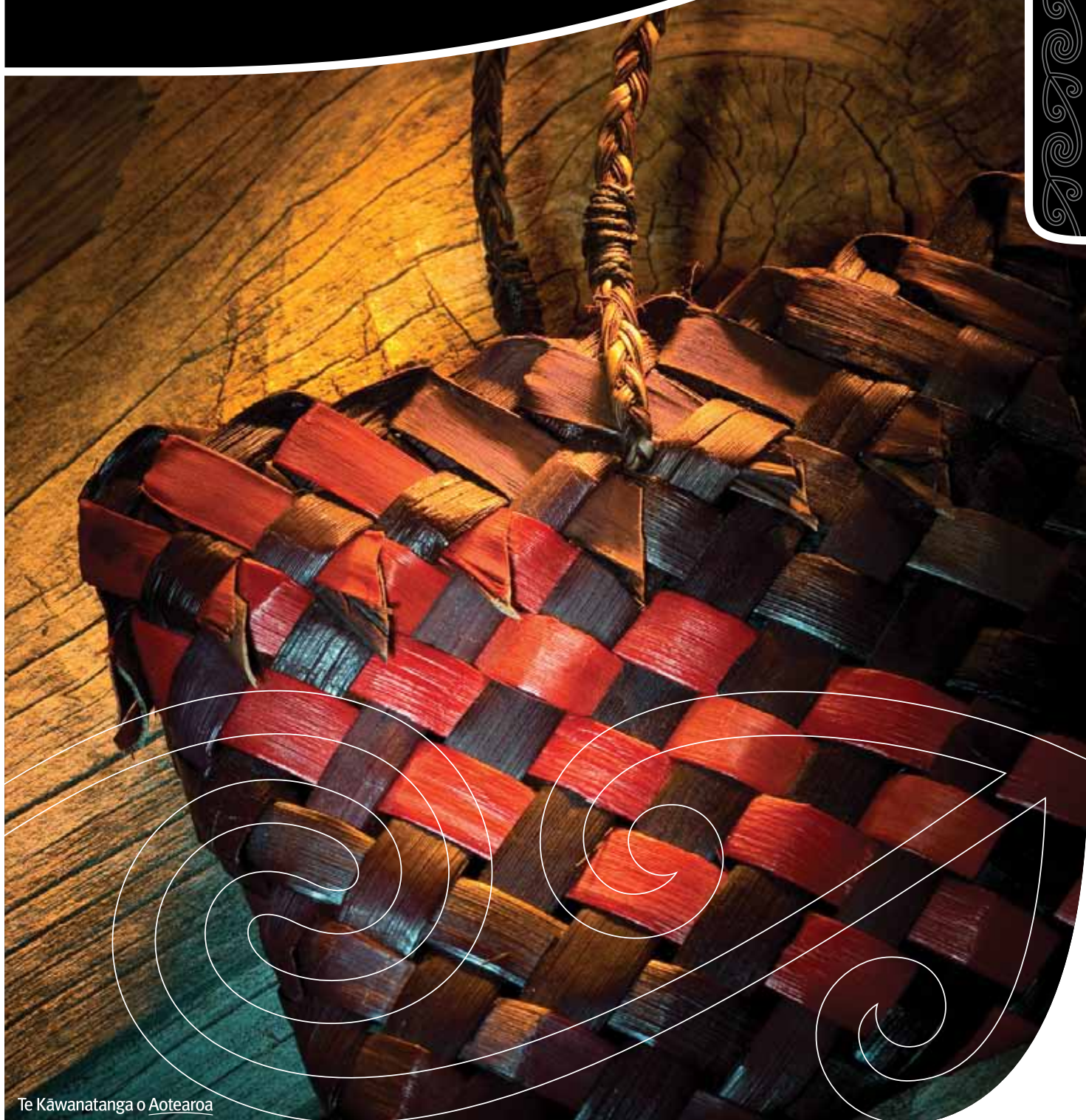




Te Puni Kōkiri
REALISING MĀORI POTENTIAL

Annual Report

For year ended 30 June 2010





Presented to the House of Representatives
Pursuant to Section 44 (1) of the Public Finance Act 1989

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OCTOBER 2010



PŪRONGO Ā-TAU
ANNUAL REPORT OF



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

MŌ TE MUTUNGA O TE TAU I TE
30 O NGĀ RĀ O PIPIRI 2010
FOR THE YEAR ENDED 30 JUNE 2010



MINISTER OF MĀORI AFFAIRS

I have the honour to present to you the annual report of Te Puni Kōkiri
for the year ended 30 June 2010.

A handwritten signature in black ink, appearing to read 'Leith Comer'.

Leith Comer
Chief Executive

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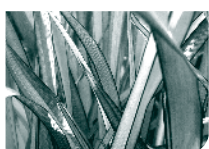
Auditor

Audit New Zealand
Wellington
on behalf of the Auditor General

Bankers

Westpac

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MAI TE MANAHAUTŪ FROM THE CHIEF EXECUTIVE

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Rau rangatira mā, tēnā koutou,
Tēnā koutou e pānui nei i te
pūrongo ā-tau, o ngā kaupapa kua
oti i a Te Puni Kōkiri, i te tau kua
huri nei.

I am pleased to provide the Annual Report that details the Te Puni Kōkiri financial and non-financial performance, including selected key achievements and challenges during the 2009/10 financial year.

Te Puni Kōkiri has fared favourably from an independent assessment of its performance and capability. Having volunteered to be one of the first four Government departments to be assessed, we will now initiate improvement actions from the report prepared by lead assessors and the heads of three central agencies. We are generally viewed by other agencies as a constructive team player that provides good support to Crown entities. Operationally, we are considered to be well run.

This feedback augurs well for the future of Te Puni Kōkiri. Other favourable external feedback was obtained from a survey of key stakeholders, who rated highly our service delivery role within the Relationships and Information wāhanga. In addition results received from an independent assessment of the quality of our written policy advice was very encouraging.

The Minister of Māori Affairs' Māori Economic Taskforce established earlier in 2009 has made an impact in pursuing a number of critical Māori economic development issues. The Taskforce and Te Puni Kōkiri have partnered on a range of initiatives to support Māori to be well positioned as the economy improves, with work around Māori in industry and trades training, cadetships and professional and group training resulting in Māori engaged in more than 1,700 training opportunities and leading to more than 250 employment opportunities.

All signs indicate that the latter half of 2010 is critical for positioning Māori to be well prepared for future opportunities in a growing economy, particularly with events such as the Māori business delegation to the Shanghai Expo in September and the excitement among Māori businesses in the lead up to the Rugby World Cup in 2011.

Of particular significance is the establishment of a leadership role in implementing the Government's Whānau Ora Approach. Te Puni Kōkiri has been tasked as lead agency for Whānau Ora and has direct accountability for specific Whānau Ora appropriations. Its responsibilities involved:

- coordinating implementation efforts with the Ministry of Social Development and Ministry of Health at a national and regional level;
- leading an Expression of Interest process to identify a first group of providers and collectives to undertake Whānau Ora Programmes of Action;
- administering Whānau Ora funding through Vote Māori Affairs; and
- providing support for the Whānau Ora Governance Group and ten Regional Leadership Groups.

Te Puni Kōkiri also leads the development and coordination of the overall research, monitoring and evaluation components.

The centenary of Māori rugby was also celebrated, providing an opportunity to commend our players both past and current for their prowess, flair and skill that they bring to the game.

This past year has been challenging but rewarding and I would especially like to acknowledge the leadership and commitment of senior managers and the enthusiasm of all staff for their dedicated efforts, as it has been greatly appreciated.

Waiho mā te Atua Kaha Rawa tatou katoa e manaaki, e tiaki.



Leith Comer
Chief Executive



HE KUPU WHAKATAKI

INTRODUCTION

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Te Puni Kōkiri was created by the Ministry of Māori Development Act 1991, with a focus on education, training and employment, health, and economic resource development. Our principal duties under the Act are to promote increases in Māori achievement across these key social and economic areas and, linked to this, to monitor and liaise with each department or agency that provides, or has a responsibility to provide, services to or for Māori, for the purpose of ensuring the adequacy of those services.

One of the significant challenges we face is striking the right balance between leading and influencing public policy, and assuming a monitoring role akin to a central agency.

We focus predominantly on:

- leading and influencing government policy as it pertains to Māori;
- assisting the government to manage its relationships with Māori; and
- partnering and facilitating Māori, government and private sector initiatives.

We are an integrated multi-functional policy ministry, with a breadth of functions spanning research, policy development, programme delivery, community level investment, evaluation and monitoring. Coupled with this, we have an extensive knowledge and understanding of Māori communities, and a strong regional presence. Together, our broad functions and our regional infrastructure provide us with unique abilities to anchor policy advice in the realities of Māori communities, and to manage the Crown-Māori relationship on behalf of government.

Within this context, our core role is as principal adviser to Government on Crown-Māori relationships. In discharging this role, our key interest is to ensure that Government decision making and processes are informed by Treaty considerations, and are reflective of the aims, aspirations and realities of Māori communities. We are superbly equipped by our regional network and by our character as a consciously Māori organisation – a place in the government where Māori may feel at home.

STATEMENT OF RESPONSIBILITY

In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as Chief Executive of Te Puni Kōkiri, for the preparation of the Te Puni Kōkiri financial statements and statement of service performance, and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining, and I have established and

maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of Te Puni Kōkiri for the year ended 30 June 2010.

Signed



Leith Comer
Chief Executive
30 September 2010

Countersigned



Julie-Anne Morrison
Deputy Secretary Support Services
30 September 2010

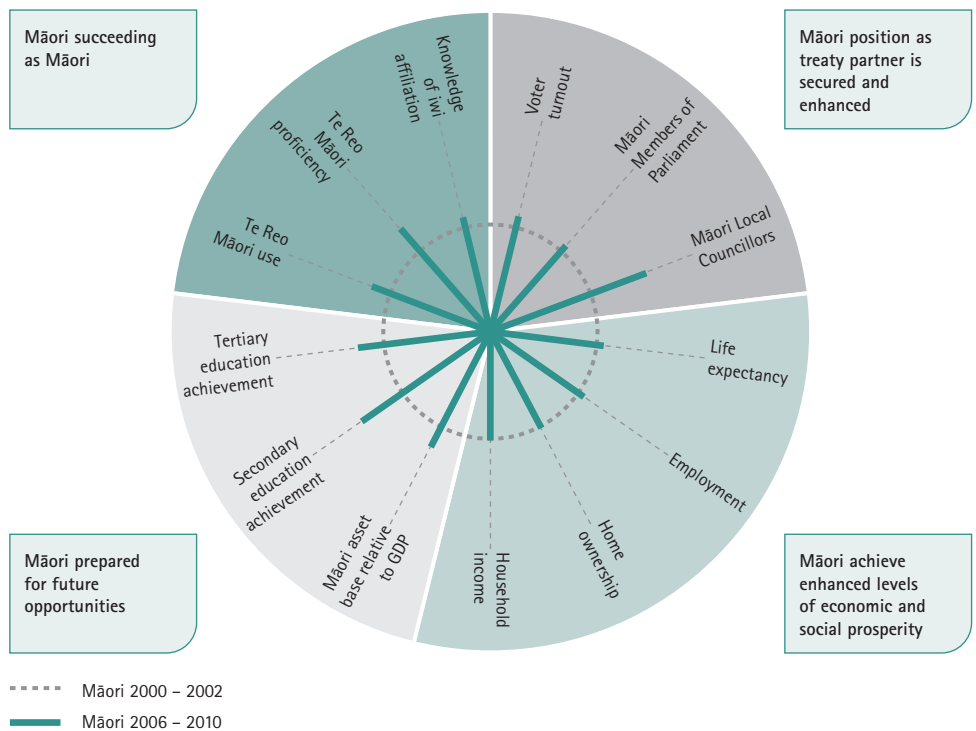


KEY OUTCOME INDICATORS

MĀORI PROGRESS SINCE 2000

The diagram below shows key statistical findings on the progress of Māori and gives an overall view of the general progress Māori have made across the selected indicators since the year 2000. The most recent indicator values for Māori (2006-10) are compared with historical values (2000-02).¹

The chart shows that Māori have made gains in the last decade across all the reported indicators, with the exceptions of home ownership and household income. The largest gains occurred in the areas of local government representation, secondary education, and tertiary education.



Note: The inner circle represents historic average outcomes for Māori for each indicator between 2000 and 2002, and the spokes represent the most recent average outcome between 2006 and 2010. Where a spoke falls outside the circle, the outcomes have improved since 2000-02. Where a spoke falls within the circle, outcomes have deteriorated since 2000-02.

The chart shows that Māori have made gains in the last decade across all the reported indicators, with the exceptions of home ownership and household income. The largest gains occurred in the areas of local government representation, secondary education, and tertiary education.

1. This analysis reflects comparisons based on data obtained at two points in time. It provides a simplistic trend analysis that reflects relative change rather than the absolute status of the indicators.

KEY IMPACT MEASURES – 2009/10

The table reports on the results/effectiveness of Te Puni Kōkiri's activities/outputs linked to high level outcomes. These measures were

specifically designed to report on the extent to which our activities directly impact on the outcomes being pursued. See pages 12-15.

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■ **TI KOUKA, TI KAUKA** – the ti palm's rapid growth was seen as a sign of fertility of man. It was also believed to have powers of spiritual protection against evil, as well as practical medicinal benefits.



LONG TERM OUTCOME: MĀORI POSITION AS TREATY PARTNER IS SECURED AND ENHANCED

Impact Measure	Impact Dimension	Contributing Output
Progress of Groups through settlement processes	Pre-entry and progress in negotiations processes	Mandating (over 100), ratification and facilitation hui were observed and reported on within the timeframes of settlements work driven by OTS and dependent on iwi capability.
	Resolution of inter (and intra) iwi disputes	Following facilitation, many Groups were able to progress their settlement processes.
	Enhanced Post Settlement Governance Entity Fund (PSGE) readiness to manage settlement assets	Assisted Māori to accelerate enduring settlements through statutory frameworks such as Paepae Rangatira and the Waikato River Accords.
Involvement in Government processes	Improved consultation and engagement practise	Established engagement processes and protocols, range of mechanisms and direct consultation with iwi leaders/ technical advisors to improve the discipline of engaging Māori in policy development.
	Increased capability of Māori providers	Number of iwi approved by the Secondments Steering Group, and work progressed to match iwi with state sector employees seeking secondment opportunities.
	Success rate of nominations and appointments advice	Provided nominations advice for 183 Government appointed Boards and organisations. Of 45 Boards, 42% of successful Māori appointees were nominated by TPK.
Treaty considerations inform key decisions	Government is better apprised of Māori rights and interests in natural resources, representational and constitutional issues	Assisted in development of natural resource management principles; advised Auckland Council on treaty of Waitangi interests of mana whenua and taura; advice on Freshwater and Foreshore and Seabed.
Support for Māori Affairs legislation	Stakeholder involvement in and support for design	Engaged with stakeholders on Māori Purposes Bill; Pukepuke Tangiora; Wi Pere and associate Trust Boards and/or Trustees.
	Cabinet support for proposals	Assisted Māori Affairs Committee Inquiry into Māori Community Development Act.
	Passage of legislation through Parliamentary stages	Advised on Māori Trustee Amendment Act; Whakarewarewa and Roto-a-Tamaheke Vesting Act; and Waka Umanga (Māori Corporations) Bill.

LONG TERM OUTCOME: MĀORI ACHIEVE ENHANCED LEVELS OF ECONOMIC AND SOCIAL PROSPERITY

Impact Measure	Impact Dimension	Contributing Output
Consideration of impact on Wellbeing informs key decisions	Government is better apprised of the issues impacting on the wellbeing of Māori and whānau	Advice provided to agencies on a wide range of key justice sector and social sector legislative changes.
	Key agencies are better apprised on issues impacting on programme and service effectiveness for Māori	Monitoring report on literacy and numeracy services to Māori workforce circulated to other agencies. Advice provided to agencies on a wide range of key justice sector and social sector policy changes and the potential impact of these on Māori.
Māori are increasingly aware of and accessing their entitlements and other Government services	Increased level of engagement with Māori and whānau	Developed and implemented programmes to support Māori whānau including Kaitoko Whānau, Oranga Whānau and Māra Kai. Undertook a series of regional hui to engage with Māori and whānau on the development of Whānau Ora with very high levels of attendance across the country.
	Uptake of information about entitlements and support services	Examples include investments in the development of a Charities Act training tool piloted with eight Māori Charitable entities. Facilitated and brokered relationship with MoH, Sanitary Works Scheme to achieve a grant for upgrade septic tanks on Arowhenua Māori Reserve 881.
	Improved accessibility of services to Māori and whānau	100% of Kaitoko and Oranga Whānau workers recruited and engaging with whānau. An evaluation framework based on a participatory method has been developed with input from selected Host organisations.
Enhanced Māori provider services	Increased availability of Māori provider services	In addition to work being undertaken to support the Whānau Ora Approach examples include the launch of Whānau Connect – first in a series of tool/resources evolved from Tamati Whāngai whānau development practice model. Worked with Te Kōhanga Reo National Trust and MoE to increase the range and quality of their services to mokopuna and whānau.
Enhanced Māori provider services	Increased Māori provider capability	In addition to work being undertaken to implement the Whānau Ora Approach, work was completed on a reporting tool for both Oranga and Kaitoko Whānau programmes. Developed a schedule of good practice tools for Whānau.



LONG TERM OUTCOME: MĀORI PREPARED FOR FUTURE OPPORTUNITIES

Impact Measure	Impact Dimension	Contributing Output
Impact on education and skills pathways informs key decisions	Government is better apprised on the issues impacting on Māori education and skills pathways	Advised on Māori education and skills pathways in various areas of policy/ programme development including overall policy and regulatory settings and next steps, have informed Government by these issues.
	Increased availability of Māori centred education, skills and training opportunities	Committed \$2.3m in support of 2,000 Māori engaged in a range of training and education: 50 cadetships in areas of employment growth for Māori; Professional and Group Training agreed by Minister's Economic Taskforce; 27 new teacher trainees; funded LENSscience – for Māori students in 25 schools in South Auckland, approx. 850 students involved; 390 Māori engaged in the Infratrains (Industry & Trade Training) programme; and 70 trainees in partnership with Seafood ITO.
Enhanced Māori business services	Increased availability of Māori business services	Apart from MBFS mentioned later in this report, TPK was involved with regional/ national agencies to promote business growth: Connect-A in Bay of Plenty; and Rugby World Cup 2011
	Increased uptake of business services by Māori businesses	Refer to MBFS commentary on page 27, clients registered in 2009/10.
Enhanced opportunities for asset utilisation	Māori are more aware of asset utilisation opportunities	Number of projects initiated/ ongoing include: Shanghai Expo 2010; Rugby World Cup; Māori Innovation; Aquaculture Reform; Carbon Markets; Agribusiness; and Primary Sector training initiative. All focus on raising Māori awareness of economic opportunities.
	Barriers to asset utilisation are reduced	Te Ture Whenua Māori Act – scoping of a review; Options for rating and valuation of Māori land – paper to Cabinet; Resource Management Phase II Reforms; Aquaculture; and Climate Change.

LONG TERM OUTCOME: MĀORI SUCCEEDING AS MĀORI

Impact Measure	Impact Dimension	Contributing Output
Opportunities to access language and culture	Enhanced levels of support for and action on Māori language and culture initiatives	TPK led or participated in new Māori language (ML) initiatives: ML Crown entity impact survey; case study ML plan for iwi radio; ML social Marketing initiative; completed evaluation of Whānau Language Development programme; and an analysis of the ML Attitudes Survey.
Opportunities to access language and culture	Direct support and promotion of language and culture initiatives results in increased numbers of and participation in events	Significant language and culture events supported included: celebration of 100 years of Māori rugby; Matariki; regional Manu Korero competitions; taonga register for Te Rongomai o Te Kakara and the Ngā Tama Toa Trust book translation project.
Strengthened cultural infrastructure	Marae are more aware of their development requirements	Development reports emanating from the Marae Development Project identify key issues as: People capacity & capability; Governance & management; Insurance; Fire Safety, and succession planning, particularly kaikaranga and kaikorero.
	Increased levels of marae participation	998 marae identified and approx. 750 invited to participate in national survey to determine future development aspirations and opportunities. Project to continue in 2010/11.
	Uptake of information about cultural infrastructure demonstrates its utility	Completed an evaluation of investments allotted to cultural initiatives that will inform future investment proposals.
	Participation in iwi and hapū based events	Supported numerous initiatives including: Māori Market; Atamira; Whānau Ora; sport & culture events; Tourism opportunities and communications.
	Government is better apprised of Māori interests emerging from the WAI 262 report	The release of the WAI 262 Report is pending. Policy advice to date has ensured that Government policy decisions do not pre-empt the report.



AUDIT REPORT

TO THE READERS OF TE PUNI KŌKIRI'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

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The Auditor General is the auditor of Te Puni Kōkiri (the Ministry of Māori Development). The Auditor General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the schedules of non-departmental activities and statement of service performance included in the annual report of Te Puni Kōkiri for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of Te Puni Kōkiri on pages 56 to 85:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - Te Puni Kōkiri's financial position as at 30 June 2010;
 - the results of its operations and cash flows for the year ended on that date;
 - its expenses and capital expenditure incurred against each appropriation administered by Te Puni Kōkiri and each class of outputs included in each output expense appropriation for the year ended 30 June 2010; and
 - its unappropriated expenses and capital expenditure for the year ended 30 June 2010.
- The schedules of non-departmental activities on pages 86 to 99 fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by Te Puni Kōkiri on behalf of the Crown for the year ended 30 June 2010.
- The statement of service performance of Te Puni Kōkiri on pages 20 to 54:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards included in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses included in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 30 September 2010 and our opinion is expressed as at that date.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and the Auditor, and explain our independence.

Basis of opinion

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

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

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

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

Audit procedures generally include:

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

- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

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

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

Responsibilities of the Chief Executive and the Auditor

The Chief Executive is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of Te Puni Kōkiri as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date.

The financial statements must also fairly reflect the expenses and capital expenditure incurred against each appropriation administered by Te Puni Kōkiri and each class of outputs included in each output expense appropriation for the year ended 30 June 2010. The financial statements must also fairly reflect Te Puni Kōkiri's unappropriated expenses and capital expenditure for the year ended on that date.



In addition, the Chief Executive is responsible for preparing schedules of non-departmental activities, in accordance with the Treasury Instructions 2009, that must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by Te Puni Kōkiri on behalf of the Crown for the year ended 30 June 2010.

The statement of service performance must fairly reflect, for each class of outputs, Te Puni Kōkiri's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year.

The Chief Executive's responsibilities arise from sections 45A and 45B of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial

statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with, or interests in, Te Puni Kōkiri



Phil Kennerley

Audit New Zealand

On behalf of the Auditor General

Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements, statement of service performance and schedules of non-departmental activities

This audit report relates to the financial statements, statement of service performance and schedules of non-departmental activities of Te Puni Kōkiri (the Ministry of Māori Development) for the year ended 30 June 2010 included on Te Puni Kōkiri's website. Te Puni Kōkiri's Chief Executive is responsible for the maintenance and integrity of Te Puni Kōkiri's website. We have not been engaged to report on the integrity of Te Puni Kōkiri's website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and schedules of non-departmental activities since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance

and schedules of non-departmental activities named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and schedules of non-departmental activities. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and schedules of non-departmental activities and related audit report dated 30 September 2010 to confirm the information included in the audited financial statements, statement of service performance and schedules of non-departmental activities presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



 STATEMENT OF SERVICE
PERFORMANCE

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2010

INTRODUCTION

The Statement of Service Objectives for Te Puni Kōkiri is detailed in the Information Supporting the Estimates of Appropriations for the year ending 30 June 2010. This forms the output objectives for the year against which this service performance statement reports.

POLICY – SOCIAL AND CULTURAL

Scope of Appropriation:

Advice on policies and programmes that specifically impact on the social and cultural status of Māori people and resources.

Our Approach:

In 2009/10 Te Puni Kōkiri prioritised its work with social development and justice sector agencies, and other agencies with an interest in strengthening the policy and operational environment to improve education, health, justice, housing and employment outcomes for Māori whānau. Te Puni Kōkiri also continued to lead work associated with the Māori Language Strategy (MLS) and the Māori Broadcasting and E-Media Outcomes Framework.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2009/10:

Performance Measures	Budget Standard	Actual Standard
Policy Advice		
Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual-Evidenced by:		
An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6	External Assessment –minimum score of 3	One independent assessment was completed with an overall result of 5.5 (5.21: 08/09).
An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 6	Ministerial Assessment- minimum score of 3	5.
Policy advice is provided within the agreed timeframes	95% meets timeframes	Not achieved 92% were on time (93.1%: 08/09).

Statutory Monitoring		
Monitoring reports are substantiated by an independent expert, to ensure they are methodically robust (based on widely accepted methodological and ethical practices), and findings supported by evidence	100%	Not achieved.
Research		
Sample of research/statistical reports externally validated against criteria	Minimum of 3 reports sampled	Not achieved, 1 report only externally validated.
All externally validated reports reviewed will have been assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely-on a scale of 1 to 5	External Assessment -assessed as meeting at least 3 of 4 criteria	Achieved against all 4 criteria.
Māori Language Strategy (MLS)		
Hold monthly meetings with MLS lead agencies (TTWh, TMP, MTS, Ministry of Education, Ministry of Culture and Heritage and the National Library) in order to monitor agency activity/contribution towards MLS outcomes	6 (monthly meetings) with MLS lead agencies, and 6 with OCMLS	6 completed with MLS and the Officials Committee of MLS.
Monitor Māori language content on MTS and Iwi Radio (not funded by TMP) to ensure compliance with the MLS	2 reports by 30 June 2010	2 reports provided as required.
Evaluation of the Whānau Language Development programme He Kainga Kororero	Completed by 31 March 2010	Completed 28/2/10.



Develop and run a Crown Entity Impact Survey covering TMP, TTWh, and MTS to develop a baseline impact measure of the effectiveness of the agencies impact on the increased use and proficiency of the Māori language	Survey scoped by 30 June 2010	Achieved with Survey scoped mid June 2010.
Broadcasting and eMedia Strategy		
Report to the Ministers of Māori Affairs and Finance on a review of the Māori Television Service Act 2003	1 response report	Not achieved, Report in draft form as at 30 June 2010.
Report on TPK research, digital broadcasting, participation in Māori and mainstream broadcasting, iwi radio licences	Completed by 30 June 2010	Not achieved, additional stakeholder information required to inform report content.
Consult Māori reserve radio frequency right holders and broadcasters on proposed new agreements	100% consulted	Not achieved, Consultation process commenced, and timeframes extended to 30 September 2010.
Monitor Māori Language and Broadcasting agencies funded through Vote Māori Affairs (TTWh, TMP, MTS)		
Respond to each agency with feedback on Annual report, SOI and Output Plan	Within 5 working days	Achieved Within 5 working days.
Advice to responsible Ministers as above along with comments on their Quarterly performance	Within 10 working days	Not achieved in 3rd Quarter—deadlines were – TMP (13 days), TTWh (18), and MTS (15). Deadlines met for other reports.
Facilitate regular meetings with agencies on matters of mutual interest	Minimum of 4 meetings by 30 June 2010	Achieved with TTWh – 3 formal and 1 ad-hoc; TMP – 3 formal; MTS – 4 formal.
Positive feedback on service provided is obtained from agencies on a scale of 1 to 5, using Common Measurement Tool	Minimum score of 3	Achieved for TMP, result = 3.9; MTS, result = 3.8; but not achieved for TTWh.

Note-Māori Language and Broadcasting agencies funded through Vote Māori Affairs and referred to above are:

- TWh-Te Taura Whiri i Te Reo Māori (Māori Language Commission)
- TMP-Te Māngai Pāho (Māori Broadcasting Funding Agency), and
- MTS-Māori Television Service.

SELECTED ACHIEVEMENTS:

Māori Language Strategy

Te Puni Kōkiri continued to monitor the implementation of the Māori Language Strategy during 2009/10. We also provided advice to the Minister of Māori Affairs to support the development of the Review of the Māori Language Sector that was announced in July 2010. In addition, we reported on other Māori language initiatives, including implementation and evaluation of the Whānau Language Development programme He Kāinga Kōrerorero, the progress of the Māori language revitalisation research programme, and the completion of a report and summary sheet on the results of the 2009 Māori Language Attitudes Survey, reference: www.tpk.govt.nz on the key findings.

Māori Broadcasting and E-Media Outcomes Framework

Te Puni Kōkiri provided advice to the Minister of Māori Affairs about workstreams arising from the Māori Broadcasting and E-Media Outcomes Framework. The advice included information about: the management and use of Māori reserved radio frequencies; Māori interests in spectrum for broadcasting and telecommunications purposes; and the review of Crown licence agreements for iwi radio broadcasters. Consultation with iwi licence holders and broadcasters has been delayed

because licence holders have requested extended timeframes to consider and provide feedback on the proposed licence agreements. As a result, the timeframe for this work has been adjusted to 30 September 2010. As at 30 June, we had completed two consultation hui. A further ten hui were completed in July 2010. We have also completed a suite of research about Māori broadcasting issues. This research had a particular focus on Māori interests in spectrum and digital broadcasting. The preparation of an overarching report about this research was slightly delayed because of preparation for the announcement of the Review of the Māori Language Sector during June 2010.

As part of this work we provided the Minister of Māori Affairs with ownership advice about Te Māngai Pāho, the Māori Television Service and Te Taura Whiri i te Reo Māori. This advice indicated that the Māori Language and Broadcasting agencies in Vote: Māori Affairs were focused on their core business, consistent in delivery of their outputs, and were financially sound. Te Puni Kōkiri has also led the development of the proposed government response to the Review of the Māori Television Service Act 2003. As at 30 June 2010, we had prepared a penultimate draft of the proposed government response to the Review, which included feedback from responsible Ministers and Te Putahi Paoho.



FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/09 Actual \$000		30/06/10 Actual \$000	30/06/10 Supp Estimates \$000	30/06/10 Main Estimates \$000
9,007	Revenue Crown	8,662	8,662	8,001
433	Other Revenue	471	361	361
9,440	Total Revenue	9,133	9,023	8,362
8,622	Total Expenses	8,578	9,023	8,362
818	Net surplus/(deficit)	555	-	-

POLICY – ECONOMIC AND ENTERPRISE

Scope of Appropriation:

Advice on policies and programmes that specifically impact on the economic and enterprise status of Māori people and resources. It includes the provision of Māori business development services.

Our Approach:

Te Puni Kōkiri's priority was to ensure that assistance to Māori supported and maintained their economic wellbeing. In addition, the Māori Business Facilitation Service provided advice and support for Māori businesses and organisations, by assisting with assessment, brokerage and business mentoring for new business entrepreneurs and existing businesses.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2009/10:

Performance Measures	Budget Standard	Actual Standard
Provision of on-going policy advice		
Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual-Evidenced by:		
An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6	External Assessment -minimum score of 3	One independent assessment was completed with an overall result of 5.5 (5.21: 08/09).
An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 6	Ministerial Assessment-minimum score of 3	5.
Policy advice is provided within the agreed timeframes	95% meets timeframes	Not achieved 92% were on time (93.1%: 08/09).
Statutory Monitoring		
Monitoring reports are substantiated by an independent expert, to ensure they are methodically robust (based on widely accepted methodological and ethical practices), and findings supported by evidence	100%	Not achieved.



Research		
Sample of research/statistical reports externally validated against criteria	Minimum of 3 reports sampled	Not achieved, only 1 report externally validated.
All externally validated reports reviewed will have been assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely-on a scale of 1 to 5	External Assessment -assessed as meeting at least 3 of 4 criteria	Achieved against all 4 criteria.
Supporting Māori Innovation		
Provide advice, facilitation and brokerage to support Iwi/Māori partnerships with government that identifies mutually important science and innovation priorities:		Incorrectly recorded in Supplementary Estimates for 09/10, this work relates to the 2010/11 year. A subsequent amendment will be made in 2011.
Māori Business Facilitation Service (MBFS)		
Administer the Māori Business Facilitation Service to assist in the growth, development and sustainability of Māori small-to-medium enterprises (SME's) and related business networks/professional clusters through:		
Frontline engagement with Māori SME owners to determine mentoring readiness	800-900	881.
Provide new and existing businesses with assessment, planning and mentoring assistance	300-350 (at least 50% to be new businesses)	526 (299 new businesses, 60% of total).
Support to Māori business networks or professional clusters	3	5.
Māori SME owners engaged through MBFS provide positive feedback on the service provided on a scale of 1 to 5	Minimum score of 3	Survey completed and clients scored "overall" experience at 3.5.

SELECTED ACHIEVEMENTS:

Shanghai Expo – Māori business delegation led by Minister of Māori Affairs

Te Puni Kōkiri actively worked with the Māori Economic Taskforce to provide advice, and other support on the planning, coordination and successful outcome of the Māori business delegation headed by the Minister of Māori Affairs to the Shanghai Expo and other areas of China. Key objectives of the delegation were met, including the provision of an essential platform to build and strengthen relationships between Māori and Chinese, particularly for Māori sector leaders to enhance existing networks with the Chinese and provide opportunities for some Māori business to cultivate new relationships.

Te Puni Kōkiri worked closely with key stakeholders to develop a strong business orientated visit programme, including business seminars, discussion forums with key Chinese business people, networking functions with Chinese and local New Zealand business leaders, and various sector site visits. Te Puni Kōkiri also participated in the government wide response to the Shanghai Expo as a member of the 'Shanghai 2010 World Expo Interdepartmental Advisory Group'.

Auckland Futures Project

Te Puni Kōkiri has produced key information to inform understanding of Māori participation in the Auckland economy, and identifies drivers that influence their participation. This includes new information about Māori:

- Entrepreneurship for the Auckland region and the NZ economy;

- Participation and contribution to the Auckland regional economy in terms of value added by businesses to the region's GDP; and
- Population projections to 2021 (2006 base year), at a national, regional council area, and territorial authority level.

The report combines new information about Māori in the economy with information that is available from other sources within the context of the New Zealand and the Auckland regional economy.

Rugby World Cup 2011

Over the last year Te Puni Kōkiri has met with a large number of iwi leaders, Māori businesses, event organisers, tourism companies, artists, marae, haka groups, radio stations, rugby clubs and Māori incorporations throughout New Zealand. Māori not only want to feel a sense of engagement in the ceremony, they also have wider interests and wish to be involved across the entire event. Our work in partnership with the tournament organisers (Rugby NZ 2011 Ltd) and the government co-ordination office (NZ2011) will see some exciting legacies emerge for Māori that will grow out of next year's Rugby World Cup with some exciting initiatives to be launched in the build-up to September 2011.

Māori Business Facilitation Service (MBFS)

During 2009/10, in support of the performance figures in the table above, the top interventions provided were in the Development and Revision of Business Plan; Development of a Marketing Plan; Training or Coaching; and Financial Analysis. The top three industry sectors where most MBFS clients were involved in were Arts and Recreation Services; Retail Trade; and Construction.



This period also saw the implementation of the enhanced MBFS business model, where three of the four phases of the service are now conducted internally in comparison to the previous models where these were contracted externally. The enhancement in the business model has allowed the MBFS to meet the increasing demand for the service.

The MBFS continues to support the local Māori Business Networks throughout the Te Puni Kōkiri regional offices with a focus on connecting business owners with other Māori enterprises. These regional networks include Te Taitokerau, Tāmaki Makaurau, Waikato, Takitimu, Te Tai Hauauru, Te Whanganui-ā-Tara and Te Waipounamu.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/09 Actual \$000		30/06/10 Actual \$000	30/06/10 Supp Estimates \$000	30/06/10 Main Estimates \$000
12,524	Revenue Crown	12,038	12,038	12,126
28	Other Revenue	30	23	23
12,552	Total Revenue	12,068	12,061	12,149
11,786	Total Expenses	11,778	12,061	12,149
766	Net surplus/(deficit)	290	-	-

POLICY – CROWN MĀORI RELATIONSHIPS

Scope of Appropriation:

Advice on relationships between Māori people and the Crown. It includes Treaty policy issues, advice on the impact of legislation and running the Waka Umanga Secretariat.

Our Approach:

The emphasis has been to positively influence the engagement and understanding between Māori and the Crown by support in facilitating the settlement of historical Treaty claims, providing advice on property rights with respect to natural resources, and developing and administering legislation related to Māori interests.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2009/10:

Performance Measures	Budget Standard	Actual Standard
Policy Advice		
Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual-Evidenced by:		
An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6	External Assessment -minimum score of 3	One independent assessment was completed with an overall result of 5.5 (5.21: 08/09).
An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 6	Ministerial Assessment -minimum score of 3	5.
Policy advice is provided within the agreed timeframes	95% meets timeframes	Not achieved 92% were on time (93.1%: 08/09).
Statutory Monitoring		
Monitoring reports are substantiated by an independent expert, to ensure they are methodically robust (based on widely accepted methodological and ethical practices), and findings supported by evidence	100%	Not achieved.



Research

Sample of research/ statistical reports externally validated against criteria	Minimum of 3 reports sampled	Not achieved, only 1 report externally validated.
All externally validated reports reviewed will have been assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely-on a scale of 1 to 5	External Assessment -Assessed as meeting at least 3 of 4 criteria	All four criteria met.

Treaty Settlements

Provide advice, facilitation and brokerage to support governments goal of settling all historic claims by 2014 on; mandate and representation; governance and settlement ratification; protection mechanism; settlements policy:		
Mandate and ratification responsibilities to negotiating parties and Ministers are conducted within agreed timeframes	95% of timeframes met	Achieved, 100 mandate and ratification hui observed within agreed timeframes.
Mandate and ratification decisions reflect Te Puni Kōkiri advice	95%	Achieved.
Resolution of inter and intra iwi, and Crown-Māori disputes-settlement progress resumes as a result of facilitated interventions	80%	Achieved.
Cabinet paper and Annual Report prepared on the implementation of Waitangi Tribunal recommendations- for tabling in the House of Representatives	By 31 August 2009	Completed 31 August 2009.

Law Reform		
Undertake direct consultation with Māori on Te Puni Kōkiri led legislative proposals.	100%	Achieved.
Nominations and Appointments		
Co-ordinate the Minister of Māori Affairs' statutory responsibilities and interests in Government appointed Boards and organisations including the key appointments to the Māori Land Court Judges, Waitangi Tribunal Members, Māori Trustee, and members of Te Māngai Pāho, Te Taura Whiri I Te Reo and the Māori Television Service:		
nominations and appointments process is undertaken within agreed timeframes	95% of timeframes met	Not achieved, 93.5% met.
success rate of advice provided on nominations to Government appointed organisations and bodies	25% to 30%	58.75%.
Māori Trustee Monitoring		
Facilitate the development of the first Funding Agreement between the Māori Trustee and Minister for 2009/10 and 2010/11.	Signed agreement by 30 September 2009.	Agreement covering both 2009/10 and 2010/11 signed 16 December 2009.
Monitor the quarterly performance of the Māori Trustee against the accountability requirements of the Funding Agreement, and provide advice on performance to the Minister	Within 10 working days	Achieved Within 10 working days.
Facilitate regular meetings with the Māori Trustee (and/ or MT staff) on issues of mutual interest	Minimum of 2	2 meetings convened.



SELECTED ACHIEVEMENTS:

Treaty Settlements

Te Puni Kōkiri provided advice to the Minister of Māori Affairs about various aspects of Treaty of Waitangi settlements. This included mandate and representation advice relating to Ngāti Koroki, Kahukura/Ngāti Haua, Ngāti Raukawa and Ngāti Tamaoho as well as the resolution of internal disputes and cross-claims between iwi. In addition, we provided advice on settlement ratification issues, and completed an annual report on the implementation of Waitangi Tribunal recommendations.

Aquaculture

As an aquaculture agency, Te Puni Kōkiri has worked closely with the Ministry of Fisheries and other agencies in the reform of aquaculture policy to ensure that Māori are well positioned to contribute to and benefit from the anticipated growth in the aquaculture sector, including delivery of the aquaculture Treaty settlement.

Resource Management

Te Puni Kōkiri has been part of wider government efforts to ensure a greater level of Māori involvement in resource management planning and decision-making processes during 2009/10.

The reform of the Resource Management Act 1991 (RMA) has been a priority area for Te Puni Kōkiri. Our focus has been to ensure that the objectives of the reforms include simplifying and streamlining the RMA in a way that provides for an improved role for Māori in resource management and development.

In 2009/10 we worked alongside lead agencies, with iwi leaders and their advisers on freshwater management and climate change issues.

Legislation

Te Puni Kōkiri actively encouraged Māori involvement in the Māori Affairs Committee (MAC) Inquiry into the Māori Community Development Act, by enabling opportunities to participate, disseminating information to a wide range of national and targeted networks, and providing advice to the MAC. Over eighty written submissions were received from representatives of National and District Māori Council, Māori Wardens, hapū and individuals, with a significant number seeking to be heard at the hearings of the Māori Affairs Committee. Progress with other legislation in the Māori Affairs portfolio included:

- Māori Trustee Amendment Act came into force on 1 July 2009;
- Whakarewarewa and Roto-a-Tamaheke Vesting Act proceeded through its remaining Parliamentary stages and subsequently received the Royal Assent on 6 November 2009; and
- Waka Umanga (Māori Corporations) Bill was discharged on 21 December 2009.

International Activities

In April 2010, the Minister of Māori Affairs attended the United Nations Permanent Forum for Indigenous Peoples in New York. At the Forum, the Minister announced New Zealand's support for the UN Declaration on the Rights of Indigenous Peoples. The Minister of Justice made a statement to Parliament at the same time to announce New Zealand's support. Te Puni Kōkiri worked closely with colleague agencies in 2009/10 to: (a) confirm

New Zealand's support for the Declaration; and (b) support the announcement of New Zealand's support. In addition, Te Puni Kōkiri provided support for Round 9.5 of the Access and Benefit Sharing negotiations that are part of the United Nations Convention on Biological Diversity. We also played an active role in hosting various international delegation to New Zealand who were interested in indigenous development.

Māori Trustee Monitoring

Te Puni Kōkiri was able to successfully transition the Māori Trustee to a separate legal entity in 2009/10 and in doing so has established its monitoring role. Reports on the funding agreement were received within the required timeframes and advice as appropriate was provided in accordance with the priorities of the Minister of Māori Affairs.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/09 Actual \$000		30/06/10 Actual \$000	30/06/10 Supp Estimates \$000	30/06/10 Main Estimates \$000
7,121	Revenue Crown	6,052	6,052	6,854
35	Other Revenue	38	29	29
7,156	Total Revenue	6,090	6,081	6,883
6,571	Total Expenses	5,832	6,081	6,883
585	Net surplus/(deficit)	258	-	-



RELATIONSHIPS AND INFORMATION

Scope of Appropriation:

Strengthening relationships with Māori, with emphasis on brokerage, co-ordination and facilitation to assist Māori to achieve their economic, social and cultural aspirations.

Our Approach:

Our focus has been on the development of strategic and purposeful relationships to assist us to be responsive to local needs and opportunities while also ensuring those responses align with government priorities. We also seek integrated responses to initiatives wherever possible, bringing together other agencies and parties to support Māori development.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2009/10:

Performance Measures	Budget Standard	Actual Standard
Provide brokerage, facilitation, information and other support to state sector agencies, local government, non-government organisations and others to engage with and encourage Māori inclusion and access to resources and services generally and to assist the Treaty settlement process in particular	Regular (at least quarterly) proactive reports on Regional activities prepared and referred to the Minister	Quarterly reports completed and referred to Minister.
Satisfaction with regional based facilitation, brokerage, information and support is evidenced via positive feedback on a scale of 1 to 5 through an annual stakeholder survey	Minimum score of 3	Achieved with 80% of stakeholders indicated they were very satisfied (average score of 4.09) survey completed in March 2010.
Treaty Settlements		
Resolution of inter and intra Iwi, and Crown-Māori disputes – settlement progress resumes as a result of facilitated improvements	80%	Achieved.

SELECTED ACHIEVEMENTS

Oruanui Ā- Tia Project

Te Puni Kōkiri and Te Rangiitā ki Oruanui hapū have been investigating the potential uses of a portion of the Wairākei geothermal resource. The hapū holds mana whenua over much of the Wairākei geothermal lands. Both parties are considering options regarding the Te Mihi portion of the Wairākei geothermal resource from a Contact Energy Limited offer. As a result the hapū has improved its governance and management structures, is moving to secure a strong economic base and has developed a good working relationship with key stakeholders.

National Māori Flag

Te Puni Kōkiri assisted with twenty-one public hui held nationwide during the consultation process in July/August 2009. Four flags of national significance were identified for consideration and over 1200 submissions were received, with eighty percent selecting the Māori (Tino Rangatiratanga) flag as the preferred national flag. Cabinet has since recognised this preference and noted that it will complement the New Zealand flag to fly on buildings and other sites of national significance on Waitangi day. Guidelines for flying the National Māori flag have been developed by Te Puni Kōkiri in conjunction with the Ministry for Culture and Heritage.

Satisfaction Survey

Te Puni Kōkiri conducted a survey of key stakeholders (from a broad range of categories including large iwi groups, individuals, NDOE clients, non-funded clients and Marae assessment respondents) between February and April 2010 to gain a better understanding of the levels of satisfaction or dissatisfaction

with the quality of our services provided from the regional offices and national office of the Relationships and Information wāhanga. We also sought suggestions on how we could improve the assistance and service that we provide. The survey questionnaire included among others, eight core questions from the Common Measurement Tool of the State Services Commission Kiwi's Count national survey designed to measure the key drivers of client satisfaction.

In terms of the main drivers of satisfaction, the results were extremely positive:

- 76 percent strongly agreed that the service met their expectations;
- 87 percent strongly agreed that Te Puni Kōkiri staff were competent, and that they were treated fairly;
- 86 percent strongly agreed that our staff kept their promises; and
- 85 percent strongly agreed that their individual circumstances were taken into account and that the service was an example of good value for tax dollars spent.

The survey was requested using a bilingual questionnaire where 24 were completed online and 78 were returned through the post, an overall national response rate of 42%. Only two surveys were completed in te reo Māori.

Additionally, sixty percent of stakeholders responded with suggestions and feedback for consideration. Results clearly show that the two main areas of concern for stakeholders were: improved communications about the role and function of Te Puni Kōkiri, particularly the services and resources that are available; and an improved investment funding application process.



FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/09 Actual \$000		30/06/10 Actual \$000	30/06/10 Supp Estimates \$000	30/06/10 Main Estimates \$000
9,320	Revenue Crown	7,830	7,830	8,925
48	Other Revenue	52	40	40
9,368	Total Revenue	7,882	7,870	8,965
8,732	Total Expenses	7,726	7,870	8,965
636	Net surplus/(deficit)	156	-	-

OPERATIONS MANAGEMENT

Scope of Appropriation:

Services that support Māori development through the design, delivery, and management of community investment programmes.

Our Approach:

The Relationships and Information Wāhanga has responsibility for managing the Te Puni Kōkiri Investment Programme. This entails strategic management to ensure investments align with the key outputs identified in this document; which in turn align with the key outcomes sought by Te Puni Kōkiri.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2009/10:

Performance Measures	Budget Standard	Actual Standard
Māori Potential Funds:		
Refers to the management and administration of the three Non-Departmental Expenses; Whakamana (Leadership), Mātauranga (Knowledge), and Rawa (Resources). The specific performance measures for these appropriations are found in Part 2.2		
Investment proposals meet specified programme criteria	All investment proposals meet the criteria	Achieved, 100% of proposals met the criteria.
Undertake Evaluations of the Māori Potential Fund for: <ul style="list-style-type: none"> • Cultural Investments; • Economic Development Investments; and • Whānau Language Development. 	Complete an evaluation across 2 investment categories by 30 June 2010	Culture & Whānau Language Development completed Feb. '10; Economic Development Completed June 2010.
Special Housing Action Zones:		
Refers to the management of the Special Housing Action Zones (SHAZ) programme funded through the Non-Departmental Output Expense; Iwi Housing Support, the details of which are found in Part 2.2		



Number of development proposals supported across Māori communities	Minimum of 8	Achieved with 9 projects advanced to contract stage.
Investment in development proposals leads to the entity securing financing to undertake/complete construction-Percentage of proposals accepted for co-funding with Housing New Zealand or other capital investors	70%	Achieved, through Māori demonstration partnerships, Kainga Whenua.
Percentage of funded proposals meet accepted deliverables	90%	100%.
Land Management Unit:		
Write-off the residual rural lending loan portfolio	100% by 30 June 2010	100% completed at 30 June 2010.
Establish a number of management structures over Māori land in cooperation with owners (40 to be established)	10 land blocks	13 Trusts established as a precursor to transferring administration back to the owners.
Release a number of blocks of Māori owned land from Part 2 of the Māori Affairs Restructuring Act 1989 (66 to be released)	10 land blocks	23 blocks of Māori land released.
Clear a number of Crown owned land blocks through the Crown land disposal process (14 to be cleared)	6 land blocks	8 properties have been cleared through the Disposal process.
Dispose a number of Crown owned land (14 to be disposed)	6 land blocks	Not achieved, 4 blocks disposed of during 2009/10.

SELECTED ACHIEVEMENTS:

Investment Management

During 2009/10, Te Puni Kōkiri funded in excess of 800 projects, totalling \$20 million through the Mātauranga, Rawa and Whakamana Non-Departmental Output Expense (NDOE) appropriations. The delivery of investments were made primarily through Te Puni Kōkiri's network of regional offices and utilised our strong relationships with Māori communities, in which funding becomes an extension of wider community based facilitation and brokerage activities.

Cultural Success: Te Puni Kōkiri invested over \$2.1 million on projects designed to support the growth and expression of Māori culture. Investments ranged from support for museum exhibitions on the 28th Māori Battalion and the New Zealand Wars of the Nineteenth Century, through to Kapa Haka and Manu Kōrero competitions.

Community Development: Te Puni Kōkiri invested over \$1.3 million on projects related to whānau and community development including the roll out of the new Māra Kai programme across the country and support for social assistance programmes delivered by the Māori Women's Welfare League.

Māori Economic Success: Te Puni Kōkiri invested over \$4.7 million on projects designed to foster economic development for Māori. Investments related to research reports on the Māori economy and its relationship to the wider New Zealand economy, feasibility work for business initiatives, and projects to enhance Māori employment in the professions and trades.

Māori Potential Fund Investments in Cultural Initiatives

A report outlining stakeholder's perspectives of Māori Potential Fund investments in cultural initiatives was completed in April 2010. The report provides intervention logic for cultural investments that will be used to streamline the process of outcome specification and underpin monitoring mechanisms to provide robust evidence of performance. Findings and recommendations will inform the future investment strategy of the Fund.

Māori Potential Fund Investments in Economic Development

An evaluation of Māori Potential Fund investments in Māori Economic Development was substantially completed in June 2010. The report provides an overview of investments made in economic development and their alignment with the strategic objectives and intended outcomes of the Fund. It identifies a series of policy and operational questions for further research. The findings will inform the future investment strategy of the Fund.



FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/09 Actual \$000		30/06/10 Actual \$000	30/06/10 Supp Estimates \$000	30/06/10 Main Estimates \$000
18,530	Revenue Crown	10,308	10,038	9,957
91	Other Revenue	397	52	52
18,621	Total Revenue	10,705	10,360	10,009
16,625	Total Expenses	10,069	10,360	10,009
1,996	Net surplus/(deficit)	636	-	-

MINISTERIAL ECONOMIC TASKFORCE

Scope of Appropriation:

This appropriation is limited to the direct costs associated with running the Ministerial Economic Taskforce for the Minister of Maori Affairs.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2009/10:

Performance Measures	Budget Standard	Actual Standard
Work programmes in place for each of the workstreams agreed between the Minister and the Taskforce members (7 workstreams)	100%	Achieved.
Progress across workstreams:		
<ul style="list-style-type: none"> is to the satisfaction of the Minister on a scale of 1 to 5 	Minimum score of 3	No formal survey completed, however refer to Minister's message on web page (as below) and information sheet released in May '10.
<ul style="list-style-type: none"> within agreed timeframes 	95% of timeframes met	Achieved.

Māori Economic Taskforce

Formed in March 2009, the Māori Economic Taskforce is committed to providing opportunities for Māori to contribute to and benefit from a thriving New Zealand economy. It seeks to enhance Māori entrepreneurship and innovation to position Māori for future strategic economic opportunities and promote kaupapa Māori and Māori structures as drivers of prosperity.

The Taskforce launched its dedicated website in January this year: www.tpk.govt.nz/en/in-focus/taskforce that provides details about the membership, current and future work-

streams, information sheet, kaupapa and goals of the Taskforce. Key areas of work to date include: Koura Inc; Shangai Expo 2010; Māori Brand Strategy; Māori Research Innovation Project; Māori Investment, Capital Market and Enterprise; Infrastructure Investment Opportunities; Maara kai; Professional Group Training Initiative and Māori Business Network Association. In addition, in May 2010 the Māori Economic Taskforce Information Sheet was released which provides further details on these projects and the Taskforce's future work programme. This document is available on the Taskforce's website.



FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/09 Actual \$000		30/06/10 Actual \$000	30/06/10 Supp Estimates \$000	30/06/10 Main Estimates \$000
203	Revenue Crown	500	500	500
-	Other Revenue	-	-	-
203	Total Revenue	500	500	500
111	Total Expenses	485	500	500
92	Net surplus/(deficit)	15	-	-

INTEGRATED WHĀNAU SOCIAL ASSISTANCE

Scope of Appropriation:

This appropriation is limited to community level social assistance through provision of Whānau Advocates and Māori Wardens programmes.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2009/10:

Performance Measures	Budget Standard	Actual Standard
Kāitoko Whānau and Oranga Whānau Programmes:		
Manage the Whānau Social Assistance programme to place a number of Whānau Advocates (community workers) into Māori communities; referred to as Kaitoko Whānau and Oranga Whānau		
Number of Kaitoko Whānau workers & Oranga Whānau workers engaged to work with vulnerable Māori whānau	50 and 21 respectively by 31 March 2010	50 and 21 workers engaged by 31 March 2010.
Design, develop and implement Operational Guidelines and establish a nationwide training programme across Host Organisations	By 28 February 2010	Guidelines were implemented by 31 January 2010.



Māori Wardens Programme:

A programme to enhance the capacity and capability of Māori Wardens through enhanced training and improved resources

Regional co-ordinators are in place to support Māori Wardens in undertaking their community level social assistance role	Average of 11 Regional Coordinators in place during the year	Not achieved, however efficiencies have seen the need to reduce co-ordinators from 11 to 7.
Establish a nationwide training framework for Māori Wardens	Achieve NZQA-unit standard	Achieved, in place by 28 February 2010.
Undertake Māori Warden training (across course offerings)	300 attend courses	Not achieved, 259 undertook training.
Māori Wardens (warranted) have been allocated uniforms and have access to the appropriate safety equipment whilst on duty	60% to 65%	60%, with over 600 uniform packages allocated.

SELECTED ACHIEVEMENTS:

Whānau Social Assistance Programmes– Kaitoko Whānau, Oranga Whānau and Māra Kai

Whānau Social Assistance programmes are all about enhancing the overall well being of Māori, by supporting our most vulnerable whānau to build a long-term sustainable Māori economy. All three were launched by the Minister of Māori Affairs in 2009/10.

Kaitoko Whānau, meaning family support, are community-based workers in Māori communities focused on improving service delivery for families, rather than individuals, to foster positive development of the whānau whānui. They work alongside families

experiencing hardship, and assist them to connect with government agencies, local councils and other social service providers to ensure appropriate assistance is made available. Additionally, these workers liaise with community groups and Māori Wardens to promote and encourage a wider network of support.

Oranga Whānau establishes a network of "Nannies" providing direct, personal and practical support to caregivers and parents, especially young parents and their whānau. Through sharing knowledge, practices, values and attitudes between generations, Oranga Whānau is promoting positive parenting, safe and healthy babies and resilient whānau.

The **Māra Kai** programme provides small, one-off grants to marae and Māori communities to establish and maintain small non-commercial gardens in collaboration with their surrounding community. The programme is strengthening whānau development and helping communities cultivate new skills, foster self-sufficiency, promote good nutrition and healthy activity and encouraging whānaungatanga through strengthening community relationships.

To date, favourable reports from within our regional network indicate that these programmes have been highly successful.

In 2009/10 Evaluation frameworks were established to underpin each of the three Whānau Social Assistance Programmes above. The frameworks record performance management and evaluation activities that will identify the short to long-term outcomes of the three programmes.

Māori Wardens

The Māori Wardens programme is a Government initiative administered by Te Puni Kōkiri to build capacity and capability of wardens who have become an integral part in delivering a valued service in our communities. A number of local authorities are now realising the efforts of the Māori wardens and their ability to peacefully work and act as kaitiaki within the community.

During 2009/10 a National Qualifications Framework (NQF) was launched nationwide and by the end of 2009, 24% of wardens completed two or more unit standards against the training framework. The priority to the end of the 2010 calendar year is to increase the total number of Māori Wardens accredited against the NQF to approximately 50-75 percent.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/09 Actual \$000		30/06/10 Actual \$000	30/06/10 Supp Estimates \$000	30/06/10 Main Estimates \$000
-	Revenue Crown	7,704	7,704	7,334
-	Other Revenue	-	-	-
-	Total Revenue	7,704	7,704	7,334
-	Total Expenses	7,659	7,704	7,334
-	Net surplus/(deficit)	45	-	-



WHĀNAU ORA ADMINISTRATION

Scope of Appropriation:

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

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2009/10:

Performance Measures	Budget Standard	Actual Standard
<p>This appropriation is established to administer the Whānau Ora service delivery approach through the Non-Departmental Multi-Class Output Appropriation; "Whānau Ora-based Service Development", funded from 2010/11.</p>		
<p>Whānau Ora Governance Group</p>		
<p>Provision of advice to the Minister Responsible for Whānau Ora (the Minister) on policy settings, priorities and regional management:</p>		
To the satisfaction of the Minister on a scale of 1 to 5	Minimum score of 3	Not achieved, as no formal survey but Minister responsible for Whānau Ora expresses satisfaction in written form.
Within agreed timeframes	95% meets timeframes	94% of timeframes met.

Regional Leadership Groups

Establish Regional Leadership Groups.	10 Regional Leadership Groups established by 30 June 2010	10 Regional Groups were established by 30 June 2010.
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The Regional Leadership Groups will make recommendations and provide high quality advice to the Whānau Ora Governance Group, lead strategic change for Whānau Ora within their region, foster excellent communications and relationships, and provide positive representation of Whānau Ora at the local and regional level

Whānau Ora Delivery

Implement a nationwide Expression of Interest (EOI) process to select first and potentially successive groups of providers to implement Whānau Ora	Invite EOIs by 30 June 2010	Achieved, process implemented in June 2010.
--	-----------------------------	---

Develop and implement a research, evaluation and monitoring programme in order to measure the success of the Whānau Ora approach against the Whānau Ora Outcomes Framework and to inform future programme design and delivery	1 report on Action Research Programme and implementation processes	Achieved, Report completed in June 2010.
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Whānau Ora Taskforce Report

The launch at Te Puni Kōkiri's Wellington base in April 2010 was attended by up to 200 people, including guests from social and health service organisations, media and the tamariki and kaiako from Te Puna Reo o Ngā Kākano.

The report was jointly launched by the Acting Prime Minister Hon Bill English and the newly appointed Minister Responsible for Whānau Ora, Hon Tariana Turia. A copy of the report by the Taskforce on Whānau Centred Initiatives is available online at www.tpk.govt.nz



Implementing the Whānau Ora Approach

Te Puni Kokiri began its lead role for the implementation of the Whānau Ora Approach in March 2010, gaining approval for the establishment of a Whānau Ora Governance Group to oversee an implementation plan that was approved by the Cabinet Social Policy Committee. Following the announcement of funding under Budget 2010 for the implementation of the Whānau Ora Approach, more than a dozen regional hui were undertaken with providers from around the country to inform them of the planning to date.

More than 4,500 stakeholders attended these hui around the country over the month of May 2010. At the end of the financial year 10 Regional Leadership Groups were established, following an open nominations process and appointment by the Minister Responsible for Whānau Ora. At the same time Expressions

of Interest were called for the first wave of providers and collectives to move in Whānau Ora Programmes of Action.

Whānau Ora reflects the aspirations of every New Zealander to be self-managing and to take responsibility for their social, economic and cultural development. It will require agencies of Government to work together in better and smarter ways to support whānau and families as a whole as opposed to separately working with individuals. It is intended that providers will work flexibly with whānau through co-ordinated and aligned service settings and priorities of both government agencies and non-government organisations. An important part of supporting providers will be the inclusion of a contract integration process in the Whānau Ora Programme of Action. It is expected that first wave providers will move into Programmes of Action from October 2010.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/09 Actual \$000		30/06/10 Actual \$000	30/06/10 Supp Estimates \$000	30/06/10 Main Estimates \$000
-	Revenue Crown	1,076	1,076	-
-	Other Revenue	-	-	-
-	Total Revenue	1,076	1,076	-
-	Total Expenses	1,019	1,076	-
-	Net surplus/(deficit)	57	-	-

MONITORING

Building an evidence base to understand and measure state sector effectiveness for Māori

Part of Te Puni Kōkiri's role, enabled through the Ministry of Māori Development Act 1991, is to monitor and liaise with agencies that provide services to or for Māori. During 2009/10, Te Puni Kōkiri further consolidated a dual approach to examining the effectiveness of services to Māori that aims to:

- Build and make available an evidence base, through research, statistical analysis and monitoring to understand the wider state sector's effectiveness for Māori; and
- Focus the wider state sector on improving its effectiveness for Māori.

In line with the intent of this approach, Te Puni Kōkiri completed work across the following areas:

Research

Research plays a critical role in ensuring that Te Puni Kōkiri's advice is based on evidence. Research undertaken by Te Puni Kōkiri aims to focus on relevant and emerging issues, through research in selected policy areas. Key research work included case studies on:

- Māori representation and participation in local government,
- Linking qualifications from Wānanga to employment; and
- Māori entrepreneurship.

Statistical information

Statistical analysis is used to measure trends in outcomes for Māori, and it contributes to the evidence base used to provide advice to the Minister of Māori Affairs. Key statistical projects in 2009/10 included:

- Three published fact sheets:
 - Benefits of education for Māori,
 - Māori housing trends; and
 - Population projections for Māori.
- A Māori Economic Benchmark Report was developed that enables close monitoring of key Māori employment trends;
- Quarterly briefings on the Household Labour Force Survey provided the Minister of Māori Affairs with up to date advice on Māori employment trends during 2009/10; and
- A benchmarking and trend analysis report on Measuring Māori well being.

In addition, ongoing work was carried out with key agencies to improve the collection, definition and interpretation of Māori statistics across official statistic collections. This included supporting Statistics New Zealand in the development of the Māori Social Survey.

Improving effectiveness

Adult Literacy and Numeracy

Te Puni Kōkiri completed a review of the State sector's contribution to improving literacy and numeracy for the Māori workforce. The final report was distributed to the six government agencies involved in the review and their respective Ministers.



MINISTERIAL SERVICING PERFORMANCE

The performance measure set in the Information Supporting the Estimates was to:

- provide responses on time in 95% or more cases; and
- achieve a ministerial satisfaction rating of “good”, “very good”, or “excellent” in the survey of ministerial satisfaction.

Te Puni Kōkiri processed 1958 official documents in 2009/10 and achieved a ministerial servicing timeline across all output classes of 92%. This result compares favourably with last year and also shows an improvement in processing requests under the Official Information Act.

Outputs	Delivery Timeframe Target	Delivery Timeframe Actual	Delivery Timeframe Actual
		2009/10	2008/09
Responses to Ministerial correspondence	Within one month	94.5%	93.9%
Parliamentary questions	Within 4 working days	87.8%	100%
Briefings	Individually agreed	91%	94.1%
Speech notes/Talking Points	Individually agreed	93%	93.8%
Official Information Act requests	Within 20 working days	85%	80.5%
Ombudsman complaints	Within 20 working days	100%	100%
Reports to the Māori Affairs Committee	Individually agreed	100%	100%

Quality Assurance

The Te Puni Kōkiri approach to quality is to ensure our written and oral policy advice is of a consistently high standard which meets the expectations of the Minister of Māori Affairs.

Te Puni Kōkiri received formal feedback from the Minister of Māori Affairs in an annual Ministerial assessment of the quantity, quality, and timeliness of policy advice. This was in

addition to regular meetings, between the Chief Executive and his officials and the Minister of Māori Affairs throughout the year, where oral feedback was obtained and detailed discussions on issues or priorities occurred.

In addition, an independent expert in public sector policy assessed the completion and referral of high quality policy advice (as defined by the quality characteristics).

The assessment was based on the quality of criteria outlined in the Te Puni Kōkiri Policy Guide and Quality Assurance Process Handbook. The assessed papers were chosen at random or for their potential significance.

The independent reviewer rated the quality of policy advice on a scale of 1 to 6, where 1 = poor, 2 = adequate, 3 = satisfactory, 4 = good, 5 = very good, and 6 = excellent. The results are reported below:

Assessment Criteria	Score 2009/10	Score 2008/09
Purpose	4.75	6.00
Logic	5.75	5.00
Accuracy	6.00	5.33
Options	5.50	5.00
Consultation	6.00	4.33
Practicality	6.00	5.66
Presentation	5.00	5.16
Average	5.57	5.21



ORGANISATIONAL CAPABILITY

The priorities for the development of our organisational health are set out in the key strategic documents of the People Capability Strategy, and the Evaluation Strategy.

The People Capability Strategy has been prepared to take us to 2010 and continues to prioritise attracting, developing and retaining a sustainable supply of highly skilled people. Staff turnover fell from a high of 26% in 2005 to 11.5% by the end of the 2005–2010 People Capability Strategy. The Strategy through to 2015 will be to maintain a turnover below the target of 15 percent, as we have done for the past three years.

Activities in 2009/10 included:

- Continued refinement of our electronic induction process (e-induction) and changes to our recruitment advertising processes, with a greater emphasis on web-based recruitment and a further reduction in our spend on recruitment advertising; and
- A repeat running of a staff engagement survey, with significantly improved results compared with 2008.

From 2008 to 2010 Te Puni Kōkiri moved the engagement score (as measured in the “Best Places to Work in New Zealand” survey) from 22.8% of staff actively engaged (Public Sector median is 22.7%) to 29.1%, nearly a 30% improvement. More indicative of the work environment was the change from having 16.9% of staff actively disengaged in 2008 (Public Sector median is 10.6%) to having only 5.7% of staff actively disengaged.

LEADERSHIP DEVELOPMENT

Te Puni Kōkiri is committed to developing our leadership, both for today and for the future. Our ongoing commitment to state sector-focused leadership development allows us also to strengthen networking and cross-agency collaboration. In particular we focus on developing our leadership through the Australia and New Zealand School of Government and the Leadership Development Centre. During the 2009/10 year our staff were involved in one ANZSOG programme (Executive Master in Public Administration), and four LDC programmes (Public Sector Advanced Leadership, Leadership in Practice, Maranga Tira, and Foundations for Leadership).

A staff member was included as one of two New Zealand public servants to participate in the Leadership Across Borders Programme with 40 senior executives from the United Kingdom, Canada and Australia. The three modules which have been spread across the participating countries have focused on addressing complex issues across the four “Westminster countries”.

Additionally, Te Puni Kōkiri has been able to provide secondment and acting opportunities to actively support leadership and personal development.

EVALUATION STRATEGY

A revised Te Puni Kōkiri evaluation strategy and associated three year work programme was approved in May 2010. At the same time an evaluation resource centre was established on our intranet site that includes:

- The evaluation process;
- Te Puni Kōkiri evaluation strategy;
- Evaluation work programme;
- Governance structure for evaluation; and
- Reports/references/best practise guidelines.

The work programme provides strategic direction for evaluative activity during 2010-13 and is aligned with Government and organisational priorities. It will be monitored by an Evaluation Advisory Group to ensure that operational decision-making needs are being met.

PERFORMANCE IMPROVEMENT ACTIONS

Te Puni Kōkiri worked on five Performance Improvement Actions (PIA's) during 2009/10 for which two focussed on reviewing existing programmes/appropriations as follows:

- The review of tourism funding was incorporated into the 2010 Tourism budget initiative; and
- A review of Rangatiratanga Grants was completed with results indicating that its contribution to Government priorities was relevant and cost-effective.

The remaining three PIA's were designed to improve management and reporting systems where:

- The first PIA has seen significant progress towards the establishment of formalised performance measurement evidenced through positive feedback from Audit NZ, OAG and independent members of the ARMC. This will allow us to monitor and measure our effectiveness against performance frameworks;
- The second PIA is ongoing and is to refine an Investment Strategy to ensure our future investments are aligned to the specific outcomes/priorities of the Government; and
- The third PIA is an ongoing review of the cost allocation system to assess the appropriateness and accuracy of the existing system to determine the direct costs associated with administering the Māori Potential Fund.

In April 2010, Te Puni Kōkiri became the fourth government agency to participate in the Performance Improvement Framework (PIF) formal assessment programme to ascertain our performance in the areas of; leadership; direction and delivery; external relationships; people development; and financial and resource management. Overall, the review findings were very positive and the priority areas of strategic direction; work prioritisation; people development; and measuring/achieving effectiveness and efficiency where the review team considered improvement was necessary, will be set out in an action plan to be completed in 2010/11.



REPORT ON EQUAL EMPLOYMENT OPPORTUNITIES

The Te Puni Kōkiri People Strategy recognises that it is people who embody our organisation's potential. The strategy provides a five year road map that identifies targets that will ensure Te Puni Kōkiri has the people with the capabilities it requires. Te Puni Kōkiri recognises that to achieve our vision of a fully inclusive society we must ensure there is no barrier to individuals achieving their full potential.

In the 2007/08 year, Te Puni Kōkiri completed a pay and employment equity review (PaEE). The subsequent management implementation plan provides a timeline over the next three years for actions to be taken. This continues to form the core of the equal employment opportunities programme over that time.

Actions already completed include staff workshops on creating positive work places and increasing transparency in remuneration processes and remuneration decisions. As a result of our focus on gender equity our pay difference has improved since the time of the review.



 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

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

30-Jun-09 Actual		Note	30-Jun-10 Actual	30-Jun-10 Main Estimates	30-Jun-10 Supps Estimates
\$000s			\$000s	\$000s	\$000s
Income					
66,078	Crown		54,170	63,661	54,170
681	Department(s)		535	545	505
2	Other revenue	2	453	-	-
66,761	Total Income		55,158	64,206	54,675
Expenses					
32,585	Personnel	3	28,735	35,228	30,053
26,869	Operating	4	22,584	26,677	22,771
1,455	Depreciation and amortisation	5	1,481	1,768	1,504
355	Capital charge	6	346	533	347
61,264	Total Expenses		53,146	64,206	54,675
5,497	Net Surplus / (Deficit)		2,012	-	-
-	Other comprehensive income		-	-	-
5,497	Total Comprehensive Income		2,012	-	-

The accompanying accounting policies and notes form part of these Financial Statements.
Explanation of major variances against budget is detailed in note 14.

STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2010

The Statement of Movements in Taxpayers' Funds shows the reconciliation of funds at the beginning of the year with the funds at the end of the year.

30-Jun-09 Actual		30-Jun-10 Actual	30-Jun-10 Main Estimates	30-Jun-10 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Balance at 1 July				
4,764	General funds	6,146	6,147	6,146
4,764	Taxpayers' Funds Opening Balance	6,146	6,147	6,146
Changes in Taxpayers' Funds				
Income and Expense for the Period				
5,497	Net surplus / (deficit) for the year	2,012	-	-
5,497	Total Income and Expense for the Period	2,012	-	-
Other Changes				
(5,497)	Repayment of surplus	(2,012)		
1,382	Capital contribution	-	1,995	1,383
-	Capital withdrawal	(1,525)	(86)	(1,525)
(4,115)	Total Changes in Taxpayers' Funds	(3,537)	1,909	(142)
Balance at 30 June				
6,146	General funds	4,621	8,056	4,621
6,146	Taxpayers' funds as at 30 June	4,621	8,056	4,621

The accompanying notes form part of these financial statements.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

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-09 Actual		Note	30-Jun-10 Actual	30-Jun-10 Main Estimates	30-Jun-10 Supps Estimates
\$000s			\$000s	\$000s	\$000s
Assets					
Current Assets					
11,905	Cash and cash equivalents		10,384	7,037	5,562
87	Debtors and other receivables		373	50	50
240	Prepayments		290	114	114
12,232	Total Current Assets		11,047	7,201	5,726
Non-current Assets					
4,031	Property, plant and equipment	7	2,735	4,462	3,239
376	Intangible assets	8	216	993	259
4,407	Total Non-current Assets		2,951	5,455	3,498
16,639	Total Assets		13,998	12,656	9,224
Liabilities					
Current Liabilities					
2,137	Creditors and other payables	9	5,018	2,000	2,000
5,497	Repayment of surplus		2,012	-	-
2,562	Employee entitlements	10	2,016	2,160	2,007
10,196	Total Current Liabilities		9,046	4,160	4,007
Non-current Liabilities					
297	Employee entitlements	10	331	440	596
297	Total Non-current Liabilities		331	440	596
10,493	Total Liabilities		9,377	4,600	4,603
Taxpayers' Funds					
6,146	General funds		4,621	8,056	4,621
6,146	Total Taxpayers' Funds		4,621	8,056	4,621
16,639	Total Liabilities and Taxpayers' Funds		13,998	12,656	9,224

Explanation of major variances against budget is detailed in note 14.
The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

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

30-Jun-09 Actual		30-Jun-10 Actual	30-Jun-10 Main Estimates	30-Jun-10 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Cash Flows from Operating Activities				
Receipts from:				
66,078	Crown	54,170	63,661	54,170
681	Department(s)	320	545	505
(17)	Other	381	86	163
Payments to:				
(31,880)	Suppliers	(18,823)	(30,585)	(26,324)
(30,031)	Employees	(29,359)	(34,726)	(29,788)
(358)	Capital charge	(346)	(533)	(347)
(863)	Goods and services tax (net)	(811)	3,406	2,895
3,610	Net Cash from Operating Activities	5,532	1,854	1,274
Cash Flow from Investing Activities				
Receipts from:				
200	Sale of property, plant and equipment	61	-	-
Purchase of:				
(2,370)	Property, plant and equipment	(524)	(3,283)	(595)
(132)	Other non-current assets	(22)		(1,525)
(2,302)	Net Cash from Investing Activities	(485)	(3,283)	(2,120)
Cash Flow from Financing Activities				
(2,973)	Repayment of surplus	(5,497)	-	(5,497)
1,382	Capital contribution	-	1,909	-
-	Other financing cash outflows	(1,071)		-
(1,591)	Net Cash from Financing Activities	(6,568)	1,909	(5,497)
(283)	Net Increase / (Decrease) in Cash	(1,521)	480	(6,343)
12,188	Cash at the beginning of the year	11,905	6,557	11,905
11,905	Cash at the end of the year	10,384	7,037	5,562

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 2010

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 Income on page 56 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on page 59.

30-Jun-09 Actual \$000s		30-Jun-10 Actual \$000s	30-Jun-10 Main Estimates \$000s	30-Jun-10 Supps Estimates \$000s
5,497	Net Operating Surplus	2,012	-	-
	Add: Non-cash items			
1,455	Depreciation	1,481	1,768	1,504
1,455	Total non-cash items	1,481	1,768	1,504
	Add/(Less) movements in working capital items			
(46)	(Increase)/Decrease in debtors and receivables	(286)	86	163
27	(Increase)/Decrease in prepayments	(50)	-	-
(4,174)	Increase/(Decrease) in Creditors & Payables	2,883	-	(137)
882	Increase/(Decrease) in current employee entitlements	(512)	-	(256)
(3,311)	Net movements in working capital	2,035	86	(230)
	Add/(Less) investing activity			
(31)	Loss/(Gain) on sale of fixed assets	4	-	-
(31)	Total investing activity	4	-	-
3,610	Net cash flow from operating activity	5,532	1,854	1,274

The accompanying notes form part of these financial statements.

STATEMENT OF DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2010

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 and motor vehicles.

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

30-Jun-09 Actual \$000s		30-Jun-10 Actual \$000s
Accommodation lease commitments		
3,217	Less than one year	1,266
1,093	One to two years	487
350	Two to five years	439
-	More than five years	24
4,660	Total accommodation lease commitments	2,216
Other operating commitments		
324	Less than one year	311
319	One to two years	204
210	Two to five years	-
-	More than five years	-
853	Total other operating commitments	515
5,513	Total commitments	2,731

The accompanying notes form part of these financial statements.



STATEMENT OF DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2010

The Statement of 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 2010. It does not include general or unspecified business risks or conditions.

30-Jun-09 Actual \$000	30-Jun-10 Actual \$000
Contingent Liabilities	
257 Public Liability claims	-
- Other Liability claims	30
257 Total Contingent Liabilities	30

The accompanying notes form part of these financial statements.

STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2010

The Statement of Departmental Expenditure and Capital Expenditure Appropriations show expenditure (exclusive of Goods and Services Tax) against funds appropriated by Parliament.

30-Jun-09 Actual \$000s	30-Jun-10 Actual \$000s	30-Jun-10 Main Estimates \$000s	30-Jun-10 Supps Estimates \$000s
VOTE: MĀORI AFFAIRS			
Appropriation for classes of outputs			
8,622	8,578	8,362	9,023
11,786	11,778	12,149	12,061
6,571	5,832	6,883	6,081
8,732	7,726	8,965	7,870
16,625	10,069	10,009	10,360
8,817	-	10,004	-
-	1,019	-	1,076
-	7,659	7,334	7,704
111	485	500	500
61,264	53,146	64,206	54,675
Total Appropriations for Classes of Outputs			

STATEMENT OF DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2010

There was no unappropriated expenditure for the year ended 30 June 2010 (Nil for the year ended 30 June 2009).



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. Accordingly, Te Puni Kōkiri has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the department are for the year ended 30 June 2010. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 30 September 2010.

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

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).

These financial statements have been prepared in accordance with, and comply with, NZ IFRS as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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.

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 interpretation or otherwise provides more reliable and more relevant information.

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

The Ministry has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Ministry has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated

accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

- Amendments to NZ IFRS 7 Financial Instruments: Disclosures. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used, and requires the maturity analysis of derivative liabilities to be presented separately from non-derivative financial liability contractual maturity analysis. This new information is disclosed in note 15. The transitional provisions of the amendments do not require disclosure of comparative information in the first year of application. The Ministry has elected to disclose comparative information.

STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

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

- NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004) and is effective for reporting periods commencing on or after 1 January 2011. The revised standard:
 - a. Removes the previous disclosure concessions applied by the Ministry for arms-length transactions between the Ministry and entities controlled or significantly influenced by the Crown.
- The effect of the revised standard is that more information is required to be disclosed about transactions between the Ministry and entities controlled or significantly influenced by the Crown.
- b. Provides clarity on the disclosure of related party transactions with Ministers of the Crown. Further, with the exception of the Minister of Māori Affairs, the Associate Minister of Māori Affairs and the Minister Responsible for Whānau Ora, the Ministry will be provided with an exemption from certain disclosure requirements relating to transactions with other Ministers of the Crown. The clarification could result in additional disclosures should there be any related party transactions with Ministers of the Crown.
 - c. Clarifies that related party transactions include commitments with related parties.

The Ministry expects it will early adopt the revised standard for the year ended 30 June 2011.

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach



in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. The Ministry has not yet assessed the effect of the new standard and expects it will not be early adopted.

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

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.

Revenue earned from the supply of outputs to the Crown is recognised as revenue when earned.

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 expenses in relation to financial instruments are recognised in the Statement of Comprehensive Income.

Designation of financial assets and financial liabilities by individual entities into instrument categories is determined by the business purpose of the financial instruments, policies and practices for their management, their relationship with other instruments and the reporting costs and benefits associated with each designation.

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 includes cash on hand and funds on deposit with banks and is measured at face value.

DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate, less impairment changes.

Impairment of a receivable is established when there is objective evidence that the Ministry will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is

the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. Overdue receivables that are renegotiated are reclassified as current (i.e. not past due).

PROPERTY, PLANT AND EQUIPMENT

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

ADDITIONS

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

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

DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income in the period in which the transaction occurs. When revalued assets are sold, the amounts included in the property, plant and equipment revaluation reserves in respect of those assets are transferred to general funds.

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:

Computer 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*	
Software Development	3 1/3 years	30%

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



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.

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 Income.

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

Acquired computer software	3 1/3 years	30%
Developed computer software	3 1/3 years	30%

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life or not yet available for use at the balance sheet date is 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 depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the statement of comprehensive income. For 2009/10, no impairment loss has been recognised (nil 2008/09).

CREDITORS AND OTHER PAYABLES

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

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 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 and retiring 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 contractual entitlements information; and
- the present value of the estimated future cash flows.

PRESENTATION OF EMPLOYEE ENTITLEMENTS

Sick leave, annual leave, vested long service leave, and 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 income 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.



TAXPAYERS' FUNDS

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

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 charge for income tax has been provided for.

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.

BUDGET FIGURES

The budget figures are those included in the Ministry's Forecast Financial Statement published in the Information Supporting the Estimates of Appropriation for the year ending 30 June 2010. In addition, the financial statements also present the updated budget information from the 2009/10 Supplementary Estimates.

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 include depreciation and capital charge which are charged to outputs on the basis of fulltime equivalents (FTEs) attributable to each output.

Personnel costs (excluding those of Support Services Wahanga and the Office of the Chief Executive) are allocated to outputs based on budgeted FTEs attributable to each output. Property and other premises costs, such as maintenance, are charged to wahanga (business units) on the basis of budgeted FTEs.

Corporate overheads are allocated to outputs on the basis of budgeted FTEs attributable to each output.

There have been no changes in cost accounting policies.

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:

RETIREMENT AND LONG SERVICE LEAVE

An analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities is disclosed in note 10.

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 2010.



Note 2: Revenue Other

30-Jun-09 Actual \$000		30-Jun-10 Actual \$000
0	KiwiSaver employer's contribution	120
0	Māori Trustee-service fees	330
2	Other Revenue	3
2	Total Other Revenue	453

Note 3: Personnel Costs

30-Jun-09 Actual \$000		30-Jun-10 Actual \$000
31,798	Salaries and Wages	28,110
787	Other Personnel Costs	625
32,585	Total Personnel Costs	28,735

Note 4: Operating Costs

30-Jun-09 Actual \$000		30-Jun-10 Actual \$000
143	Audit fees for audit of financial statements	143
0	Other fees charged by auditors	13
3,295	Operating lease rentals	2,867
155	Overseas and Pacific Travel	83
2,474	Domestic Travel	1,748
950	Printing, Books and Publicity	809
1,306	Contract Workers	1,065
5,132	Consultancy Fees	3,088
1,835	MBFS Commission	2,024
3,783	Programmes	4,758
1,190	Telecommunications	1,049
255	Computer Related Expense	289
14	Koha	18
726	Conference/Hui	511
980	Legal Fees	488
266	Māori Wardens uniforms	222
1,210	Building Maintenance/Heat, Light & Power/Rates	1,090
620	Motor Vehicle running costs	448
248	Software Maintenance	297
2,287	Other Operating Costs	1,574
26,869	Total Operating Costs	22,584



Note 5: Depreciation Charge

30-Jun-09 Actual \$000		30-Jun-10 Actual \$000
245	EDP Equipment	203
488	Motor Vehicles	568
5	Office Equipment	2
170	Furniture & Fittings	163
454	Leasehold Improvements	445
93	Software Systems	100
1,455	Total Depreciation Costs	1,481

Note 6: Capital Charge

30-Jun-09 Actual \$000		30-Jun-10 Actual \$000
355	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 2010 was 7.5% (2009: 7.5%).	346

Note 7: Property, Plant and Equipment

	EDP Equipment \$000s	Motor Vehicles \$000s	Office Equipment \$000s	Furniture & Fittings \$000s	Leasehold Improvements \$000s	Total \$000s
Cost or valuation						
Balance at 1 July 2008	1,953	1,662	252	896	2,339	7,102
Additions	238	2,040	16	39	39	2,372
Disposals	(299)	(498)	3	239	(239)	(794)
Balance at 30 June 2008	1,892	3,204	271	1,174	2,139	8,680
Balance at 1 July 2009	1,892	3,204	271	1,174	2,139	8,680
Additions	383	117	-	23	-	523
Transfer to Māori Trustee	(25)	(354)	(16)	(31)	(37)	(463)
Disposals	(912)	(102)	-	(1)	-	(1,015)
Balance at 30 June 2010	1,338	2,865	255	1,165	2,102	7,725
Accumulated depreciation						
Balance at 1 July 2008	1,491	425	249	415	1,330	3,910
Depreciation expense	244	488	5	164	461	1,362
Eliminate on disposal	(295)	(329)	1	224	(224)	(623)
Balance at 30 June 2009	1,440	584	255	803	1,567	4,649
Balance at 1 July 2009	1,440	584	255	803	1,567	4,649
Depreciation expense	203	568	3	179	429	1,382
Eliminate on disposal	(913)	(37)	-	(1)	-	(951)
Transfer to Māori Trustee	(4)	(79)	(3)	(3)	(1)	(90)
Balance at 30 June 2010	726	1,036	255	978	1,995	4,990
Carrying amounts						
At 1 July 2008	462	1,237	3	481	1,009	3,192
At 30 June and 1 July 2009	452	2,620	16	371	572	4,031
At 30 June 2010	612	1,829	-	187	107	2,735



Note 8: Intangible Assets

	Acquired software \$000s	Internally generated software \$000s	Total \$000s
Cost or valuation			
Balance at 1 July 2008	1,368	529	1,897
Additions	89	43	132
Disposals	-	-	-
Balance at 30 June 2009	1,457	572	2,029
Balance at 1 July 2009	1,457	572*	2,029
Additions	21	-	21
Disposals	(336)	-	(336)
Transfer to Māori Trustee	-	(109)	(109)
Balance at 30 June 2010	1,142	463	1,605
Accumulated amortisation			
Balance at 1 July 2008	1,181	379	1,560
Amortisation expense	66	27	93
Balance at 30 June 2009	1,247	406	1,653
Balance at 1 July 2009	1,247	406	1,653
Amortisation expense	99	-	99
Disposals	(336)	-	(336)
Transfer to Māori Trustee	-	(27)	(27)
Balance at 30 June 2010	1,010	379	1,389
Carrying amounts			
At 1 July 2008	187	150	337
At 30 June and 1 July 2009	210	166	376
At 30 June 2010	132	84	216

*Amount includes work-in-progress of \$83,000 (\$83,000 in 2008/09).

Note 9: Creditors and Payables

30-Jun-09 Actual \$000		30-Jun-10 Actual \$000
948	Trade Creditors	2,408
1,811	Accrued Expenses	2,421
(622)	GST payable	189
2,137	Total creditors and payables	5,018

Note 10: Employee Entitlements

30-Jun-09 Actual \$000		30-Jun-10 Actual \$000
Current Liabilities		
1,728	Annual Leave	1,461
818	Salaries and Wages	546
16	Long Service and Retirement Leave	9
2,562	Total current portion	2,016
Non-Current Liabilities		
297	Long Service and Retirement Leave	331
297	Total non-current portion	331
2,859	Total employee entitlements	2,347

The decrease in employee entitlements is largely due to lower salary and wage accrual as at balance date due to timing of the last pay run for 2009/10.

For the calculation of long service leave, discount rates of 3.48% for year 1, 4.45% for year 2 and 6.00% for year 3 and onwards with a long term salary inflation factor of 3.5% were used. These rates and the model for calculations were provided by the Treasury.



Note 11: Related party transactions and key management personnel

Related party transactions

The Ministry is a wholly owned entity of the Crown. The Government significantly influences the roles of the department as well as being its major source of revenue.

Te Puni Kōkiri enters into transactions with other government departments, Crown entities and state-owned enterprises on an arm's length basis. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Te Puni Kōkiri would have adopted if dealing with that entity at arm's length in the same circumstance are not disclosed.

Transactions with related parties

Māori Trustee

The Māori Trustee was a member of the Ministry's Executive Leadership Team till 30 June 2009. In September 2007, Te Puni Kōkiri entered into a Māori Potential Fund contract with the Māori Trustee to the value of \$3.020 million (GST exclusive) for the period from 10 September 2007 to 30 June 2010. The contract expired on 30 June 2010, with a total of \$2.095 million (GST exclusive) expensed.

This contract is to 'develop Māori globally-competitive icon businesses in the agribusiness sector, focusing on developing niche products for the world markets, developing the basis for increasing productivity from the natural resources, by adding value through technology, management practices, and market relationships'.

Although the Māori Potential Fund contract is with the Māori Trustee, the project is a joint partnership between the Māori Trustee, Federation of Māori Authorities and the Poutama Trust.

Te Puni Kōkiri staff

Te Puni Kōkiri staff who work in local communities 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.

Ministerial Economic Taskforce

The Ministerial Economic Taskforce was established in March 2009 to take forward the ideas presented at the Māori Economic Workshop in January 2009. The Taskforce is chaired by the Minister of Māori Affairs and comprises seven independent members.

During 2009/10, Te Puni Kōkiri has entered into transactions with organisations associated with Taskforce members on an arm's length basis. The individual Taskforce members were precluded from Taskforce decisions on endorsement of the respective projects.

Significant projects that occurred within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Te Puni Kōkiri would have adopted if dealing with those entities at arm's length in the same circumstance are disclosed below.

Te Roopu Pakihi

Te Puni Kōkiri entered into a Māori Potential Fund contract with Te Roopu Pakihi for \$304,000 (GST exclusive) for the period December 2009 to April 2010. The remaining value of the contract is \$64,000.

The contract is to 'form a national association of regional Māori Business Networks; establish a Local Partnership Support Programme; and complete 'He Hapori Whakatupu Mātauranga'-a Māori framework which identifies community needs and provides developmental opportunities.'

Daphne Luke is a member of the Māori Economic Taskforce and chair of its Small and Medium sized Enterprises Workstream. She has also provided project management services to Te Roopu Pakihi as part of this project.

Te Ohu Kai Moana

Te Puni Kōkiri entered into a Māori Potential Fund contract with Te Ohu Kai Moana for \$315,000 (GST exclusive) for the period December 2009 to August 2010.

The contract is to 'undertake stakeholder consultation and a business plan for collectivising the Māori lobster quota and related assets.'

Ngahiwi Tomoana is a member of the Māori Economic Taskforce and chair of its Primary Sector Workstream. He is also the Chair of Te Ohu Kai Moana.

Burleigh Evatt Consulting Limited

Te Puni Kōkiri entered into a Māori Potential Fund contract with Burleigh Evatt Consulting Limited for \$120,000 (GST exclusive) for the period February 2010 to April 2010.

The contract was to 'undertake a scoping study that will draw out issues affecting the demand and supply of capital to Māori enterprises based on previous studies and a series of in-depth interviews with key stakeholders in the sector, in particular those managing collectively owned assets and those operating in and advising on the capital markets.'

June McCabe is a member of the Maori Economic Taskforce and chair of its Investment, Capital and Enterprise Workstream. In view of the nature of the study and her specialist skills in this area she provided consultancy services to Burleigh Evatt Consulting Limited. Ms McCabe declared her interest and did not vote when the Maori Economic Taskforce endorsed this project.



Key management personnel compensation

30-Jun-09 Actual \$000		30-Jun-10 Actual \$000
1,382	Salaries and other short-term employee benefits	1,133
3	Other long-term benefits	-
1,385	Total key management personnel compensation	1,133

Key management personnel include the Chief Executive and the four members of the Executive Leadership Team (ELT). Included in last year's actual is the Māori Trustee, who was a member of the Ministry's Executive Leadership Team till 30 June 2009. Included in 2009/10 financial year is a new position for Deputy Secretary Whānau and Social Policy which was created part way during the year.

Key management personnel compensation excludes the remuneration and other benefits the Minister of Māori Affairs, the Associate Minister of Māori Affairs and the Minister Responsible for Whānau Ora receives. The Ministers' remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority, and not paid by Te Puni Kōkiri.

Note 12: Capital Management

Te Puni Kōkiri's capital is its taxpayers' funds, which is represented by net assets.

The Ministry manages its revenue, expenses, 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 and Treasury instructions.

The objective of managing the Ministry's equity is to ensure the Ministry effectively achieves its goals and objectives for which it has been established, whilst remaining a going concern.

Note 13: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2010" for an explanation of significant budget changes between the 2009 Main Estimates and 2009/10 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 757 and 775).

Note 14: Explanation for Significant Variances

The following notes explain significant variances between Main Estimates and Actuals.

Statement of Comprehensive Income (page 73)

	30-Jun-10 Actual	30-Jun-10 Main Estimates	Variance
	\$000s	\$000s	\$000s
Personnel	28,735	35,228	(6,493)
Operating	22,584	26,677	(4,093)
Depreciation and amortisation	1,481	1,768	(287)
Capital charge	346	533	(187)

Personnel: The variance is largely due to the budgets in Main Estimates not reflecting the impact of separation of the Māori Trust Office from Te Puni Kōkiri. The variance also reflects a combination of number of positions remaining vacant or taking longer than expected time to be appointed, and lower than anticipated costs for the December 2009 remuneration increase.

Operating: The variance is largely due to the budgets in Main Estimates not reflecting the impact of separation of the Māori Trust Office from Te Puni Kōkiri. The variance also reflects savings in Contractors/Consultants and Conference/Hui costs due to a concerted effort across the Ministry to demonstrate a responsible attitude to the current economic recession and Value for Money principles of the government. This has led to greater scrutiny of expenditure decisions and reduced expenditure in some cases.

Depreciation and amortisation: The budgets in the Main Estimates included depreciation costs for the purchase of new assets for the stand-alone Māori Trustee entity (\$1.995m). This appropriation was later transferred to Non-Departmental Capital appropriation, hence did not attract any depreciation expenses.

Capital charge: The budgets in the Main Estimates did not reflect the impact of separation of the Māori Trust Office from Te Puni Kōkiri. With the enactment of the Māori Trustee Amendment Act 2009, the respective MTO balances were moved from Te Puni Kōkiri to the new stand-alone Māori Trustee entity. This equated to a total of \$1.525 million reduction in Taxpayers' equity of Te Puni Kōkiri. The actual capital charge paid was based on the revised taxpayers' equity.



Statement of Financial Position (page 75)

	30-Jun-10 Actual \$000s	30-Jun-10 Main Estimates \$000s	Variance \$000s
Cash and cash equivalents	10,384	7,037	3,347
Property, plant and equipment	2,735	4,462	(1,727)
Intangible assets	216	993	(777)
Creditors and other payables	5,018	2,000	3,018
Taxpayers' Funds	4,621	8,056	(3,435)

Cash and cash equivalents: The increase in cash is largely due to the Net Operating surplus and higher than anticipated creditors and other payables at year end.

Property, plant and equipment: The budgets in the Main Estimates included costs for the purchase of new assets for the stand-alone Māori Trustee entity (\$1.315m). This was later transferred to Non-Departmental Capital appropriation. The variance also relates to postponement of purchase of a number of EDP hardware and Leasehold Improvement assets.

Intangible assets: The variance largely relates to delays in delivery and postponement of purchase of a number of intangible assets including GIS Mapping (\$0.120 million) and new assets for the stand-alone Māori Trustee entity (\$0.680 million).

Creditors and Payables: The variance largely reflects the trade creditors balance as at balance date due to timing of the final cheque run for 2009/10.

Taxpayers' Funds: In Budget 2008, new funding was appropriated for the purchase of new assets for the stand-alone Māori Trustee entity (\$1.171 million in 2008/09 and \$1.995 million in 2009/10). With the enactment of the Māori Trustee Amendment Act 2009, the respective MTO balances were moved from Te Puni Kōkiri to the new stand-alone Māori Trustee entity (\$1.525 million) and funding of \$1.995 million was transferred to Non-Departmental Capital appropriation.

Statement of Departmental Expenditure and Capital Expenditure Appropriations

	30-Jun-09 Actual \$000s	30-Jun-09 Main Estimates \$000s	Variance \$000s
Policy-Crown Māori Relationships	5,832	6,883	(1,051)
Relationships and Information	7,726	8,965	(1,239)
Services to the Maori Trustee	-	10,004	(10,004)
Whanau Ora Administration	1,019	-	1,019

Policy-Crown Māori Relationships: The decrease largely relates to reallocation of resources to recognise increased activity in the Policy-Social and Cultural output.

Relationships and Information: The decrease largely relates to reallocation of resources to recognise increased activity in the Policy-Social and Cultural output.

Services to the Māori Trustee: With the enactment of the Māori Trustee Amendment Act 2009, this departmental appropriation has been transferred to Non-Departmental Output Expense: Māori Trustee Functions. A corresponding decrease is reflected in the Crown Revenue (see Statement of Comprehensive Income, page 56).

Whānau Ora Administration: This is a new appropriation approved in Budget 2010 for implementing, developing and evaluating the whānau ora service delivery approach.

Note 15: Financial instrument

30-Jun-09 Actual \$000s		30-Jun-10 Actual \$000s
	Loans and receivables	
11,905	Cash and cash equivalents	10,384
87	Debtors and other receivables	373
11,992	Total loans and receivables	10,757
	Financial liabilities measured at amortised cost	
2,137	Creditors and other payables	5,018

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Ministry's foreign exchange management policy requires the Ministry to manage currency risk arising from future transactions and recognised liabilities by covering all material foreign exchange exposures as soon as they arise with approved instruments and counterparties.

The Ministry considers foreign exchange exposure to be material where the transaction exposure limit for an individual currency exceeds NZ\$100,000.



The Ministry has two approved instruments that can be used to cover foreign exchange exposure;

- Spot foreign exchange contract for not more than two business day settlements; and
- Forward foreign exchange contract for settlement at a future date.

The Ministry's policy has been approved by the Treasury and is in accordance with the requirements of the Treasury Guidelines for the Management of Crown and Departmental Foreign-Exchange Exposure.

The Ministry has minimal exposure to currency risk. Foreign exchange exposure is predominantly limited to:

- Personnel based overseas e.g. training and secondments;
- Accommodation and other costs related to international travel (including travel advances paid in foreign currency); and
- Purchasing goods and services from foreign suppliers' e.g. international consultants and journal subscriptions.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

The Ministry has no interest bearing financial instruments and, accordingly, has no exposure to interest rate risk.

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 and derivative financial instrument assets.

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.

Liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The Ministry maintains a target level of available cash to meet liquidity requirements.

The table below analyses the Ministry's financial liabilities that will be settled based on the remaining period at balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows, which is also the carrying amount.

\$000	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2010				
Creditors and other payables	5,018	-	-	-
2009				
Creditors and other payables	2,137	-	-	-



NON-DEPARTMENTAL STATEMENTS AND SCHEDULES FOR THE YEAR ENDED 30 JUNE 2010

The following non-departmental statements and schedules record the income, 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 2010

The Schedule of Non-Departmental Revenue shows budgeted revenue against actual revenue. Figures are GST exclusive.

30-Jun-09 Actual		30-Jun-10 Actual	30-Jun-10 Main Estimates	30-Jun-10 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Current Revenue				
Non-Tax Revenue				
23	Interest on Advances	8	155	10
93	Miscellaneous Receipts	128	-	-
8,864	Māori Trustee	-	3,802	-
-	Mortgage Repayments Intended for Housing Corporation of New Zealand	-	10	10
8,980	Total Current Revenue	136	3,967	2
Capital Revenue				
876	Repayment of Advances	54	325	54
-	Revaluation of Crown Land	-	-	-
-	Gain on Sale of Properties	5	-	-
876	Total Capital Revenue	59	325	54
9,856	Total Crown Revenue	195	4,292	74

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 2010.

SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2010

The Schedule of Expenses summarises Non-Departmental expenses that Te Puni Kōkiri administers on behalf of the Crown. Further details are provided in the Statement of Expenditure and Capital Expenditure Appropriations on pages 88 to 89. Figures are GST exclusive.

30-Jun-09 Actual		30-Jun-10 Actual	30-Jun-10 Main Estimates	30-Jun-10 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Non-Departmental Expenses				
Operating Annual Appropriations				
95,680	Non-Departmental Output Expenses	103,524	96,027	104,977
478	Benefits and Other Unrequited Expenses	478	480	480
39,020	Other Expenses to be Incurred by the Crown	15,579	13,662	15,789
135,17	Total Operating Annual Appropriations	119,581		121,246
828	Capital Expenditure	3,995	2,000	3,995
15	Appropriations for Other Expenses	15	24	15
677	Loss on Revaluation of Land	-	-	-
(232)	Provision for Write Off's-Rural Lending	(10)	-	-
136,466	Total Non-Departmental Expenses	123,581	112,193	125,256

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 2010.



**STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL
EXPENDITURE APPROPRIATIONS
FOR THE YEAR ENDED 30 JUNE 2010**

The Statement of Non-Departmental Expenditure and Capital Expenditure Appropriations shows expenditure and capital payments incurred against funds appropriated by Parliament. Te Puni Kōkiri administers these appropriations on behalf of the Crown. Figures are GST exclusive.

30-Jun-09 Actual		30-Jun-10 Actual	30-Jun-10 Main Estimates	30-Jun-10 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Operating Annual Appropriations				
<i>Non-Departmental Output Expenses</i>				
40,332	Māori Television Broadcasting	40,332	40,332	40,332
10,744	Māori Radio Broadcasting	11,344	11,344	11,344
2,128	Administration of Māori Broadcasting	2,128	2,128	2,128
3,204	Promotion of the Māori Language	3,204	3,204	3,204
454	Iwi Housing Support	449	456	456
16,539	Maori Television Channel	16,574	16,574	16,574
-	Maori Trustee Functions	10,649	645	10,649
<i>Māori Potential Framework</i>				
7,122	- Matauranga (Knowledge)	6,502	6,816	6,816
8,065	- Whakamana (Leadership)	6,899	7,712	7,058
7,092	- Rawa (Resources)	5,443	6,816	6,416
22,279	<i>Total Māori Potential Framework</i>	18,844	21,344	20,290
95,680	Total Non-Departmental Output Expenses	103,524	96,027	104,977
<i>Benefits and Other Unrequited Expenses</i>				
478	Rangatiratanga Grants	478	480	480
478	Total Benefits and Other Unrequited Expenses	478	480	480
<i>Other Expenses to be Incurred by the Crown</i>				
8,864	Provision for Māori Trustee Debt	-	4,893	-
196	New Zealand Māori Council	196	196	196
1,156	Māori Wardens	1,117	1,178	1,178
626	Māori Registration Service	626	626	626

-	Payments to Housing Corporation of New Zealand		-	36	3
131	Te Putahi Paoho		131	131	131
160	Regional Tourism Organisations-Planning		160	160	160
-	Kaharau Land Transfer		600	600	600
-	Part 2 Loans Write-offs	15	3,342	3,434	3,434
-	Te Ariki Trust		-	21	21
1,867	Māori Women's Development Fund	13	1,867	1,867	1,867
7	Orakei Act 1991		7	7	7
-	Wharewaka-Waterfront Development		7,000	-	7,000
13	Administrative expenses for Crown Land		33	13	33
-	Turanganui-a-Kiwa Capacity Building		500	500	500
1,000	Beyond Hui Taumata		-	-	-
5,000	Re-erection of Mataatua Whare	12	-	-	-
20,000	Sir Robert Mahuta Endowment Fund		-	-	-
39,020	Total Other Expenses to be Incurred by the Crown		15,579	13,662	15,789
135,178	Total Operating Annual Appropriations		119,581	110,169	121,246
	<i>Capital Contributions to other persons or organisations</i>				
828	Rural Lending	14	-	-	-
-	Māori Television Channel		1,400	1,400	1,400
-	Maori Trustee Capital		1,995	-	1,995
-	Kaharau Land Purchase		600	600	600
828	Total Capital Contributions		3,995	2,000	3,995
	<i>Appropriations for Other Expenses</i>				
15	Payments to Trust Boards		15	24	15
15	Total Other Expenses		15	24	15
136,021	Total Non-Departmental Appropriations		123,591	112,193	125,256

Explanations of major variances against budget are detailed in note 18.

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 2010.



STATEMENT OF NON-DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND
CAPITAL EXPENDITURE
AS AT 30 JUNE 2010

In terms of the Public Finance Act 1989, approval has been sought under section 26(c) from the Minister of Finance for unappropriated expenditure totalling \$7.0 million for the year ended 30 June 2010 (\$6,156.46 for the year ended 30 June 2009).

30-Jun-09 Unappropriated Expenditure \$000s	30-Jun-10 Unappropriated Expenditure \$000s	30-Jun-10 Main Estimates \$000s	30-Jun-10 Supps Estimates \$000s
Non-Departmental Other Expense			
6 Administrative Expenses for Crown Land-30 June 2009 (Direct costs of Crown land administered by Te Puni Kōkiri under Part 2 of the Māori Affairs Restructuring Act 1989. Previously these costs had been netted against rental income. The unappropriated expenditure relates to expenditure incurred during 2008/09 prior to Cabinet approval under imprest supply to the new appropriation)	-	13	33
Wharewaka – Waterfront Development-30 June 2010 One-off funding of \$7.0 million was appropriated in Budget 2008 to support the construction of a Wharewaka complex on the Wellington Waterfront. Delays in finalising an appropriate governance arrangement for the project resulted in a delay in expending the appropriation with an in-principle expense transfer approved in the 2009 March Baseline Update to transfer the full appropriation from 2008/09 to 2009/10. Due to an oversight, the \$7.0 million was subsequently paid in full to the Wharewaka o Pōneke Charitable Trust on 24 August 2009, on furnishing of the appropriate accountability documents. However, as this expenditure occurred prior to the Minister of Māori Affairs and the Minister of Finance jointly confirming the final amount of the expense transfer and authorising the necessary change to appropriation being included in the 2009/10 Supplementary Estimates and, in interim expense being met from the imprest supply, the expenditure was technically unappropriated.	7,000	-	7,000

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 2010.

SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2010

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-09 Actual		30-Jun-10 Actual	30-Jun-10 Main Estimates	30-Jun-10 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Current Assets				
42,500	Cash	29,585	60,141	65,767
21,106	Accounts Receivable/Prepayments	-	-	1,203
63,606	Total Current Assets	29,585	60,141	66,970
Non Current Assets				
<i>Māori Trust Office</i>				
70,207	Māori Trustee-Debt	2	-	-
(70,207)	Māori Trustee-Debt Provision	2	-	-
-	Total Non Current Assets	-	-	-
Investments				
<i>Rural Lending</i>				
1,389	Total Loans	14	-	-
(357)	Less : Provision for doubtful debts	-	-	-
1,032		-	-	-
<i>Māori Land Development</i>				
Investments comprise Advances to -				
179	Crown owned stations	17	-	-
(179)	Less : Provision for doubtful debts	-	-	-
1,032	Total Investments	-	-	-
Property Plant and Equipment				
3,125	Land	3,330	3,803	3,125
3,125	Total Property Plant and Equipment	3,330	3,803	3,125
67,763	Total non-departmental assets administered by Te Puni Kōkiri	32,915	63,944	70,095

An explanation of major variances against budget is detailed in note 19.

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 2010.



SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2010

30-Jun-09 Actual \$000s		30-Jun-10 Actual \$000s	30-Jun-10 Main Estimates \$000s	30-Jun-10 Supps Estimates \$000s
Current Liabilities				
1,692	Creditors and Payables	5,435	500	4,120
42	Other Liabilities	467	-	-
1,734	Total Current Liabilities	5,902	500	4,120

An explanation of major variances against budget is detailed in note 19.

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2010

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.

30-Jun-09 Actual \$000s		30-Jun-10 Actual \$000s
Category		
5,336	Māori Potential Fund	2,408
69,438	Crown Entities & Non-Government Organisations	91,350
74,774	Total Crown Commitments by Category	93,758
Out year commitments		
74,726	Less than one year	93,501
48	One to two years	257
-	Two to five years	-
-	More than five years	-
74,774	Total Crown Commitments by out year	93,758

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 2010.

STATEMENT OF NON-DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2010

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 2010. It does not include general or unspecified business risks or conditions. This schedule is exclusive of GST.

30-Jun-09 Actual \$000s		30-Jun-10 Actual \$000s
16,447	Income Tax, GST and Gift duty indemnity	-
16,447	Total Contingent Liabilities	-

Where contingent liabilities have arisen as a consequence of legal action being taken against the Crown, the amount included is the amount claimed and thus the maximum potential cost. It does not represent either an admission that the claim is valid or an estimation of the possible amount of any award against the Crown.

Contingent assets

The Ministry on behalf of the Crown has no contingent assets (2008/09 nil).



NOTES TO THE NON-DEPARTMENTAL FINANCIAL STATEMENTS

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 2009/10.

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 as appropriate for public benefit entities.

There have been no changes in accounting policies during the financial year.

Statement of Compliance

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement System

Measurement and recognition rules applied in the preparation of the Non-Departmental statements and schedules are consistent with generally accepted accounting practice and the Financial Statements of the Government's accounting policies. The financial statements have been prepared on an historical cost basis.

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.

Budget Figures

The budget figures are those presented in the 2008 Main Estimates as amended by the 2008/09 Supplementary Estimates and any transfer made by Order in Council under section 26A of the Public Finance Act 1989.

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.

Revenue from supply of services is recognised at balance date on a straight line basis over the specified period for the services, unless an alternative method better represents the stage of completion of transaction.

Goods and Services Tax (GST)

The Statements of Non-Departmental Expenditure and Appropriations are exclusive of GST. The Statement of Financial Position is exclusive of GST, except for Creditors and Payables, and Debtors and Receivables, which are GST inclusive.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Creditors and other Payables or Debtors and other Receivables (as appropriate).

Commitments

Future expenses 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.

Note 2: Māori Trustee

The Crown incurred expenditure via the Te Puni Kōkiri departmental appropriation under the output class "Services to the Māori Trustee". There was an expectation that this expenditure would be repaid by the Māori Trustee to the Crown at some future date. However, with the passing of the Māori Trustee Amendment Act 2009, Cabinet have agreed to write-off the accumulated debt.

Note 3: Revaluation of Crown Land

Te Puni Kōkiri holds a number of Crown land blocks which are intended for disposal. The land blocks held for sale are revalued annually if there is a change in its disposal status during the year. For land blocks held for sale where there has not been a change, independent valuations are done regularly (3 years). All other land blocks are held at cost. For the 2008/09 financial year, Independent valuations were done by Veitch Morison Valuers Ltd, Garton and Associates, E.I. Clissold and QV Valuations between 26 May 2009 and 8 July 2009.

Note 4: Māori Television Broadcasting

Promotion of Māori language and Māori culture through television broadcasting by Te Mangai Paho.

Note 5: Māori Radio Broadcasting

Promotion of Māori language and Māori culture through radio broadcasting by Te Mangai Paho.



Note 6: Administration of Māori Broadcasting

Purchase of administration services from Te Mangai Paho to meet its statutory functions and deliver on the Government's Māori broadcasting policy.

Note 7: Promotion of the Māori Language

Purchase of initiatives to revitalise and develop the Māori language in New Zealand. This includes outputs from Te Taura Whiri I Te Reo Māori (Māori Language Commission) and involves the promotion of the Māori language in New Zealand.

Note 8: Māori Television Channel

Ongoing administration costs of the Māori Television channel for the Māori Television Service.

Note 9: Māori Trustee Functions

Purchase of trustee and land management functions from the Māori Trustee.

Note 10: Māori Potential Funds

Classified as three Non-Departmental Output Expenses; Whakamana (leadership), Matauranga (knowledge/skills) and Rawa (resources). The Māori Potential Funds provide funding to accelerate Māori development through directly investing in community programmes and activities and are a direct link to the three strategic investment areas which were identified through the Māori Potential Approach.

Note 11: Māori Registration Service

Contribution towards the establishment of a national Māori registration service, which will assist in linking Māori with their tribes and tribal groups and compiling comprehensive and accurate registers of their members.

Note 12: Re-erection of Mataatua Whare

This is limited to the erection of the Mataatua Whare at Whakatane, and the establishment of related facilities to support cultural tourism and development opportunities.

Note 13: Māori Women's Development Fund

This reflects administration funding for the Māori Women's Development Fund.

Note 14: Rural Lending

Rural Lending represents the remaining nominal value of the former Rural Loans Portfolio of the Department of Māori Affairs and Iwi Transition Agency programmes.

The only new advances being made under these provisions are those necessary to complete compensation obligations to lessees where compensation is payable in terms of leases issued

under the provisions of Part XXIV of the Māori Affairs Act 1953 and now administered by Te Puni Kōkiri under Part 2 of the Māori Affairs Restructuring Act 1989.

Funding was appropriated in Budget 2009 to write-off these loans.

Note 15: Part 2 Loans Write-off

New appropriation in Budget 2009 to write-off the loan portfolio administered under Part 2 of the Māori Affairs Restructuring Act 1989. See note 14 above.

Note 16: Accounts Receivables/Prepayments

Accounts receivables/prepayments balance in 2008/09 is due to timing of the first quarterly payments to the Crown entities which had to be classified as prepayments.

Note 17: Crown owned stations

Crown owned stations were part of the old Māori Land Development programme which managed and operated the remaining Land Development schemes that was administered under Part 2 of the Māori Affairs Restructuring Act 1989.

The land blocks, as intended were being returned to the original owners with debts that could be serviced from on-going farming activities. Rawhiti station was one of the Crown owned stations in this scheme. This station was formally transferred to Office of Treaty Settlement in December 1997 for a total price which was less than the book value. The loss on sale of \$179,000 was not appropriated and written off, but was treated as an asset of Te Puni Kōkiri, with a corresponding provision for full write-off. This has been formally written-off in 2009/10.

Note 18: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2010" for an explanation of significant budget changes between the 2009 Main Estimates and 2009/10 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 170 to 172).

Note 19: Explanation for Major Variances against Supps.

Explanations for major variances between Te Puni Kōkiri's actual expenditure against the Supplementary Estimates of Appropriations for the year ending 30 June 2010 are as follows:

Statement of Non-Departmental Expenditure and Capital Expenditure

Non-Departmental Output Expense - Rawa: The variance is largely due to the expiry of the Tekau Plus contract on 30 June 2010, with an unexpended amount of \$0.925 million (GST exclusive).

Schedule of Non-Departmental Assets:

Cash: The reduction in cash balance reflects the return of Crown surplus from previous years back to the New Zealand Debt Management Office.

Schedule of Non-Departmental Liabilities:

Creditors and Payables: The variance largely reflects the trade creditors balance as at balance date due to timing of the final cheque run for 2009/10.



Note 20: Financial instruments

30-Jun-09 Actual \$000s		30-Jun-10 Actual \$000s
Loans and receivables		
42,500	Cash and cash equivalents	29,585
22,138	Debtors and other receivables	-
64,638	Total Loans and receivables	29,585
Financial liabilities measured at amortised cost		
1,734	Creditors and other payables	5,902

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

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 and derivative financial instrument assets.

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.

Note 21: Crown Entities

In addition to the above, the Minister of Māori Affairs 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.

Please refer to the Annual Reports at the following websites:

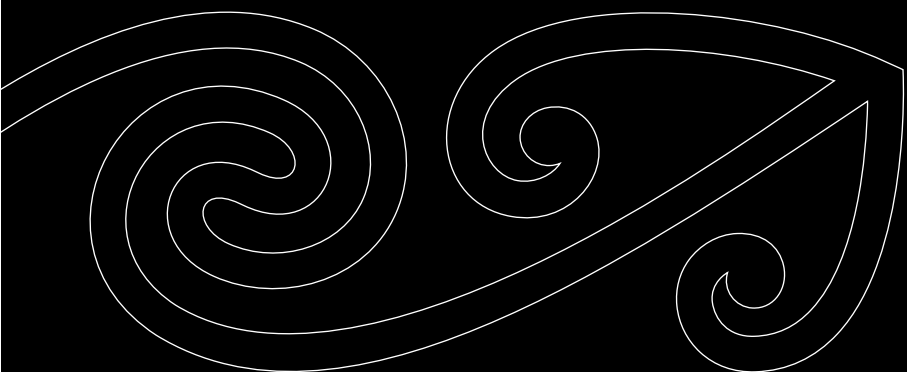
Te Māngai Pāho at www.tmp.govt.nz

Māori Television Service at www.Māoritelevision.com and

Te Taura Whiri I Te Reo Māori at www.tetaurawhiri.govt.nz

for information on their financial performance and position.







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