketing and business planning. Small, tailored monthly workshops catered for the breadth of experience, business types and industries represented. The small groups enabled more group discussion and facilitated quality learning.

People said they appreciated being with other local Māori entrepreneurs, hearing te reo Māori and having the opportunity to make the most of interactive learning tailored to their own business.

The workshops were delivered by BDO Christchurch, who are experts in small-to medium-size businesses and have extensive experience in supporting Māori enterprise in Te Waipounamu.





## Regional economic development

We have been active across the Government's regional economic development activities. This has included co-leading He kai kei aku ringa (HKKAR), the Māori economic development strategy, with the Ministry of Business, Innovation and Employment, and early support for the Provincial Growth Fund (PGF).

HKKAR provides a blueprint for a productive, innovative, and export-oriented Māori economy that will support better paying jobs and higher material living standards.

With the Māori Economic Development Advisory Board, we also administer a small fund (\$1 million per annum for two years) to support HKKAR initiatives. Initiatives funded in 2017/18 included innovative trials involving whānau lending, rangatahi entrepreneurship, and cross-agency seed funding

for the World Indigenous Business Conference in Rotorua in October 2018.

The PGF aims to lift productivity potential in the provinces. For Māori, it represents an opportunity to develop projects that enhance regional economic activity, create sustainable jobs and build resilient communities.

We have contributed advice on the design of the PGF. We have also looked at ways to link our own investment assistance for early-stage economic, business and land development activities to prepare applicants for the PGF.

In the regional economic sphere, we have a leading role in the Manawatū-Whanganui region and through its regional staff have ensured the local iwi voice was heard and acknowledged as part of the Whanganui Port Revitalisation Project.





## A regional focus on supporting iwi business owners

White Island Tours provided Te Rūnanga o Ngāti Awa with the opportunity to develop a more cultural and authentic experience for manuhiri, including rich tales of the land and sea, of ancient Māori love affairs and quarrels, and of the active marine volcano itself, known to Māori as Whakaari.

Ngāti Awa bought an iconic tourism business in Eastern Bay of Plenty and had ambitious plans to make the boat tours more Māori than ever.

The iwi is taking its time to learn the business and develop strategies to bring an authentic Ngāti Awa flavour to the tours. Local kaumātua are guiding the rūnanga on which stories to tell about its rohe to make sure it is done right.

For more than 25 years, White Island Tours has been an iconic tourism business in Eastern Bay of Plenty, boasting four vessels, a motel, small village and café.

Iwi do not usually want to take big financial risks, because they have a lot of whānau and beneficiaries they are accountable to. Te Puni Kōkiri enabled the rūnanga to access support to better understand the risks within the business, learn to forecast its performance, and how to prepare supporting documentation for the Board to consider.

For Ngāti Awa, it is not actually just a business. It is about who they are. The deal gives them leverage, and puts them in a really strong position both in tourism and in their rohe more generally.



## Trade and international connections

As an exporting nation, Māori businesses can make significant gains by exporting their products and services. We recognised the need to assist Māori businesses to engage with international markets through trade missions and participating in international business engagements.

In 2017/18, we refreshed our strategic focus and gained ministerial support for an international strategy. This strategy is based around three overlapping areas of focus: indigenous rights and interests; economic development; and cultural cooperation.

Under this strategy, we have:

- hosted a delegation of indigenous Taiwanese tourism operators and interns at the World Indigenous Tourism Summit followed by the World Indigenous Tourism Research Symposium at Waitangi in April 2018;
- facilitated an iwi-led business and cultural mission to the United Arab Emirates to undertake market investigations in advance of the Dubai 2020 Expo;
- co-hosted (with the Ministry of Foreign Affairs and Trade) an Aboriginal Business Delegation and attended follow up hui in Sydney alongside the Australia-New Zealand Leadership Forum;
- developed indigenous cooperation provisions for the Pacific Alliance Free Trade Agreement and supported trade negotiations in Ottawa;
- undertaken preparatory work in advance of a European Union Free Trade Agreement; and
- provided input into the development of 'Trade for All' policy agenda.





## World Indigenous Tourism Summit (WITS) and Research Symposium

The World Indigenous Tourism Summit was held at Waitangi in April 2018. The aim of the summit was to promote Aotearoa New Zealand as a tourist destination that safeguards the environment, its indigenous values and culture, and authentically tells its historical stories.

The summit attracted both international and domestic participants, including 300 participants from over 20 countries such as Australia, Chile, Canada, Japan, Taiwan, France, Argentina, Tahiti, Samoa, the Cook

Islands, and the United States of America. This provided Māori businesses with a unique opportunity for learning, participating and networking.

Māori tourism is growing at a faster rate than tourism in general. Through its efforts, Te Puni Kōkiri aims to affirm that whānau, hapū, iwi and Māori tourism organisations have the capability, initiative and aspiration to build commercially successful tourism businesses, based on Māori culture and identity.

## Te Puni Kōkiri hosts Australian indigenous business delegation

Te Puni Kōkiri assisted the Australian High Commission and the Ministry of Foreign Affairs and Trade to coordinate a Māori business engagement for a delegation of Australian indigenous business leaders.

Thirteen Aboriginal Australian leaders, who specialise in commercial and community development, visited Aotearoa between 29 January and 2 February 2018 to spend time with Māori to discuss ways to overcome the similar barriers they face on their homelands.

Tāmaki Makaurau regional manager Marty Rogers said this gathering provided an opportunity for both groups to learn from each other.

'Māori and Australian Aboriginal business leadership face similar challenges moving forward,'

she said. 'That includes issues such as access to capital, management of diverse assets including land, delivering social services and how to maximise value for our indigenous owners.'

The work between Te Puni Kōkiri and the indigenous business delegation was a great opportunity to promote Māori business opportunities overseas, and to create lasting networks between Māori business leadership and Australian Aboriginal business leadership.

This meeting is also an example of the work we do at Te Puni Kōkiri in focusing on new and sustainable ways to lift whānau, hapū and iwi prosperity. In this case, shared discussion helped to uplift the prosperity of both Māori and Aboriginal people.









A focus on facilitating the improvement of Crown-Māori relationships.

The focus of our role in the Crown-Māori relationship environment is to create an understanding of shared responsibilities and experiences of working together, to encourage improved and enduring productivity for both parties.

While a Crown-Māori relationships portfolio has been established, supported by the Ministry of Justice, we continue to:

- lead on-the-ground engagement with whānau, hapū and iwi (as covered under Regional Kōrero);
- provide significant input into New Zealand's international indigenous responsibilities;
- invest in leadership and governance capability for iwi and Māori entities; and
- support the Crown's Te Tiriti o Waitangi commitments and reconciliation efforts.

## Our international focus

We provide advice to inform international work that directly concerns Māori, in particular working with the Ministry of Foreign Affairs and Trade (MFAT) and the Ministry of Justice, to ensure that Māori rights within the international domain can be appropriately considered and reflected.

## United Nations Declaration of the Rights of Indigenous Peoples (the Declaration)

New Zealand is committed to upholding the rights affirmed by the United Nations Declaration on the Rights of Indigenous Peoples (the Declaration), and to engaging further with the aspirational elements set forth in the Declaration, in accordance to the country's evolving domestic legal and constitutional frameworks, including Te Tiriti o Waitangi and its principles.

We have provided advice to other agencies engaging with the United Nations or other international organisations on indigenous peoples. We have also worked with Crown Law to develop a draft guide for Crown use on the general status of the Declaration with reference to Te Tiriti o Waitangi.

We have also contributed funding towards the Independent Monitoring of New Zealand's implementation of the Declaration and reported at the Expert Mechanism on the Rights of Indigenous Peoples, held in July 2018 at Geneva.

Image: Maungapōhata, Bay of Plenty. Photo credit: Josie McClutchie.





## Human Rights Reporting

We contribute to New Zealand's human rights reporting by providing information on the rights and interests of Māori, and the activities Te Puni Kōkiri leads, relevant to its human rights obligations.

In 2017/18, we contributed to reporting on Aotearoa New Zealand's obligations under the following human rights treaties:

- Convention on the Elimination of All Forms of Racial Discrimination (CERD);
- International Covenant on Economic, Social and Cultural Rights (ICESCR); and
- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

We supported New Zealand's examinations in Geneva under CERD in August 2017, ICESCR in March 2018, and CEDAW in July 2018.

### Convention on Biological Diversity (CBD)

This convention focusses on the conservation of biological diversity, sustainable use of the components of biological diversity and fair and equitable sharing of the benefits arising out of the utilisation of genetic resources.

We are the national focal point for issues relevant to Māori, under Article 8(j) of the CBD.

In 2017/18, we have:

- supported Ministry of Foreign Affairs and Trade and New Zealand delegations to attend international meetings;
- helped organise and promote a Pacific regional training workshop on Article 8(j) in Whangārei, in May 2018; and

- provided advice to MFAT on New Zealand's engagement with Māori and stakeholders relating to the CBD.

A conference of the parties in Egypt, in late 2018, will provide opportunity for greater impetus for traditional knowledge, intellectual property and kaitiakitanga to feature in the government's work programmes.

## Rua Kēnana statutory pardon

In September 2017, the Crown signed an agreement with the Ngā Toenga o ngā Tamariki a Ihairaira me ngā uri o Maungapōhatu Charitable Trust. It provided for legislation to be introduced as soon as practicable that would restore the character, mana and reputation of Rua Kēnana, the Tūhoe prophet and leader, as well as his uri and the followers of the Ihairaira faith. We were involved in the on-the-ground engagement resulting in this agreement.

The agreement notes the Crown's intention to introduce legislation covering a range of elements including:

- a summary of the circumstances around the 1916 invasion of Maungapōhatu;
- a Crown apology to the descendants of Rua Kēnana and Ngā Toenga o ngā Tamariki; and
- a pardon to Rua Kēnana for the conviction he sustained for moral resistance to arrest.

The statutory pardon for Rua Kēnana will come into effect on enactment of the legislation.



## Electoral participation programme

Voting and having a say on important matters affects the everyday lives of whānau, hapū and iwi. It is an important aspect of a democratic society. More specifically to Aotearoa New Zealand, it influences the quality of the Crown-Māori relationship.

The Electoral Participation Programme, led by Te Puni Kōkiri, aims to increase levels of awareness and participation of Māori in the electoral process. The country's voting statistics show a consistently lower level of Māori voter engagement (especially rangatahi) in both general and local body elections. The number of Māori who choose to be on the Māori electoral roll has also seen recent decline.

Pre-election, the Electoral Participation Programme focussed on increasing the number of rangatahi Māori voting in the September 2017 general election. The #FFS (For Future's Sake) Vote social

media and community engagement campaign was aimed at rangatahi Māori. Social media platforms such as Facebook, Twitter, Instagram, and Snapchat were used to engage rangatahi, as well as iwi radio stations and activities at community events.

The desired outcome for this campaign was to increase enrolment and engagement of rangatahi. Indications suggest the campaign was successful, with the number of rangatahi Māori (18-24 years) voting in the 2017 General Election increasing by 5,371 from 40,132 in 2014 to 45,503 in 2017.

Post-election, the programme's focus shifted to the Māori Electoral Option campaign that commenced in April 2018. This also included a social media campaign targeted at rangatahi Māori promoting the Māori Electoral Option and encouraging rangatahi to make an informed choice.





# Organisational Performance

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# Organisational Capability

The skills and knowledge of our kaimahi (staff) along with how we operate as an organisation are critical to achieving the outcomes being sought for Māori. The following section outlines key organisational information for Te Puni Kōkiri including our staff profile by gender and ethnicity, and also provides an outline of our operating model and information on our people and systems capability and development.

## Supporting Diversity<sup>5</sup>

As an organisation, we are committed to inclusive work practices and culture, and as such base all our appointments on merit, while recognising the employment aspirations of Māori, ethnic and minority groups, women, and people with disabilities.

We are committed to supporting the State Services Better Public Services 2.0 Diversity and Inclusion

approach, including addressing the gender pay gap, participating in the systems profile stocktake, and effectively reporting on diversity and inclusion initiatives and outcomes. We are currently working with DiversityWorks on a revised diverse and inclusive workplace strategy.

Level	Female	Male	Māori	Disability <sup>6</sup>
Senior Management	80%	20%	60%	20%
Middle Management	64%	36%	64%	24%
General Staff	65%	35%	71%	11%
<b>Total</b> (as at 30 June 2018)	<b>65%</b>	<b>35%</b>	<b>71%</b>	<b>12%</b>

<sup>5</sup> All statistics provided in this section are based on our workforce as at 30 June 2018.

<sup>6</sup> Disability statistics includes persons with injury, long-standing illness or a disability in the following categories: hearing, seeing, mobility, agility, speaking, intellectual and/or psychiatric/ psychological.



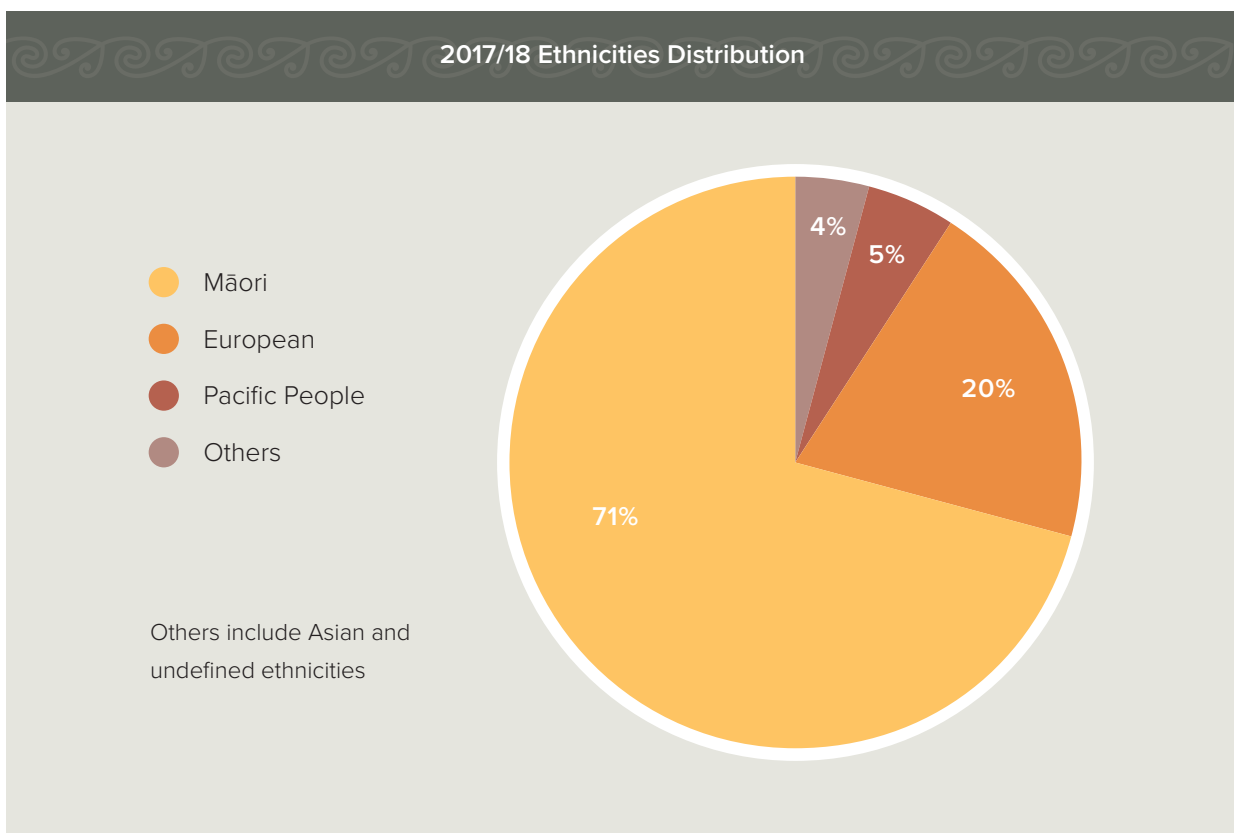
## Gender Distribution

Our workforce (including permanent and fixed-term) is predominantly female, compared to the Public Service as a whole. Staff is made up of 65 per cent female compared with 35 per cent male. At a senior manager level, females occupy 80 per cent of these roles.

Our gender pay gap (the difference between the average salaries of male and female employees) is less than the overall Public Service figure of 12.5 per cent (2017), at 6.8 per cent in favour of males (includes all staff both permanent and fixed-term). It reduces further to 3.3 per cent, when calculations are based on permanent employees only.

## Ethnicities Distribution

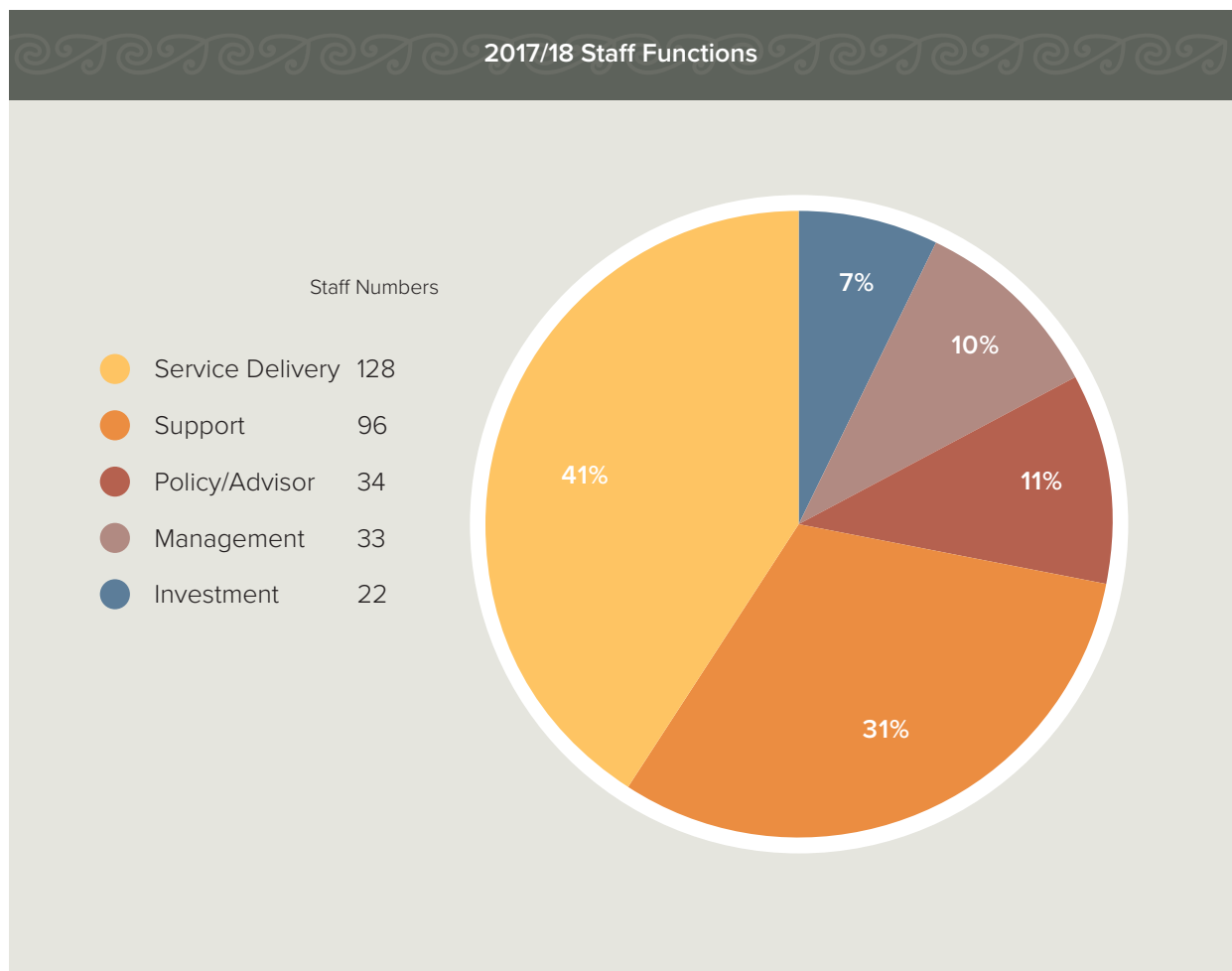
As the pie chart below indicates, there are a number of ethnicities represented in our workforce, and we have a high percentage of staff who identify as Māori. We acknowledge that whakapapa, tikanga and other cultural connections are part of the capabilities that staff bring to their jobs and we welcome, respect and learn from that.





### Staff (Kaimahi) Functions

The key functions of our staff are categorised as service delivery, investment, policy/advisor, support and management. Staffing numbers and corresponding percentages are detailed in the chart below:



## Governance Structure

### Executive Team

Leadership is the single most critical driver of successful change. Given the scale of change we are continually required to face, it is essential we have strong leadership in place.

Our Executive Team is the Chief Executive's advisory and decision making body and supports the Chief Executive in discharging her duties and responsibilities. The team provides strategic leadership to ensure we deliver on government priorities, monitor performance, manage risk and maintain accountability. The team meets weekly and includes the Chief Executive, five Deputy Chief Executives and three Chief Advisors.

### The Audit and Risk Management Committee

The Audit and Risk Management Committee provides independent advice and assurance to the Chief Executive on the appropriateness of our accountability and control framework, particularly those aspects relating to risk management, the system of internal controls, performance reporting and financial reporting.

The committee is made up of four external members, meets four times a year, with representatives from Audit New Zealand, the manager of Internal Audit and the Chief Financial Officer attending as observers.

### Risk Management

The organisation's Risk Management Policy and Framework aligns with the principles of ISO 31000:2009. The framework provides a sound foundation for ensuring a consistent approach to the identification, treatment and monitoring of risks by all staff on an ongoing basis. The Risk and Assurance unit provides support to the Executive Team and the Audit and Risk Management Committee by maintaining oversight of key risks and assists us with actively managing risks, at all levels within Te Puni Kōkiri.

### Investment Sub-Committee

The Investment Sub-Committee (made up of three Deputy Chief Executives and two Chief Advisors) meets weekly to provide oversight of all community investment programmes and grants. This oversight complements and supports the existing accountabilities and financial delegations of the Chief Executive and Deputy Chief Executives.



### Our te reo Māori Commitment

We expect to exemplify great policy and practice when it comes to te reo Māori. We have a policy and plan to effectively build language capability within our organisation. This is exemplified by our internal Māori language initiatives: our reo Māori classes; our bilingual Toastmasters club, kapa haka and WeneReo – a staff initiative where te reo Māori is the predominant language spoken by participants every Wednesday.

Our resident reo teacher has organised te reo Māori classes at Te Puni Kōkiri National Office for more than seven years. About 40 staff are currently taking te reo Māori classes weekly. Classes range from beginner to advanced, go for seven weeks, and modules are free to all staff. Through providing a space for staff to learn te reo Māori we are building capacity and participating in language revitalisation.

As well as supporting internal initiatives, we are committed to participating in nation-wide initiatives like Te Wiki o te Reo Māori and Mahuru Māori. Staff in 2017 answered the call for help to stage the second ever reo Māori street parade to kick start Māori language week. Simultaneously, several staff took up the challenge to speak te reo Māori only, for certain days, or in some cases the entire month of September 2017.

All these initiatives are immensely important. They help hone the language skills of staff, provide a safe space to use te reo, and set an example for how an organisation can work together for the revitalisation of te reo Māori.

As the lead agency for Maihi Karauna, the Crown's Māori language strategy, we consider it important to develop and test policies and practices that will lead to a stronger, more capable public sector, one that can play its part in the revitalisation of te reo Māori.

### Staff Wellbeing

Providing a healthy and safe workplace for staff, interns, contractors, volunteers and visitors is a key focus for Te Puni Kōkiri. Continued progress is being made to improve organisational health and safety performance. This includes a renewed focus on employee education (through Te Pūnaha Ako), participation in developing and embedding a safety culture, and improved health and safety governance, via the Central Health and Safety Committee. These initiatives have resulted in a shift in health and safety understanding and behaviour, with a corresponding increase in active participation in risk mitigation.

As part of the ongoing programme to promote health, safety and wellbeing, we will implement the following additional initiatives in the coming year:

- development of a mental health collateral for staff and communities;
- mobile application for incident reporting; and
- options for staff in remote locations (including personal locator beacons).



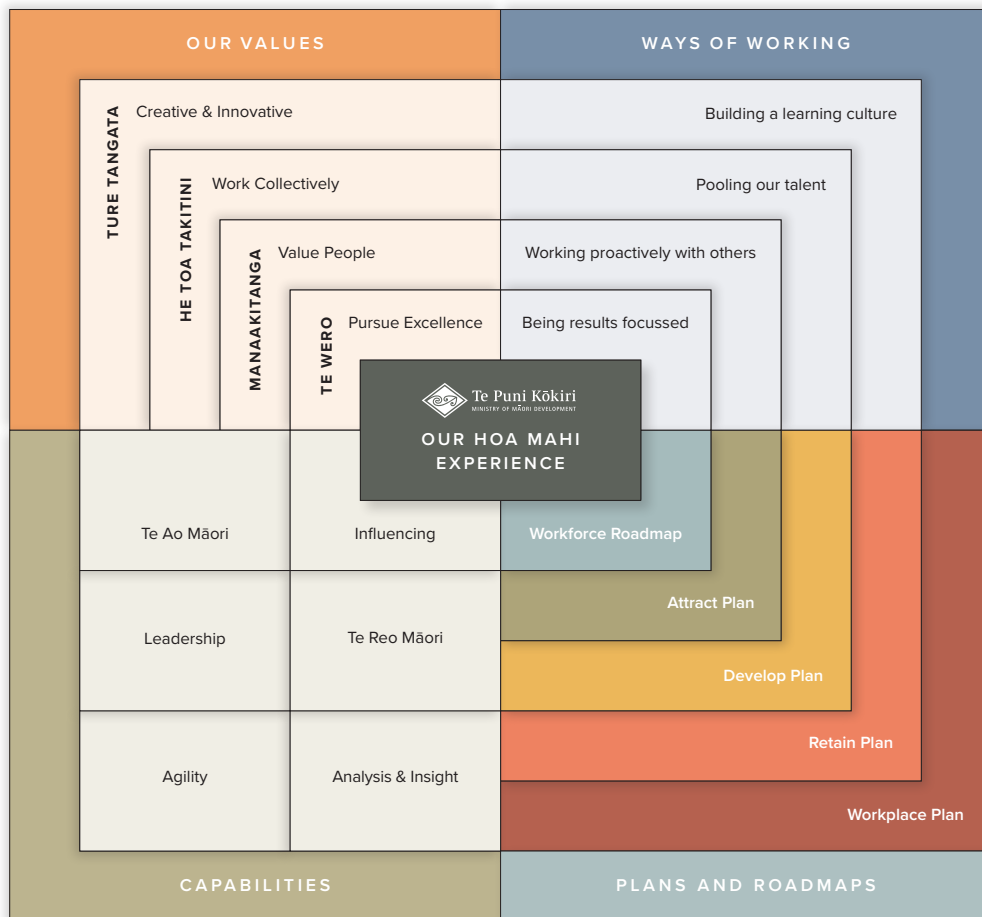


## People Development

### Our Hoa Mahi Experience

We are committed to enhancing the skills and knowledge of our people and fostering a constructive organisational culture to drive performance. Our Hoa Mahi Experience (People Capability Strategy) launched in early 2018, describes the capabilities, behaviours and people practices we need to deliver on our key strategic

priorities. The strategy reflects both employer and employee experiences and is driven from our values, ways of working, capabilities and plans and roadmaps. This will help guide decisions on where to invest for capability and capacity building and supports prioritisation of effort and resources.



We have identified six capability areas in terms of the shifts required, investment needed, and impact required, to enable us to effectively and efficiently deliver outcomes for Māori. The capabilities we intend to focus on are:

- credibility, experience and insights in te ao Māori and capability in te reo Māori to deliver advice, services and leadership;
- leadership capability and practice that strengthens our values and ways of working;
- culture change to become more agile and responsive, working in more flexible ways;
- building effective relationships using persuading and influencing capabilities and strong networks;
- Te Reo Māori; and
- identification of capability gaps and shifts required and development of Te Puni roadmaps.

Our values outlined below, provide a solid foundation for guiding our organisational culture in terms of the way we work and collaborate together at all levels within the organisation:

- **Te Wero** - we strive for excellence and we get results. We act with courage when required, take calculated risks and are results focussed;
- **Manaakitanga** - we act with integrity and treat others with respect. We are caring, humble and tolerant. We are co-operative and inclusive;
- **He Toa Takitini** - we lead by example, work as a team and maximise collective strengths to achieve our goals; and
- **Ture Tangata** - we test ideas and generate new knowledge. We learn from others and confidently apply new information and knowledge to get results.

Building a learning culture, pooling our talent, working proactively with others and being results focussed, are key elements of describing how we work collaboratively together to enable our people to perform at their best and deliver connected services.

Our Hoa Mahi experience also includes supporting plans and roadmaps to provide direction and detail of how our strategy will be delivered, including implementation pathways and expected timeframes.

### Te Pūnaha Ako / Learning Management System

In May 2018 we launched Te Pūnaha Ako, a learning management system that supports our focus on promoting a learning culture by enabling staff to complete training and awareness modules online. The modules are interactive and fun, with lots of quizzes, questions and scenarios, to provide a dynamic, engaging and interactive way of learning.

By the end of the financial year, three modules had been released in Te Pūnaha Ako:

- privacy (released during Privacy week) - provided an introduction to the Privacy Act and how to protect the information we work with;
- performance and development - developed to support our hoa mahi experience and provide managers with tools to support them; and
- health and safety overview - provides background to the legislation and responsibilities of all staff and managers.

During 2018/19 our staff will receive training on how to create and manage course content within Te Pūnaha Ako, and we will develop an e-learning strategy to maximise the potential of this learning management system.



### **Staff recognition and development**

It is important for Te Puni Kōkiri to make a conscious effort to recognise our staff. A number of initiatives have been implemented to celebrate staff mahi, encourage continuous improvement, and help staff to grow and attain their full potential. Some of these initiatives are outlined below.

#### ***Ngā Taumata Tiketike***

- *Staff Reward and Recognition Programme which*

recognises staff for their outstanding mahi during the year, acknowledges significant events, and provides a way for staff to share great ideas.

#### ***Whakapakari Kaimahi***

- *Staff Development Fund which*

provides support to access opportunities, higher learning or training that is extraordinary and positive both to the individual and to Te Puni Kōkiri.

#### ***Ngā Tohu a te Toihautū***

- *Chief Executive Awards which*

are linked to the four organisational values of: Te Wero; Manaakitanga; He Toa Takitini; and Ture Tangata. Where individuals or teams have exemplified one or more of these values through their mahi, they can be recognised with a Chief Executive Award.

### **Remuneration, recognition and conditions**

We are committed to paying people fairly for their contribution and effort. We also seek to attract new people – especially those who bring the

skills and expertise we have identified in our Hoa Mahi Experience. It is focussed on retaining and rewarding people who are making a significant contribution through their efforts.

Fairness includes consideration of affordability, any specific attraction/retention issues and the acknowledgement that a ‘fair market rate’ is best measured by independent remuneration benchmarks and that the market will be variable.

## **Systems Development**

### **Information Systems**

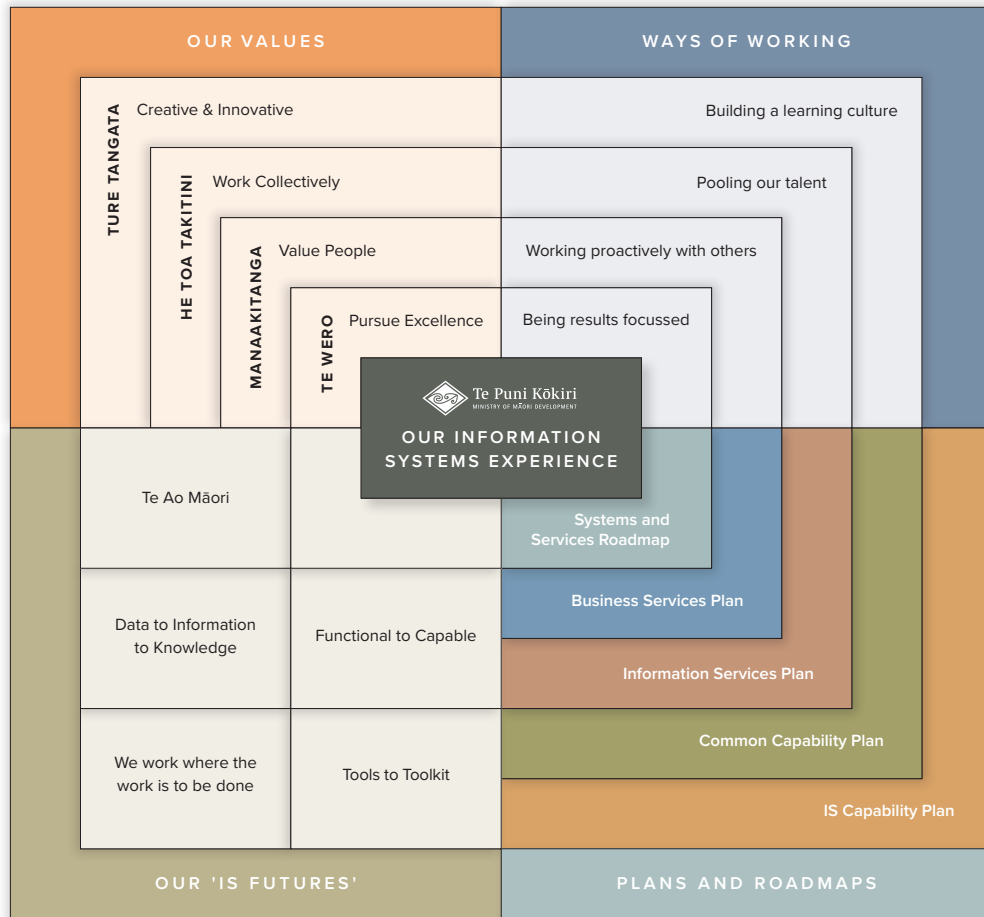
In consultation with business stakeholders, we undertook a complete review of our Information Systems Strategic Plan (ISSP) to ensure it is fit for purpose, and able to support both our current and emerging business requirements.

The refreshed ISSP, to become operational early in 2018/19, incorporates the current and future needs of staff, such as being agile, connected and mobile, digitally efficient, and innovative, to ensure staff can:

- work more efficiently in the field;
- embrace te ao Māori (at the forefront of our systems design);
- develop a thinking system approach rather than a function-specific approach;
- facilitate the transfer of data to information, to knowledge; and
- provide a comprehensive toolkit to support our people.







**Investment and Contract Management System (ICMS)**

Work commenced during the year on development of a replacement ICMS, to improve the efficiency and effectiveness of business operations and improve customer functionality. The new system is expected to provide the following benefits:

- better user experience for whānau, hapū and iwi Māori (such as reduced time in processing, reduced time for applicants);

- improved funding integration and reporting to help identify returns on investment and focussing on strong outcomes, and
- one system to cover departmental and non-departmental fund contracting and procurement.

It is anticipated the new system will be ready for implementation by July 2019.



## Property management

During the year a full stocktake of all property including security was undertaken, and three regional offices based in Gisborne, Auckland and Te Ūpoko o te Ika (Porirua) were relocated, due to the expiry of their respective leases. New locations were sought to provide greater visibility to the general public and closer proximity to community groups who use our services. The new offices were chosen for their easy access to ground floor offices, available parking spaces and close proximity to public transport.

Each office has also co-located with another organisation to share costs. Gisborne is co-located with Ngāi Tāmanuhiri, with Auckland and Te Ūpoko o te Ika co-locating with the Ministry for Pacific Peoples. These offices now provide a hub environment which increases the Ministry's ability to host and engage with our community groups, as well as enabling them to use meeting rooms, breakout areas and IT resources.

## New Zealand Business Number

We are building greater internal awareness of the New Zealand Business Number requirements and opportunities. We have formed a working group to consider the implications for our operations and interactions with business entities, particularly Māori business entities, as well as potential legislative implications.

We will also explore opportunities for Māori business entities through the New Zealand Business Number framework.

## Vulnerable Children Act 2014

Under section 16(a)(i) of the Vulnerable Children Act 2014, state services that provide child services are required to adopt a child protection policy.

We are not a child services provider so are not required to adopt a child protection policy. However, we wish to support the kaupapa of the Act, Oranga Tamariki, and our staff who may witness incidents that cause them concern. For these reasons, we have adopted child protection guidelines. Our Vulnerable Children Act 2014 Staff Guidelines take account of the national guidelines, inform staff how to deal with incidents, including reporting, and outline the support mechanisms available to them. These guidelines also include links to information on the Oranga Tamariki website.

We have also put processes in place to ensure that every contract entered into with a provider requires the provider to adopt as soon as practicable a child protection policy, where the provider is or becomes a provider of children's services, and all or some of the contract is about providing children's services.



# Statement of Responsibility

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For the year ended 30 June 2018

I am responsible, as Chief Executive of Te Puni Kōkiri (the Ministry), for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the annual report.

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2018 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2019 and its operations for the year ending on that date.



**Michelle Hippolite**

Toihautū | Chief Executive

1 October 2018





# Independent Auditor's Report

## To the readers of Te Puni Kōkiri's annual report for the year ended 30 June 2018

The Auditor-General is the auditor of Te Puni Kōkiri (the Ministry). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 124 to 148, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets 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 accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2018 on pages 89 to 122;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2018 on pages 156 to 163; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 149 to 155 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2018;
  - the schedules of expenses; and revenue for the year ended 30 June 2018; and
  - the notes to the schedules that include accounting policies and other explanatory information.

### Opinion

In our opinion:

- the financial statements of the Ministry on pages 124 to 148:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2018; and
    - its financial performance and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- the performance information of the Ministry on pages 89 to 122:
  - presents fairly, in all material respects, for the year ended 30 June 2018:
    - 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; and
  - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages 156 to 163 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989; and



- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 149 to 155 present fairly, in all material respects, in accordance with the Treasury Instructions:
  - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2018; and
  - expenses; and revenue for the year ended 30 June 2018.

Our audit was completed on 1 October 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

### 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 information to be audited

The Chief Executive is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand;
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand;
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989; and
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of



accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

### **Responsibilities of the auditor for the information to be audited**

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is 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 the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the information on strategic intentions, Estimates of Appropriations as updated in the Supplementary Estimates of Appropriations 2017/18, and the 2017/18 forecast financial figures included in the Ministry's 2016/17 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

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 information we audited, 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 the Ministry'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 the Ministry's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we





conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents 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 5 to 83 but does not include the information we audited, and our auditor's report thereon.

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

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited 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 the Ministry 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 the Ministry.



**Ajay Sharma**

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



# Measuring our Success: Whakapapa

The focus on supporting Whakapapa, particularly through te reo Māori, seeks to ensure that Māori language, culture and values hold a place at the centre of Māori and Aotearoa New Zealand identity.

Key Outcome Measures	Desired Trend	Actual Trend	Latest Result	Comment
<b>Māori language proficiency - at different levels</b>				
Measured by the percentage of Māori who can speak te reo Māori very well, well, or fairly well <i>(Source: Te Kupenga, Census)<sup>1</sup></i>	↑	↔	55% of Māori adults have some ability to speak te reo (2013)	Improved from 42% in 2001, but fluent speakers have dropped from 25% in 2001 to 21% in 2013
<b>Attitudes of New Zealanders towards Māori language</b>				
Measured by the percentage of non-Māori who said that not enough Māori is currently being spoken <i>(Source: Te Taura Whiri to survey using Statistics New Zealand data, New Zealand Attitudes and Values Survey)<sup>2</sup></i>	↑	↑	38% of non-Māori think that not enough Māori is currently being spoken (2009)	Improved from 30% in 2003 and 31% in 2006
<b>Connection to marae</b>				
Measured by the percentage of Māori who have visited their ancestral marae in the last year <i>(Source: Te Kupenga, Census)<sup>3</sup></i>	↑	N/A	34% of Māori had visited their ancestral marae in the last year (2013)	No earlier result
<b>Māori values and interests related to the use and management of natural resources</b>				
Measure (See Comment section below)	↑	N/A	See Comment section below	No earlier result

**Source**

- [http://archive.stats.govt.nz/browse\\_for\\_stats/people\\_and\\_communities/maori/TeKupenga\\_HOTP13.aspx](http://archive.stats.govt.nz/browse_for_stats/people_and_communities/maori/TeKupenga_HOTP13.aspx)
- <https://www.tpk.govt.nz/en/a-matou-mohiotanga/language/2009-survey-of-attitudes-values-and-beliefs-toward>
- <http://punaha-korero/otcs/cs.exe?func=ll&objId=16006634&objAction=browse&viewType=1>



We want all New Zealanders to be increasingly secure, confident and capable with te reo and tikanga, as well as strengthening whakapapa relationships (for example with each other, through te reo, with their marae).

In determining progress towards strengthening whakapapa, we have identified a range of measures including an increase in the number of Māori who can speak te reo, improved attitudes towards te reo, increased connection to marae and reporting values and interests related to the use and management of natural resources.

### Te Puni Kōkiri Mahi during 2017/18

#### Maihi Karauna and Maihi Māori

Enacted in 2016, Te Ture mō te reo Māori (a bilingual Act with te reo prevailing) outlines the Crown's commitment to work in partnership with whānau, hapū and iwi Māori to promote the taonga of te reo Māori for current and future generations. The Act requires the development of the Maihi Karauna (led by Te Puni Kōkiri on behalf of the Crown) and the Maihi Māori (led by Te Mātāwai on behalf of iwi and Māori).

Te Puni Kōkiri has worked closely with a wide range of stakeholders across government in the development of the Maihi Karauna strategy, including the Ministry of Education, Ministry for Culture and Heritage, Te Taura Whiri i te Reo Māori, Te Māngai Pāho and the Māori Television Service. Te Puni Kōkiri has also worked closely with Te Mātāwai to ensure there is complementarity between the Maihi Karauna and Maihi Māori strategies.

#### Te Pūtake o Te Riri

There is an increasing awareness of Māori perspectives within New Zealand's historical narrative. The Te Pūtake o Te Riri Wars and Conflicts in New Zealand Fund, provides \$1 million per annum to support whānau, hapū and iwi, to promote and deliver activities and events that commemorate the New Zealand Wars.

During 2017/18 a total of ten events were held across Aotearoa New Zealand. These events provided a platform to build the national story about historical battles and conflicts, and their impact on tangata whenua and our national identity.

#### Support for te ao and te reo Māori

Whakapapa aspirations are also supported through Tahua Whanaketanga Māori (Māori Development Fund). The Fund supports initiatives and projects that promote te reo me ngā tikanga Māori, community events and supports awareness of traditional knowledge and history. During 2017/18 more than 270 community-based te ao Māori events were supported through the Fund.

#### Oranga Marae

The Oranga Marae, launched in May 2018, is a collaborative initiative provided by Te Puni Kōkiri and the Department of Internal Affairs to support whānau, hapū and iwi Māori seeking to restore, rebuild, and revive their marae which are repositories of tikanga, whakapapa, kawa, pōwhiri and tangihanga.





Oranga Marae is a programme of support, advice and investment for marae. It gives whānau and hapū advice and support to help develop their marae and achieve their goals. This support may include building projects and activities to revitalise cultural knowledge.

### Evaluating progress

We recognise that outcome measures identified here, at a macro level, are influenced by multiple factors and multiple government agencies. No one performance indicator will adequately measure progress. The performance measures, therefore, provide a different lens to the notion of Whakapapa and the improvements being advanced by Te Puni Kōkiri.

### Increasing the ability to speak Te Reo Māori

In 2013, Te Kupenga, the survey of Māori wellbeing conducted alongside the Census, reported that 55 per cent of Māori adults have some ability to speak te reo Māori, a 13 percentage point increase from the 2001 result of 42 per cent. While this is a welcome development, there has been a decline in Māori speakers, down from 25 per cent in 2001 to 21 per cent in 2013. This highlights on-going issues of fragility of the language and the importance of continued investment and support.

According to the Ministry of Education, the number of students that participated in Māori-medium by Māori language immersion (level 1-4) has steadily remained at 22-23 per cent between 2014 and 2017<sup>7</sup>.

### Improving attitudes towards Te Reo Māori

Attitudes towards the Māori language are trending up. The University of Auckland New Zealand Attitudes and Values Study (NZAVS) shows that support for teaching Māori language in New Zealand primary schools and singing the national anthem in Māori and English has increased steadily from 2009 to 2015 (Matika et al., 2015)<sup>8</sup>. This improvement is consistent with earlier data from 2009 which showed that the percentage of non-Māori who consider that not enough Māori is currently being spoken had increased from 30 per cent in 2003, to 38 per cent in 2009.

Te Māngai Pāho, a Crown Entity responsible for Māori broadcasting, undertakes audience research annually to assess the attitudes and behaviours of Māori and Non-Māori people toward Māori programming on television, iwi radio and digital access. According to the 2017 Survey<sup>9</sup>, the majority of the Māori population (82 per cent) are open to improving their te reo ability, and 18 per cent are satisfied with their current level. This compares with half of non-Māori (50 per cent) who are open to improving their te reo ability.

<sup>7</sup> Education counts, Ministry of Education (<https://www.educationcounts.govt.nz/statistics/maori-education/maori-in-schooling/6040>)

<sup>8</sup> Matika, C. M., Houkamau, C. A., & Sibley, C. G. (2015). Support for Learning Te Reo Māori Increased from 2009-2015: Analysis of Data from the New Zealand Attitudes and Values Study. Report prepared for Te Taura Whiri i te Reo Māori

<sup>9</sup> TNS (2017) Māori Audience Survey 2017, Te Māngai Pāho ([https://www.tmp.govt.nz/uploads/nimbl\\_file/file/165/Te\\_Mangai\\_Paho\\_-\\_Audience\\_Survey\\_2017\\_report.pptx](https://www.tmp.govt.nz/uploads/nimbl_file/file/165/Te_Mangai_Paho_-_Audience_Survey_2017_report.pptx))



### Connecting to marae

The connection to ancestral marae demonstrates the value of the 'connection' within Māori society. The 2013 Te Kupenga survey highlighted that for Māori that knew their ancestral marae (71 per cent), the vast majority (89 per cent) had been there at some stage, with 54 per cent stating they had done so in the previous year. Those with higher te reo capability and older Māori were more likely than others to have visited their ancestral marae within the past year.

### Measuring Māori values relating to natural resources

The significant participation by Māori as part of the consultation process around Te Ture Whenua Māori Bill, particularly in 2016, highlighted their deep interest and passionate views they hold about whenua and how best it should be managed in the future.

In addition, Statistics New Zealand and the Ministry for the Environment in their publication *Environment Aotearoa 2015*, recognise the importance of te ao Māori in understanding an environment that benefits all New Zealanders, and the Government's obligation to provide information that contributes to Māori decision-making and wellbeing. This included the notion of kaitiakitanga based on mātauranga Māori, customary rights and use of the environment represent the permanent and unique relationship Māori have with the environment. For example, deeds of settlement relating to Te Urewera and Whanganui River clearly articulate a te ao Māori view of the relationship between people and the environment.



# Measuring our Success: Oranga

The focus on supporting Oranga, particularly through a focus on Whānau and Whare, seeks to ensure the realisation of opportunities and outcomes that reflect and support the aspirations of whānau Māori.

Key Outcome Measures	Desired Trend	Actual Trend	Latest Result	Comment
<b>Stronger Whānau</b>				
Measured by the percentage of whānau Māori who are doing well or extremely well <i>(Source: Te Kupenga)<sup>1</sup></i>	↑	N/A	83% of whānau are doing well or extremely well (2013)	No earlier result
<b>Increased skill levels</b>				
Measured by the percentage of 25-34 year old Māori with advanced trade qualifications, diplomas or degrees at Level 4 or above <i>(Source: Ministry of Education)<sup>2</sup></i>	↑	↑	48% of 25-34 year-old Māori with advanced trade qualifications, diplomas and degrees at Level 4 or above in June quarter 2018 <sup>10</sup>	An increase from 44% in June 2017
<b>Decrease in the number of long-term job seekers</b>				
Measured by the number of Māori who have received job seeker support for more than 12 months <i>(Source: Ministry of Social Development)<sup>3</sup></i>	↓	↔	54% of Māori who receive job seeker support, have done so for more than 12 months (Dec 2017)	No change from 54% in (Dec 2016)
<b>Whānau Māori in quality housing</b>				
Measured by the number of Māori households that do not require immediate or extensive repairs or do not have a major problem with their house <i>(Source: General Social Survey)<sup>4</sup></i>	↑	↑	91% of Māori households do not require immediate or extensive repairs (2016)	Improved from 87% in 2014

<sup>10</sup> Please note, that these figures are not comparable to previous annual reports as the classification of qualifications was updated in 2017.





### Source

1. [http://archive.stats.govt.nz/browse\\_for\\_stats/people\\_and\\_communities/maori/TeKupenga\\_HOTP13.aspx](http://archive.stats.govt.nz/browse_for_stats/people_and_communities/maori/TeKupenga_HOTP13.aspx)
2. <http://punaha-korero/otcs/cs.exe?func=ll&objId=16006634&objAction=browse&viewType=1>
3. <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/latest-quarterly-results/csv-data-tables.html>
4. [http://archive.stats.govt.nz/browse\\_for\\_stats/people\\_and\\_communities/Households/WellbeingStatistics\\_HOTP16.aspx?\\_ga=2.238115330.323712796.1527016784-1154488239.1515440725](http://archive.stats.govt.nz/browse_for_stats/people_and_communities/Households/WellbeingStatistics_HOTP16.aspx?_ga=2.238115330.323712796.1527016784-1154488239.1515440725)

We want Māori to experience improved levels of wellbeing – healthier, safer and empowered. In determining progress towards improved Oranga, we have considered a range of measures reflecting shifts in the strength and resilience of whānau, the attainment of skills and qualifications, increased labour market participation, and improvement in the quality of homes for whānau Māori.

Oranga outcomes are one of the most significant areas of priority and financial investment for Te Puni Kōkiri. Whānau Ora – the programme and approach – seeks to empower whānau to take control of their lives. The Māori Housing Network is already reaching many whānau through the different types of housing support on offer. Te Puni Kōkiri also contributes to wider Māori wellbeing through efforts in education and training, cadetships, māra kai (communal gardens) and other areas of whānau-focussed investment.

### Te Puni Kōkiri Mahi during 2017/18

#### Whānau Ora

A key vehicle for advancing whānau wellbeing is the Whānau Ora approach, which puts whānau at the centre of decision-making about how to build on their strengths and work towards improved outcomes in areas such as housing, employment, health and education.

Te Puni Kōkiri is the administering agency for Whānau Ora and is responsible for contracting and administering funding of \$71.821 million, plus an additional \$2 million from Matika – Moving the Māori Nation Fund through three Whānau Ora Commissioning Agencies. During 2017/18 over 13,500 whānau received services or support from a Whānau Ora Commissioning Agency.

#### Māori Housing

The focus on housing is part of broader aspirations to improve the health of tamariki, achieve economic security and self-reliance, and strengthening links with whenua and whakapapa within communities. There is a strong emphasis on Māori-led housing solutions which encourages innovation to help achieve better housing for whānau, hapū and iwi.

Improving housing outcomes for Māori during the year was supported through funding approvals of \$21.060 million to be delivered through the Māori Housing Network (the Network). The funding approvals included support for new projects that will deliver repairs to 271 whānau owned homes, build five new rental homes on papakāinga, support housing infrastructure for 62 new homes, and 94 initiatives to improve whānau knowledge about home ownership and housing issues. Some of the projects approved during 2017/18 may not be completed until later financial years.



### **Te Ara Mauwhare**

According to the 2013 Census only 28 per cent of Māori adults own their own home compared to 50 per cent of the total population.

Budget 2017 provided funding of \$9 million (over three years) to explore pathways to home ownership through implementation of the initiative Te Ara Mauwhare. This initiative identifies innovative ways to support low to medium income whānau Māori towards home ownership. Models such as shared equity, rent-to-own and co-housing are being trialed to see which models work effectively for both whānau and rūpū, and can be replicated more widely to move more low to median income whānau Māori onto a pathway to home ownership.

### **Matika**

Matika involves initiatives to support Māori sport and cultural activities, including capacity building support for Māori sport and cultural bodies. The range of initiatives illustrates the value of Matika in providing whānau with options to encourage and promote healthy lifestyles. During 2017/18, Te Puni Kōriki provided \$1.104 million to support organisations and whānau initiatives that encourage whakapakari tinana and create opportunities for whānau to pursue wider Whānau Ora outcomes.

### **Māori Wardens**

Te Puni Kōriki, in partnership with the New Zealand Police, provides practical support to over 700 Māori Wardens throughout New Zealand. Support includes targeted training programmes and the provision of resources such as vehicles, uniforms and equipment to support their day-to-day duties.

### **Evaluating progress**

We recognise that multiple agencies contribute to Māori wellbeing outcomes, making disaggregation of the impact of individual agencies challenging. However the performance indicators spanning wellness, qualifications, labour market participation, and housing provide a useful picture of overall trends.

### **Building Stronger Whānau**

The 2013 Te Kupenga survey was the first time information relating to whānau wellbeing was explicitly collected. The results showed 11 per cent considered they were doing 'very well', with a much larger group, 72 per cent doing 'well'. This left 17 per cent of whānau in the 'neither well nor badly' to 'badly/extremely badly' categories. The feeling of doing well or extremely well is an indicator of confidence, in that it measures how connected whānau Māori are and the strength of relationships between Māori.

### **Whānau Ora Commissioning Agencies**

Commissioning Agency reports show that their investments are resulting in meaningful outcomes for a number of high needs and vulnerable whānau and families. Key outcome achievements are outlined below:

#### **Te Pou Matakana**

Key outcomes achieved by Te Pou Matakana during 2017/18 were:

- 7,068 (exclusive of Whānau Direct) whānau engaged throughout Te Ika a Māui;



- 49 per cent of whānau improved their standard of living with Kaiārahi support;
- 3,060 whānau were supported by Kaiārahi in priority communities;
- 1,317 priority whānau have been referred to relevant services/programmes;
- 47 per cent of whānau were supported by Kaiārahi to achieve their financial literacy or budgeting outcomes;
- 3,256 whānau supported through Whānau Direct with 86 per cent achieving their outcomes;
- 33 whānau engaged through Collective Impact evidenced having a warmer house, and;
- 86 per cent of outcomes were achieved by whānau through the Collective Innovation Impact Fund.

#### ***Te Pūtahitanga o Te Waipounamu***

Key outcomes achieved by Te Pūtahitanga o Te Waipounamu during 2017/18 were:

- 1,366 whānau engaged throughout Te Waipounamu;
- 20 expressions of interest received for the newly established Putea Whakatipu (investment for growth) Fund;
- 140 initiatives funded through Wave funding since inception, and;
- 252 households supported during the year who continue to be impacted following the Kaikōura Earthquake.

#### ***Pasifika Futures***

Key outcomes achieved by Pasifika Futures during 2017/18 were:

- 5,973 Pacific-families engaged throughout Aotearoa;
- 77 per cent of families engaged through Core Commissioning completed a family plan;
- 68 per cent of families prioritising debt reduction, reduced their debt by five per cent;
- 77 per cent of families prioritising Early Childhood Education engagement have enrolled their children into Early Childhood Education;
- Otahuhu College Science, Technology, Engineering and Mathematics (STEM) students outperformed the national achievement benchmarks for NCEA Levels 2 and 3;
- 36 per cent of families prioritising smoking cessation are now smoke-free, and;
- 87 per cent of families prioritising cultural participation report that they are now engaged in cultural and language programmes.

#### **Increased skill levels**

The ability to contribute to society through meaningful work and attracting a higher income is a major factor contributing to wider life achievements. Household Labour Force Survey figures suggest that for the June quarter of 2018, 48 per cent of Māori aged 25-34 have a level 4 or above qualification. This has steadily increased since June 2014 from 40 per cent. By comparison, 67 per cent of all New Zealanders aged 25-34 have a Level 4 or above qualification – an increase from 61 per cent in 2014.





### Cadetship initiative

During 2017/18, Te Puni Kōkiri supported 352 Māori cadets to support Māori to achieve their potential in the workplace, and to support them and their employer firms to be resilient against risks to their jobs and their career development in the face of economic downturns. Since its inception in 2009/10, Cadetships has supported over 2,100 cadets.

### Reducing long-term dependency on job seeker assistance

Participation in the labour market is a key indicator of improved economic and wellbeing outcomes. The longer that a person is out of the workforce, the less likely they are to return to the workforce. A key indicator of connectedness to the workforce is being out of the workforce for over year.

### Improving housing quality

People need to live in healthy homes that are safe, secure and fit for purpose. Information collected as part of the General Social Survey (2016) reports that up to nine per cent of Māori live in homes requiring repairs. This compares to seven per cent of the total population. The survey also reported that 11.4 per cent of Māori reported major problems with damp or mould in their homes, compared to 5.3 per cent of the total population. 33.3 per cent of Māori reported that their homes were always or often colder than they would like, compared to 20.7 per cent of the total population.

From a standing start, Te Puni Kōkiri has made a significant effort to address the housing quality and supply issues for whānau Māori, through the Māori Housing Network. As the Network only commenced in 2015/16 financial year, the long-term benefits and impacts for whānau will become more apparent over time. During the Network's three years it has made the following impacts:

- investment of \$62.166 million in 247 Māori housing projects;
- contributions towards 68 affordable rental houses on papakāinga;
- provided infrastructure to support 244 new whānau homes;
- support for the establishment of 21 transitional housing projects;
- 641 urgent and essential whānau home repairs funded;
- 447 building condition assessments funded;
- support for 30 rōpū to build their capability to respond to the Māori housing issues in their community;
- 131 workshops and initiatives to increase whānau knowledge about housing issues, and;
- support for 29 rōpū to establish the feasibility of their papakāinga aspirations.



# Measuring our Success: Whairawa

The focus on supporting Whairawa, particularly through Whenua and Pakihi, seeks to ensure the development of high performing people, assets and enterprises creating a thriving Māori economy.

Key Outcome Measures	Desired Trend	Actual Trend	Latest Result	Comment
<b>Whānau saving</b>				
Measured by net savings <i>(Source: BERL - Māori in the Economy Report)<sup>1</sup></i>	↑	↑	The net savings position of Māori households: \$4.0 billion shortfall in 2013	Improved from \$5.5 billion shortfall in 2010
<b>Regional socio-economic disparity</b>				
Measured by the percentage of Māori living in deprivation <i>(Source: Social-economic Deprivation Indexes from the Department of Public Health at the University of Otago)<sup>2</sup></i>	↓	↓	55% of Māori live in high deprivation (2013)	Improved from 58% in 2006
<b>Use of whenua Māori</b>				
Measured by the percentage of Māori land that is 'utilised' <i>(Source: See commentary below)</i>	↑	N/A	17% compared to 26% for all land	See Comment section below
<b>Māori gross domestic product</b>				
Measured by the amount of GDP from Māori producers <i>(Source: BERL - Māori in the Economy Report)<sup>3</sup></i>	↑	↑	GDP from Māori economy producers totalled \$11 billion in 2013	Improved by \$720 million, or 7% in nominal terms since 2010

## Source

1. <http://www.tpk.govt.nz/documents/download/609/tpk-maorieconomyreport-2013.pdf>
2. <http://punaha-korero/otcs/cs.exe/link/15798981>
3. <http://www.tpk.govt.nz/documents/download/609/tpk-maorieconomyreport-2013.pdf>



We want Māori people, assets and enterprises to be high performing and contribute to a thriving economy. This will benefit the country as a whole, resulting in higher levels of earnings and discretionary income, enabling more Māori to exercise the types of lifestyle and financial choices they would like to exercise. In determining progress towards improvements in Whairawa, we are drawing on a range of measures that indicate shifts in savings, reducing economic disparity, land utilisation and GDP.

### Te Puni Kōkiri Mahi during 2017/18

Growth in the Māori economy will provide more income, jobs and opportunities for Māori. Rangatahi Māori can also benefit from an increase in the value of the Māori economy, through education, training and employment opportunities.

Regional economic development is being accelerated across a number of fronts, in particular regionally-focussed processes, support for the Provincial Growth Fund, as well as activities and initiatives directly led by Te Puni Kōkiri.

#### Provincial Growth Fund

The Provincial Growth Fund (PGF) aims to lift productivity potential in the provinces. For Māori it represents an opportunity to develop projects that enhance regional economic activity, create sustainable jobs and resilient communities. During the year, Te Puni Kōkiri provided advice on the design of the PGF, and also looked at ways to link its own investment for early-stage economic, business and land development activities for the PGF.

#### He kai kei aku ringa

Te Puni Kōkiri co-leads He kai kei aku ringa (HKKAR), the Māori economic development strategy, with the Ministry of Business, Innovation and Employment. HKKAR provides a blueprint for a productive, innovative, and export-oriented Māori economy that will support better paying jobs and higher living standards.

Te Puni Kōkiri and the Māori Economic Development Advisory Board, also administer a small fund (\$1 million per annum) to support HKKAR initiatives. Initiatives funded in 2017/18 included innovative trials involving whānau lending and rangatahi entrepreneurship.

#### Ka Hao: Māori digital Technology Development Fund

Ka Hao, through Te Puni Kōkiri, provides funding for Māori ICT development initiatives which support Māori economic development, by encouraging Māori participation in the ICT sector (whether as employees or owners of digital technology businesses) and supporting access to Māori language and culture through ICT.

During the year a total of \$2.5 million was invested in Māori ICT development initiatives, with 16 projects being completed and a further four expected to be completed in 2018/19.

#### Governance training

Governance skills, strategic planning, and financial literacy are becoming increasingly necessary for Iwi trustees to uphold their responsibilities and





duty of service to the Iwi in a pre - and post - Treaty settlement environment. For this reason, Te Puni Kōkiri trialed Iwi governance training from the Institute of Directors (IOD). Recipients of the training were pre - and post-settlement Iwi trustees, board members, management staff and rangatahi.

An evaluation of the trial found that the training provided an effective starting point to build participants knowledge and confidence to use principles of good governance practise. The evaluation also highlighted areas for future development, such as strategic thinking and planning.

### Evaluating progress

#### Increasing whānau saving

In 2013, the Māori in the Economy Report, prepared by BERL, reported that since 2010, the level of Māori households' savings has improved by \$1.5 billion, from negative \$5.5 billion to negative \$4 billion net savings. Continuing improvements in the ability of whānau to save will enable whānau to be able to afford high priced items, invest in assets and cover unexpected expenses.

The ability to save provides opportunities to invest in assets. Asset ownership, including home ownership, is a key determinant of financial stability. Statistics New Zealand net worth statistics to June 2015 highlight that Māori have, on average, total assets of \$40,000. This does not include collective assets, such as shareholding in Māori land. This compares to an average net worth of \$160,000 for the total population.

#### Reducing socio-economic disparity and deprivation

In New Zealand, socio-economic disparity is measured through the deprivation index. New Zealand Deprivation is a widely used measure of socio-economic condition to identify the least and most deprived areas. It is based on a range of factors including working age people receiving a means-tested benefit, people without qualifications, unemployed, limited living space, living with a parent family, no home ownership, and no access to the internet and a car. Census 2013 data suggests that Māori are twice as likely to live in high deprivation, compared to non-Māori.

Existing statistical data, unfortunately, highlights negatives and does not capture opportunities. Consistent with our whānau-centred work in other areas, particularly Whānau Ora, Te Puni Kōkiri will be seeking more potential-focussed data-sets to draw on.

#### Increasing Māori land use

There is 1.4 million ha of Māori Land, making up approximately five per cent of all land in New Zealand. This is spread across 27,500 Māori land blocks and 2.5 million owner interests.

In 2015/16, Te Puni Kōkiri employed land use as a proxy for land performance. According to Land Use Capability statistics provided by Land Information New Zealand, 17 per cent of Māori land is currently in the most productive category, compared to 26 per cent of all land in New Zealand.

Te Puni Kōkiri plans to work with other agencies such as the Ministry for Primary Industries, to consider how to improve information collection regarding land productivity.



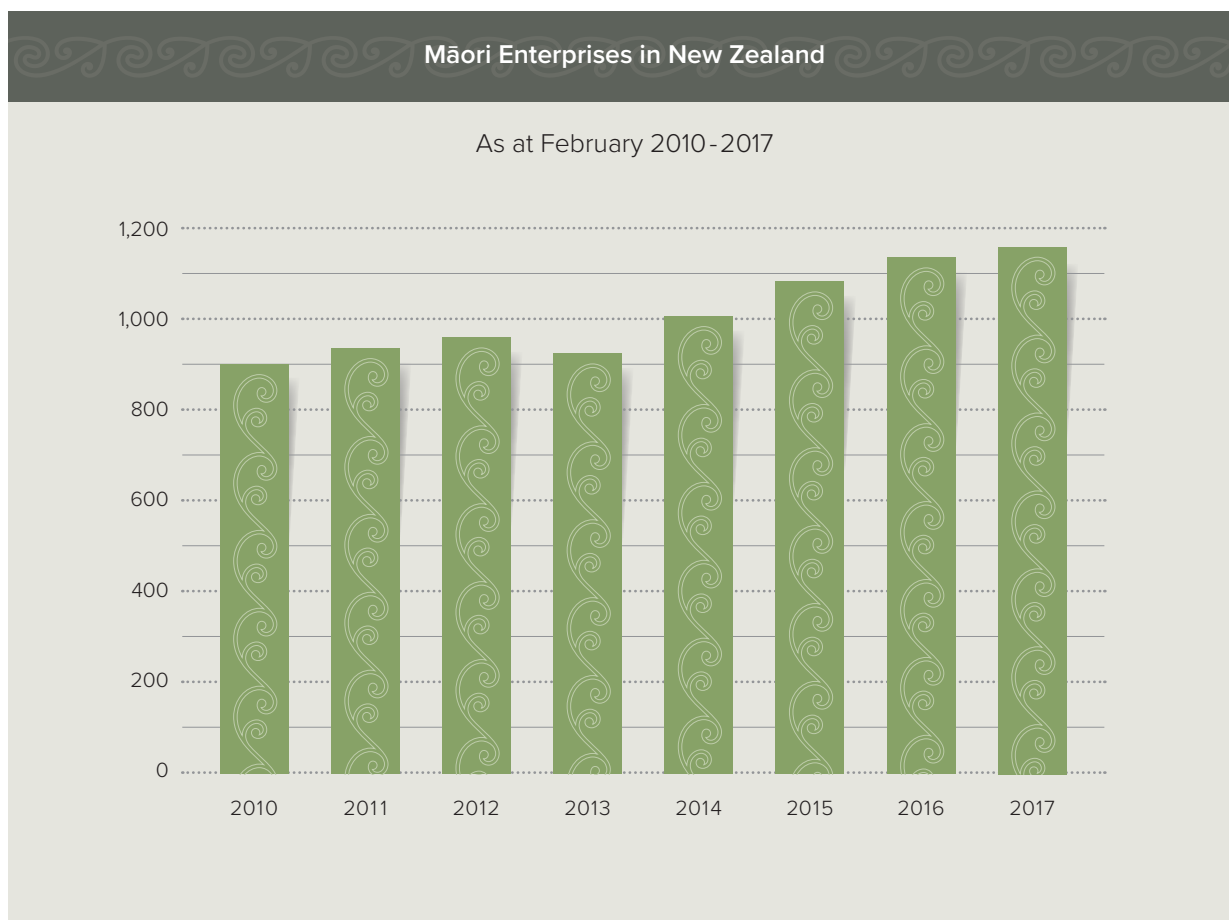
### Increasing Māori gross domestic product

Gross domestic product (GDP) from Māori economy producers totalled \$11 billion in 2013 (Māori Economy Report, 2013). Since 2010, Māori production GDP has increased \$720 million, or seven percent in nominal terms. Adjusting for changes in prices, real growth of Māori GDP from 2010 is estimated at three percent. Amongst Māori GDP, Māori small businesses<sup>12</sup> have made a positive contribution from \$789 million to \$814 million between 2013 and 2015 (Annual Enterprise Survey, Stats NZ).

### Growth in Māori enterprises

There is evidence that the Māori economy (which is based principally on agriculture, forestry and fishing) continues to grow steadily year on year. There have been over 200 new Māori businesses since 2013, and in February 2017 more than 1,100 Māori enterprises.

Ministry of Business, Innovation and Employment figures estimate Māori enterprise is worth nearly \$40 billion, and growing faster than the economy as a whole, while Iwi-controlled post-settlement assets are worth about \$6b and that is expected to double in a decade.



<sup>12</sup> Small businesses refers to the employee size between zero to fifty.



# Measuring our Success: Whanaungatanga

The focus on supporting Whanaungatanga particularly through Crown-Māori engagement, seeks to ensure a productive and enduring relationship.

Key Outcome Measures	Desired Trend	Latest Result	Comment
<b>Status of the Crown-Māori relationship</b>			
Measured by the total number and total value of settlements <sup>13</sup> <i>(Source: Office of Treaty Settlements)</i> Measure: see commentary below	↑	See commentary below	Five treaty settlements completed in 2017 for Ngāti Pūkenga, Rangitāne o Wairarapa Tāmaki Nui-a-Rua, Ngatikahu ki Whangaroa, Ngāti Kahungunu ki Heretaunga Tamatea, and Ngāi Tai ki Tamaki. This is part of 25 claims that have been progressed in 2017/18.

The status of Te Tiriti o Waitangi within New Zealand’s constitutional framework, plus its underpinning of partnership principles, highlights the importance of the Crown-Māori relationship. The parties desire to have dialogue and mechanisms that advance a mature, strengths-based relationship. To this end, over the past three decades there has been a significant shift in the way in which the Crown through its Ministers and, in turn, the Government through its agencies and officials, engages with its Treaty partner. As a multi-layered set of relationships and relationship interests, there is no single statistical measure on which this relationship can be measured. Rather we must rely on a range of indicators, signals and narratives that speak to the health of the relationship and overall

trends. Te Puni Kōkiri continues to consider a more formal mechanism of gathering perspectives on the Crown-Māori relationship.

## Te Puni Kōkiri Mahi during 2017/18

Te Puni Kōkiri is engaged in a range of activities that contribute to building the Crown-Māori relationship, and improving the relationship architecture. Support is provided to the Iwi Chairs Forum, to ensure that Māori perspectives and effective ways of working with Māori are shared with other government agencies, assist Treaty settlement processes, ensure Māori interests in relevant international forums are represented and considered, and supporting Māori participation through governance structures.

<sup>13</sup> The number of settlements is calculated by the date legislation passed including deed effected outside of legislation, but excluding those deed not enacted by 2017.





### **United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP)**

Te Puni Kōkiri worked with Crown Law to develop a draft guide for Crown use on the general status of the UNDRIP with reference to the Treaty of Waitangi, and contributed funding towards the Independent Monitoring of New Zealand's implementation of the UNDRIP and reporting.

### **Electoral Participation Programme**

The electoral participation programme implemented by Te Puni Kōkiri in 2017 focussed on increasing awareness and levels of participation by Māori in the electoral process. Voting statistics show a consistently lower level of Māori voter enrolment and participation in general and local body elections. The number of Māori who choose to be on the Māori Electoral Roll is also low. Rangatahi Māori have the lowest participation of all groups.

Voting and having a say on matters affecting the everyday lives of whānau, hapū, and iwi Māori and our country are important aspects of the quality of the Crown-Māori relationship.

Pre-election the Electoral Participation Programme focussed on increasing the number of rangatahi Māori voting in the September 2017 general election. Initial indications suggest the campaign was successful, with the number of rangatahi Māori voting in the 2017 General Election increasing by 5,371 from 40,132 in 2014 to 45,503 in 2017<sup>14</sup>.

Post-election the programme's focus shifted to the Māori Electoral Option campaign in April 2018. This included a social media campaign to raise awareness about the Māori Electoral Option amongst rangatahi Māori.

14 [www.elections.org.nz](http://www.elections.org.nz)



# Statement of Service Performance

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This section outlines the performance of Te Puni Kōkiri and meets the requirements of the Public Finance Act 1989.

Te Puni Kōkiri 2017/18 service performance results are arranged by appropriation (*as detailed in Budget 2017: Estimates of Appropriations*) and are outlined in this section of the Annual Report.

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## Takatutanga me ngā Haumitanga ā-rohe (Regional Engagement and Investment)

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### Scope

The overarching purpose of this appropriation is to facilitate a flow of resources from the Crown to Māori and a two-way flow of information between the Crown and Māori.

### Purpose

This appropriation is intended to achieve positive engagement between the Crown and Māori through brokerage, co-ordination and facilitation that focusses on the strengthening of relationships between the Crown and iwi, hapū and whānau Māori.

It is also designed to deliver and manage community investment programmes including, but not limited to: the Māori Development Fund; the Māori Housing Network and the Te Ture Whenua Fund.



## Expenditure

Expenditure incurred against this appropriation for the 2017/18 financial year is summarised in the following table:

Actual 2016/17 \$000		Actual 2017/18 \$000	Revised Budget 2017/18 \$000	Budget 2017/18 \$000
	<b>Revenue from Crown</b>			
-	Takatūtanga ā-rohe (Regional Engagement)	23,844	23,844	21,799
-	Haumitanga ā-rohe (Regional Investment)	9,782	9,782	13,173
-	<b>Total Revenue from Crown</b>	<b>33,626</b>	<b>33,626</b>	<b>34,972</b>
	<b>Revenue from Other</b>			
-	Takatūtanga ā-rohe (Regional Engagement)	-	-	-
-	Haumitanga ā-rohe (Regional Investment)	608	608	608
-	<b>Total Revenue from Other</b>	<b>608</b>	<b>608</b>	<b>608</b>
-	<b>Total Revenue</b>	<b>34,234</b>	<b>34,234</b>	<b>35,580</b>
	<b>Expenditure</b>			
-	Takatūtanga ā-rohe (Regional Engagement)	16,975	23,844	21,799
-	Haumitanga ā-rohe (Regional Investment)	16,252	10,390	13,781
-	<b>Total expenditure</b>	<b>33,227</b>	<b>34,234</b>	<b>35,580</b>
-	<b>Surplus (Deficit)</b>	<b>1,007</b>	<b>-</b>	<b>-</b>





### MCA Performance

The overall performance of this appropriation will be assessed by reaching or exceeding the Ministerial satisfaction score on support provided during regional visits, as outlined in the table below under regional engagement.

2016/17 Actual	Assessment of Performance	2017/18 Target	2017/18 Actual
	<b>Regional Investment</b>		
New Measure	A National Integrated Investment Approach is in place to guide whānau-centred community investments	Achieved	Achieved
New Measure	Regional integrated Investment Plans are in place to guide a whānau-centred, community investment approach	Achieved	Achieved
New Measure	Funding is distributed in line with the National Integrated Investment Approach and Regional Integrated Investment Plans	Achieved	Achieved
532	Number of community investment funding arrangements in place	450-650	522
4	The Minister for Māori Development receives quarterly updates on the status of the Investments Funds	4	3
	<b>Regional Engagement</b>		
35	The number of days of regional visits by Government Ministers supported by the Ministry	8-12	18
90%	Survey rating by the Minister for Māori Development on regional support provided (based on a scale of 1-10)	70%	70%
New Measure	Percentage of stakeholders who report being satisfied or very satisfied with the level of engagement of regional staff (based on a survey with scale of 1-10)	70%	95%



### ***National Integrated Investment Approach***

The National Integrated Investment Approach guides all investment decisions relating to the Ministry's three largest funds - the Māori Housing Fund, Whenua Māori Fund and Māori Development Fund. This approach focusses on investing in initiatives and projects that take a whānau-centred approach, balancing innovative approaches with projects that support local outcomes, and supporting applicants through the process at a regional level. As part of this approach, regional investment priorities and projects are identified to ensure alignment with the overall approach.

During 2017/18, an expanded Investment Approach, covering the entire investment portfolio, was developed to support strategic planning for the 2018/19 financial year and beyond.

### ***Investment Fund updates***

The change in Government and priorities during 2017/18 resulted in changes to the way in which updates on the status of the Investment Funds and wider outcomes are provided to the Minister for Māori Development. A new quarterly reporting template has been developed and approved by the Minister. It will be implemented during the 2018/19 financial year.

### ***Supported regional visits***

The number of regional visits by Government Ministers is demand driven, can fluctuate from year to year, and is therefore difficult to forecast ahead of time.

In the previous financial year, there were a total of 35 regional ministerial visit support days required, reflecting an increased desire to engage with Māori prior to the general election in 2017.

With a change in Government and subsequent Ministerial appointments, Regions now service three active Ministerial portfolios – Māori Development, Whānau Ora and Associate Māori Development (previously one Minister covered these portfolios). This has resulted in a continued high demand for ministerial supported visits during the 2017/18 financial year.

### ***Stakeholder survey***

During the year Te Puni Kōkiri undertook a survey of its key stakeholders on their satisfaction of the level of engagement they receive from our regional staff. It was pleasing to receive a high satisfaction rating of 95 per cent from the 45 stakeholders who completed the survey, compared to our target of 70 per cent. This is the first regional satisfaction survey undertaken, and given the small number of respondents, Te Puni Kōkiri intends to retain its 70 per cent target for the 2018/19 financial year until the annual stakeholder satisfaction survey is fully bedded in.



## Tohutohu Kaupapa Here me ngā Huanga Patata

### Policy advice and related outputs appropriation

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#### Scope

The overarching purpose of this multi category appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

#### Purpose

This appropriation is intended to achieve effective policy advice and other support to Ministers in discharging their decision-making and other portfolio responsibilities in relation to Māori, which includes:

- Policy Māori Development: provision of Māori advice that:
  - protects, sustains and grows Māori reo, taonga, mātauranga and tikanga;
  - sustainably grows and develops Māori resources;
  - enables Māori to acquire new skills and knowledge;
- Policy Crown-Māori Development: promotion of stronger connectivity and understanding between Māori and the Crown; and
- Ministerial Servicing: provision of timely and high quality advice to Ministers, enabling them to discharge their portfolio responsibilities.

#### Expenditure

Expenditure incurred against this appropriation for the 2017/18 financial year is summarised in the following table:





Actual 2016/17 \$000		Actual 2017/18 \$000	Revised Budget 2017/18 \$000	Budget 2017/18 \$000
	<b>Revenue from Crown</b>			
12,204	Kaupapa Here - Whanaketanga Māori (Policy - Māori Development)	12,091	12,091	11,535
6,735	Kaupapa Here – Whanaungatanga Karauna Māori (Policy - Crown Māori Relationships)	6,269	6,269	4,599
2,317	Ratonga Tautoko Minita (Ministerial Servicing)	3,333	3,333	2,473
<b>21,256</b>	<b>Total Revenue from Crown</b>	<b>21,693</b>	<b>21,693</b>	<b>18,607</b>
-	<b>Revenue from Other</b>	-	-	-
<b>21,256</b>	<b>Total Revenue</b>	<b>21,693</b>	<b>21,693</b>	<b>18,607</b>
	<b>Expenditure</b>			
11,873	Kaupapa Here - Whanaketanga Māori (Policy - Māori Development)	11,605	12,091	11,535
6,267	Kaupapa Here – Whanaungatanga Karauna Māori (Policy - Crown Māori Relationships)	5,367	6,269	4,599
2,297	Ratonga Tautoko Minita (Ministerial Servicing)	3,394	3,333	2,473
<b>20,437</b>	<b>Total expenditure</b>	<b>20,366</b>	<b>21,693</b>	<b>18,607</b>
<b>819</b>	<b>Surplus (Deficit)</b>	<b>1,327</b>	-	-



### MCA Performance

The overall performance of this appropriation will be assessed by reaching or exceeding the Ministerial Satisfaction Score outlined in the table below.

2016/17 Actual	Assessment of Performance	2017/18 Target	2017/18 Actual
	<b>Policy – Māori Development</b>		
	This category is intended to achieve progress towards Māori: protecting, sustaining and growing their reo, taonga, mātauranga and tikanga; sustainably growing and developing their resources; and acquiring skills and knowledge		
71%	Technical Quality Assessment Score	70% or above	71%
67%	Ministerial Satisfaction Score	70% or above	50%
\$170	Total cost per output per hour	\$170 or less	\$163
	<b>Policy – Crown-Māori relationships</b>		
	This category is intended to achieve stronger connectivity and understanding between Māori and the Crown		
71%	Technical Quality Assessment Score	70% or above	71%
67%	Ministerial Satisfaction Score	70% or above	50%
\$170	Total cost per output per hour	\$170 or less	\$163
	<b>Ministerial servicing</b>		
	This category is intended to achieve the provision of timely and high quality advice to Ministers, enabling them to discharge their portfolio responsibilities		
90%	Parliamentary questions timeframes met	95% or above	100%
70%	Ministerial Official Information Act request timeframes met	95% or above	89%
68%	Other ministerial correspondence timeframes met	95% or above	66%



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## Performance Variance

### *Timeliness of Official Information Act (OIA) requests*

The 95 per cent timeliness measure for the 2017/18 financial year was not achieved. The main contributing factor was administrative process issues that occurred in the first half of the financial year. Actions were subsequently taken to address the arising issues leading to a significant lift in performance during the final six months i.e. 98 per cent.

Timeliness for Ministry OIAs is based on the statutory 20 working day timeframe for responding to OIAs. Te Puni Kōkiri applies a separate timeliness standard of 15 working days for Ministerial OIAs to allow time for Ministers' to still respond within the statutory timeframe.

### *Other ministerial correspondence*

The 95 per cent timeliness measure for ministerial letters for the 2017/18 financial year is based on an agreed 10 working day turnaround timeframe with Ministers. Te Puni Kōkiri failure to achieve this measure is attributed to higher priority being accorded to all other types of official correspondence, such as responses to Parliamentary Questions and OIA's. Te Puni Kōkiri is focusing on ensuring all official correspondence is completed within the recommended timeframes during the 2018/19 financial year and accordingly anticipates improved results.





## Hauora me te Oranga Māori ( Māori Health and Wellbeing )

### Scope

The overarching purpose of this appropriation is to support the physical and mental wellbeing of Māori

### Purpose

This appropriation is intended to achieve support for iwi, hapū, and Māori to live healthy lifestyles and to confidently participate in te ao Māori, as well as to support Māori suicide prevention services and whānau-centred family violence interventions.

### Expenditure

Expenditure incurred against this appropriation for the 2017/18 financial year is summarised in the following table:

Actual 2016/17 \$000		Actual 2017/18 \$000	Revised Budget 2017/18 \$000	Budget 2017/18 \$000
	Expenditure			
-	Rangatahi Māori Suicide Prevention	1,500	1,500	1,500
-	Targeted Health Services	-	-	1,000
-	Whānau-centred Family Violence Interventions	260	550	550
-	Moving the Māori Nation – supporting Māori culture and sport	3,104	3,500	3,500
-	<b>Total Expenditure</b>	<b>4,864</b>	<b>5,550</b>	<b>6,550</b>



## MCA Performance

The overall performance of this appropriation will be assessed by the achievement of the Moving the Māori Nation category performance measure outlined below.

2016/17 Actual	Assessment of Performance	2017/18 Target	2017/18 Actual
New Measure	All Moving the Māori Nation contracts in place meet relevant fund guidelines	100%	100%

The Moving the Māori Nation Fund invests in projects that focus on Māori holistic approaches to wellbeing, encompassing the three core aspects of tinana (physical wellbeing), hinengaro (emotional wellbeing) and wairua (spiritual wellbeing) through Māori mediums.

The Fund supports whānau-led development activities based on whānau aspirations and strengths. It seeks to draw on community skills and knowledge that will grow and sustain an increased sense of cultural identity, and whakapapa, encourage connection with te ao Māori and build whānau resilience.



## Whakapakari Kaupapa Whānau Ora (Whānau Ora Commissioning Approach)

### Scope

This appropriation is limited to activities associated with developing, implementing, administering and evaluating the Whānau Ora commissioning approach.

### Purpose

This appropriation is intended to provide support to non-governmental commissioning agencies in their delivery of Whānau Ora, including:

- support and contract management for three non-governmental Whānau Ora commissioning agencies, and
- research and evaluation of the Whānau Ora approach.

### Expenditure

Expenditure incurred against this appropriation for the 2017/18 financial year is summarised in the following table:

Actual 2016/17 \$000		Actual 2017/18 \$000	Revised Budget 2017/18 \$000	Budget 2017/18 \$000
-	Revenue Crown	4,749	4,749	4,749
-	Revenue Other	-	-	-
-	<b>Less Expenditure</b>	<b>4,139</b>	<b>4,749</b>	<b>4,749</b>
-	<b>Surplus (Deficit)</b>	<b>610</b>	-	-



## Performance Reporting

Achievement against our performance reporting requirements for the 2017/18 financial year are summarised in the following table:

2016/17 Actual	Assessment of Performance	2017/18 Target	2017/18 Actual
New Measure	Whānau Ora initiatives are funded in accordance with approved budget and annual investment plan	100%	100%
70%	The satisfaction of the Minister for Whānau Ora with the advice provided will be assessed through the Ministerial Satisfaction Survey	70%	69%

Whānau Ora aims to empower whānau to achieve their aspirations by building on their strengths and working towards improvements in areas such as housing, employment, health and education.

Te Puni Kōkiri is the administering agency for Whānau Ora and is responsible for contracting and administering (via individual Investment Plans) the following three Whānau Ora Commissioning Agencies: Te Pou Matakana, Te Pūtahitanga o Te Waipounamu, and Pasifika Futures. All whānau ora initiatives funded were in accordance with approved Commissioning Agency Budgets and Investment Plans.





## Kaupapa Whakamaumahara Pakanga Whenua Māori (Māori Land War Commemorations)

### Scope

This appropriation is limited to support for commemorations to the Māori land wars.

### Purpose

This appropriation is intended to achieve effective support of activity relating to the Māori land wars, including design, consultation, management, publicity and delivery of commemorative events.

### Expenditure

Expenditure incurred against this appropriation for the 2017/18 financial year is summarised in the following table:

Actual 2016/17 \$000		Actual 2017/18 \$000	Revised Budget 2017/18 \$000	Budget 2017/18 \$000
1,000	Revenue Crown	1,138	1,138	1,000
-	Revenue Other	-	-	-
<b>2</b>	<b>Less Expenditure</b>	<b>1,029</b>	<b>1,138</b>	<b>1,000</b>
<b>998</b>	<b>Surplus (Deficit)</b>	<b>109</b>	<b>-</b>	<b>-</b>



## Performance Reporting

Achievement against our performance reporting requirements for the 2017/18 financial year are summarised in the following table:

2016/17 Actual	Assessment of Performance	2017/18 Target	2017/18 Actual
New Measure	All contracts in place meet relevant guidelines	100%	100%

There is an increasing awareness of Māori perspectives within New Zealand's historical narrative. Te Pūtake o Te Riri Wars and Conflicts in New Zealand Fund of \$1 million per annum supports whānau, hapū and iwi to promote and deliver activities and events that commemorate the New Zealand Wars.

During 2017/18, Te Pūtake o Te Riri Fund supported ten events held across the country. The Fund is part of a reprioritisation exercise to align with the government's priorities and expectations with the Rā Maumahara commemoration event remaining as a key feature of the fund.



## Hōtaka Ratonga Whenua Māori (Māori Land Service Programme)

### Scope

This appropriation is limited to the design, establishment and on-going operations of the Māori Land Service.

### Purpose

This appropriation is intended to achieve effective Māori land utilisation through the establishment and operation of the Māori Land Service.

### Expenditure

Expenditure incurred against this appropriation for the 2017/18 financial year is summarised in the following table:

Actual 2016/17 \$000		Actual 2017/18 \$000	Revised Budget 2017/18 \$000	Budget 2017/18 \$000
8,700	Revenue Crown	11,390	11,390	1,796
-	Revenue Other	-	-	-
<b>7,877</b>	<b>Less Expenditure</b>	<b>9,271</b>	<b>11,390</b>	<b>1,796</b>
<b>823</b>	<b>Surplus (Deficit)</b>	<b>2,119</b>	-	-



## Performance Reporting

Achievement against our performance reporting requirements for the 2017/18 financial year are summarised in the following table:

2016/17 Actual	Assessment of Performance	2017/18 Target	2017/18 Actual
New Measure	Development of a programme business case for the delivery of services to Māori land owners	100%	100%

The Cabinet Economic Development Committee received on the 4 April 2018 a cabinet paper outlining the context problem definition and opportunities for Whenua Māori. In response to the Committee's request, the Whenua Māori programme business case was developed outlining the opportunities that exist to assist and improve the system for Māori land owners in managing Māori freehold land. It is expected that by doing this, additional economic returns can be achieved, delivering social and cultural benefit for Māori.

A Budget 18 decision to set aside contingency funding, further demonstrates a willingness for Te Puni Kōkiri and the Ministry of Justice (in collaboration with the Māori Land Court) to progress these options for further consideration.





## Whanaketanga Ohanga Māori ( Māori Economic Development )

### Scope

The overarching purpose of this multi category appropriation is to promote Māori economic development.

### Purpose

This appropriation is intended to achieve support for Māori digital technology development initiatives and to support progress towards Māori sustainably growing and developing their resources.

### Expenditure

Expenditure incurred against this appropriation for the 2017/18 financial year is summarised in the following table:

Actual 2016/17 \$000		Actual 2017/18 \$000	Revised Budget 2017/18 \$000	Budget 2017/18 \$000
	<b>Expenditure</b>			
-	Whakapakari, Whakatairanga Tāpoi Māori (Strengthening and Promoting Māori Tourism)	4,160	4,160	4,160
-	Tahua Whanaketanga Hangarau Māori (Māori Digital Technology Development Fund)	2,481	3,217	5,500
-	<b>Total Expenditure</b>	<b>6,641</b>	<b>7,377</b>	<b>9,660</b>



## MCA Performance

The overall performance of this multi category appropriation will be assessed by the achievement of the Māori Digital Technology Development Fund performance measure outlined in the table below.

2016/17 Actual	Assessment of Performance	2017/18 Target	2017/18 Actual
New Measure	All Māori Digital Technology Development Fund contracts in place meet relevant fund guidelines	100%	100%

## Performance Reporting

A total of 16 Māori Digital Technology Development Fund projects were completed during 2017/18. All projects supported outcomes that contributed to our overall objectives of the Fund.



## Te Puni Kōkiri Utunga Haupū (Te Puni Kōkiri - Capital Expenditure)

### Scope

This appropriation is limited to the purchase or development of assets by and for the use of Te Puni Kōkiri, as authorised by section 24(1) of the Public Finance Act 1989.

### Purpose

This appropriation is intended to achieve the renewal, replacement and upgrade of assets to support the delivery of services by Te Puni Kōkiri.

### Expenditure

Expenditure incurred against this appropriation for the 2017/18 financial year is summarised in the following table:

Actual 2016/17 \$000		Actual 2017/18 \$000	Revised Budget 2017/18 \$000	Budget 2017/18 \$000
2,271	Total capital expenditure	1,013	1,800	594
<b>2,271</b>	<b>Total Appropriation</b>	<b>1,013</b>	<b>1,800</b>	<b>594</b>

### Performance Reporting

Achievement against our performance reporting requirements for the 2017/18 financial year are summarised in the following table:

2016/17 Actual	Assessment of Performance	2017/18 Target	2017/18 Actual
100%	Expenditure is in accordance with Te Puni Kōkiri Capital Expenditure Plan	100%	100%



# Financial Statements

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For the year ended 30 June 2018





## Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2018

The Statement of Comprehensive Revenue and Expenses shows the components of revenue and expenditure (exclusive of Goods and Services Tax) relating to all outputs produced by Te Puni Kōkiri.

30-Jun-17 Actual \$000		Note	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Budget \$000	Unaudited 30-Jun-19 Forecast \$000
<b>Revenue</b>					
64,365	Crown		71,742	61,086	61,063
1,719	Other revenue	2	1,462	646	807
<b>66,084</b>	<b>Total Revenue</b>		<b>73,204</b>	<b>61,732</b>	<b>61,870</b>
<b>Expenses</b>					
31,435	Personnel	3	35,324	32,782	31,964
30,154	Operating	4	30,932	27,340	28,395
1,202	Depreciation and amortisation	5	1,131	960	861
486	Capital charge	6	619	650	650
<b>63,277</b>	<b>Total Expenses</b>		<b>68,006</b>	<b>61,732</b>	<b>61,870</b>
<b>2,807</b>	<b>Net Surplus / (Deficit)</b>		<b>5,198</b>	-	-
-	Other comprehensive revenue and expenses		-	-	-
<b>2,807</b>	<b>Total Comprehensive Revenue and Expenses</b>		<b>5,198</b>	-	-

Explanations of major variances against budget are detailed in note 15.

The accompanying notes form part of these financial statements.



## Statement of Financial Position

as at 30 June 2018

The Statement of Financial Position shows the major classes of assets and major classes of liabilities and equity of Te Puni Kōkiri. The difference between the assets and liabilities is the taxpayers' funds (net assets).

30-Jun-17 Actual \$000		Note	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Budget \$000	Unaudited 30-Jun-19 Forecast \$000
<b>Assets</b>					
<b>Current Assets</b>					
16,800	Cash and cash equivalents		17,958	13,357	17,765
329	Debtors and other receivables	7	679	313	222
137	Prepayments		255	175	175
<b>17,266</b>	<b>Total Current Assets</b>		<b>18,892</b>	<b>13,845</b>	<b>18,162</b>
<b>Non-current Assets</b>					
3,665	Property, plant and equipment	8	3,645	4,012	3,187
167	Intangible assets	9	56	175	56
<b>3,832</b>	<b>Total Non-current Assets</b>		<b>3,701</b>	<b>4,187</b>	<b>3,243</b>
<b>21,098</b>	<b>Total Assets</b>		<b>22,593</b>	<b>18,032</b>	<b>21,405</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
5,092	Creditors and other payables	10	4,034	4,971	8,264
2,807	Repayment of surplus		5,198	-	-
2,128	Employee entitlements	11	2,201	2,350	2,400
515	Provision for restructure	12	546	-	-
<b>10,542</b>	<b>Total Current Liabilities</b>		<b>11,979</b>	<b>7,321</b>	<b>10,664</b>
<b>Non-current Liabilities</b>					
235	Employee entitlements	11	293	390	420
<b>235</b>	<b>Total Non-current Liabilities</b>		<b>293</b>	<b>390</b>	<b>420</b>
<b>10,777</b>	<b>Total Liabilities</b>		<b>12,272</b>	<b>7,711</b>	<b>11,084</b>
<b>10,321</b>	<b>Net Assets</b>		<b>10,321</b>	<b>10,321</b>	<b>10,321</b>
<b>Equity</b>					
10,321	Taxpayers' funds		10,321	10,321	10,321
<b>10,321</b>	<b>Total Equity</b>		<b>10,321</b>	<b>10,321</b>	<b>10,321</b>

Explanations of major variances against budget are detailed in note 15.

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

for the year ended 30 June 2018

The Statement of Changes in Equity shows the reconciliation of funds at the beginning of the year with the funds at the end of the year.

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Budget \$000	Unaudited 30-Jun-19 Forecast \$000
4,621	<b>Balance at 1 July 2017</b>	10,321	10,321	10,321
2,807	Total comprehensive revenue and expenses	5,198	-	-
5,700	Capital injection	-	-	-
(2,807)	Repayment of operating surplus to the Crown	(5,198)	-	-
<b>10,321</b>	<b>Balance as at 30 June 2018</b>	<b>10,321</b>	<b>10,321</b>	<b>10,321</b>

The accompanying notes form part of these financial statements.



## Statement of Cash Flows

for the year ended 30 June 2018

The Statement of Cash Flows shows the cash received and paid by Te Puni Kōkiri during the year, from its activities.

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Budget \$000	Unaudited 30-Jun-19 Forecast \$000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts from:</b>				
64,365	Crown	71,742	61,086	61,063
542	Departments	992	38	199
637	Other	102	478	699
<b>Payments to:</b>				
(28,503)	Suppliers	(32,345)	(32,105)	(28,443)
(31,474)	Employees	(35,137)	(30,042)	(29,322)
(486)	Capital charge	(619)	(650)	(650)
(80)	Goods and services tax (net)	212	521	497
<b>5,001</b>	<b>Net Cash from Operating Activities</b>	<b>4,947</b>	<b>(674)</b>	<b>4,043</b>
<b>Cash Flow from Investing Activities</b>				
<b>Receipts from:</b>				
512	Sale of property, plant and equipment	31	-	-
<b>Purchase of:</b>				
(2,221)	Property, plant and equipment	(974)	(444)	(488)
(49)	Other non-current assets	(39)	(150)	(150)
<b>(1,758)</b>	<b>Net Cash from Investing Activities</b>	<b>(982)</b>	<b>(594)</b>	<b>(638)</b>
<b>Cash Flow from Financing Activities</b>				
(2,928)	Repayment of surplus	(2,807)	-	-
5,700	Capital injection	-	-	-
<b>2,772</b>	<b>Net Cash from Financing Activities</b>	<b>(2,807)</b>	<b>-</b>	<b>-</b>
6,014	Net Increase / (Decrease) in Cash	1,158	(1,268)	3,405
10,786	Cash at the beginning of the year	16,800	14,625	14,360
<b>16,800</b>	<b>Cash at the end of the year</b>	<b>17,958</b>	<b>13,357</b>	<b>17,765</b>

The accompanying notes form part of these financial statements.





## Reconciliation of Net Operating Surplus to Net Cash Flows from Operating Activities

for the year ended 30 June 2018

The Reconciliation of Net Operating Surplus to Net Cash Flows from Operating Activities shows the non-cash adjustments and other adjustments applied to the net operating surplus as reported in the Statement of Comprehensive Revenue and Expense on page 124 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on page 127.

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Budget \$000	Unaudited 30-Jun-19 Forecast \$000
2,807	<b>Net Operating Surplus</b>	5,198	-	-
	<b>Add: Non-cash items</b>			
1,202	Depreciation & amortisation	1,131	960	861
<b>1,202</b>	<b>Total non-cash items</b>	<b>1,131</b>	<b>960</b>	<b>861</b>
	<b>Add/(Less) movements in working capital items</b>			
(226)	(Increase)/Decrease in debtors and receivables	(468)	(130)	91
1,724	Increase/(Decrease) in creditors & payables	(1,058)	(1,574)	3,011
(374)	Increase/(Decrease) in provision for restructure	31	-	-
293	Increase/(Decrease) in employee entitlements	131	70	80
<b>1,417</b>	<b>Net movements in working capital</b>	<b>(1,364)</b>	<b>(1,634)</b>	<b>3,182</b>
	<b>Add/(Less) investing activity</b>			
(265)	Loss/(Gain) on sale of fixed assets	(18)	-	-
(160)	WIP Payable	-	-	-
<b>(425)</b>	<b>Total investing activity</b>	<b>(18)</b>	<b>-</b>	<b>-</b>
<b>5,001</b>	<b>Net cash flow from operating activity</b>	<b>4,947</b>	<b>(674)</b>	<b>4,043</b>

The accompanying notes form part of these financial statements.



## Statement of Departmental Commitments

as at 30 June 2018

The Statement of Departmental Commitments shows the future contractual obligations (exclusive of GST) of Te Puni Kōkiri that will become liabilities if and when the terms and conditions of existing contracts are met.

Operating leases include lease payments for premises.

Te Puni Kōkiri has long-term leases on its premises throughout New Zealand. The annual lease payments are subject to regular reviews, ranging from one year to ten years. The amounts disclosed below as future commitments are based on the current rental rates.

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
<b>Accommodation Lease Commitments</b>		
2,813	Not later than one year	2,971
3,733	Later than one year and not later than five years	10,933
1,903	Later than five years	6,659
<b>8,449</b>	<b>Total Accommodation Lease Commitments</b>	<b>20,563</b>
<b>Capital Commitments</b>		
-	Leasehold Improvements – Whanganui regional office	229
-	<b>Total Capital Commitments</b>	<b>229</b>
<b>8,449</b>	<b>Total Commitments</b>	<b>20,792</b>

At 30 June 2018 the Ministry had entered agreements to lease office spaces in Tauranga, Whangarei and Gisborne. However, lease start dates could not be confirmed as work was required at the sites before the Ministry could occupy the offices. These lease amounts have not been included in the above table. Once occupied, total annual lease costs will increase by approximately \$261,000 per annum.

The accompanying notes form part of these financial statements.



## Statement of Departmental Commitments (Continued...)

### Lease commitments as lessor

During the year ended 30 June 2018, Te Puni Kōkiri leased office space to seven other organisations. The future minimum contractual lease rental receipts are as follows:

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
<b>Lease Commitments as Lessor</b>		
740	Not later than one year	418
1,133	Later than one year and not later than five years	870
709	Later than five years	743
<b>2,582</b>	<b>Total Lease Commitments as Lessor</b>	<b>2,031</b>

## Statement of Departmental Contingent Assets and Contingent Liabilities

as at 30 June 2018

The Ministry has no contingent assets and one contingent liability as at 30 June 2018 (2017: Nil)

The contingent liability relates to negotiations between the Ministry and a contracted party. The final amount payable and the timing of the payment were not known at 30 June 2018 and remain unresolved at the time of publication of this report.

The accompanying notes form part of these financial statements.



# Notes to the Financial Statements

## Note 1: Statement of Accounting Policies

### Reporting Entity

Te Puni Kōkiri is a Government Department as defined by section 2 of the Public Finance Act 1989 (PFA) and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry's operations includes the PFA. The Ministry's ultimate parent is the New Zealand Crown.

In addition, Te Puni Kōkiri has reported the Crown activities that it administers.

The primary objective of Te Puni Kōkiri is to provide services to the public as opposed to making a financial return. Accordingly, the department has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the department are for the year ended 30 June 2018. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 28 September 2018.

### Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of Compliance

The financial statements of Te Puni Kōkiri have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP) and Treasury instructions.

These financial statements, including the comparatives, have been prepared in accordance with Public Sector (PBE) Accounting Standards (PBE Standards) – Tier 1.

These standards are based on International Public Sector Accounting Standards (IPSAS).

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain assets and liabilities as identified in this statement of accounting policies.

### Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Te Puni Kōkiri is New Zealand dollars.

### Changes in Accounting Policies

Accounting policies are changed only if the change is required by a standard or otherwise provides more reliable and more relevant information.

All policies have been applied on a basis consistent with the previous year.

### Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Ministry are:

#### *Financial instruments*

In January 2017, the External Reporting Board issued PBE IFRS 9 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with earlier application permitted. The main changes under the standard are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The timing of the Ministry adopting PBE IFRS 9 will be guided by the Treasury's decision on when the Financial Statements of Government will adopt PBE IFRS 9. The Ministry has not yet assessed the effects of the new standard.





### *Impairment of Revalued Assets*

In April 2017, the XRB issued Impairment of Revalued Assets, which now clearly scopes revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment measured at cost were scoped into the impairment accounting standards.

Under the amendment, a revalued asset can be impaired without having to revalue the entire class of asset to which the asset belongs. The timing of the Ministry adopting this amendment will be guided by the Treasury's decision on when the Financial Statements of Government will adopt the amendment.

### **Significant Accounting Policies**

The following particular accounting policies that materially affect the measurement of financial results and financial position have been applied.

The accrual basis of accounting has been used unless otherwise stated.

### **Revenue**

#### *Revenue Crown*

Te Puni Kōkiri derives revenue through the provision of outputs to the Crown and for services to third parties. Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. Revenue from Crown is classified as non-exchange.

The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

### **Rental Revenue**

Rental revenue under an operating sublease is recognised as revenue on a straight-line basis over the lease term.

### **Capital Charge**

The capital charge is recognised as an expense in the period to which the charge relates.

### **Operating Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

### **Financial Instruments**

Te Puni Kōkiri is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenue and expense in relation to financial instruments are recognised in the Statement of Comprehensive Revenue and Expense.

All foreign exchange transactions are translated at the rates of exchange applicable in each transaction. Te Puni Kōkiri does not carry any balances in foreign currencies.

### **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand and funds on deposit with original maturities of less than three months with banks and is measured at face value.

The Ministry is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

### **Debtors and other Receivables**

Debtors and other receivables are recognised initially at fair value less any provision for impairment. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.



Interest, impairment losses and foreign exchange gains and losses are recognised in the surplus or deficit.

### **Property, Plant and Equipment**

Property, plant and equipment consist of leasehold improvements, furniture and office equipment, EDP hardware, software that is an integral part of running hardware, and motor vehicles.

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

Individual assets, or group of assets, are capitalised if their cost is greater than \$5,000. The value of an individual asset that is less than \$5,000 and is purchased as part of a group of similar assets, with a combined value greater than \$5,000, is capitalised.

### **Additions**

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

Work in progress is recognised at cost less impairment and is not depreciated.

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 Comprehensive Revenue and Expense in the period in which the transaction occurs.

### **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 the Ministry and the cost of the item can be measured reliably.

### **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the cost 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:

EDP Equipment	4 years	25%
Motor Vehicles	5 years	20%
Office Equipment	5 years	20%
Furniture and Fittings	5 years	20%
Leasehold Improvements	up to 12 years*	

\* 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 each financial year end.

### **Intangible Assets**

#### **Software acquisition and development**

Acquired computer software licenses are capitalised 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 the Ministry, 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.



Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software.

Costs associated with development and maintenance of the Ministry's website 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 Comprehensive Revenue and Expense.

The major classes of intangible assets are: acquired software; and internally generated software. Both classes have a useful life and amortisation rate estimated at 3 1/3 years or 30%, respectively.

### ***Impairment of Property, Plant and Equipment and Intangible Assets***

Te Puni Kōkiri does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

### ***Non-cash generating assets***

Intangible assets that have an indefinite useful life or are not yet available for use at the balance sheet date are tested for impairment annually.

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 the present value of the asset's remaining service potential. Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

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.

### ***Creditors and other Payables***

Creditors and other payables are measured at fair value.

### ***Employee Entitlements***

#### ***Short-term employee entitlements***

Employee entitlements that the Ministry expects to be settled within 12 months of balance date are measured at 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, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Te Puni Kōkiri 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 the Ministry anticipates it will be used by staff to cover those future absences.

The Ministry recognises a liability and an expense for performance payments where the Ministry has a contractual obligation or where there is a past practice that has created a constructive obligation.



### *Long-term employee entitlements*

Entitlements that are payable beyond 12 months, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement; and
- The present value of the estimated future cash flows.

### *Presentation of employee entitlements*

Sick leave, annual leave, vested long service leave, non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### *Superannuation Schemes*

#### *Defined contribution schemes*

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Revenue and Expense as incurred.

#### *Provisions*

The Ministry 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 an outflow of future economic benefits 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.

### *Equity*

Equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities. Equity is classified as taxpayers' funds.

### *Commitments*

Expenses yet to be incurred on non-cancellable contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the Statement of Commitments at the value of that penalty or exit cost.

### *Goods and Services Tax (GST)*

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated 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 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.

### *Income Tax*

Government departments are exempt from income tax as public authorities. Accordingly, no provision has been made for income tax.





### **Contingent Assets and Liabilities**

Contingent assets and liabilities are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

### **Net Operating Surplus**

The net operating surplus for the period is repayable to the Crown and a provision for this repayment is shown in the Statement of Financial Position.

### **Statement of Cost Accounting Policies**

Te Puni Kōkiri has determined the cost of outputs using the cost allocation system outlined below.

#### **Criteria for direct costs**

'Direct costs' are those costs that are directly attributed to an output.

#### **Criteria for indirect costs**

'Indirect costs' are those costs that cannot be attributed in an economically feasible manner, to a specific output. These are allocated to outputs based on average fulltime equivalent staff members (FTEs) attributable to each output.

### **Critical Accounting Estimates and Assumptions**

In preparing these financial statements, estimates and assumptions have been made 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to below:

### **Long Service Leave**

An analysis of the exposure in relation to estimates and uncertainties surrounding long service leave liabilities is disclosed in note 11.

### **Critical Judgements in Applying the Ministry's Accounting Policies**

Management has not exercised any critical judgements in applying the Ministry's accounting policies for the period ended 30 June 2018.

### **Budget and Forecast Figures**

#### **Basis of the budget and forecast figures**

The 2017/18 Budget figures are for the year ended 30 June 2018 and were published in the 2016/17 annual report. They are consistent with the Ministry's best estimate financial forecast information submitted to Treasury in the 2017 Budget Economic and Fiscal Update (BEFU) for the year ended 2017/18.

The 2018/19 Forecast figures are for the year ending 30 June 2019, which are consistent with the best estimate financial forecast information submitted to Treasury in the 2018 BEFU for the year ending 2018/19.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial information for accountability purposes. The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2019 forecast figures have been prepared in accordance with, and comply with the PBE FRS 42 Prospective Financial Statements.

The forecast financial statements were approved for issue by the Chief Executive on 9 April 2018.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.



While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2019 will not be published.

***Significant assumptions used in preparing the forecast financials***

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions of what may occur during the 2018/19 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 9 April 2018 were as follows:

- The Ministry's activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities.

- Personnel costs were based on 342 full-time equivalent staff.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred.
- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Estimated year-end information for 2017/18 was used as the opening position for the 2018/19 forecasts.

The actual financial results achieved for 30 June 2019 are likely to vary from the forecast information presented, and the variations may be material.



## Note 2: Other Revenue

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
<b>Revenue from Exchange Transactions:</b>		
671	Rental revenue	877
265	Gain on sale of assets	18
682	Revenue on external secondments	367
101	Revenue for services provided	200
<b>1,719</b>	<b>Total Other Revenue</b>	<b>1,462</b>

## Note 3: Personnel Costs

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Budget \$000
29,559	Salaries and wages	33,521	31,856
831	Employer contribution to superannuation	953	176
1,045	Other personnel costs	850	750
<b>31,435</b>	<b>Total Personnel Costs</b>	<b>35,324</b>	<b>32,782</b>



## Note 4: Operating Costs

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Budget \$000
172	Audit fees for audit of financial statements	177	177
2,995	Operating lease rentals	3,264	3,259
188	Overseas and Pacific travel	198	271
1,818	Domestic travel	1,547	1,763
593	Printing, books and publicity	659	814
11,108	Contract workers	9,859	5,185
2,769	Consultancy fees	4,735	3,466
170	Research	467	910
260	Business Growth Support	-	-
20	Programmes	1,486	2,052
557	Telecommunications	450	560
235	Computer related expense	156	169
11	Koha	8	6
938	Conference/hui	889	877
433	Legal fees	529	237
154	Māori Wardens' uniforms	150	160
1,890	Building maintenance/heat, light & power/rates	2,013	1,482
411	Motor vehicle running costs	254	279
704	Software maintenance	653	622
468	Facilitation services	366	226
449	Honoraria/meeting costs	(45)	168
1,644	Māori Land Service inter-agency costs	1,360	1,743
2,167	Other operating costs	1,757	2,914
<b>30,154</b>	<b>Total Operating Costs</b>	<b>30,932</b>	<b>27,340</b>





## Note 5: Depreciation and Amortisation

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30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
339	EDP Equipment	355
433	Motor Vehicles	316
8	Office Equipment	3
134	Furniture & Fittings	231
69	Leasehold Improvements	76
219	Software Systems	150
<b>1,202</b>	<b>Total Depreciation and Amortisation Costs</b>	<b>1,131</b>

## Note 6: Capital Charge

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Te Puni Kōkiri pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2018 was 6.0% (2016/17: 7.0% for the period 1 July to 31 December 2016, and 6% for the period 1 January to 30 June 2017).

The total capital charge for the year ended 30 June 2018 was \$619,000 (2016/17: \$486,000).



## Note 7: Debtors and other Receivables

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
<b>Debtors and other Receivables from Exchange Transactions:</b>		
329	Debtors and other receivables	679
<b>329</b>	<b>Total Debtors and other Receivables</b>	<b>679</b>

The carrying value of debtors and other receivables approximates their fair value. The ageing profile of receivables at year end is detailed below:

	2017/18			2016/17		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	679	-	679	329	-	329
Past due 1-90 days	-	-	-	-	-	-
<b>Total</b>	<b>679</b>	<b>-</b>	<b>679</b>	<b>329</b>	<b>-</b>	<b>329</b>

The provision for impairment has been calculated based on a collective assessment of all receivables. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

There is a nil provision for impairment as at 30 June 2018 (2016/17: Nil).



## Note 8: Property, Plant and Equipment

	EDP Equipment \$000	Motor Vehicles \$000	Office Equipment \$000	Furniture & Fittings \$000	Leasehold Improvements \$000	Total \$000
<b>Cost or valuation</b>						
Balance at 1 July 2016	2,159	2,169	352	1,683	2,357	8,720
Additions	325	1,584	-	451	21	2,381
Impairment losses	-	-	-	-	-	-
Disposals	-	(1,524)	-	-	-	(1,524)
Other movements	-	-	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>2,484</b>	<b>2,229</b>	<b>352</b>	<b>2,134</b>	<b>2,378</b>	<b>9,577</b>
Balance at 1 July 2017	2,484	2,229	352	2,134	2,378	9,577
Additions	253	-	-	371	340	964
Impairment losses	-	-	-	-	-	-
Disposals	-	(110)	-	-	-	(110)
Other movements	-	-	-	-	10	10
<b>Balance at 30 June 2018</b>	<b>2,737</b>	<b>2,119</b>	<b>352</b>	<b>2,505</b>	<b>2,728</b>	<b>10,441</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance at 1 July 2016	1,369	1,209	285	1,177	2,166	6,206
Depreciation expense	339	433	8	134	69	983
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(1,277)	-	-	-	(1,277)
<b>Balance at 30 June 2017</b>	<b>1,708</b>	<b>365</b>	<b>293</b>	<b>1,311</b>	<b>2,235</b>	<b>5,912</b>
Balance at 1 July 2017	1,708	365	293	1,311	2,235	5,912
Depreciation expense	355	316	3	231	76	981
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(97)	-	-	-	(97)
<b>Balance at 30 June 2018</b>	<b>2,063</b>	<b>584</b>	<b>296</b>	<b>1,542</b>	<b>2,311</b>	<b>6,796</b>
<b>Carrying amounts</b>						
At 30 June and 1 July 2016	790	960	67	506	191	2,514
At 30 June and 1 July 2017	776	1,864	59	823	143	3,665
<b>At 30 June 2018</b>	<b>674</b>	<b>1,535</b>	<b>56</b>	<b>963</b>	<b>417</b>	<b>3,645</b>

There are no restrictions over the title of the Ministry's property, plant and equipment. No property, plant and equipment assets are pledged as security for liabilities.

### Work in progress

Total furniture and fittings work in progress is \$122,975 mostly for office furnishings purchased in preparation for new office locations in Whanganui, Tauranga and Whangarei that were not complete at 30 June 2018 (2016/17: \$160,222 for office furnishings for the Auckland office opened on 31 August 2018).

Total leasehold improvements work in progress is \$80,781 for refurbishment of the Whanganui office that was not complete at 30 June 2018 (2016/17: Nil).

EDP equipment work in progress is \$14,184 for the Auckland disaster recover site that was not complete at 30 June 2018 (2016/17: Nil).



## Note 9: Intangible Assets

	Acquired Software \$000	Internally Generated Software \$000	Total \$000
<b>Cost or valuation</b>			
Balance at 1 July 2016	1,834	380	2,214
Additions	49	-	49
Impairment losses	-	-	-
Disposals	-	-	-
Other movements	-	-	-
<b>Balance at 30 June 2017</b>	<b>1,883</b>	<b>380</b>	<b>2,263</b>
Balance at 1 July 2017	1,883	380	2,263
Additions	39	-	39
Impairment losses	-	-	-
Disposals	-	-	-
Other movements	-	-	-
<b>Balance at 30 June 2018</b>	<b>1922</b>	<b>380</b>	<b>2303</b>
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 July 2016	1,498	380	1,878
Amortisation expense	218	-	218
Impairment losses	-	-	-
Disposals	-	-	-
<b>Balance at 30 June 2017</b>	<b>1,716</b>	<b>380</b>	<b>2,096</b>
Balance at 1 July 2017	1,716	380	2,096
Amortisation expense	150	-	150
Impairment losses	-	-	-
Disposals	-	-	-
<b>Balance at 30 June 2018</b>	<b>1,866</b>	<b>380</b>	<b>2,246</b>
<b>Carrying amounts</b>			
At 30 June and 1 July 2016	336	-	336
At 30 June and 1 July 2017	167	-	167
<b>At 30 June 2018</b>	<b>56</b>	<b>-</b>	<b>56</b>

The total amount of intangible assets in the course of construction is nil (2016/17: Nil).

There are no restrictions over the title of the Ministry's intangible assets. No intangible assets are pledged as security for liabilities.





## Note 10: Creditors and Payables

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
<b>Creditors and Payables under Exchange Transactions</b>		
4,970	Accrued expenses	3,698
14	Creditors	16
<b>Creditors and Payables under Non-exchange Transactions</b>		
108	GST payable	320
<b>5,092</b>	<b>Total Creditors and Payables</b>	<b>4,034</b>

## Note 11: Employee Entitlements

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
<b>Current Liabilities</b>		
1,517	Annual leave	1,647
276	Salaries and wages	253
269	Long service leave	215
66	Sick leave	86
<b>2,128</b>	<b>Total Current Portion</b>	<b>2,201</b>
<b>Non-current Liabilities</b>		
235	Long service leave	293
<b>235</b>	<b>Total Non-current Portion</b>	<b>293</b>
<b>2,363</b>	<b>Total Employee Entitlements</b>	<b>2,494</b>

For the calculation of long service leave, discount rates of 1.78% for year 1, 1.90% for year 2 and 3.55% for year 3 and onwards with a long term salary inflation factor of 3.10% were used. These rates and the model for calculations were provided by the Treasury.

If the discount rate were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated less than \$20,000 higher/lower.

If the salary inflation factor were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated less than \$20,000 higher/lower.



## Note 12: Provision for Restructure

The restructuring provision relates to decisions on strengthening Te Puni Kōkiri, through a whānau-centred approach, which were released on 8th and 22nd September 2016, as well as a number of team specific reconfigurations within the Ministry between 1 November 2016 and 30 June 2018.

	Provision for Restructure \$000
Balance at 1 July 2016	889
Additional provisions made	435
Amounts used	(809)
Unused amounts reversed	-
<b>Balance at 30 June 2017</b>	<b>515</b>
Balance at 1 July 2017	515
Additional provisions made	546
Amounts used	(384)
Unused amounts reversed	(131)
<b>Balance at 30 June 2018</b>	<b>546</b>

## Note 13: Related Party Transactions & Key Management Personnel

Te Puni Kōkiri is a wholly owned entity of the Crown. The Government significantly influences the role of Te Puni Kōkiri as well as being its major source of revenue.

### *Transactions with related parties*

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

### *Related party transactions required to be disclosed*

Te Puni Kōkiri had no related party transactions requiring disclosure for the year ended 30 June 2018 (2016/17: Nil).



## Note 13: Related Party Transactions & Key Management Personnel (Continued...)

### Te Puni Kōkiri staff

Te Puni Kōkiri staff who work in the community may, in a private capacity, hold executive or advisory positions in local organisations. Some of these organisations may receive funding via Te Puni Kōkiri. These organisations are therefore considered related parties of Te Puni Kōkiri.

Te Puni Kōkiri staff are required to declare any real or potential conflicts of interest. Steps are then taken to ensure that staff members with a conflict of interest are not involved in any Te Puni Kōkiri decisions involving a group/organisation they may be involved with in a private capacity.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### Key management personnel compensation

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
	<i>Leadership team, including the Chief Executive</i>	
2,005	Remuneration	2,021
7	Full-time equivalent staff	6.5

Key management personnel include the Chief Executive (CE) and five Deputy Chief Executives (DCEs) who are all members of the Executive Team (2016/17: CE, four DCEs, and two Assistant DCEs). For part of the year one DCE role was vacant and two Assistant DCEs were appointed.

Key management personnel compensation excludes the remuneration and other benefits that the Minister for Māori Development receives. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority (PLA), and not paid by Te Puni Kōkiri.

Members of Te Puni Kōkiri's key management personnel may, in a private capacity, hold executive or advisory positions in other organisations. Some of these organisations may receive funding via Te Puni Kōkiri. These organisations are therefore considered to be related parties of Te Puni Kōkiri. Key management personnel are required to declare any real or potential conflicts of interest. Steps are then taken to ensure that key management personnel with a conflict of interest are not involved in any Te Puni Kōkiri decisions involving a group/organisation that they may be involved with in a private capacity.

Te Puni Kōkiri had no related party transactions involving key management personnel that require disclosure for the year ended 30 June 2018 (2016/17: Nil).

## Note 14: Capital Management

Te Puni Kōkiri capital is its taxpayers' funds, which is represented by net assets.

The Ministry manages its revenue, expense, assets, liabilities and general financial dealings prudently. Its equity is largely managed as a by-product of managing the above, as well as compliance with the Government budget processes, Treasury instructions and the PFA.

The objective of managing the Ministry's equity is to ensure that it achieves the goals and objectives for which it has been established, whilst remaining a going concern.



## Note 15: Explanation for Significant Variances

The following notes explain significant variances between Main Estimates and Actuals.

### Statement of Comprehensive Revenue and Expense (page 124)

Statement of Comprehensive Revenue and Expense	Unaudited		
	30-Jun-18 Actual \$000	30-Jun-18 Budget \$000	30-Jun-18 Variance \$000
Personnel expenditure	35,324	32,782	(2,542)
Operating expenditure	30,932	27,340	(3,592)

**Personnel:** The Budget was based on staffing levels at 1 July 2017. Following this date, additional staff were required to assist with newly funded initiatives as per Budget 2017 and to assist with a program of whenua Māori reforms.

**Operating:** Actual expenditure was higher than Budget mainly due to Cabinet's approval to drawdown additional Māori Land Service Programme funding. Cabinet's decision was taken on 3 July 2017, after the Budget had been set. Because this additional funding was received for a highly specialised, short-term programme of work, a higher number of contractors and consultants were engaged during the year than what was forecast at Budget time.

### Statement of Financial Position (page 125)

Statement of Financial Position	Unaudited		
	30-Jun-18 Actual \$000	30-Jun-18 Budget \$000	30-Jun-18 Variance \$000
Cash and cash equivalents	17,958	13,357	(4,601)
Debtors and other receivables	679	313	(366)
Creditors and other payables	4,034	4,971	937
Provision for Restructure	546	-	(546)

**Cash and cash equivalents:** The actual cash position is higher than Budget primarily due to the net operating surplus.

**Debtors and other receivables:** The increase compared to Budget is mainly due to promotional activities for Whaiwāhitanga (Māori Participation) that the Ministry contracted on behalf of the Crown during the year.

**Creditors and other payables:** The actual creditors and other payables position is lower than Budget due to lower than expected year-end accruals resulting from a higher total of 2017/18 liabilities being paid out prior to year-end than was expected at the time of budget-setting.

**Provision for Restructure:** The actual provision amount is higher than Budget due to an organizational restructuring decision that was not anticipated at the time of budget-setting.





## Note 16: Financial Instruments

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

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
<b>Loans and Receivables</b>		
16,800	Cash and cash equivalents	17,958
329	Debtors and other receivables	679
<b>17,129</b>	<b>Total Loans and Receivables</b>	<b>18,637</b>
<b>Financial Liabilities measured at Amortised Cost</b>		
5,092	Creditors and other payables	4,034

### Financial Instrument Risks

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry works in accordance with the Treasury Guidelines to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. The Ministry does not enter into any transactions that are speculative in nature.

#### *Credit risk*

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

In the normal course of its business, credit risk arises from debtors & deposits with banks.

The Ministry is only permitted to deposit funds with Westpac, a registered bank, and enter into foreign exchange spot and forward contracts with the New Zealand Debt Management Office or any counterparty that meets the minimum credit rating criteria. These entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.



# Non-departmental Statements and Schedules

for the year ended 30 June 2018

The following non-departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments and contingent assets and liabilities that the Ministry manages on behalf of the Crown.

## Schedule of Non-departmental Revenue

for the year ended 30 June 2018

The Schedule of Non-departmental Revenue shows budgeted revenue against actual revenue. Figures are GST exclusive.

30-Jun-17 Actual \$000	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp. Estimates \$000
<b>Revenue</b>			
101 Miscellaneous receipts	1	10	10
<b>101 Total Crown Revenue</b>	<b>1</b>	<b>10</b>	<b>10</b>

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2018.



## Schedule of Non-departmental Expenses

for the year ended 30 June 2018

The Schedule of Non-departmental Expenses summarises non-departmental expenses that Te Puni Kōkiri administers on behalf of the Crown. Further details are provided in the Statement of Expenses and Capital Expenditure against Appropriations on pages 156 to 160. Figures are GST exclusive.

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp. Estimates \$000
<b>Non-Departmental Expenses</b>				
<b>Operating Annual Appropriations</b>				
204,315	Non-Departmental Output Expense	224,975	231,734	230,202
420	Benefits and Other Unrequited Expense	479	480	480
21,390	Other Expense to be Incurred by the Crown	11,758	15,825	22,411
<b>226,125</b>	<b>Total Operating Annual Appropriations</b>	<b>237,212</b>	<b>248,039</b>	<b>253,093</b>
15	Appropriations for Other Expense	678	2,565	640
31,269	GST Input Expense	33,786	-	-
<b>257,409</b>	<b>Total Non-Departmental Expenses</b>	<b>271,676</b>	<b>250,604</b>	<b>253,733</b>

Explanations of major variances against budget are detailed in note 2.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2018.



## Schedule of Non-departmental Assets

as at 30 June 2018

Non-departmental assets are administered by Te Puni Kōkiri on behalf of the Crown. As these assets are neither controlled by Te Puni Kōkiri nor used in the production of Te Puni Kōkiri outputs, they are not reported in the department's Statement of Financial Position.

**Non-Departmental Assets administered by Te Puni Kōkiri on behalf of the Crown include:**

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp. Estimates \$000
<b>Current Assets</b>				
25,243	Cash	25,397	18,377	25,243
-	Accounts receivable/prepayments	-	-	-
<b>25,243</b>	<b>Total Current Assets</b>	<b>25,397</b>	<b>18,377</b>	<b>25,243</b>
<b>Property Plant and Equipment</b>				
557	Land	557	462	557
5,000	Cultural Artefacts	5,000	5,000	5,000
<b>5,557</b>	<b>Total Property Plant and Equipment</b>	<b>5,557</b>	<b>5,462</b>	<b>5,557</b>
<b>30,800</b>	<b>Total Non-departmental Assets administered by Te Puni Kōkiri</b>	<b>30,954</b>	<b>23,839</b>	<b>30,800</b>

Explanations of major variances against budget are detailed in note 2.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2018.





## Schedule of Non-departmental Liabilities

as at 30 June 2018

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp. Estimates \$000
<b>Current Liabilities</b>				
4,298	Accrued expenses	5,244	3,578	4,303
6	Creditors	35	-	-
<b>Non-Current Liabilities</b>				
-	Other liabilities	-	-	-
<b>4,304</b>	<b>Total Liabilities</b>	<b>5,279</b>	<b>3,578</b>	<b>4,303</b>

Explanations of major variances against budget are detailed in note 2.

## Schedule of Non-departmental Commitments

as at 30 June 2018

The Schedule of Non-departmental Commitments shows the future contractual obligations (exclusive of GST) that will become liabilities if and when the terms and conditions of existing contracts are met.

The Ministry on behalf of the Crown has no non-departmental commitments as at 30 June 2018 (2016/17: Nil).

## Schedule of Non-departmental Contingent Assets and Liabilities

as at 30 June 2018

The Statement of Non-departmental Contingent Assets and Liabilities shows amounts at balance date that could potentially become assets or liabilities depending on the occurrence of one or more uncertain future events after 30 June 2018. It does not include general or unspecified business risks or conditions.

### Contingent liabilities

The Ministry on behalf of the Crown has no contingent liabilities as at 30 June 2018 (2016/17: Nil).

### Contingent assets

The Ministry on behalf of the Crown has no contingent assets as at 30 June 2018 (2016/17: Nil).

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2018.



## Note 1: Statement of Non-Departmental Accounting Policies

These non-departmental statements and schedules record the expenses, revenue and receipts, assets and liabilities that Te Puni Kōkiri manages on behalf of the Crown.

The Non-Departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2017/18.

### Basis of Preparation

The non-departmental schedules and statements have been prepared in accordance with the accounting policies of the Financial Statements of the Government, Treasury Instructions, and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules and statements are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Sector Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Te Puni Kōkiri is New Zealand dollars.

### Accounting Policies

The following particular accounting policies that materially affect the measurement of financial results and financial position have been applied.

#### Revenue

Te Puni Kōkiri derives revenue through the provision of outputs to the Crown and for services to third parties. Revenue is measured at the fair value of consideration received.

#### Commitments

Future expense and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

#### Goods and Services Tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury Instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

#### Grant Expenditure

Discretionary grants are those grants where the Ministry has no obligation to award on receipt of the grant application.

For discretionary grants without substantive conditions, the total committed funding over the life of the funding agreement is recognised as expenditure when the grant is approved and the approval has been communicated to the applicant.

Grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when the grant conditions have been satisfied.

The Ministry's most significant discretionary grant funds are for Commissioning Whānau Ora, Māori Housing, and the Māori Potential Fund.

#### Budget Figures

The Budget figures are consistent with the financial information published in the Main Estimates of Appropriations for the year ended 30 June 2018. In addition, these financial statements also present the updated budget information from the Supplementary (Supp.) Estimates of Appropriations for the same year. These amounts are not audited.



## Note 2: Explanation for Significant Variances

The following notes explain the significant variances between the Main Estimates and Actual.

### Schedule of Non-Departmental Expenses

	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Variance \$000
Non-departmental Output Expense	224,975	231,734	6,759
Other Expenses to be Incurred by the Crown	11,758	15,825	4,067
Appropriations for Other Expense	678	2,565	1,887

### Non-departmental Output and Other Expenses to be incurred by the Crown:

Actuals are lower than budget due to

- Government reprioritisation of budgeted funds undertaken during the year;
- Re-phasing of the Māori Digital Technology Development fund to future years; and
- Underspending against appropriations, where spending was forecast to occur during the 2017/18 financial year, but will now not happen until future years.

### Schedule of Non-Departmental Assets

	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Variance \$000
Cash	25,397	18,377	(7,020)

**Cash:** As all appropriations per the Supplementary Estimates were drawn-down during the year, the higher Cash balance reflects the impact of underspends at year end.

### Schedule of Non-Departmental Liabilities

	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Variance \$000
Accruals, creditors and payables	5,279	3,578	(1,701)

**Accruals, creditors and payables:** The actual balance is higher than budgeted position due to higher than expected year-end accruals than what was estimated at the time of budget-setting.



### Note 3: Financial instruments

30-Jun-17 Actual \$000		30-Jun-18 Actual \$000
<b>Loans and Receivables</b>		
25,243	Cash and cash equivalents	25,397
<b>Financial Liabilities measured at Amortised Cost</b>		
4,304	Creditors and other payables	5,279

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry works in accordance with the Treasury Guidelines to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. The Ministry does not enter into any transactions that are speculative in nature.

#### *Credit risk*

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

In the normal course of its business, credit risk arises from debtors & deposits with banks.

The Ministry is only permitted to deposit funds with Westpac, a registered bank, and enter into foreign exchange spot and forward contracts with the New Zealand Debt Management Office or any counterparty that meets the minimum credit rating criteria. These entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk for any other financial instruments.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

### Note 4: Related Party Transactions

Te Puni Kōkiri provides funding through the Crown appropriation process to other entities controlled, significantly influenced, or jointly controlled by the

Crown. Funding to these government-related entities for the year ended 30 June 2018 totalled \$95 million (2016/17: \$101 million).

### Note 5: Crown Entities

In addition to the above, the Minister for Māori Development receives administration services in respect of the following Crown Entities:

- Te Māngai Pāho
- Te Taura Whiri i te Reo Māori

The investment in these entities is recorded within the Financial Statements of the Government on a line by line basis. No disclosure is made in this schedule.

For information on financial performance and position of these organisations, please refer to the Annual Reports at the following websites:

Te Māngai Pāho:  
[www.tmp.govt.nz](http://www.tmp.govt.nz)

Te Taura Whiri i te Reo Māori:  
[www.tetaurawhiri.govt.nz](http://www.tetaurawhiri.govt.nz)





# Appropriation Statements

## Statement of Expenses and Capital Expenditure against appropriations

For the year ended 30 June 2018

30-Jun-17 Expenditure \$000		30-Jun-18 Expenditure \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp. Estimates \$000	Location of end-of-year Performance Information*
<b>Vote Māori Development</b>					
<i>Departmental Output Expenses</i>					
7,877	Hōtaka Ratonga Whenua Māori (Māori Land Service Programme)	9,271	1,796	11,390	8
2	Kaupapa Whakamaumahara Pakanga Whenua Māori (Māori Land War Commemorations)	1,029	1,000	1,138	8
-	Whakapakari Kaupapa Whānau Ora (Whānau Ora Commissioning Approach)	4,139	4,749	4,749	8
1,962	Integrated Whānau Social Assistance **	-	-	-	
18,699	Operations Management **	-	-	-	
8,849	Relationships and Information **	-	-	-	
5,451	Whānau Ora Commissioning Administration **	-	-	-	
<b>42,840</b>	<b>Total Departmental Output Expenses</b>	<b>14,439</b>	<b>7,545</b>	<b>17,277</b>	
<i>Departmental Capital Expenditure</i>					
2,271	Te Puni Kōkiri Utunga Haupū Rawa (Te Puni Kōkiri - Capital Expenditure) PLA	1,013	594	1,800	8
<b>2,271</b>	<b>Total Departmental Capital Expenditure</b>	<b>1,013</b>	<b>594</b>	<b>1,800</b>	
<i>Non-Departmental Output Expenses</i>					
1,463	Kōtuitui Te Ture Whenua (Te Ture Whenua Network)	3,264	5,200	3,157	7
11,261	Ngā Whakahaere a Te Tumu Paeroa (Māori Trustee Function)	11,261	11,261	11,261	5
-	Pāpāho Reo me ngā Kaupapa Māori (Māori Broadcast and Streamed Services)	58,759	58,759	58,759	1
-	Tahua Whanaketanga Māori (Māori Development Fund)	15,567	17,397	18,018	7
-	Te Kōtuitui Hanga Whare mō ngāi Māori (Māori Housing)	18,991	19,641	21,060	7



Table continued...

30-Jun-17 Expenditure \$000	<i>Continued...</i>	30-Jun-18 Expenditure \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp.Estimates \$000	Location of end-of-year Performance Information*
19,264	Whakaata Māori (Māori Television)	19,264	19,264	19,264	4
71,237	Whakamahi i ngā Huanga a Whānau Ora (Commissioning Whānau Ora Outcomes)	71,297	71,481	71,821	6
-	Whakarauora Reo mō te Motu (National Māori Language Revitalisation)	5,704	5,704	5,704	3
-	Whakarauora Reo mō te Whānau, Hapū, Iwi me te Hapori (Family, Tribal and Community Māori Language Revitalisation)	14,948	15,817	14,948	7
2,183	Administration of Māori Broadcasting **	-	-	-	
843	Iwi Housing Support **	-	-	-	
11,641	Māori Housing Network **	-	-	-	
13,744	Māori Radio Broadcasting **	-	-	-	
40,332	Māori Television Broadcasting **	-	-	-	
5,520	Mātauranga (Knowledge) **	-	-	-	
12,521	Promotion of the Māori Language **	-	-	-	
1,709	Rangatahi Māori Suicide Prevention **	-	-	-	
3,891	Rawa (Resources) **	-	-	-	
1,660	Strengthening and Promoting Māori Tourism **	-	-	-	
2,500	Te Mātāwai **	-	-	-	
4,546	Whakamana (Leadership) **	-	-	-	
<b>204,315</b>	<b>Total Non-Departmental Output Expenses</b>	<b>219,055</b>	<b>224,524</b>	<b>223,992</b>	
	<b><i>Benefits or Related Expenses</i></b>				
420	Takoha Rangatiratanga (Rangatiratanga Grants)	479	480	480	2
<b>420</b>	<b>Total Benefits or Related Expenses</b>	<b>479</b>	<b>480</b>	<b>480</b>	
	<b><i>Non-Departmental Other Expenses</i></b>				
15	Poari Kaitiaki Māori o Taranaki (Taranaki Māori Trust Board) PLA	15	15	15	2



## Statement of Expenses and Capital Expenditure against appropriations (Continued...)

Table continued...

30-Jun-17 Expenditure \$000	<i>Continued...</i>	30-Jun-18 Expenditure \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp. Estimates \$000	Location of end-of-year Performance Information*
-	Rōpū Whakahaere, Rōpū Hapori Māori (Community and Māori Governance Organisations)	3,671	3,769	3,769	2
-	Takoha a te Karauna ki te Hapori o Parihaka (Crown Contribution to the Parihaka Community)	-	-	9,000	2
131	Te Pūtahi Paoho	-	131	-	2
-	Utu Kāpeneheihana ki te Poari Kaitiaki Māori o Aorangi (Ex-gratia Payment to Aorangi Māori Trust Board)	1,000	1,000	1,000	2
4	Utu Whakahaere Whenua Karauna (Administrative Expenses for Crown Land)	2	49	49	2
-	Whaiwāhitanga Māori (Māori Participation)	1,500	1,876	1,876	2
1,249	Electoral Participation **	-	-	-	
3,861	Kāinga Whenua Infrastructure Grant **	-	-	-	
1,033	Māori Digital Technology Development Fund **	-	-	-	
2,000	Māori Language Research **	-	-	-	
615	Māori Registration Service **	-	-	-	
988	Māori Wardens **	-	-	-	
1,867	Māori Women's Development Fund **	-	-	-	
3,330	Moving the Māori Nation - supporting Māori Culture and Sport **	-	-	-	
7	Ngāti Whātua Ōrākei Reserves Board **	-	-	-	
196	New Zealand Māori Council **	-	-	-	
5,588	Rural and Māori Housing **	-	-	-	
21	Te Ariki Trust **	-	-	-	
500	Tūranganui-a-Kiwa Capacity Building **	-	-	-	
<b>21,405</b>	<b>Total Non-Departmental Other Expenses</b>	<b>6,188</b>	<b>6,840</b>	<b>15,709</b>	
	<b>Multi-Category Appropriations</b>				
-	<b>Hauora me te Oranga Māori (Māori Health and Well-being) MCA</b>	4,864	6,550	5,550	7



Table continued...

30-Jun-17 Expenditure \$000	<i>Continued...</i>	30-Jun-18 Expenditure \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp.Estimates \$000	Location of end-of-year Performance Information*
<b>Non-Departmental Output Expenses</b>					
-	• Ārai Whakamomori Rangatahi Māori (Rangatahi Māori Suicide Prevention)	1,500	1,500	1,500	
-	• He Ratonga Hauora Matua (Targeted Health Services)	-	1,000	-	
-	• He Tikanga a-Whānau mō te Whakakore Tūkinō (Whānau-centred Family Violence Interventions)	260	550	550	
<b>Non-Departmental Other Expenses</b>					
-	• Hiki i te Ao Māori - Tautoko Tikanga me te Hākinakina Māori (Moving the Māori Nation - supporting Māori Culture and Sport)	3,104	3,500	3,500	
-	<b>Takatūtanga me ngā Haumitanga ā-rohe (Regional Engagement and Investment) MCA</b>	33,227	35,580	34,234	8
<b>Departmental Output Expenses</b>					
-	• Haumitanga ā-rohe (Regional Investment)	16,252	13,781	10,390	
-	• Takatūtanga ā-rohe (Regional Engagement)	16,975	21,799	23,844	
20,437	<b>Tohutohu Kaupapa Here me ngā Huanga Pātata (Policy Advice and Related Outputs) MCA</b>	20,366	18,607	21,693	8
<b>Departmental Output Expenses</b>					
11,873	• Kaupapa Here - Whanaketanga Māori (Policy - Māori Development)	11,605	11,535	12,091	
6,267	• Kaupapa Here - Whanaungatanga Karauna Māori (Policy - Crown Māori Relationships)	5,367	4,599	6,269	
2,297	• Ratonga Tautoko Minita (Ministerial Servicing)	3,394	2,473	3,333	
-	<b>Whanaketanga Ohanga Māori (Māori Economic De-velopment) MCA</b>	6,641	9,660	7,377	7





## Statement of Expenses and Capital Expenditure against appropriations (Continued...)

Table continued...

30-Jun-17 Expenditure \$000	<i>Continued...</i>	30-Jun-18 Expenditure \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Supp. Estimates \$000	Location of end-of-year Performance Information*
<b>Non-Departmental Output Expenses</b>					
-	• Whakapakari, Whakatairanga Tāpoi Māori (Strengthening and Promoting Māori Tourism)	4,160	4,160	4,160	
<b>Non-Departmental Other Expenses</b>					
-	• Tahua Whanaketanga Hangarau Māori (Māori Digital Technology Development Fund)	2,481	5,500	3,217	
<b>20,437</b>	<b>Total Multi-Category Appropriations And Capital Expenditure</b>	<b>65,098</b>	<b>70,397</b>	<b>68,854</b>	
<b>291,688</b>	<b>Total Annual and Permanent Appropriations</b>	<b>306,272</b>	<b>310,380</b>	<b>328,112</b>	
<b>Multi-Year Appropriations</b>					
<b>Non-Departmental Output Expenses</b>					
-	• He Huarahi Ki Te Whare (Home Ownership Pathways)	663	2,550	625	7
-	<b>Total Multi-Year Appropriations</b>	<b>663</b>	<b>2,550</b>	<b>625</b>	
<b>291,688</b>	<b>Total Annual, Permanent, and Multi-Year Appropriations</b>	<b>306,935</b>	<b>312,930</b>	<b>328,737</b>	

\* The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as follows:

- 1 The Te Reo Whakapuaki Irirangi (Te Māngai Pāho) Annual Report.
- 2 No reporting due to an exemption obtained under section 15D of the PFA.
- 3 The Te Taura Whiri i Te Reo Māori (Māori Language Commission) Annual Report.
- 4 The Māori Television Service Annual Report.
- 5 The Te Tumu Paeroa (the Māori Trustee) Annual Report.
- 6 To be reported by the Minister for Whānau Ora in the Vote Māori Development Non-departmental Appropriations Report.
- 7 To be reported by the Minister for Māori Development in the Vote Māori Development Non-departmental Appropriations Report.

8 The Ministry's Annual Report

\*\* A review of the structure of Vote Māori Development appropriations was undertaken in 2016/17, for implementation from 2017/18 onwards. The changes were made to simplify the vote structure:

- By grouping similar appropriations with the same overarching objective into multi-category appropriations
- Combining related appropriations into single appropriations, and
- To incorporate Te Reo Māori into appropriation titles.

A number of appropriations were disestablished in this review. For more information please refer to the Estimates of Appropriations 2017/18 for Vote Māori Development.



## Explanation for Significant Variances

Refer to the 'Supplementary Estimates of Appropriations for the year ending 30 June 2018' for an explanation of budget changes between the 2017/18 Main Estimates and 2017/18 Supplementary Estimates for Vote Māori Development (pages 477 to 494).

The following notes explain the significant variances between the Main Estimates and Actual expenditure.

### Departmental Output Expenses and Capital Expenditure

	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Variance \$000
Hōtaka Ratonga Whenua Māori (Māori Land Service Programme)	9,271	1,796	(7,475)
Te Puni Kōkiri Utunga Haupū Rawa (Te Puni Kōkiri - Capital Expenditure) PLA	1,013	594	(419)

**Hōtaka Ratonga Whenua Māori (Māori Land Service Programme):** Actuals are higher than budget mainly due to additional funding being approved by Cabinet to be drawn down from Māori Land Service contingency funding during the year.

**Te Puni Kōkiri Utunga Haupū Rawa (Te Puni Kōkiri - Capital Expenditure) PLA:** Actuals are higher than budget mainly due to increases in:

- Planned motor vehicle purchases,
- Leasehold improvements and furniture required, and
- Required technology investment.

### Non-departmental Output Expenses, Other Expenses and Benefits or Related Expenses

	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Variance \$000
Kōtuitui Te Ture Whenua (Te Ture Whenua Network)	3,264	5,200	1,936
Tahua Whanaketanga Māori (Māori Development Fund)	15,567	17,397	1,830

**Kōtuitui Te Ture Whenua (Te Ture Whenua Network):** Actuals are lower than budget mainly due to a Government reprioritization exercise that reduced the total appropriated funds.

**Tahua Whanaketanga Māori (Māori Development Fund):** Actuals are lower than budget partially due to a Government reprioritization exercise that reduced the total appropriated funds. It is also partly due to programme funding, that was committed during the financial year, has not all been paid out.



## Explanation for Significant Variances (Continued...)

### Multi-Category Appropriations

	30-Jun-18 Actual \$000	Unaudited 30-Jun-18 Main Estimates \$000	Unaudited 30-Jun-18 Variance \$000
Hauora me te Oranga Māori (Māori Health and Wellbeing) MCA	4,864	6,550	1,686
Whanaketanga Ōhanga Māori (Māori Economic Development) MCA	6,641	9,660	3,019

**Hauora me te Oranga Māori (Māori Health and Wellbeing) MCA:** Actuals are lower than budget mainly due to a Government reprioritization exercise that reduced the total appropriated funds.

**Whanaketanga Ōhanga Māori (Māori Economic Development) MCA:** Actuals are lower than budget mainly due to an expense transfer of appropriated funding from 2017/18 to 2021/22 to allow time for a review of the Māori Digital Technology Development Fund.

## Statement of Expenses and Capital Expenditure incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2018

There was no departmental or non-departmental unappropriated expenditure or capital expenditure for the year ended 30 June 2018 (2016/17: Nil).

### Transfers under Section 26A of the Public Finance Act 1989

The amounts presented as Supplementary Estimates in the Statement of Expenditure against Appropriations include transfers made under Section 26A of the Public Finance Act 1989 as shown in the table below. (2016/17: Nil)

	Voted in Supp. Estimates 2018 \$000	Section 26A Transfers 2018 \$000	Total Appropriation Voted 2018 \$000
<b>Vote: Māori Development Non-Departmental Appropriations</b>			
<b>Appropriation for Output Expenses</b>			
Kōtuitui Te Ture Whenua (Te Ture Whenua Network)	3,157	157	3,314
Tahua Whanaketanga Māori (Māori Development Fund)	18,018	(157)	17,861
<b>Total Appropriations for Output Expenses</b>	<b>21,175</b>	<b>-</b>	<b>21,175</b>



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**Expense and capital expenditure under Section 26B of the Public Finance Act 1989**

Nil (2016/17: Nil).

**Expense and capital expenditure incurred in excess of appropriation**

Nil (2016/17: Nil).

**Expense and capital expenditure incurred without appropriation or other authority, or outside scope of appropriation**

Nil (2016/17: Nil).



# Papatohu

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on behalf of the Auditor-General

**Bankers:**

Westpac



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