



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

Annual Report

For year ended 30 June 2012





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

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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 PĪPĪRI 2012
FOR THE YEAR ENDED 30 JUNE 2012



MINISTER OF MĀORI AFFAIRS

I am honoured to present to you the Annual Report of Te Puni Kōkiri
for the year ended 30 June 2012.

A handwritten signature in black ink, reading "Leith Comer".

Leith Comer
Chief Executive

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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 present this Annual Report on the Ministry's financial and non-financial performance for the year ended 30 June 2012.

It has been a busy and varied year for Te Puni Kōkiri and throughout te ao Māori as well.

But with effort comes reward, and looking back over the year, I am proud of how staff in my Ministry have worked diligently to make positive impacts for Māori across a range of outcomes.

Whether it is to enhance the position Māori hold as the Treaty partner or to lift economic and social prosperity for whānau; we have managed to maintain momentum in some important areas.

The extension of Whānau Ora to include eight new localities is a case in point. After only two years implementing Whānau Ora, this development will enhance best outcomes for even more whānau.

There are now 34 provider collectives representing more than 184 providers of a wide range of social services. Another major success story for Whānau Ora has been the strengthening of regional strategic leadership to ensure whānau-centred initiatives contribute in positive and realistic ways to local communities. Ten Whānau Ora Regional

Leadership Groups have been established consisting of community members with diverse backgrounds and expertise in health and social services, whānau development and community development.

By supporting iwi through the Treaty settlement process—from mandating to ratification, facilitating discussions between iwi with overlapping interests, and making recommendations on post-settlement governance entities—we are helping to achieve the Government's aspirational goal of settling all historical Treaty of Waitangi Tribunal claims by 2014.

We have also made good progress towards preparing Māori for future opportunities through our mahi in economic strategy and planning, and supporting Māori business and entrepreneurial activity.

Throughout the year, Te Puni Kōkiri has been actively involved in the Government's Business Growth Agenda.

Māori culture and our way of doing business are now seen as enhancing NZ Inc rather than a risk to be managed. There were two highly successful business delegations to China that were led by the Minister of Māori Affairs, Te Puni Kōkiri's leading work to build and consolidate Māori cultural and business links to that key global market.

All of this positive mahi has been achieved in an environment of fiscal constraint. Like others across the public service, Te Puni Kōkiri

has worked to ensure that our ability to meet Government priorities not only occurs within baseline but also supports the goal of Better Public Services.

During the latter stages of this year, a working party was formed to refocus and strengthen Te Puni Kōkiri. The intention is an even greater strategic influence and impact from the Ministry in a context where Iwi and Māori are seeking stronger relationships with the Crown in a post-settlement environment.

The working party must ensure Government's expectations for better and more efficient public services are met and take full account of Whānau Ora and how it will fit in whatever new arrangements are made.

Its work will be a welcome input to our dual organisational focus on strong Crown Māori Relationships and greater effectiveness for Māori.

This is my twelfth and final annual report.

I am fortunate to be able to look back over that time from an intimate position. It is very pleasing to be able to say that Māori have made significant gains and more than ever before, are better positioned to achieve the success we all deserve.

I want to acknowledge and thank my current Ministers, Hon Dr Pita Sharples, Hon Christopher Finlayson and Hon Tariana Turia as well as all of the other Ministers and Associate Ministers I have served in the past, for their confidence and support in me.

I have worked with many outstanding government and NGO partners as well as Māori leaders and individuals. I am convinced that we all want the same outcome; that is, wellbeing and economic, social and cultural prosperity for all.

Finally, I salute the staff of Te Puni Kōkiri now and from the past 12 years from our impressive regional network through to the equally impressive national office. What makes them special as public servants is that they are fully engaged with the kaupapa.

It has been my honour to lead and work with them all. I wish them all the best for the future.

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

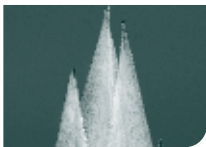
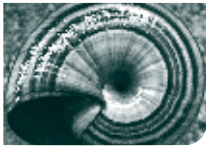


Leith Comer
Chief Executive



HE KUPU WHAKATAKI

INTRODUCTION



The machinery of Government for the Māori Affairs portfolio comprises Te Puni Kōkiri, Te Māngai Pāho, Te Taura Whiri i te Reo Māori, and the Māori Television Service. While independent of the Crown, the Māori Trustee is a significant entity that is part funded through Vote Māori Affairs. The three non-statutory groups supported within the portfolio in an advisory capacity to the Minister of Māori Affairs include Ngā Pū Waea, the Constitutional Advisory Panel and the Māori Economic Development Panel.

Te Puni Kōkiri was created by the Ministry of Māori Development Act 1991, and commenced operations on 1 January 1992. The two main responsibilities included:

- Promoting increases in the levels of achievement attained by Māori with respect to:
 - Education.
 - Training and employment.
 - Health.
 - Economic resource development.
- Monitoring and liaising with each department and agency that provides, or has responsibility to provide, services to or for Māori for the purpose of ensuring the adequacy of those services.

Te Puni Kōkiri is the principal advisor on Crown-Māori relationships. Our core functions include:

- Leading and influencing public policy effecting Māori.
- Assisting the Government to manage its relationships with Māori.
- Monitoring aspects of government performance with respect to Māori.
- Delivering a discrete set of programmes on behalf of the Government.
- Partnering Māori initiative with investment and facilitation to support the priorities and aspirations of Māori.

For two decades the Ministry's organisational form has remained relatively consistent with both a head office and regional offices that share responsibilities across its mix of functions. This has enabled Te Puni Kōkiri to discharge its functions in an integrated manner, ensuring that policy advice is anchored in the realities facing Māori communities. Furthermore, that service delivery and investment activities are aligned to the priorities of the government of the day.

We have four key outcomes:

- Te Tiriti o Waitangi: Māori position as the Treaty partner is secured and enhanced.
- Te Ao Hurihuri: Māori are prepared for future opportunities.
- Te Ao Māori: Māori succeeding as Māori, more secure, confident and expert in their own culture.

- **Whānau Ora:** Whānau and Māori achieve enhanced levels of economic and social prosperity.

As an organisation, Te Puni Kōkiri is working on embedding two key dimensions across our business that each supports and enhances the other; Crown Māori Relationships and Effectiveness for Māori.

Crown Māori Relationships

The outcome sought in Crown-Māori relationships (CMR) is that the position of iwi and hapū as the Treaty partner is secured and enhanced. Te Puni Kōkiri's view is that this outcome is the fundamental first step for Government in alleviating poverty for Māori children.

Within the context of this relationship, Te Puni Kōkiri considers that the primary role of Government is to provide the environment that enables iwi and hapū to carry out their leadership and stewardship roles in supporting its members to engage and participate in its affairs, as well as wider New Zealand society, to achieve their collective and individual aspirations and goals. This means ensuring that government policies are designed and developed via effective consultation and engagement with Māori from the outset and throughout the policy and implementation process.

Effectiveness for Māori

Te Puni Kōkiri has a statutory responsibility to monitor, and liaise with, each department and agency that provides, or has a responsibility to provide services to or for Māori for the purpose of ensuring the adequacy of those services. Through this role we advise on how the state sector can improve its stewardship and systems, including its accountability, to achieve better outcomes for Māori. This also includes monitoring the effectiveness of government services and programmes in alleviating poverty for Māori and thereby enhancing social mobility for Māori.



STATEMENT OF RESPONSIBILITY

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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 2012.

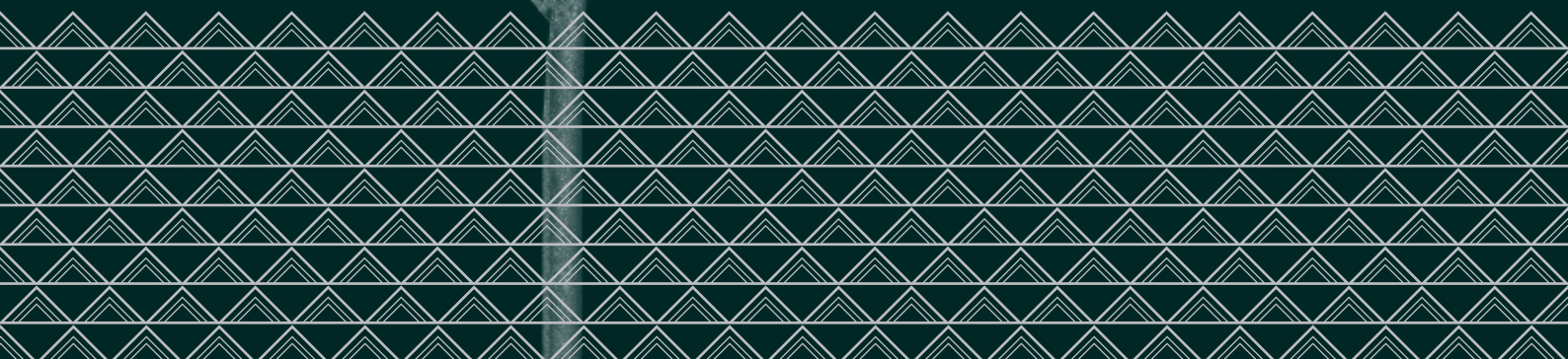
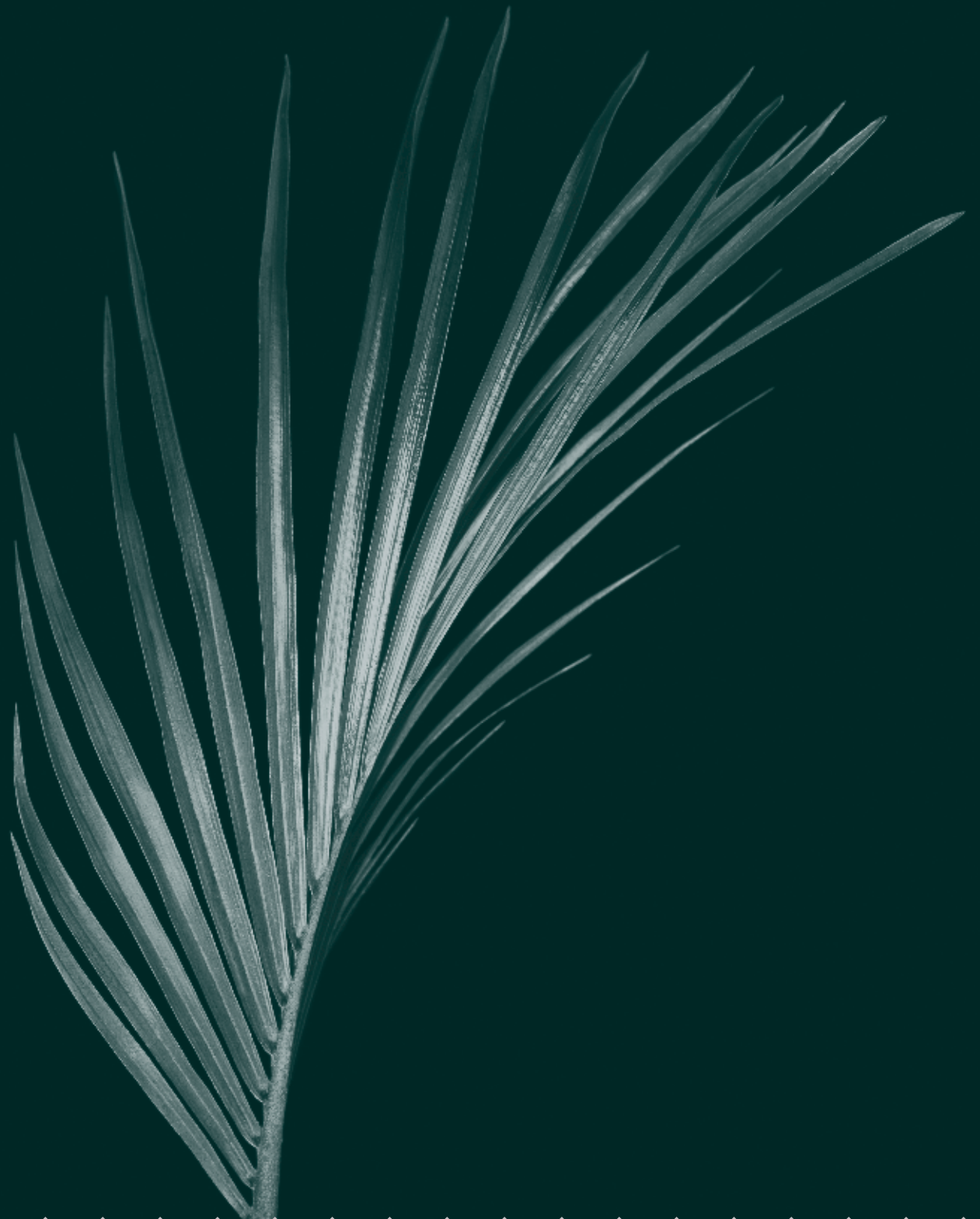
Signed

Countersigned



Leith Comer
Chief Executive
1 October 2012

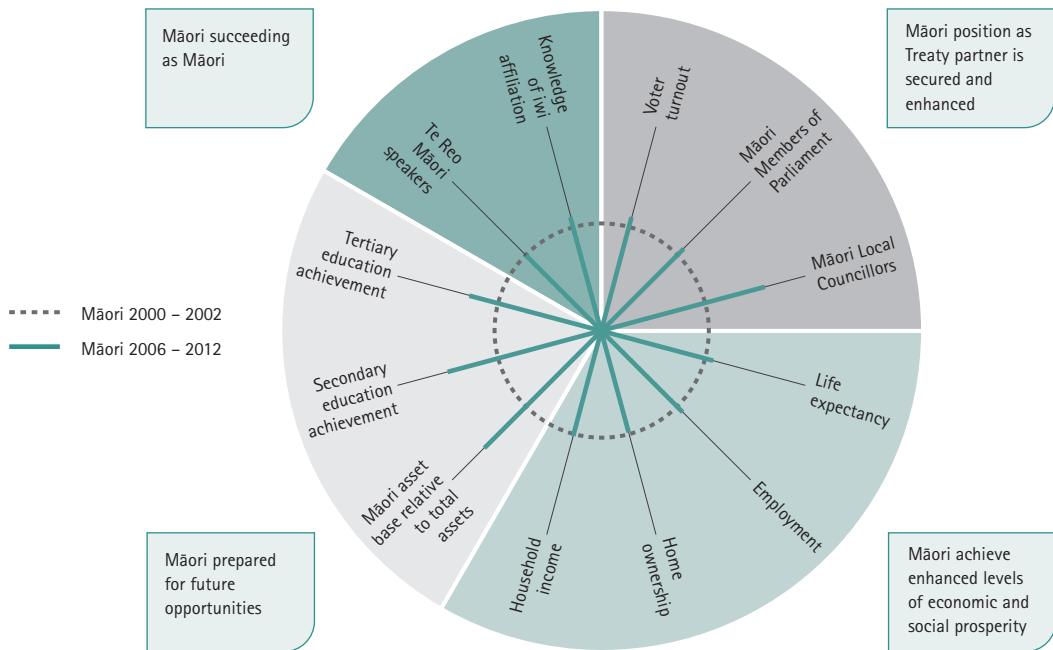
Michelle Ewington
Chief Financial Officer
1 October 2012



KEY INDICATORS

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

The chart 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, 2006-12 (thick blue line) are compared with historical values 2000-02 (thin grey line).¹



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 2012. 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 outcome indicators we have selected reflect critical information that we are interested in with respect to each outcome. In some cases, government has not set targets for these

indicators. Accordingly, we have limited our expression of outcome targets to those that have already been agreed by Government. We will continue to work with other agencies to

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.

achieve more explicit articulation of outcome targets in the future. The chart depicts the baseline data (2006-12) for key outcome indicators, and shows recent trends in these indicators (progress since 2000-02).

The only outcome indicator not included above is that of treaty settlements completed. This indicator is primarily the role of the Office of Treaty Settlements. As at the time of reporting, 35 Treaty settlements have been completed.

The following table shows the overall change for Māori since 2000-2002 (or nearest data point) and the most recent information that is available for each indicator.

✓ increase / improvement ≈ constant trend (little or no change) ✗ decrease / decline

Outcome Statement	Key Outcome Indicator	Reported Indicator	Initial	Current ²	Data Next Available	Progress
Te Tiriti o Waitangi: Māori position as the Treaty partner is secured and enhanced	1. Increased participation in electoral process	1. Voter turnout in Māori electorates (%)	57.6 (2002)	58.2 (2011)	2014	✓
		2. Māori members of Parliament (%)	15.8 (2002)	17.4 (2012)	2014	✓
		3. Māori elected in Local Elections (%)	4.0 (2001)	8.0 (2007) ³	TBC	✓
Whānau Ora: Māori achieve enhanced levels of economic and social prosperity	2. Improvement in Māori life expectancy	4. Māori life expectancy at birth (years)	69.0 (male) 73.2 (female) (2000-02)	70.4 (male) 75.1 (female) (2005-07)	2013	✓
	3. Increased levels of Māori employment	5. Māori employment rate (%)	55.1 (Jun 2001)	58.3 (Mar 2012)	2013	✓
	4. Increased levels of Māori home ownership	6. Māori individual housing tenure (%)	31.7 (2001)	30.1 (2006)	2014 ⁴	✗
	5. Increased levels of Māori household income	7. Māori households in bottom income quintile (%)	24.3 (Jun 2002)	24.4 (Jun 2011)	2012 (Sep)	✗
Te Ao Hurihuri: Māori prepared for future opportunities	6. Increased contribution of the Māori asset base to the total asset base	8. Māori asset base as a proportion of total assets ⁵ (%)	1.2 (2001)	5.5 (2011)	TBC	✓
	7. Increased levels of Māori educational achievement at secondary and post-compulsory levels	9. Māori school leavers with NCEA Level 2 or above (%)	28.8 (2003)	53.9 (2011)	2012 (Dec)	✓
		10. Māori with post school qualifications (%)	21.2 (2001)	27.9 (2006)	2014 ²	✓
Te Ao Māori: Māori succeeding as Māori	8. Increased levels of Māori language proficiency and use	11. Te Reo Māori speakers (%)	25.2 (2001)	23.7 (2006)	2014 ²	✗
	9. Increased knowledge of iwi affiliation	12. Māori who know their iwi (%)	75.2 (2001)	79.5 (2006)	2014 ²	✓

2. The data and dates shown are the latest figures available.

3. Ethnicity data was not collected in the 2010 local body elections.

4. Indicators based on Census of Population and Dwellings data. The next census will be conducted in 2013.

5. Due to changes in the methodology and assumptions used in producing the 2010 estimate of the Māori asset base, this figure is not directly comparable to previous estimates. Please refer to the following report for further discussion on the methodology used to produce the 2010 estimate of the Māori asset base. Source: The Asset Base, Income, Expenditure and GDP of the 2010 Māori Economy, Te Puni Kōkiri and BERL, 2011 http://www.tpk.govt.nz/_documents/taskforce/met-rep-assetbaseincomepend-2011.pdf



KEY IMPACT MEASURES - 2011/12

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The following information reports on the impact of Te Puni Kōkiri's activities/outputs on key outcomes as stated in the Outcome Framework (2011-14 Statement of Intent refers). These impact measures are designed to report on the extent to which our activities directly impact on the outcomes being pursued. Where appropriate we have reported against specific performance targets.

KEY OUTCOME: TE TIRITI O WAITANGI – MĀORI POSITION AS THE TREATY PARTNER IS SECURED AND ENHANCED

Impact: Claimant groups progress through Treaty settlement processes	
Impact measures	Results
<p>Pre-entry, entry and progress in negotiations processes.</p> <p>(Target: 95% of mandate and ratification decisions reflect Te Puni Kōkiri advice, and within expected timeframes).</p>	<p>Te Puni Kōkiri continued to participate in and, in some cases, lead mandate and ratification activities with iwi in negotiations. Our work in 2011/12 has reflected the Government's priority of completing settlements with iwi already in negotiations. As a result we assisted with signing Deeds of Settlement with several iwi including Ngāti Ranginui, Ngāti Whātua Ōrākei, Raukawa and Ngāti Whātua o Kaipara. We also provided support and advice to the Tāmaki Collective (a total of 13 iwi), for its ratification of its collective settlement. We began mandate development/facilitation with some iwi including Ruapani, Ngāti Maniapoto and Ngāti Mutunga ki Wharekauri. Outside of the Treaty settlements process, Te Puni Kōkiri also played a significant role in negotiating an agreement to introduce legislation to give statutory recognition to the Mokomoko pardon. The Minister's decisions reflected our advice and timeframes were met in all instances as determined indirectly through the relevant ministers agreeing to Te Puni Kōkiri's recommendations. The target of 95% was achieved.</p>
<p>Resolution of inter iwi disputes.</p> <p>(Target: Settlement progress resumes as a result of 80% of facilitated interventions).</p>	<p>Due to the shared role with the Office of Treaty Settlements, Te Puni Kōkiri is unable to accurately identify its impact, as no formal process exists for calculating a percentage of iwi disputes resolved allowing settlement process to resume. However Te Puni Kōkiri provided facilitation of iwi disputes to: Ngāti Mutunga ki Wharekauri, Hauraki, Ngāti Whakaue and Tūhourangi-Ngāti Wāhiao, and Ngāti Ruapani ki Waikaremoana.</p>
Impact: Māori are increasingly involved in government processes	
Impact measures	Results
<p>Enhanced opportunities for Māori input into government decision making.</p> <p>(No Target: Key Government policy decisions are informed by Te Puni Kōkiri advice and/or the facilitation of direct Māori engagement).</p>	<p>Consultation with Māori stakeholders has been held on policy and legislative proposals led by Te Puni Kōkiri including for example:</p> <ul style="list-style-type: none"> • Advised Treasury on series of consultation Hui on the Mixed Ownership Model Bill. • Options to improve take-up of Kainga Whenua loans by Māori home buyers. • Iwi participation in the Christchurch rebuild. • The Working Party to refocus and reshape Te Puni Kōkiri. • The Māori Economic Development Panel discussion document. • Whānau Ora, enabling whānau to inform and shape service development.
<p>Success rate of nominations and appointments advice.</p> <p>(Target: 45%).</p>	<p>Te Puni Kōkiri provided nominations advice for 106 Government appointed boards or organisations. For the 11 boards (decisions pending for 95 appointees) where the outcome is known, 18 of 31 are Māori, an overall success rate of 58%. Of the 106 responses, 102 met the agreed timelines.</p>



KEY OUTCOME: WHĀNAU ORA – WHĀNAU AND MĀORI ACHIEVE ENHANCED LEVELS OF ECONOMIC AND SOCIAL PROSPERITY

Impact: Increased level of engagement/improved accessibility to Māori and whānau

<i>Impact measures</i>	<i>Results</i>
<p>Target: 95% of Whānau Ora provider collectives with increased quantity and/or quality and/or availability of whānau centred services to specified target populations.</p>	<p>Eight new provider collectives were established in 2011/12. This brings the total to 34 representing more than 180 providers with a wide range of services. Whānau Ora provider collectives have established navigational approaches where more than 70 practitioners work directly and intensively with whānau to identify their needs and aspirations, develop a plan to address those needs then, broker their access to high quality services that meet the goals in the plans. Around 90% of the whānau surveyed to date have indicated an improvement in the services compared to 12 months previously. Of those surveyed 100% agreed or strongly agreed that the providers staff member helped their whānau identify their needs with 96% indicating that staff member supported them to achieve their goals.</p>
<p>50 Kaitoko Whānau workers engaged.</p>	<p>Throughout 2011/12 34 Māori providers employed 49 FTE Kaitoko Whānau workers nationwide. The target of 50 Kaitoko Whānau workers was not achieved because one of the contracts was not renewed. Access to services for Māori and whānau is improved through the placement of kaimahi into high need Māori communities to support vulnerable Māori whānau. This support has included brokerage and facilitation with government agencies and social service providers for appropriate education, health and welfare services for whānau. Four especially skilled Kaitoko Whānau kaimahi, located with Te Rūnanga o Ngā Maata Waka Inc and He Waka Tapu Ltd were engaged to assist with the Christchurch earthquake relief activities. An additional Kaitoko Whānau position was in place to support whānau affected by the AFFCO dispute in the Wairoa plant.</p>
<p>21 Oranga Whānau workers engaged.</p>	<p>Oranga Whānau contracts seven Māori Providers as host organisations to employ 21 Oranga Whānau workers. The placement of kaimahi in selected communities provided personal and practical support to parents, especially single parents, to promote positive pathways and build resilience among Māori whānau.</p>

Impact: Build whānau resilience and self-reliance

<i>Impact measures</i>	<i>Results</i>
<p>Increased whānau engagement in planning and development towards goals of whānau resilience and self-reliance in self-assessed resilience by whānau.</p> <p>(Target: 85% of whānau engaged with whānau navigators have completed a plan).</p>	<p>The Whānau Integration, Innovation and Engagement (WIIE) Fund supporting whānau planning activities for approximately 3,000 whānau involving around 33,000 individuals. These whānau have undertaken goal-setting exercises and identified the key steps to achieve increased resiliency including through education, employment, income and housing focused approaches. Of those whānau surveyed, results include:</p> <ul style="list-style-type: none"> • 96% agreed or strongly agreed that goals and actions were clear and easy to understand; • 94% agreed or strongly agreed that goals and actions matched my whānau needs; • 85% agreed or strongly agreed that whānau planning brought their whānau closer together; • 88% agreed or strongly agreed that they have improved knowledge about how to access services; • 84% agreed or strongly agreed that they have developed new skills to achieve goals; and • 96% agreed that they are more motivated to improve their wellbeing.
<p>Better trained and equipped Māori wardens (capability and capacity).</p> <p>(Target: 250-300 wardens attend training courses; 85% plus success rate: numbers recruited, trained and optimal state).</p>	<p>In 2011/12, 507 Māori Wardens completed some form of accredited training across courses provided; a success rate of 83.1%. It should be noted however that the National Certificate in Security - L2 & L3 is below target which affects the overall target in Māori Wardens gaining NZQA for the 2011/12 financial year. Under this training Māori Wardens have until November 2012 to complete all unit standards required for this Certificate.</p>



KEY OUTCOME: TE AO HURIHURI – MĀORI PREPARED FOR FUTURE OPPORTUNITIES

Impact: Improved productivity and sustainability of Māori entrepreneurs and small businesses	
Impact measures	Results
Productivity gains for new and existing Māori businesses. (Target: 30% or more of MBFS clients grow their businesses).	<p>Based on the post-mentoring report, 163 clients or 39% of the total number of clients referred to contracted business mentors reported growth and productivity gains in terms of the following:</p> <ul style="list-style-type: none"> • Establishing their business. • Improved governance and management structure. • Enhanced business and operational systems. • Improved regulatory compliance particularly on GST and PAYE.
Impact: Enhanced business services for Māori (increased uptake of services by Māori SME's)	
Impact measures	Results
Number of clients accessing business services through Māori Business Facilitation Service. (Target: 200 new clients per annum).	The Māori Business Facilitation Service (MBFS) engaged and registered 322 new clients in 2011/12 as Māori business owners and entrepreneurs to receive business services and advice over the full year.
Impact: Māori positioned for strategic economic opportunities	
Impact measures	Results
International trade strategies incorporate Māori business views. (No target specified).	<p>As part of the NZ Inc China Strategy, Te Puni Kōkiri is the lead agency tasked with building and consolidating Māori cultural and business links with China. In 2011/12 Te Puni Kōkiri and New Zealand Trade and Enterprise (NZTE) have worked to ensure that Māori business aspirations and commercial connections in China have been reflected in two main areas. First, in planning for missions to China, and second, in the Government's broader work programme to enhance the international competitiveness of a portfolio of Māori businesses. Māori interests are specifically recognised in the Export Markets work-stream of the Business Growth Agenda. This includes the potential of the Māori economy to contribute to the goal of increasing New Zealand's exports to 40% of GDP.</p> <p>A key highlight has been the successful Ministerial Māori business mission to China in June 2012. This mission, led and supported by the Minister of Māori Affairs, sought to leverage the growing Chinese consumer market demanding unique indigenous, value-added products and services. The delegation brought direct benefits to the participating Māori businesses in terms of establishing relationships, improving their understanding of a key market, and commercial engagements. Te Puni Kōkiri will continue to coordinate and assess follow-up actions in the China market for Māori businesses and the Māori economic sector.</p> <p style="text-align: right;"><i>Continued next page...</i></p>

	<p>Te Puni Kōkiri has participated in the development of other NZ Inc Strategies (in particular, Australia and ASEAN), which are designed to better align and coordinate the international efforts of different government agencies.</p> <p>Te Puni Kōkiri is a participant to a cross-agency funding agreement between the New Zealand Government, Kea (New Zealand's Global Network). As part of this agreement, Kea and Te Puni Kōkiri are working together on approaches to support Māori business participation in overseas markets.</p> <p>The Ministry is also an active member of the Indigenous Small Business Enterprise Development Working Group of the Small Business Ministerial Council of the Governments of New Zealand and Australia. The Group was established to identify how government policies and programmes could stimulate an entrepreneurial culture amongst indigenous people (Māori and Aborigine) and promote indigenous small business development in both countries.</p>
<p>Raised awareness, opportunities and growth within the science, innovation and tourism sector for Māori business (Target: no specific target other than Māori business uptake within sectors).</p>	<p>Subsequent to the BERL 2011 research on the Māori Asset Base and Māori science and innovation, Te Puni Kōkiri commissioned work on:</p> <ul style="list-style-type: none"> • best practice case studies of Māori entities engaged in science and innovation; • a toolkit and convening workshops to unlock the potential of the Māori economy through science and innovation; and • organising a keynote forum with the Federation of Māori Authorities that brought together key stakeholders from the science and innovation sector to engage with Māori/iwi enterprises and asset holders in order to identify shared priorities and opportunities to support the growth of the Māori economy. <p>During RWC 2011 – an estimated \$9m of direct spend occurred as a result of visitors' attendance at Waka Māori in Auckland. From an international visitor survey conducted during the RWC, 180,000 people and nearly 400,000 visitors experienced Māori arts, contemporary and traditional live performances, and the 3D animation show relating the Māori creation story.</p>
<p>Improved skills and educational qualifications – Increased Māori participation and % gaining qualifications from industry training through the Ministry's managed investments (Target: 85% Māori participants gain qualifications).</p>	<p>It is too early to report fully against this measure. Over 500 Māori have been supported into industry and trade training through a range of Te Puni Kōkiri supported investments. Most are yet to complete their training, which takes longer than one financial year to complete. By way of example, 255 Māori were recruited into the infrastructure industry and 197 were enrolled in initial or advanced infrastructure industry study towards National Certificate and Diploma L2, 3, and 4 qualifications. Thirty nine (19%) gained a qualification. Because the target extends over more than one financial year, it is expected that 85% will complete their training with a qualification by December 2012. The trainee statistics by region were:</p> <p>Northland 9; Auckland 38; Waikato 67; East Coast 29; Bay of Plenty 69; East Cape 9; Hawkes Bay 3; Manawatu 5; Wellington 16; Nelson/Marlborough 1; Dunedin 1; and Chatham Island 8.</p>



KEY OUTCOME: TE AO MĀORI – MĀORI SUCCEEDING AS MĀORI, MORE SECURE, CONFIDENT AND EXPERT IN THEIR OWN CULTURE

Impact: Improved Māori cultural infrastructure	
Impact measures	Results
<p>Number and % of marae with development plans. (Target: 75%).</p>	<p>This original impact measure was derived from the results of the Marae Development Survey that Te Puni Kōkiri undertook in 2010/11. We intend to undertake this survey periodically, to (a) collect time sequence information about changes in the health of marae and (b) manage our available budgets to best support Māori cultural development. However, we did not undertake this survey in the 2011/12 financial year, because it was unlikely that the underlying indicators would have moved significantly in the intervening period. Because the relevant research was not undertaken, it is not possible to provide an up-to-date report against the original measure. On this basis, we developed a new measure for our impact on marae development.</p>
<p>(New Measure) The original measure above was replaced during the year to: Number of marae that have been supported by Te Puni Kōkiri to undertake development activities. (We did not develop a target for this impact measure as we were collating baseline data in the 2011/12 financial year).</p>	<p>Development projects to support 41 marae were undertaken in 2011/12, with a total contribution of \$1.1m.</p>
<p>Iwi members are supported to participate in iwi activities. (Target: No specific target).</p>	<p>Te Puni Kōkiri provided support for a total of 60 projects, to an approximate value of \$800,000 to support iwi members to participate in iwi activities (for example, through wānanga, Matariki events, iwi festivals, and Waitangi Day events).</p>

Impact: Increased exposure to Māori language resources and access to Māori culture	
Impact measures	Results
<p>% satisfaction with Māori language initiatives.</p> <p>(Target: 75% of participants in selected programmes and events are satisfied with the Māori language outcomes).</p> <p>% uptake of Māori radio and television programmes – by survey.</p> <p>(Target: 50 percent).</p>	<p>These original impact measures were derived from the results of the Māori Language Impact Survey that Te Puni Kōkiri undertook in 2010/11. We intend to undertake this survey periodically, to (a) collect time sequence information about the impact of various Māori language services and (b) manage our available budgets to best support Māori language development. We did not undertake this survey in the 2011/12 financial year, because it was unlikely that the underlying indicators would have moved significantly in the intervening period. Because the relevant research was not undertaken, it is not possible to provide an up-to-date report against the original measures. On this basis, we developed new measures for our impact on exposure to the Māori language and culture.</p>
<p>(New measures)</p> <p>Awareness of Māori Language Week (media coverage of ML Week and hits on ML Week website) (We did not develop a target for this impact measure as we were collating baseline data in the 2011/12 financial year).</p>	<p>Māori Language Week 2011 was reported in approximately 600 unique media stories across various print, radio, television and internet outlets. This equates to an approximate value of \$1.5m in coverage as evidenced by the report from Te Taura Whiri.</p>
<p>Whānau engagement with Whānau Language Planning</p> <p>(Target: 150 participating whānau).</p>	<p>Some 161 whānau were engaged to develop and implement whānau language plans.</p>
<p>Uptake of Māori television programmes</p> <p>(We did not develop a target for this impact measure as we were collating baseline data in the 2011/12 financial year).</p>	<p>The Māori Television Service reported an average of approximately 1.9m unique viewer instances per month in 2011/12. There were increases in viewership in the first and second quarters, reflecting its free-to-air coverage of the RWC 2011.</p>



WORKING WITH OTHERS TO IMPROVE EFFECTIVENESS FOR MĀORI

Te Puni Kōkiri has been drafting a coordinated approach for Government's engagement with Māori as well as for delivering on Effectiveness for Māori. There are several examples of work that the Ministry has delivered, and continues to undertake, to achieve these dual objectives.

Examples of this in the social sector include the provision of advice to inform the development of Results Action Plans under the Better Public Services programme, and providing input to the design and delivery of the Better Public Services incubator projects in Christchurch. We have also been routinely involved in providing advice and input on areas of wider government priority, such as our contribution to inter-agency working groups on vulnerable children, youth mental health, and the Drivers of Crime.

In the economic sector, Te Puni Kōkiri worked alongside a suite of agencies to promote the Māori economic development interests in the Business Growth Agenda. We have also been involved in an inter-agency context to deliver on strategies to improve sector performance for SMEs, tourism, trade agreements, such as leading parts of the NZ Inc strategy, via China-Māori export market leverage and supporting Māori tourism.

The Whānau Ora philosophy and approach has seen significant cross agency and Non-Government Organisation (NGO) sector arrangements at an unprecedented level. The 34 provider collectives have been supported by intensive agency engagement across Te Puni

Kōkiri, the Ministry of Health, the Ministry of Social Development and District Health Boards. Ten Whānau Ora Regional Leadership Groups have also been established throughout the country based on Te Puni Kōkiri regional boundaries. The members consist of 3 to 7 community representatives and an official from each agency above.

Additionally, the Whānau Integration, Innovation and Engagement Fund that assists whānau led development and supports whānau to engage with each other, has seen Whānau Ora providers and navigators, and other NGOs working collaboratively with iwi, hapū, rūnanga, whānau trusts and marae committees.

Te Puni Kōkiri has participated in collaborative interagency and community fora in 2011/12, such as Te Rūnanga o Ngāi Tahu Earthquake Recovery committee, Christchurch Government Leader Group, Canterbury Recovery Funders Network, and the Christchurch Māori Leaders Forum.

The Māori Affairs Committee invited Te Puni Kōkiri to be the lead advisor in its inquiry into the determinants of wellbeing of Māori children. The Ministry of Health and Ministry of Social Development are also part of the Officials team. In addition Te Puni Kōkiri has been a contributor of the cross agency working group developing the White Paper on Vulnerable Children.

Te Puni Kōkiri participates in the Family Taskforce for Action on Violence within Families and has contributed in the area of research, particularly evaluation of different approaches to address family violence.

In 2011/12, Te Puni Kōkiri has worked with the Ministry for Primary Industry to implement the aquaculture legislation for the economic benefit of Māori, including making progress on the first three regional settlements for Nelson/ Marlborough, Northland and Coromandel.

Te Puni Kōkiri has also provided advice on international issues to the Ministry of Justice and the Ministry of Foreign Affairs and Trade to guide their consultation with Māori.

Te Puni Kōkiri has either led or participated in a number of Treaty settlement accords with iwi, which focused on a whole-of-government relationship. We also provided advice and guidance to government on consulting and engaging with Māori under agency portfolio agreements, along with a range of Treaty Settlement activities. Te Puni Kōkiri also provided support and advice to the Secretariat of the Constitutional Advisory Panel on matters related to Māori engagement.



AUDIT REPORT

TO THE READERS OF TE PUNI KŌKIRI'S FINANCIAL STATEMENTS, NON FINANCIAL PERFORMANCE INFORMATION AND SCHEDULES OF NON-DEPARTMENTAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2012

The Auditor-General is the auditor of Te Puni Kōkiri (the Ministry). The Auditor-General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, the non financial performance information and the schedules of non-departmental activities of the Ministry on her behalf.

We have audited:

- the financial statements of the Ministry on pages 70 to 99, that comprise the statement of financial position, statement of commitments, statement of contingent assets and liabilities as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, statement of departmental expenditure and capital expenditure against appropriations, statement of unappropriated expenditure and capital expenditure and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the non financial performance information of the Ministry that comprises the statement of service performance on pages 28 to 63 and the report about outcomes on pages 12 to 21; and
- the schedules of non departmental activities of the Ministry on pages 100 to 110 that comprise the schedule of assets, schedule of liabilities and schedule of contingent assets and liabilities as at 30 June 2012, the schedule of revenue, schedule of expenditure, statement of expenditure and capital expenditure against appropriations, and the statement of unappropriated expenditure for the year ended on that date and the notes to the schedules that include accounting policies and other explanatory information.

In our opinion:

- the financial statements of the Ministry on pages 70 to 99:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Ministry's:
 - financial position as at 30 June 2012;
 - financial performance and cash flows for the year ended on that date;
 - expenses and capital expenditure incurred against each appropriation administered by the Ministry and each class of outputs included in each output expense appropriation for the year ended 30 June 2012; and
 - unappropriated expenses and capital expenditure for the year ended 30 June 2012.
- the non financial performance information of the Ministry on pages 28 to 63 and 12 to 21:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Ministry's service performance and outcomes for the year ended 30 June 2012, including for each class of outputs:
 - its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

- the schedules of non-departmental activities of the Ministry on pages 100 to 110:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the expenses against appropriations and unappropriated expenditure and capital expenditure for the year ended 30 June 2012 managed by the Ministry on behalf of the Crown.

Our audit was completed on 1 October 2012. This is the date at which our opinion is expressed.

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, the non-financial performance information and the schedules of non-departmental activities are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and

disclosures in the financial statements, the non-financial performance information and the schedules of non-departmental activities. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, the non-financial performance information and the schedules of non-departmental activities, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Ministry's preparation of the financial statements, the non-financial performance information and the schedules of non-departmental activities that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Chief Executive;
- the appropriateness of the reported non-financial performance information within the Ministry's framework for reporting performance;
- the adequacy of all disclosures in the financial statements, the non-financial performance information and the schedules of non-departmental activities; and
- the overall presentation of the financial statements, the non-financial performance information and the schedules of non-departmental activities.



We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the non financial performance information and the schedules of non departmental activities. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

- financial statements and non financial performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the Ministry's financial position, financial performance, cash flows, expenses and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
 - fairly reflect its service performance and outcomes; and
- schedules of non departmental activities, in accordance with the Treasury Instructions 2011 that:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements, non financial performance information and schedules of non-departmental activities that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, the non financial performance information and the schedules of non-departmental activities and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and 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, the Ministry.

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 for the year ended 30 June 2012 included on Te Puni Kōkiri's website. The 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 as well as the related audit report dated 1 October 2012 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.



Phil Kennerley

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

 STATEMENT OF SERVICE
PERFORMANCE



STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2012

The Statement of Service Objectives for Te Puni Kōkiri is detailed in the *Information Supporting the Estimates of Appropriations and Information Supporting the Supplementary Estimates* for the year ending 30 June 2012. This Service Performance Statement reports against those output objectives.

POLICY – SOCIAL AND CULTURAL

The scope of this appropriation involved the provision of advice on policies and programmes that specifically impacted on the social and cultural status of Māori people and resources.

Our Approach

In 2011/12 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 whānau. Te Puni Kōkiri also continued to lead work associated with the Māori Language Strategy (MLS), Māori Broadcasting and E-Media Outcomes Framework.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
<p>Policy Advice</p> <p>Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual - Evidenced by:</p>			
5.53 from six Cabinet papers assessed	<ul style="list-style-type: none"> An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6 	4.97 from an assessment of four randomly selected Cabinet papers	External Assessment - minimum score of 4
4.78	<ul style="list-style-type: none"> An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 5 	4.25	Ministerial Assessment - minimum score of 3
84% on time	<ul style="list-style-type: none"> Policy advice is provided within the agreed timeframes 	88.5%	95% meets timeframes
<p>Statutory Monitoring</p>			
100% from two monitoring reports substantiated	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	No monitoring reports required substantiation	100%
<p>Research</p>			
4.5 from one report validated	An independent assessment of a sample set of research/statistical reports are assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely - on a scale of 1 to 5	Three reports assessed: scores out of 5 - Rangitahi 3; Global Māori Diaspora 4.4; Justice Macro-modelling 3.9	External Assessment - minimum score of 3



Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
Māori Language Strategy (MLS)			
3 monitoring reports were completed by 30 June 2011	Monitor Māori language content on MTS and Iwi Radio (not funded by TMP) to ensure compliance with legislative requirements and licence agreement requirements	2 monitoring reports were completed by 30 June 2012	2 monitoring reports by 30 June 2012
Report prepared but not finalised by 30 June 2011	Prepare Annual Report on Implementation of Māori Language Strategy; incorporating an assessment of the MLS lead agencies activity/ contribution to the MLS outcomes	Report prepared by 30 June 2012 (completion subject to receipt of final information from MLS agencies for 2011/12 financial year)	Report prepared by 30 June 2012
Review of the Māori Language Sector and Strategy			
Not Applicable	Support the implementation of review findings as agreed by Cabinet, and within agreed timeframes	N/A (As at 30 June 2012, Cabinet had not confirmed implementation of new MLS)	Implementation activities achieved within 95% of timeframes
Broadcasting and eMedia Strategy			
Not Applicable	Review of the Māori Television Service Act 2003 - Legislation review report, issuing of draft instructions, and Bill introduced as agreed with the Ministers (Māori Affairs and Finance) for the relevant calendar year	Drafting instructions issued, Bill prepared (but not introduced by 30 June - this was introduced on 9 August 2012)	Bill to update MTS Act 2003 is prepared and introduced in 2012

Achieved	Prepare annual report on implementation of Māori Broadcasting and E-Media Strategy	Report prepared but not completed by 30 June 2012 (completion subject to receipt of final information from agencies for 2011/12 financial year)	Completed by 30 June 2012
Monitor Māori Language and Broadcasting agencies funded through Vote Māori Affairs (TTWh, TMP, MTS)			
95% achieved	Advice to responsible Ministers along with comments on their Quarterly performance and other matters as required	42% on time – (with 33% delivered within 1 week, and 25% were greater than 1 week due to internal delays)	95% of timeframes met

Te Puni Kōkiri monitors the Māori Language and Broadcasting entities funded through Vote Māori Affairs on behalf of the Minister of Māori Affairs. They are:

- Te Taura Whiri i te Reo Māori/The Māori Language Commission (TTWh).
- Te Māngai Pāho/The Māori Broadcasting Funding Agency (TMP).
- Māori Television Service (MTS).

Effective entity monitoring involves significant relationship management across all levels of each organisation. This includes the provision of advice about performance measurement, and to add value to developing accountability documents where appropriate.

MAJOR ACTIVITY

Māori Language

An independent review of the Māori Language Strategy (MLS) 2003 was completed in April 2011. Currently, the Government is considering its preferred approach to the development of a new MLS. We have worked with Te Taura Whiri i te Reo Māori to provide advice to the Minister of Māori Affairs about this work.

In addition, Te Puni Kōkiri has continued to support key Māori language programmes and services within Vote: Māori Affairs and across other agencies. In particular, we have supported the ongoing implementation of the Mā Te Reo Fund and the He Kāinga Kōrerorero programme through reprioritising



funds from the Māori Potential Fund. We have strengthened the focus on Māori language programming in the broadcasting sector through the introduction of new licence agreements for iwi radio, which require the development and implementation of Māori language plans for each station. This is also a particular focus in the Māori Television Service Amendment Bill. We also supported the Māori Television Service in its Māori language coverage of the RWC 2011 and related events.

Housing

As part of the Māori Housing Policy work programme with the Department of Building and Housing, Te Puni Kōkiri has contributed to the development of policy options to improve the take-up of Kainga Whēnua loans by Māori home buyers. Te Puni Kōkiri has also developed a survey of Māori housing providers to determine the current state of the Māori social housing sector, and to identify opportunities and barriers to developing the sector. Responses to the survey will inform future policy options and bring a greater focus on housing needs for Māori.

Additionally, and as a consequence of Whānau Ora, Te Puni Kōkiri has supported a range of toolkits that assist whānau to maintain a healthy home. Advice has also been provided about coordinating support to enable building on Māori land, through to the development of financial literacy to prospective home-owners.

Māori Broadcasting and ICT

In addition to our ongoing support for Māori development through radio and television, we have provided policy advice about Māori

interests in radio spectrum and broadband. We have also provided logistical and secretariat support for Ngā Pū Waea, the Māori Broadband Working Group established by the Minister of Māori Affairs and the Minister for Communications and Information Technology. This has included work to: establish terms of reference for Ngā Pū Waea; establish working relationships with broadband providers (in particular, Telecom and Vodafone); and, provide direct and indirect support for Māori employment in the ICT sector.

Māori Culture

Marae are a key feature of the cultural infrastructure of Māori society, acting as guardians of mātauranga and taonga and connecting whānau through whakapapa. We supported marae development in 2011/12 through: publishing the results of the national survey for marae development undertaken by Te Puni Kōkiri; providing direct support for 41 marae to undertake development activities; and supporting 20 marae to host pōwhiri for Rugby World Cup teams and officials.

We also supported the presentation of Māori culture as part of NZ Inc activities, including: the RWC 2011, the REAL New Zealand Festival; the *E Tū Ake* Exhibition presented by Te Papa; and New Zealand contributions to the Queen's Diamond Jubilee Celebrations (including the Windsor Castle Pageant and the Thames River Regatta).

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/11 Actual		30/06/12 Actual	30/06/12 Main Estimates	30/06/12 Supp Estimates
\$000s		\$000s	\$000s	\$000s
8,722	Revenue Crown	6,453	7,566	6,632
341	Other Revenue	471	361	361
8,613	Total Revenue	6,924	7,927	6,993
8,084	Total Expenses	6,750	7,927	6,993
529	Net surplus/(deficit)	174	-	-



POLICY – ECONOMIC AND ENTERPRISE

The scope of this appropriation involved advice on policies and programmes that specifically impacted on the economic and enterprise status of Māori people and resources. It included the provision of Māori business development services.

Our Approach

Te Puni Kōkiri's priority was to ensure that policy advice and direct 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

Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
	<p>Provision of on-going policy advice</p> <p>Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual – Evidenced by:</p>		
5.53 from six Cabinet papers assessed	<ul style="list-style-type: none"> An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6 	4.97 from an assessment of four randomly selected Cabinet papers	External Assessment – minimum score of 4
4.78	<ul style="list-style-type: none"> An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 5 	4.25	Ministerial Assessment – minimum score of 3
84% on time	<ul style="list-style-type: none"> Policy advice is provided within the agreed timeframes 	88.5%	95% meets timeframes
	<p>Monitoring</p>		
100% from two monitoring reports substantiated	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	No monitoring reports required substantiation	100%
	<p>Research</p>		
4.5 from one report validated	An independent assessment of a sample set of research/statistical reports are assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely – on a scale of 1 to 5	Three reports assessed: scores out of 5 – Rangitahi 3; Global Māori Diaspora 4.4; Justice Macro-modelling 3.9	External Assessment – minimum score of 3



Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
Māori Business Facilitation Service (MBFS)			
<p>The MBFS provides assistance to Māori SMEs and collective entities with access to information, advice, and mentoring support to enhance business to develop, grow new businesses, and sustain economic performance of existing businesses.</p> <p>Administer the Māori Business Facilitation Service through:</p>			
Not Applicable	<ul style="list-style-type: none"> Existing businesses complete the MBFS continuum (from client engagement through to the review phase) 	137	At least 150-200 existing businesses
Not Applicable	<ul style="list-style-type: none"> New businesses start trading through the support of MBFS 	89	80-100 businesses start trading
5	<ul style="list-style-type: none"> Support to emerging Māori businesses and collective entities in key sectors/industries 	4 supported: Fashion industry; Music industry; Māori design & architecture; Primary industries	At least 3 sectors
3.77	<ul style="list-style-type: none"> Māori business owners and collectives entities engaged through MBFS provide positive feedback on the service provided on a scale of 1 to 5 	3.9	Minimum score of 3.5

Supporting Māori Innovation			
Commissioned research & case studies re engagement between Māori entities & science sector to support the building of capability & capacity	Provide information/training, and other capacity to Iwi/Māori organisations that supports improved Māori innovation and science outcomes	Workshops and case studies research have supported Māori entities' understanding of science and innovation	Engagement and information sharing is occurring with a range of Iwi/Māori organisations, and priorities identified
Science & innovation Forum deferred, planned to be held in 2012	Facilitate Māori/Iwi engagement with government to identify mutually important science and innovation priorities	Science and Innovation symposium was held in May 2012	Māori innovation and science forums are held to engage Iwi/Māori organisations with the science and research community

MAJOR ACTIVITY

Māori Economic Development Panel

During 2011/12, Te Puni Kōkiri provided support to the Māori Economic Development Panel, established in September 2011. The Panel is tasked with reporting back to Ministers with a Māori Economic Strategy and Action Plan to improve the performance and productivity of the Māori economic sector. The issues facing the sector, and proposed actions that need to be taken to lift performance and productivity were released in a discussion document by the Panel in March/April 2012.

Cadetships

The Cadetships Programme exposes cadets to new and generic industry-specific skill and career development opportunities. During 2011/12, Te Puni Kōkiri worked with major companies who were capable of taking five or more cadets, and who could create a pathway for employment in the energy, infrastructure and telecommunications sectors. Te Puni Kōkiri was able to secure 150 cadetships in 2011/12, bringing the total to 313 since inception of the Cadetships Programme in 2009/10. A minimum of 250 cadets will be engaged in 2012/13.



InfraTrain

In 2011/12, Te Puni Kōkiri continued its partnership role with InfraTrain; the infrastructure industries ITO (Industry Training Organisation) to increase the number of Māori gaining relevant higher-level industry qualifications and employment, industry management and leadership positions. In addition, scholarships have been awarded through the Te Poutama Kaiahumahi programme aimed to increase professional opportunities for Māori, and enhance the wider capability of the civil infrastructure sector. Since InfraTrain started working with Te Puni Kōkiri in 2009/10, more than 1100 Māori have been recruited as trainees, and 17 National Diploma scholarships have been awarded to Māori working in the industry. The partnership with InfraTrain has been extended through to 2014 to engage a further 735 Māori, and award a further 15 scholarships to Māori in the infrastructure industries.

Māori Business Missions to China

Te Puni Kōkiri accompanied the Minister of Māori Affairs who led two Māori business delegations to China in 2011/12. China's demand for unique value-added goods and services is seen as a comparative advantage over other traders, and is creating new opportunities, for Māori businesses, with Chinese consumers increasingly responsive to cultural distinctiveness such as Māori branding. Te Puni Kōkiri continues to work closely with a number of Māori businesses, Māori economic agencies and government agencies to support Māori businesses to take up opportunities in China.

Rugby World Cup

Te Puni Kōkiri's support for Māori engagement in the RWC 2011 included contributions to two main themes:

- The Māori Television Service's (MTS) role as lead free-to-air broadcaster of RWC games; promoting Māori language and culture as part of New Zealand's national identity to unprecedented audiences.
- Establishing, in partnership with Ngāti Whātua o Orakei, Waka Māori, a culturally iconic and dynamic Māori presence on the Auckland waterfront, with offerings to 180,000 visitors along with international media during an eleven day programme of events.

Te Puni Kōkiri's other engagement initiatives contributed to the following notable achievements:

- More than 200 public events with strong Māori content spread across all fifteen host regions nationwide.
- Support of local iwi and Māori communities in the provision of 23 formal marae welcomes and five formal civic ceremonies to Rugby World Cup teams and officials.
- Production of *Discover Māori*, a booklet promoting 100 quality Māori business and tourism experiences across the country.
- Support for the RWC 2011 opening ceremony, and its inclusion of strong Māori content, which attracted positive commentary from international media.

Māori Tourism Action Plan

In September 2011, Te Puni Kōkiri supported New Zealand Māori Tourism to enable a group of Māori tourism operators to attend the China (Guangdong) International Tourism Industry Expo. The Expo was an opportunity to showcase Māori culture and business to Guangdong province, where 70% of China's outbound tourists come from. The group also met with and consolidated existing relationships with a number of travel wholesalers and key industry players, including China Southern Airlines, which began direct flights from Guangzhou to Auckland in 2011.

Māori Business Facilitation Service (MBFS)

During 2011/12, the MBFS has engaged and provided facilitation, brokerage, business advice and business mentoring assistance/ services to 322 Māori individuals and collectives who had proposals for new businesses or strengthening and/or expansion of existing businesses. Specifically, the MBFS:

- facilitated access to business information, tools and business advice to clients;
- co-managed seminars/workshops with:
 - NZ Food Safety Agency and Qualmark for Marae interested in offering products and hospitality services during the RWC 2011;
 - Inland Revenue Department;
 - local financial institutions of Westpac and ASB; and
 - economic development agencies for business literacy and financial literacy seminars for more than 60 clients;

- engaged with Māori businesses affected by the Christchurch earthquakes and provided appropriate mentoring interventions based on results of a business impact assessment survey; and
- facilitated the participation of Māori businesses to the RWC 2011.

In 2011/12, MBFS also worked with the following sectors/industries:

- Fashion (fashion designers and other related businesses along the supply chain).
- Music (musicians and Māori music manager's forum).
- Design and architecture.
- Primary industries through land management and emission trading scheme.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/11 Actual		30/06/12 Actual	30/06/12 Main Estimates	30/06/12 Supp Estimates
\$000s		\$000s	\$000s	\$000s
10,831	Revenue Crown	12,037	11,675	11,998
24	Other Revenue	30	23	23
10,855	Total Revenue	12,067	11,698	12,021
10,436	Total Expenses	11,706	11,698	12,021
419	Net surplus/(deficit)	361	-	-



POLICY – CROWN MĀORI RELATIONSHIPS

The scope of this appropriation involved advice on relationships between Iwi/Māori and the Crown. It included Treaty policy issues, and advice on the impact of legislation.

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:

Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
Policy Advice			
Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual - Evidenced by:			
5.53 from six Cabinet papers assessed	<ul style="list-style-type: none"> An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6 	4.97 from an assessment of four randomly selected Cabinet papers	External Assessment -minimum score of 4
4.78	<ul style="list-style-type: none"> An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 5 	4.25	Ministerial Assessment -minimum score of 3
84% on time	<ul style="list-style-type: none"> Policy advice is provided within the agreed timeframes 	88.5%	95% meets timeframes
Statutory Monitoring			
100% from two monitoring reports substantiated	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	No monitoring reports required substantiation	100%
Research			
4.5 from one report validated	An independent assessment of a sample set of research/statistical reports are assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely - on a scale of 1 to 5	Three reports assessed: scores out of 5 - Rangitahi 3; Global Māori Diaspora 4.4; Justice Macro-modelling 3.9	External Assessment -minimum score of 3



Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
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:			
95% of timeframes met for hui observed	<ul style="list-style-type: none"> Mandate and ratification decisions reflect Te Puni Kōkiri advice and is provided within agreed timeframes 	100% ⁶	95% of decisions reflect advice & within agreed timeframes
Achieved through 36 Cabinet papers relating to settlement offers	<ul style="list-style-type: none"> Policy advice provided to Minister of Māori Affairs on settlement offers 	Achieved through 14 Cabinet papers relating to settlement offers	100% of all settlement offers
8 September 2010	Cabinet paper and Annual Report prepared on the implementation of Waitangi Tribunal recommendations - for tabling in the House of Representatives	The report was tabled 30 August 2011	By 30 September 2011
Law Reform			
Consultation completed - in relation to the Māori Purposes No. 2 Bill and Māori Television Act	Undertake direct consultation with Māori on Te Puni Kōkiri led legislative proposals	Consultation was held on the Māori Community Development Act Review, options for radio spectrum, and the Māori Purposes Bill	100% of Te Puni Kōkiri led legislative proposals

6. The Minister's decisions reflected our advice and timeframes were met in all instances as determined indirectly through the relevant ministers agreeing to Te Puni Kōkiri's recommendations.

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			
96%	<ul style="list-style-type: none"> nominations and appointments process is undertaken within agreed timeframes 	96%	95% of timeframes met
67%	<ul style="list-style-type: none"> success rate of advice provided on nominations to Government appointed organisations and bodies 	58%	30% to 35%
Māori Trustee Monitoring			
95%	Monitor the performance of the Māori Trustee against the accountability requirements of the Funding Agreement, and provide advice on Māori Trustee performance to the Minister within agreed timeframes	0% (50% were within a day or two of self-imposed deadline, the other 50% were delivered late due to internal delays)	95% of timeframes met

MAJOR ACTIVITY

Constitutional Issues

Te Puni Kōkiri supported the independent Constitutional Advisory Panel in 2011/12, with their programme of engagement with the public to initiate conversations on a range of perspectives relating to New Zealand's constitutional arrangements. A report back to Ministers on the outcome of the engagement process is expected in September 2013.

Input into the development of international instruments

During 2011/12, Te Puni Kōkiri worked with the Ministry of Foreign Affairs and Trade (MFAT) to ensure that Māori interests and the Treaty of Waitangi were adequately represented in international trade agreements, including the Trans Pacific Partnership, the NZ/European Union Framework Agreement and the NZ/Chinese Taipei Economic Cooperation Agreement.



Te Puni Kōkiri also contributed to the New Zealand Government's response to a number of international instruments under the auspices of the United Nations, including the International Covenant on Economic, Social and Cultural Rights, the Convention for the Elimination of Racial Discrimination, and the response to the United Nation's Special Rapporteur's report. Te Puni Kōkiri is also closely involved with New Zealand's position on the Convention on Biological Diversity, and is the New Zealand focal point on Article 8(j) of the Convention pertaining to traditional knowledge and indigenous peoples.

Natural Resources

During 2011/12, Te Puni Kōkiri worked on an interagency Fresh Start for Fresh Water policy programme, led by the Ministry for the Environment and Ministry of Primary Industries. Recommended areas for water reform are expected to be delivered in 2013. Te Puni Kōkiri also supported government engagement with the Land and Water Forum process and direct engagement between Iwi Leaders and Ministers.

In conjunction with the Ministry for the Environment, Te Puni Kōkiri contributed to a policy work programme aimed at improved and efficient participation of Māori in resource management. A report back to Cabinet on progress is expected later in 2012.

As part of the Government's desire to establish a new environmental management regime governing the Exclusive Economic Zone (12-200 nautical miles off-shore), Te Puni Kōkiri has worked to ensure that the Exclusive

Economic Zone Bill 2012 includes a strong Treaty clause to give effect to the principles of the Treaty.

Te Puni Kōkiri has worked actively with lead agencies on climate change policy and the implementation of the Emissions Trading Scheme (ETS). As part of this work Te Puni Kōkiri is closely focused on the outcomes of the ETS review and any proposed amendments that will affect Māori land and resources, including the level of allocations of NZ Units to be paid to Māori-owned forest land.

Additionally, Te Puni Kōkiri has worked with the Ministry of Economic Development on the Review of the Crown Minerals Act, and to develop enhanced means of engagement with Iwi on Petroleum blocks.

Legislative Programme

During 2011, the four Acts arising from the Māori Purposes Bill received the Royal Assent and were passed into law. Together, these Acts progress a set of reforms that focus on removing the Crown from the administration of Māori organisations.

All key stakeholders were consulted on policy development, timing preferences for transition to new financial accountability arrangements, and options prior to the introduction of the Māori Purposes Bill. In addition, Te Puni Kōkiri provided all stakeholders with information on the passage of the Māori Purposes Bill and their implications.

In terms of new legislation, drafting instructions were issued for the Chief Mokomoko Pardon Bill and the Māori Television Service Amendment Bill.

Te Puni Kōkiri officials in 2011/12 were consulted by the Treasury during development of the Mixed Ownership Model Bill, and played a role in advising Treasury on the series of consultation Hui that were convened in relation to the Bill.

Treaty Settlements

During 2011/12, Te Puni Kōkiri continued to progress work in the Treaty settlements area to contribute to achieving the Government's aspirational goal of settling all historical Treaty of Waitangi Tribunal claims by 2014 by:

- supporting iwi, who are seeking to enter into Treaty settlement negotiations, through the mandating process;

- providing facilitation to assist iwi discussions relating to overlapping interests;
- supporting iwi to develop and implement their ratification strategies;
- making recommendations to Ministers on post-settlement governance entities as suitable entities to receive settlement assets; and
- approving the land-banking of surplus Crown properties for possible use in future Treaty settlements.

Our work in 2011/12 has enabled the Government to:

- recognise the mandates of five groups to represent iwi in negotiations with the Crown;
- sign six Deeds of Settlement; and
- introduce settlement legislation for six iwi.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/11 Actual		30/06/12 Actual	30/06/12 Main Estimates	30/06/12 Supp Estimates
\$000s		\$000s	\$000s	\$000s
6,498	Revenue Crown	7,221	7,921	7,197
30	Other Revenue	38	29	29
6,528	Total Revenue	7,259	7,950	7,226
6,352	Total Expenses	6,410	7,950	7,226
176	Net surplus/(deficit)	849	-	-



RELATIONSHIPS AND INFORMATION

The scope of this appropriation involved the strengthening of relationships with Māori, with an 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 look for integrated responses to initiatives wherever possible, by bringing together other agencies and parties to support Māori development.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
	Provision of high quality and timely 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, evidenced by:		
4.6	<ul style="list-style-type: none"> Positive feedback on a scale of 1 to 5 through an annual stakeholder survey 	4.49	Minimum score of 3
Not Applicable	<ul style="list-style-type: none"> Regional based facilitation and brokerage activities have led to enhanced Crown-Māori Relationships (CMR) 	444 Facilitation and Brokerage interventions that led to enhanced CMR were recorded in the five month period – February to June 2012 ⁷	Minimum of 10 examples per region per four monthly period

7. There was no formal system to measure performance until February 2012. Activity in the Regions has been captured as the number of interventions of facilitation and brokerage of services between Māori and local representatives of public and private service agencies.

MAJOR ACTIVITY

Christchurch

During 2011/12, Te Puni Kōkiri worked with Te Rūnanga o Ngāi Tahu to ensure the iwi is participating fully in the Christchurch rebuild. Opportunities have been identified for Te Puni Kōkiri investment with particular emphasis on education and employment, new and existing business ventures across the construction and infrastructure sectors, working collaboratively within the whole of Government Earthquake Support Co-ordinators Service programme. Recovery activities supported by Te Puni Kōkiri in 2011/12 included:

- the provision of 19 Kaitoko Whānau workers;
- ensuring whānau have access to specialist advice for building, insurance and legal support;
- providing access to emergency supplies;
- supporting 193 Māori into training and education at the Christchurch Polytechnic Institute of Technology;
- training 24 youth in the demolition and recycling industry; and
- establishing Te Kaihanga Development and Whānau Integration, Innovation and Engagement Fund investments within the Rapaki community.

In terms of policy, Te Puni Kōkiri provided advice to the Canterbury Earthquake Recovery Authority (CERA) and Te Rūnanga o Ngāi Tahu in the development of the Christchurch Recovery Strategy, and implemented a research programme aimed at the cumulative effects of the earthquakes on whānau, that includes a quantitative and qualitative research base.

Resolution of Talley Dispute with Iwi Leaders

In February 2012, during a twelve week contract employment dispute between AFFCO and the Meat Workers' Union, Te Puni Kōkiri supported affected workers through the Kaitoko Whānau programme. Additional staffing resource was deployed to assist affected workers, firstly in Wairoa and later in Te Puke, through Mana Social Services, Rotorua.

Glen Innes

Since May 2012, Te Puni Kōkiri provided assistance to tenants involved in the Tāmaki Transformation Programme, a Housing New Zealand Corporation (HNZC) redevelopment initiative to locate 260 new houses in northern Glen Innes. Te Puni Kōkiri was able to facilitate communication between residents and agencies to minimise disruption to the HNZC project, and to maintain community support networks that keep whānau strong and resilient.



He Toki Ki Te Rika

With the support of Te Puni Kōkiri, the Māori Trade Training Centre was launched in July 2011, at Rēhua Marae in Christchurch to recruit at least 200 Māori, for training and employment opportunities in the Canterbury Recovery. A total of 237 Māori were recruited with a number progressing directly to work. Of the 195 Māori in training or who were trained at 30 June 2012, 136 were unskilled,

56 were semi-skilled, and three were skilled. With the appropriate support and mentoring, successful training and employment outcomes will accrue. This initiative was expanded for 2012/13, with increased connections to employers, engagement with the Whānau Ora provider collective, and a target no less than 300 Māori to be recruited.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/11 Actual		30/06/12 Actual	30/06/12 Main Estimates	30/06/12 Supp Estimates
\$000s		\$000s	\$000s	\$000s
7,282	Revenue Crown	7,356	7,624	7,332
60	Other Revenue	52	40	40
7,342	Total Revenue	7,408	7,664	7,372
7,333	Total Expenses	7,066	7,664	7,372
9	Net surplus/(deficit)	342	-	-

OPERATIONS MANAGEMENT

The scope of this appropriation involved the provision of services that supported Māori development through the design, delivery, and management of community investment programmes.

Our Approach

The Relationships and Information Wāhanga is responsible for managing the Ministry's Investment Programme. This requires strategic management to ensure investments align with the the key outcomes sought by Te Puni Kōkiri.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
	<p>Māori Potential Funds:</p> <p>Refers to the management and administration of the three Non-Departmental Expenses; Whakamana (Leadership), Mātauranga (Knowledge), and Rawa (Resources). Additional performance measures for these appropriations are found in the Section 32A report to Parliament</p>		
4.5	Funding recipients sampled are satisfied with the level of Te Puni Kōkiri service in administrating/ managing the investment process on a scale of 1 to 5	3.5	Minimum score of 3
	<p>Iwi Housing Support:</p> <p>Refers to the management of the Special Housing Action Zones (SHAZ) programme funded through the Non-Departmental Output Expense; Iwi Housing Support</p>		
Two projects nearing completion with one signing letter of acceptance for capital funds of \$1.5m (from Housing NZ) in June 2011	Investment in development proposals leads to the entity securing financing to undertake/complete construction through co-funding arrangements with Housing New Zealand or other capital investors	5 projects secured capital funding	one to two housing projects



Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
Land Management Unit:			
25 land blocks were either, released, cleared, or disposed of	Return all Te Puni Kōkiri administered Māori land blocks to owner administration, to the stage where each blocks' individual file can be closed - a total of 85 Māori land blocks remained under Te Puni Kōkiri administration at 1 July 2010 ⁸	14 files were closed in 2011/12, representing 13 land blocks returned	Complete closure of 30 files

MAJOR ACTIVITY

Māori Potential Framework (MPF)

The MPF is a key analytical framework applied by Te Puni Kōkiri to its treatment of kaupapa Māori. The framework aligns with and complements our outcomes framework and fits closely with Government's priorities.

In 2011/12, Te Puni Kōkiri funded more than 500 projects totalling \$19.6 million through the Mātauranga, Rawa and Whakamana Non-Departmental Output Expense appropriations. The delivery of investments were primarily undertaken by Te Puni Kōkiri's network of regional offices via our strong relationships with Māori communities.

The MPF requires a balanced focus on Māori needs as citizens as well as Māori aspirations as members of whānau, hapū and iwi; and on recognising and supporting Māori to realise their unique potential as a culturally distinct people.

Further commentary on specific initiatives funded and performance measures achieved through MPF is contained in the Section 32A report tabled in Parliament by the Minister of Finance, as a compendium on behalf of the Minister of Māori Affairs.

8. Note that at the beginning of the 2011/12 financial year there were 65 blocks remaining, equating to 64 files.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/11 Actual \$000s		30/06/12 Actual \$000s	30/06/12 Main Estimates \$000s	30/06/12 Supp Estimates \$000s
9,390	Revenue Crown	9,644	8,662	9,612
511	Other Revenue	272	52	52
9,901	Total Revenue	9,916	8,714	9,664
9,381	Total Expenses	9,094	8,714	9,664
520	Net surplus/(deficit)	822	-	-



INTEGRATED WHĀNAU SOCIAL ASSISTANCE

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

Our Approach

Te Puni Kōkiri is responsible for maintaining and operating a range of programmes designed to support vulnerable whānau and ensure their safety and wellbeing.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
	<p>Kāitoko Whānau and Oranga Whānau Programmes:</p> <p>Manage the Whānau Social Assistance Programme to place a number of Whānau Advocates (community workers) into Māori communities; referred to as Kāitoko Whānau and Oranga Whānau</p>		
730 Whānau referrals were connected to support services, consisting of approximately 2107 individuals as at 30 June 2011	Vulnerable whānau are connected to appropriate and essential support services	Average of 507 whānau comprising of about 3,177 individuals received support	Minimum of 1,000 whānau during the period
50 Kāitoko Whānau and 21 Oranga Whānau workers were in place	Number of Kāitoko Whānau workers and Oranga Whānau workers engaged to work with vulnerable Māori and whānau	49 Kaitoko Whānau and 21 Oranga Whānau workers	Average of 50 and 21 respectively

Māori Wardens Programme:			
A programme to enhance the capacity and capability of Māori Wardens through enhanced training and improved resources			
Over 400 attended training courses	Undertake training (across course offerings) for Māori Wardens	665	250-300 attended courses
86% were accredited	Māori Wardens gain NZQA - unit standards from accredited training courses attended	83%	80-90% of attendees
86%	Māori Wardens (warranted) have been allocated uniforms and have access to the appropriate safety equipment whilst on duty	110 Wardens completed foundation training and 100% received uniforms and safety equipment	70-75%

MAJOR ACTIVITY

Kaitoko Whānau and Oranga Whānau

Forty-nine Kaitoko Whānau workers and 21 Oranga Whānau workers have been placed in high needs communities. These workers engage with, and walk alongside, vulnerable whānau supporting them to determine their priorities, aspirations and support needs.

In the last year the Kaitoko Whānau and Oranga Whānau workers, and host organisations, met their target to provide positive engagement and support to an average of 507 vulnerable whānau.

Both projects are subject to a formal evaluation but already, the provider organisations who host these workers have found them to be an invaluable resource. The

workers establish rapport and build strong trust with whānau. They work holistically with whānau who might not otherwise understand, or seek support to address, the barriers they face to improving their safety and well-being.

The whānau-centred planning that the Kaitoko Whānau workers have built into their approach is yielding distinctive information about the needs and obstacles faced by whānau as perceived by them (rather than individual service users, providers and/or funders). This experience provides a strong and positive blueprint for adoption as part of the wider Whānau Ora Approach.

A formative evaluation in 2011 of Kaitoko Whānau found evidence of more early progress than expected, well beyond simply navigating



whānau through mainstream services. Many participating whānau had improved their knowledge of services available to them; were engaging in whānau planning, been motivated to transform their lives. In short growing in resilience. A key success factor was the ability of Kaitoko Whānau workers to facilitate stronger connections for vulnerable whānau with whānau and te ao Māori. At this stage, it's intended to continue the project through to June 2013.

Māori Wardens Project

Te Puni Kōkiri has continued to strengthen the capacity and capability of Māori Wardens nationally in 2011/12. As at 30 June 2012, 1,029 Māori Wardens were warranted, up 169, from the 860 in June 2011. The main elements of the project are:

- a network of seven regional co-ordinators to support local level governance, management and stakeholder relationship management across Māori Wardens districts and sub-associations;
- dedicated training programme aimed at increasing the skill and knowledge base of its members;
- the provision of uniforms, safety equipment and work clothing;

- access to vehicle transportation to support local-level wardens patrols and travel to events the wardens are supporting; and
- a contestable fund set aside to support the core operational costs of Māori Wardens in the various districts.

A series of consultation hui on proposed changes to the Māori Community Development Act 1962 is planned for 2012/13. Both the New Zealand Māori Council and New Zealand Māori Wardens Association have been consulted on consultation material (including options for reform) to be distributed and presented during these hui.

These hui follow the Māori Affairs Committee's inquiry into the operation of the Act in 2009/10. They were delayed in order to avoid the 2011 General Election. In its report, the Committee recommended a range of changes to the Act, including the establishment of a new independent Māori Wardens governance body, and a review of the role of, and funding for the New Zealand Māori Council, subject to wider consultation with Māori.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/11 Actual		30/06/12 Actual	30/06/12 Main Estimates	30/06/12 Supp Estimates
\$000s		\$000s	\$000s	\$000s
7,519	Revenue Crown	7,366	6,802	7,342
-	Other Revenue	-	-	-
7,519	Total Revenue	7,366	6,802	7,342
7,507	Total Expenses	7,294	6,802	7,342
12	Net surplus/(deficit)	72	-	-



WHĀNAU ORA ADMINISTRATION

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

Our Approach

Te Puni Kōkiri is the lead agency for implementing Whānau Ora – an inclusive, culturally-anchored approach to service delivery. It seeks to reflect the aspirations of whānau, support them to be self-managing, and to take responsibility for their own social, economic and cultural development.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2010/11	Performance Measures	Actual Standard 2011/12	Budget Standard 2011/12
	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", detailed in the Section 32A report to Parliament		
	Whānau Ora Implementation Advice to Minister Provision of advice to the Minister Responsible for Whānau Ora (the Minister) on policy settings, priorities and regional management:		
Satisfaction level rated at 4 from scale of 1-5	<ul style="list-style-type: none"> To the satisfaction of the Minister based on a qualitative survey asking for feedback 	Satisfaction level rated at 3.5 from a scale of 1-5	Feedback is positive
84%	<ul style="list-style-type: none"> Within agreed timeframes⁹ 	75%	95% meets timeframes

9. Note not all items have timeframes set.

Regional Leadership Groups

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

Process developed for gathering feedback, but survey incomplete at 30 June 2011

- To the satisfaction of the Governance Group based on a qualitative survey asking for feedback

Positive feedback was obtained and an average score of 4.1 on a scale of 1 to 5

Feedback is positive

Whānau Ora Delivery

Activity reports were submitted monthly to the Whānau Ora Governance Group

Work with key stakeholders to support Whānau Ora Providers / Collectives to develop whānau-centred services

Activity reports were submitted monthly to the Whānau Ora Governance Group

Report on activities quarterly

Reported to Minister in April and May 2011

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

Reported to the Governance Group in March 2012 and the Minister in June 2012

2 reports on implementation of Whānau Ora Action Research programme and key findings at the end of July 2011 and end of January 2012

All 210 proposals approved met criteria

Management of the non-departmental funding to ensure:

- Initiatives funded meet the agreed criteria and adhere to the accountability requirements

All 519 proposals met agreed criteria, 96% met the deliverables and 84% met the timeframes

100%



MAJOR ACTIVITY

Whānau Ora

Implementing the Whānau Ora approach across a wide range of Māori communities continued to be a priority for Te Puni Kōkiri in 2011/12. This included establishing specific governance arrangements; service and organisational transformation; as well as whānau integration, innovation and engagement.

The Whānau Ora approach was expanded to include eight new priority locations with the formation of provider collectives in: Kaipara; Hauraki; South Waikato; Taupō/Tūrangi; Palmerston North; Wairarapa; Levin/Kapiti Coast and Murihiku (Southland). There are now 34 provider collectives representing more than 180 providers of a variety of services.

To date, 18 provider collectives have begun implementing their Programmes of Action, which are their plans for changing their service delivery to become whānau-centred. The early impact data is positive, with more than 50 whānau surveyed to date indicating a high degree of satisfaction with new service approaches, increased knowledge and skills and improved confidence. This has also led these whānau to reporting significant improvements in areas of importance to them against indicators in health, employment, education and wellbeing.

The remaining 16 provider collectives are completing key phases towards implementing their Programmes of Action, while at the same time engaging with whānau to test and refine their navigational approaches. Across all 34 provider collectives, more than 70 whānau navigators are in place and actively engaged at any one time in the last quarter of 2011/12 with nearly 800 whānau. Provider collectives

are reporting a much wider number of whānau receiving whānau related services, including those enrolled populations of the health provider within provider collectives and those engaged in service delivery more generally.

All provider collectives continue to provide their existing service contracts, with an increasing number organised through integrated contracts.

In August 2011, the first national Whānau Ora Hui was held across two days with around 400 attendees representing provider collectives, Regional Leadership Groups, iwi leaders and agencies. It provided an opportunity for the dissemination of good practice development with seminars from different provider collectives and action researchers on key areas of focus. At the Hui, the Minister for Whānau Ora released a publication titled *Whānau Ora: Transforming our Futures*, which provided a useful progress report on the early implementation, including stories from whānau and providers on the impacts of this work.

Preliminary data from a small number of whānau collected in late 2011/12 is positive. Survey information from more than 50 whānau involved through provider collectives with whānau planning and navigational approaches:

- 84% indicated more confidence in parenting/care-giving;
- 90% feel less isolated;
- 90% feel happier;
- 87% identified that whānau members are treating each other with more respect;
- 89% indicated that their whānau has a more positive and supportive relationship;
- 55% agreed that their whānau has improved employment;

- 71% agreed that their whānau has improved income (with one collective focusing on income that can meet day-to-day needs);
- 77% indicated that their whānau has an improved housing situation (with one collective focusing specifically on reduced overcrowding);
- 54% indicated that their whānau had a reduced rate of smoking (with one collective focusing specifically on the whānau becoming smoke-free);
- 78% identified that their whānau had improved the amount or regularity of exercise they do; and
- 67% indicated that they had improvements in attendance at early childhood education.

In 2011/12, Te Puni Kōkiri administered the Whānau Integration, Innovation and Engagement Fund (WIIE) to enable whānau-led development and support for whānau to engage with each other and with other whānau, communities and providers. The fund allows whānau to build capability, strengthen

whānau connections, support the development of whānau leadership and enhance best outcomes for whānau. The Fund is open to whānau working with Whānau Ora providers and other Non-Government Organisations including iwi, hapū, rūnanga, whānau trusts and marae committees.

As at 30 June 2012, more than 3,000 whānau had engaged in planning activities funded through WIIE to allow whānau to set and achieve their goals and aspirations through the development and implementation of whānau plans.

The 3,000 whānau involved reflects more than 33,000 individuals undertaking these activities supported by facilitation services from Whānau Ora providers, marae, trusts and other non-government organisations.

A developmental evaluation of the Fund has found that it is a platform for whānau transformation and positive outcomes are evident when there are high quality whānau planning and implementation processes.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/11 Actual		30/06/12 Actual	30/06/12 Main Estimates	30/06/12 Supp Estimates
\$000s		\$000s	\$000s	\$000s
9,819	Revenue Crown	10,840	8,838	10,805
20	Other Revenue	-	-	-
9,839	Total Revenue	10,840	8,838	10,805
9,383	Total Expenses	10,042	8,838	10,805
456	Net surplus/(deficit)	798	-	-



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 2011/12, 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. Research undertaken in 2011/12 included a focus on:

- Māori participation in the 2011 Rugby World Cup;
- Māori entrepreneurship; and
- the effects of the Canterbury earthquakes on Māori (face-to-face interviews).

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 2011/12 included the preparation of:

- Three statistical reports:
 - *Rangatahi in Education and Employment (whakapakari)* – identifies the pathways for rangatahi from secondary school, into tertiary education and employment that lead to positive economic outcomes;
 - *KEA Survey – Every Māori Counts (factsheet)* – reports on key results of the 2011 for Māori from the Every Kiwi Counts survey (conducted by KEA New Zealand). The relationship between Te Puni Kōkiri and Kea New Zealand seeks to better promote Māori businesses through Kea's existing channels, programmes and growing networks; and
 - *The Global Māori Diaspora: Findings from the Every Kiwi Counts 2011 Survey* – a more detailed analytical report from the 2011 Every Kiwi Counts survey that expands on the factsheet noted above.
- A report, *Effects of the 2010-11 Canterbury Earthquakes on Māori in Ōtautahi* provides preliminary statistical analysis on the impact of the earthquakes on Māori and their whānau; and
- Quarterly briefings on the Household Labour Force Survey were provided to the Minister of Māori Affairs with up to date advice on Māori employment trends during 2011/12.

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 advocating that Statistics New Zealand conduct the Census in 2013, working to confirm with Statistics New Zealand that the post-Census 2013 Māori Social Survey would take place, and successfully advocating for the inclusion of four Māori specific statistics within the revised set of Tier 1 Statistics.

Improving effectiveness for Māori

Te Puni Kōkiri's monitoring focus during 2011/12 has been to develop ways to respond to the emerging state sector reforms under the Better Public Services programme and to continue to develop ways in which to support its state sector partners to deliver results for Māori. The key initiatives included:

- developing a draft framework to assist State sector agencies to measure and report on their effectiveness for Māori;
- supporting the Minister of Māori Affairs to respond to the Better Public Services reforms;
- conducting a watching brief on state sector reforms to provide strategic information to business units across Te Puni Kōkiri; and
- contributing to Te Puni Kōkiri's response to the development of Results Action Plans for the Prime Ministers ten priority result areas.

In addition, a monitoring report on three government-funded services that support Māori Youth to transition from secondary to tertiary education was finalised and distributed including the publication of two short summaries "*Māori Youth Transitions*" and "*Māori Youth Transitions: Gateway*."



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 1,424 official documents in 2011/12 and achieved a ministerial servicing timeline across all output classes of 88.5%.

Delivery Timeframe Actual 2010/11	Outputs	Delivery Timeframe Actual 2011/12	Delivery Timeframe Target 2011/12
83%	Responses to Ministerial correspondence	82%	Within one month
94%	Parliamentary questions	99%	Within 4 working days
86%	Briefings	89%	Individually agreed
79%	Speech notes/Talking Points	89%	Individually agreed
79%	Official Information Act requests	96%	Within 20 working days
67%	Ombudsman complaints	50%	Within 20 working days
100%	Reports to the Māori Affairs Committee	50%	Individually agreed

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 quality of our written policy advice based on the 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:

Score 2010/11	Assessment Criteria	Score 2011/12
6.00	Purpose	3.00
4.80	Logic	4.33
6.00	Accuracy	5.00
5.00	Options	6.00
6.00	Consultation	6.00
6.00	Practicality	4.75
4.80	Presentation	4.75
5.66	Timeliness	6.00
5.53	Average	4.97



ORGANISATIONAL HEALTH AND CAPABILITY

Our priorities for the development of our organisational health and capability include having strong leaders, a clear sense of direction, and constantly communicating the outcomes we want to achieve.

We strive for a healthy, capable and vibrant organisation with all the appropriate resources to enable us to meet our desired outcomes. Even as we do our utmost for continuous improvement, we do so in the context of fiscal constraints and Government's priority of Better Public Services.

To keep a track of our organisational health, Te Puni Kōkiri reports on the following indicators, baseline data and trends to demonstrate improvement in status, and on levels of achievement:

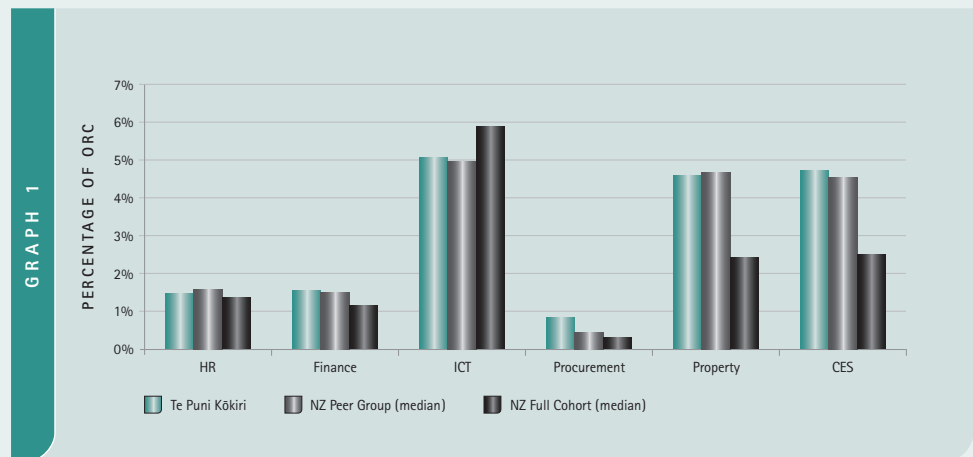
Organisational Health Indicator	Baseline Data/Trends
Stakeholder Surveys (annual)	A stakeholder survey ¹⁰ conducted in 2011/12 across key regional stakeholders showed positive results (61% response rate) average score of 4.5 (2010/11: 4.6), minimum of 3 sought. Survey also of MBFS clients revealed satisfaction level of 3.9 (2010/11: 3.8), minimum of 3 the target.
Staff Engagement Survey (bi-annual)	The staff engagement survey (completed in June 2012), showed a decline in engagement of staff since 2010. Te Puni Kōkiri is now placed close to the core public service average for staff engaged.
Staff Turnover (annual) is equal to, or lower than the public sector average	At June 2012 unplanned turnover was 10%, compared to 7% at 30 June 2011. Public sector average as at 30 June 2012 was unavailable (2011: 9%).
BASS Benchmarking Results capturing our performance of administrative and support service functions (annual)	The second BASS benchmarking results were published during 2011/12 and pertained to the 2010/11 financial year. The total cost of administrative & support services as a percentage of organisational running costs has decreased from 21% in 2009/10 to 18% in 2010/11, and compares favourably to the peer group median of 19%. The summary results are illustrated in graph 1 on page 66.
Independent Review of Policy Advice (annual)	For the year ended 30 June 2012, assessed overall quality as 4.97 out of a possible score of 6 (5.53 in 2010/11).
Independent Audit Ratings of our management control environment (annual)	Based on Audit NZ ratings for 2011/12 <ul style="list-style-type: none"> • Financial information, systems, and controls very good (2011: very good); • Management control environment good (2011: good); and • Service performance information, systems, and controls needs improvement (2011: needs improvement).

10. Using core questions from the 'Common Measurement Tool' of the SSC Kiwi's Count national survey.



BASS BENCHMARKING SUMMARY RESULTS – 2010/11 FINANCIAL YEAR

Graph 1: Breakdown of total A&S Costs as % of Organisational Running Costs.



	HR	Finance	ICT	Procurement	Property	CES	Total
Te Puni Kōkiri	1.49%	1.58%	5.03%	0.85%	4.58%	4.76%	18.28%
NZ Peer Group (median)	1.56%	1.57%	4.97%	0.31%	4.62%	4.60%	19.47%
NZ Full Cohort (median)	1.34%	1.14%	5.90%	0.27%	2.30%	2.41%	14.81%

METRIC COMMENTARY

This metric shows the agency's distribution of administrative and support costs by function (as a percentage of organisational running costs) compared to the median of the distribution for the agency's peer group¹¹ and the full NZ cohort.

11. TPK peer group comprises; Ministry for Culture & Heritage, Ministry of Transport, State Services Commission, Tertiary Education Commission, Ministry for the Environment, The Treasury, Department of Building and Housing, New Zealand Qualifications Authority, and Ministry of Fisheries.

People Capability

Te Puni Kōkiri continues to actively seek ways to maintain a healthy, vibrant and capable organisation with all the appropriate resources contributing to achieving results. The Ministry has been able to remain in sound operational shape despite the pressures and challenges within an environment of fiscal constraint and a public service facing constant change. Staff turnover at 10% is relatively low compared to other State sector agencies, and a recent staff engagement survey indicates that Te Puni Kōkiri is still a good place to work.

Cost Effectiveness and Efficiency

Te Puni Kōkiri has faced challenges common across all public sector entities, particularly the need to respond and deliver on government priorities, within an environment of fiscal constraint. We continue to be committed to operating within departmental baseline, to ensure the on-going provision of cost-effective services to Ministers and Stakeholders. The challenge ahead will be to ensure that resources are appropriately directed to ensure maximum value for money.

Fiscal pressures on our ability to meet Government priorities within baseline are being actively managed through continuous re-prioritisation of the work programme, review of activities focusing on efficiency improvements and resource alignment, and expenditure reviews aimed at optimising savings across operating expenditure. Specific activity undertaken during 2011/12 included:

- cost benefit analysis of MBFS' mentoring interventions;

- independent review of MPF and WIIE Fund administrative processes;
- implementation of measures to ensure stronger alignment of policy and regional effort to ministerial key priorities;
- ongoing programme of Rolling Expenditure Reviews;
- full participation in All of Government procurement initiatives;
- managed reduction of 20 departmental vehicles; and
- companion review of Te Puni Kōkiri alongside the Whānau Ora review.

Te Puni Kōkiri has made good progress in developing measures for assessing its effectiveness and efficiency. These include:

- BASS Benchmarking results available for 2009/10, 2010/11 and draft results for 2011/12 – benchmark the cost of administrative and support functions on a year-by-year basis and against Government agency comparators;
- Stakeholder satisfaction surveys using the Common Measurement Tool – capturing stakeholder satisfaction across the Māori Business Facilitation Service, and Regional facilitation, brokerage and investment;
- Increasingly robust Evaluation programme incorporating value for money as a key evaluation question – the evaluation programme covers both departmental and non-departmental activity; and
- Improving set of Impact measures demonstrating trends and progress towards targets where available.



Equal Employment Opportunities

Te Puni Kōkiri maintains a workforce that has a consistent ethnicity balance of approximately 70% Māori and 30% non-Māori. We have completed a three year action plan for improving our processes in ways that would enable Te Puni Kōkiri to eliminate any perceived gender bias in our employment practices. At the completion of that action plan the Ministry has an even gender balance at management level (overall the Ministry has a gender ratio of approximately 60/40, female to male).

Communications

Te Puni Kōkiri promoted its 2011/12 activities and achievements in regular publications such as Kōkiri and E-Kōkiri as an effective means of advising the most relevant, timely, and factual information to staff and stakeholders alike. Formal publications, fact sheets and newsletters available in both hardcopy and via our internet site continue to communicate programme/project based activity and research/statistical findings.

A further communiqué - *Kōtuitui* was our main means of internal networking that linked us all in our work by sharing success stories.

Kōkiri Face-book was launched in 2011/12 and we continue to explore ways to use this medium as a business tool, as is a shift in focus toward e-based communication tools.

Evaluation Programme

In 2011/12, Te Puni Kōkiri made further progress delivering the Evaluation Work Programme.

Evaluation activities focused on a range of community based social and economic development investment categories. Specific projects included:

- Formative evaluation of the Kaitoko Whānau initiative within the Whānau Social Assistance programme;
- Analysis of the investment in Māori participation to the 2011 Rugby World Cup, particularly Waka Māori;
- Process-outcomes evaluation of the Te Puni Kōkiri investment in the Māori Wardens Project;
- Development of the Māori Tourism Strategy Action Plan (MTAP) Evaluation and Outcomes Framework;
- Developmental Evaluation alongside the Whānau Ora-based Whānau Integration, Innovation and Engagement (WIIE) Fund;
- Cost-benefit analysis of the MBFS mentoring interventions; and
- Phase one of the process-outcomes evaluation of the Cadetship Initiatives.

The evaluation work programme is guided by an internal Evaluation Advisory Group to ensure that operational decision-making needs are being met.



FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

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-11 Actual		Note	30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s			\$000s	\$000s	\$000s
Income					
60,107	Crown		60,917	59,088	60,918
986	Other Revenue	2	863	505	505
61,093	Total Income		61,780	59,593	61,423
Expenses					
29,352	Personnel	3	29,856	30,282	32,623
28,204	Operating	4	27,376	27,938	27,656
1,041	Depreciation and amortisation	5	760	1,003	774
347	Capital charge	6	370	370	370
58,944	Total Expenses		58,362	59,593	61,423
2,149	Net Surplus / (Deficit)		3,418	-	-
-	Other comprehensive income		-	-	-
2,149	Total Comprehensive Income		3,418	-	-
	Approved expense transfers		(2,165)		
	Net Surplus/(Deficit) after approved expense transfers		1,253		

Expense transfers of up to \$2.165m have been approved to transfer funding to the 2012/13 financial year.

Explanation of major variances against budget is detailed in note 16.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

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-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Assets				
Current Assets				
10,588		12,822	7,238	8,106
298	7	213	50	250
180		212	114	-
11,066		13,247	7,402	8,356
Non-current Assets				
1,898	8	1,596	2,919	1,853
111	9	41	197	191
2,009		1,637	3,116	2,044
13,075		14,884	10,518	10,400
Liabilities				
Current Liabilities				
3,591	10	4,054	3,381	3,279
74	12	-	-	-
2,149		3,418	-	-
2,395	11	2,472	1,500	2,200
8,209		9,944	4,881	5,479
Non-current Liabilities				
245	11	319	1,016	300
245		319	1,016	300
8,454		10,263	5,897	5,779
Taxpayers' Funds				
4,621		4,621	4,621	4,621
4,621		4,621	4,621	4,621
13,075		14,884	10,518	10,400

Explanation of major variances against budget is detailed in note 16.
The accompanying notes form part of these financial statements.



STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2012

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-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s		\$000s	\$000s	\$000s
4,621	Balance at 1 July	4,621	4,621	4,621
2,149	Total comprehensive income	3,418	-	-
(2,149)	Repayment of operating surplus to the Crown	(3,418)	-	-
4,621	Balance at 30 June	4,621	4,621	4,621

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

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

30-Jun-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Cash Flows from Operating Activities				
Receipts from:				
60,107	Crown	60,917	59,088	60,918
552	Department(s)	708	505	505
509	Other	240	-	228
Payments to:				
(29,327)	Suppliers	(27,180)	(31,331)	(31,899)
(29,485)	Employees	(29,779)	(30,009)	(32,290)
(347)	Capital charge	(370)	(370)	(370)
600	Goods and services tax (net)	271	3,148	3,260
2,609	Net Cash from Operating Activities	4,807	1,031	352
Cash Flow from Investing Activities				
Receipts from:				
95	Sale of property, plant and equipment	341	-	309
Purchase of:				
(436)	Property, plant and equipment	(765)	(1,812)	(844)
(52)	Other non-current assets	-	-	(150)
(393)	Net Cash from Investing Activities	(424)	(1,812)	(685)
Cash Flow from Financing Activities				
(2,012)	Repayment of surplus	(2,149)	-	(2,149)
-	Capital contribution	-	-	-
-	Other financing cash outflows	-	-	-
(2,012)	Net Cash from Financing Activities	(2,149)	-	(2,149)
204	Net Increase / (Decrease) in Cash	2,234	(781)	(2,482)
10,384	Cash at the beginning of the year	10,588	8,019	10,588
10,588	Cash at the end of the year	12,822	7,238	8,106

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 2012

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 70 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on page 73.

30-Jun-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s		\$000s	\$000s	\$000s
2,149	Net Operating Surplus	3,418	-	-
	Add: Non-cash items			
1,041	Depreciation	760	1,003	774
298	Asset write-off - Impairment losses	204	-	(124)
1,339	Total non-cash items	964	1,003	650
	Add/(Less) movements in working capital items			
75	(Increase)/Decrease in debtors and receivables	85	-	228
110	(Increase)/Decrease in prepayments	(32)	-	-
(1,317)	Increase/(Decrease) in Creditors & Payables	537	113	(728)
-	Increase/(Decrease) in Provisions	(74)	-	-
259	Increase/(Decrease) in current employee entitlements	77	(85)	202
(873)	Net movements in working capital	593	28	(298)
	Add/(Less) investing activity			
(6)	Loss/(Gain) on sale of fixed assets	(168)	-	-
(6)	Total investing activity	(168)	-	-
2,609	Net cash flow from operating activity	4,807	1,031	352

The accompanying notes form part of these financial statements.

STATEMENT OF DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2012

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-11 Actual \$000s		30-Jun-12 Actual \$000s
Accommodation lease commitments		
3,072	Less than one year	2,893
2,819	One to two years	2,638
7,334	Two to five years	5,523
678	More than five years	58
13,903	Total accommodation lease commitments	11,112
Other operating commitments		
190	Less than one year	58
-	- One to two years	-
-	- Two to five years	-
-	- More than five years	-
190	Total other operating commitments	58
14,093	Total commitments	11,170

The accompanying notes form part of these financial statements.



STATEMENT OF DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2012

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 2012. It does not include general or unspecified business risks or conditions.

30-Jun-11 Actual \$000s	30-Jun-12 Actual \$000s
Contingent Liabilities	
- Personnel claims	-
- Other Liability claims	45
- Total Contingent Liabilities	45
Contingent Assets	
98 Christchurch earthquake disruption - insurance claims	118
98 Total Contingent Assets	118

The accompanying notes form part of these financial statements.

STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2012

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

30-Jun-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s		\$000s	\$000s	\$000s
VOTE: MĀORI AFFAIRS				
Appropriation for classes of outputs				
8,084	Policy - Social and Cultural	6,750	7,927	6,993
10,436	Policy - Economic and Enterprise	11,706	11,698	12,021
6,352	Policy - Crown Māori Relationships	6,410	7,950	7,226
7,333	Relationships and Information	7,066	7,664	7,372
9,381	Operations Management	9,094	8,714	9,664
9,383	Whānau Ora Administration	10,042	8,838	10,805
7,507	Integrated Whānau Social Assistance	7,294	6,802	7,342
468	Ministerial Economic Taskforce	-	-	-
58,944	Total Appropriations for Classes of Outputs	58,362	59,593	61,423
Departmental Capital Expenditure				
488	Te Puni Kōkiri - Capital Expenditure PLA	765	1,812	994

Expenses and capital expenditure approved under section 26B of the Public Finance Act 1989
Nil (Nil for the year ended 30 June 2011).

Expenses and capital expenditure incurred in excess of appropriation
Nil (Nil for the year ended 30 June 2011).

Expenses and capital expenditure incurred without appropriation or other authority, or outside scope of appropriation
Nil (Nil for the year ended 30 June 2011).

Breaches of projected departmental net assets schedules
Nil (Nil for the year ended 30 June 2011).

STATEMENT OF DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2012

There was no unappropriated expenditure for the year ended 30 June 2012
(Nil for the year ended 30 June 2011).

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Te Puni Kōkiri is a Government Department as defined by section 2 of the Public Finance Act 1989 and is domiciled in New Zealand.

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

The primary objective of Te Puni Kōkiri is to provide services to the public rather than making a financial return. Accordingly, the department 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 2012. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 1 October 2012.

STATEMENT OF COMPLIANCE

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

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

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 (\$000s). 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:

- Amendments to NZ IAS 1 Presentation of Financial Statements. The amendments introduce a requirement to present, either in the statement of changes in equity or the notes, for each component of equity, an analysis of other comprehensive income by item. The Ministry has decided to present this analysis in the Statement of Movements in Taxpayers' Funds.
- FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise

with IFRS and Australian Accounting Standards (Harmonisation Amendments)

- The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments to the Ministry is that certain information about property valuations is no longer required to be disclosed.

- Amendments to NZ IFRS 7 Financial Instruments: Disclosures – The amendment reduces the disclosure requirements relating to credit risk. Note 7 has been updated for the amendments.

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 IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 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 assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Ministry is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Ministry expects to transition to



the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Ministry is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

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

Financial assets and financial liabilities are initially measured at fair value plus transaction costs, unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

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 it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

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

In most instances, an item of property, plant and equipment is recognised at its cost.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

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

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

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Ministry, are recognised as an

intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred.

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 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE 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.

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 the Ministry has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

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

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and 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 2012. In addition, the financial statements also present the updated budget information from the 2011/12 Supplementary Estimates. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

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 wāhanga 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 wāhanga (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 since the date of the last audited financial statements.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to below:

Long service leave

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

Critical judgements in applying the Ministry's accounting policies

Management has not exercised any critical judgements in applying the Ministry's accounting policies for the period ended 30 June 2012.



Note 2: Other Revenue

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
530	SSRSS employer's contribution-recoveries	485
146	KiwiSaver employer's contribution	174
301	Māori Trustee-service fees	204
9	Other Revenue	-
986	Total Other Revenue	863

Note 3: Personnel Costs

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
28,620	Salaries and Wages	29,442
732	Other Personnel Costs	414
29,352	Total Personnel Costs	29,856

Note 4: Operating Costs

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
152	Audit fees for audit of financial statements	154
2,877	Operating lease rentals	2,954
171	Overseas and Pacific Travel	86
2,725	Domestic Travel	1,920
939	Printing, Books and Publicity	571
1,415	Contract Workers	1,255
4,675	Consultancy Fees	4,656
2,159	Research	2,543
1,819	MBFS Commission	2,104
4,661	Programmes	5,036
827	Telecommunications	1,037
297	Computer Related Expense	279
18	Koha	9
894	Conference/Hui	696
361	Legal Fees	184
78	Māori Wardens uniforms	136
1,137	Building Maintenance/Heat, Light & Power/Rates	1,427
565	Motor Vehicle running costs	551
246	Software Maintenance	254
(6)	(Gain)/Loss on Sale of Assets	(168)
290	Honoraria/Meeting Fees	270
298	Impairment Loss	204
1,606	Other Operating Costs	1,218
28,204	Total Operating Costs	27,376



Note 5: Depreciation Charge

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
247	EDP Equipment	150
553	Motor Vehicles	497
1	Office Equipment	-
59	Furniture & Fittings	47
107	Leasehold Improvements	-
74	Software Systems	66
1,041	Total Depreciation Costs	760

Note 6: Capital Charge

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
347	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 2012 was 8% (2011: 7.5%).	370

Note 7: Debtors and Other Receivables

30-Jun-11 Actual \$000s	30-Jun-12 Actual \$000s
298 Debtors	213
- Less Provision for impairment	-
298 Total Debtors and other receivables	213

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

The ageing profile of receivables at year end is detailed below:

	2011/12			2010/11		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Not past due	213	-	213	298	-	298
Total	213	-	213	298	-	298

The provision for impairment has been calculated based on a collective assessment of all receivables.

The collective impairment provision is based on an analysis of past collection history and debt write-offs.

There is a nil provision for impairment as of 30 June 2012 (Nil for 2011).



Note 8: 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 2010	1,338	2,865	255	1,165	2,102	7,725
Additions	219	104	1	68	43	435
Disposals	-	(203)	-	-	-	(203)
Impairment losses	(526)	(52)	-	(49)	(11)	(638)
Balance at 30 June 2011	1,031	2,714	256	1,184	2,134	7,319
Balance at 1 July 2011	1,031	2,714	256	1,184	2,134	7,319
Additions	262	401	5	14	82	764
Impairment losses	(396)	-	(5)	(62)	-	(463)
Disposals	-	(847)	-	-	-	(847)
Balance at 30 June 2012	897	2,268	256	1,136	2,216	6,773
Accumulated depreciation and impairment losses						
Balance at 1 July 2010	726	1,036	255	978	1,995	4,990
Depreciation expense	247	553	1	59	107	967
Eliminate on disposal	-	(113)	-	-	-	(113)
Impairment losses	(353)	(25)	-	(37)	(8)	(423)
Balance at 30 June 2011	620	1,451	256	1,000	2,094	5,421
Balance at 1 July 2011	620	1,451	256	1,000	2,094	5,421
Depreciation expense	150	497	-	47	-	694
Impairment losses	(217)	-	-	(46)	-	(263)
Eliminate on disposal	-	(675)	-	-	-	(675)
Balance at 30 June 2012	553	1,273	256	1,001	2,094	5,177
Carrying amounts						
At 1 July 2010	612	1,829	-	187	107	2,735
At 30 June and 1 July 2011	411	1,263	-	184	40	1,898
At 30 June 2012	344	995	-	135	122	1,596

Work in progress

The total amount of property, plant, and equipment in the course of construction is \$125,213 (2010/11 \$43,064)

Note 9 : Intangible Assets

	Acquired software	Internally generated software	Total
	\$000s	\$000s	\$000s
Cost or valuation			
Balance at 1 July 2010	1,142	463	1,605
Additions	52	-	52
Impairment losses	-	-	-
Disposals	-	(83)	(83)
Balance at 30 June 2011	1,194	380	1,574
Balance at 1 July 2011	1,194	380	1,574
Additions	-	-	-
Impairment losses	(57)	-	(57)
Disposals	-	-	-
Balance at 30 June 2012	1,137	380	1,517
Accumulated amortisation and impairment losses			
Balance at 1 July 2010	1,009	380	1,389
Amortisation expense	74	-	74
Impairment losses	-	-	-
Disposals	-	-	-
Balance at 30 June 2011	1,083	380	1,463
Balance at 1 July 2011	1,083	380	1,463
Amortisation expense	66	-	66
Impairment losses	(53)	-	(53)
Disposals	-	-	-
Balance at 30 June 2012	1,096	380	1,476
Carrying amounts			
At 1 July 2010	133	83	216
At 30 June and 1 July 2011	111	-	111
At 30 June 2012	41	-	41

There are no restrictions over the title of the Ministry's intangible assets.
No intangible assets are pledged as security for liabilities.



Note 10: Creditors and Payables

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
8	Trade Creditors	-
3,604	Accrued Expenses	3,805
(21)	GST payable	249
3,591	Total creditors and payables	4,054

Note 11: Employee Entitlements

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
Current Liabilities		
1,481	Annual Leave	1,432
771	Salaries and Wages	883
13	Long Service Leave	4
130	Sick Leave	153
2,395	Total current portion	2,472
Non-Current Liabilities		
245	Long Service Leave	319
245	Total non-current portion	319
2,640	Total employee entitlements	2,791

For the calculation of long service leave, discount rates of 2.43% for year 1, 2.47% 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 12: Provision for Restructure

The restructuring provision relates to review of the support functions performed by the Support Services Wāhanga.

	Provision for Restructure \$000s
Balance at 1 July 2010	-
Additional provisions made	74
Amounts used	-
Unused amounts reversed	-
Balance at 30 June 2011	74
Balance at 1 July 2011	74
Additional provisions made	419
Amounts used	(493)
Unused amounts reversed	-
Balance at 30 June 2012	-

Note 13: Related party transactions and key management personnel

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

Significant transactions with government-related entities

Te Puni Kōkiri has received funding from the Crown of \$61m (2011 \$60m) to provide services to the public for the year ended 30 June 2012.

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

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

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.



Te Puni Kōkiri also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2012 totalled \$2.0 million (2010/11 \$2.4 million). These purchases included the purchase of electricity from Genesis and Meridian, air travel from Air New Zealand, legal services from Crown Law Office, postal services from New Zealand Post, ACC levies and capital charge paid to the Treasury.

Te Puni Kōkiri has received other revenue from entities related to the Crown. These transactions included receiving funds from the State Services Commission and the Māori Trustee totalling \$0.9 million (2010/11 \$1.0 million) for the year ended 30 June 2012.

As at 30 June 2012, Te Puni Kōkiri had \$0.17 million (2010/11 \$0.27 million) in trade receivables from entities related to the Crown.

Transactions with related parties

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.

Key management personnel compensation

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
1,367	Salaries and other short-term employee benefits	1,704
17	Post-employment benefits	28
1,384	Total key management personnel compensation	1,732

Key management personnel include the Chief Executive, the Deputy Chief Executive and four Deputy Secretaries, who are all members of the Executive Leadership Team (ELT). In the 2011/12 financial year, a new position, Deputy Chief Executive was created. There are a total of 6 members in the ELT (5 in 2010/11).

Key management personnel compensation excludes the remuneration and other benefits the Minister of Māori Affairs, the Associate Minister of Māori Affairs and the Minister for Whānau Ora receive. 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 (PLA), and not paid by Te Puni Kōkiri.

There were no related party transactions involving key management personnel in 2011/12 (nil 2010/11).

Note 14: 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 15: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2012" for an explanation of significant budget changes between the 2011/12 Main Estimates and 2011/12 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 557 and 560).

Note 16: Explanation for Significant Variances

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

Statement of Comprehensive Income (page 70)

	30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Variance
	\$000s	\$000s	\$000s
Personnel	29,856	30,282	(426)
Operating	27,376	27,938	(562)

Personnel: The variance is mainly due to a number of positions remaining vacant and/or taking longer than expected to be recruited to.

Operating: The variance largely relates to lower than expected spending on Action Research, Science and Innovation and Constitutional Review projects. Approved expense transfers are



in place to transfer funding to next year. These are partially offset by a combination of higher contractor costs covering vacancies until permanent appointments are made and additional funding received in the supplementary estimates for participation of the waka Te Hono ki Aotearoa in the Queen's Diamond Jubilee Pageant in London.

Statement of Financial Position (page 71)

	30-Jun-12 Actual \$000s	30-Jun-12 Main Estimates \$000s	30-Jun-12 Variance \$000s
Cash and cash equivalents	12,822	7,238	5,584
Property, plant and equipment	1,596	2,919	(1,323)
Creditors and other payables	4,054	3,381	673

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

Property, plant and equipment: The variance is mainly due to a reduction in the number of motor vehicles resulting from the review of motor vehicle fleet and under spends in a number of EDP hardware, software and leasehold improvement assets.

Creditors and Payables: The variance is a result of higher year end accruals than originally forecast.

Statement of Departmental Expenditure and Capital Expenditure Appropriations (page 77)

	30-Jun-12 Actual \$000s	30-Jun-12 Main Estimates \$000s	30-Jun-12 Variance \$000s
Departmental Expenditure			
Policy-Social and Cultural	6,750	7,927	(1,177)
Policy-Crown Māori Relationships	6,410	7,950	(1,540)
Relationships and Information	7,066	7,664	(598)
Operations Management	9,094	8,714	380
Whānau Ora Administration	10,042	8,838	1,204
Integrated Whānau Social Assistance	7,294	6,802	492
Departmental Capital Expenditure			
Te Puni Kōkiri - Capital Expenditure PLA	765	1,812	(1,047)

The variances for departmental expenditure largely reflect the fiscally neutral transfers between departmental appropriations that were actioned by Te Puni Kōkiri in the 2012 March Baseline Update.

The fiscally neutral transfers were the result of reprioritisation of Te Puni Kōkiri's work programme to respond to a new set of government priorities within an environment of fiscal constraint. On-going prioritisation has ensured that Te Puni Kōkiri met agreed government priorities within the 2011/12 departmental baseline.

The variances primarily reflect internal re-prioritisations to achieve the agreed 2011/12 output plan together with the Cabinet mandated internal FTE effort shift to support the on-going establishment of Whānau Ora.

The underspend for departmental capital expenditure is largely a result of the review of Te Puni Kōkiri's motor vehicle fleet, which has resulted in a reduction in the number of motor vehicles and a change in the replacement policy from every three years to four years.

Note 17: Financial instrument

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
Loans and receivables		
10,588	Cash and cash equivalents	12,822
298	Debtors and other receivables	213
10,886	Total loans and receivables	13,035
Financial liabilities measured at amortised cost		
3,591	Creditors and other payables	4,054

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.

\$000s	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2012				
Trade creditors	-	-	-	-
2011				
Trade creditors	8	-	-	-



NON-DEPARTMENTAL STATEMENTS AND SCHEDULES FOR THE YEAR ENDED 30 JUNE 2012

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 2012

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

30-Jun-11 Actual \$000s	30-Jun-12 Actual \$000s	30-Jun-12 Main Estimates \$000s	30-Jun-12 Supps Estimates \$000s
Current Revenue			
<i>Non-Tax Revenue</i>			
77	Miscellaneous Receipts	171	10
77	Total Current Revenue	171	10
Capital Revenue			
4	Gain on Sale of Properties	35	-
4	Total Capital Revenue	35	-
81	Total Crown Revenue	206	10

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 2012.

SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2012

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 Non-Departmental Expenditure and Capital Expenditure Appropriations on pages 102 to 103. Figures are GST exclusive.

101

30-Jun-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Non-Departmental Expenses				
Operating Annual Appropriations				
118,776	Non-Departmental Output Expenses	129,841	143,917	140,101
476	Benefits and Other Unrequited Expenses	480	480	480
10,245	Other Expenses to be Incurred by the Crown	4,943	4,575	5,008
129,497	Total Operating Annual Appropriations	135,264	148,972	145,589
956	Capital Expenditure	300	300	300
15	Appropriations for Other Expenses	15	15	15
-	Loss on Revaluation of Crown Land	730	-	-
130,468	Total Non-Departmental Expenses	136,309	149,287	145,904

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 2012.



STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2012

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-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Operating Annual Appropriations				
<i>Non-Departmental Output Expenses</i>				
40,332	Māori Television Broadcasting	40,332	40,332	40,332
11,344	Māori Radio Broadcasting	11,344	11,344	11,344
1,808	Administration of Māori Broadcasting	1,808	1,808	1,808
3,204	Promotion of the Māori Language	5,204	5,204	5,204
586	Iwi Housing Support	438	456	456
16,611	Māori Television Channel	16,611	16,611	16,611
10,421	Māori Trustee Functions	10,347	10,347	10,347
1,000	Growing Māori Productivity and Export Growth	1,000	1,000	1,000
368	Strengthening and Promoting Māori Tourism	1,952	1,660	1,952
<i>Whānau Ora-based Service Development MCOA</i>				
7,137	- Service Delivery Capability	13,516	28,200	22,510
4,916	- Whānau Integration, Innovation and Engagement	7,671	6,400	8,147
12,053	Total Whānau Ora-based Service Development MCOA	21,187	34,600	30,657
<i>Māori Potential Funds</i>				
8,284	- Matauranga (Knowledge)	5,543	5,993	5,898
6,779	- Whakamana (Leadership)	7,157	7,394	7,359
5,986	- Rawa (Resources)	6,918	7,168	7,133
21,049	Total Māori Potential Funds	19,618	20,555	20,390
118,776	Total Non-Departmental Output Expenses	129,841	143,917	140,101

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 2012.

30-Jun-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s		\$000s	\$000s	\$000s
	<i>Benefits and Other Unrequited Expenses</i>			
476	Rangatiratanga Grants	480	480	480
476	Total Benefits and Other Unrequited Expenses	480	480	480
	<i>Other Expenses to be Incurred by the Crown</i>			
196	New Zealand Māori Council	196	196	196
1,167	Māori Wardens	1,163	1,178	1,178
626	Māori Registration Service	626	626	626
131	Te Putahi Paoho	131	131	131
5,000	Ngāti Rarua and Atiawa iwi Trust ex-gratia payment	-	-	-
250	Taumarunui Lease Compensation	-	-	-
494	Te Waka	328	-	328
-	Te Ariki Trust	-	21	21
1,867	Māori Women's Development Fund	1,867	1,867	1,867
7	Orakei Act 1991	7	7	7
7	Administrative expenses for Crown Land	20	49	49
500	Turanganui-a-Kiwa Capacity Building	500	500	500
-	New Zealand Wall Enhancement at UN Headquarters	105	-	105
10,245	Total Other Expenses to be Incurred by the Crown	4,943	4,575	5,008
129,497	Total Operating Annual Appropriations	135,264	148,972	145,589
	Capital Contributions to other persons or organisations			
956	Māori Trustee Capital	300	300	300
956	Total Capital Contributions	300	300	300
	Appropriations for Other Expenses			
15	Payments to Trust Boards	15	15	15
15	Total Other Expenses	15	15	15
130,468	Total Non-Departmental Appropriations	135,579	149,287	145,904

Explanations of major variances against budget are detailed in note 4.

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 2012.



STATEMENT OF NON-DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2012

There was no unappropriated expenditure for the year ended 30 June 2012
(Nil for the year ended 30 June 2011).

SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2012

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-11 Actual		30-Jun-12 Actual	30-Jun-12 Main Estimates	30-Jun-12 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Current Assets				
23,505	Cash	11,372	28,004	18,754
-	Accounts Receivable/Prepayments	131	-	-
23,505	Total Current Assets	11,503	28,004	18,754
Property Plant and Equipment				
2,565	Land	1,835	3,330	2,565
2,565	Total Property Plant and Equipment	1,835	3,330	2,565
26,070	Total non-departmental assets administered by Te Puni Kōkiri	13,338	31,334	21,319

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 2012.

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2012

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s	30-Jun-12 Main Estimates \$000s	30-Jun-12 Supps Estimates \$000s
Current Liabilities				
8,604	Creditors and Payables	6,355	3,896	3,896
Non-Current Liabilities				
468	Other Liabilities	425	425	425
9,072	Total Liabilities	6,780	4,321	4,321

An explanation of major variances against budget is detailed in note 4.

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2012

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-11 Actual \$000s		30-Jun-12 Actual \$000s
Category		
6,546	Māori Potential Fund	5,680
3,092	Whānau Ora	18,478
87,620	Crown Entities & Non-Government Organisations	89,630
97,258	Total Crown Commitments by Category	113,788
Out year commitments		
97,125	Less than one year	103,829
133	One to two years	8,063
-	- Two to five years	1,896
-	- More than five years	-
97,258	Total Crown Commitments by out year	113,788

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 2012.



STATEMENT OF NON-DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2012

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 2012. It does not include general or unspecified business risks or conditions.

Contingent liabilities

The Ministry on behalf of the Crown has no contingent liabilities as at 30 June 2012 (2010/11 nil).

Contingent assets

The Ministry on behalf of the Crown has no contingent assets as at 30 June 2012 (2010/11 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 2011/12.

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.

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 2012.

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 consistent with the financial information in the Main Estimates. In addition, these financial statements also present the updated budget information from the Supplementary Estimates.

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.

Goods and Services Tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury Instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

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: Revaluation of Crown Land

Te Puni Kōkiri holds a number of Crown land blocks which are intended for disposal. All the land blocks are assessed for material movement in carrying value each year. 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), where appropriate. All other land blocks are held at cost.



Note 3: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2012" for an explanation of budget changes between the 2011/12 Main Estimates and 2011/12 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 560 to 566).

Note 4: Explanation for Significant Variances

The following notes explain the significant variances between Main Estimates and Actual.

STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE (PAGES 102 – 103)

	30-Jun-12 Actual \$000s	30-Jun-12 Main Estimates \$000s	30-Jun-12 Variance \$000s
Whānau Ora-based Service Development MCOA	21,187	34,600	(13,413)
Te Arika Trust	-	21	(21)
Strengthening and Promoting Māori Tourism	1,952	1,660	292
Te Waka	328	-	328
New Zealand Wall Enhancement at UN Headquarters	105	-	105

The funding in the Whānau Ora-based Service Development MCOA primarily relates to delivery of the multi-year Programmes of Action. Timelines for the delivery of the Programmes of Action have largely been set by the provider collectives themselves and the funding from appropriations to support these is adjusted to reflect the completion of key milestones. Approved expense transfers are in place to transfer unutilised funding to 2012/13.

The Te Arika Trust appropriation of \$0.021m is for the costs of administering the new Te Arika Trust and was not used in 2011/12 as the trustees had not been appointed.

The Strengthening and Promoting Māori Tourism and the Te Waka appropriation variances reflect expense transfers that were actioned in the 2012 October Baseline Update and appropriated in the Supplementary Estimates of Appropriations for the year ending 30 June 2012.

New Zealand Wall Enhancement at UN Headquarters is a new appropriation that was appropriated in the Supplementary Estimates of Appropriations for the year ending 30 June 2012.

SCHEDULE OF NON-DEPARTMENTAL ASSETS (PAGE 104)

	30-Jun-12 Actual \$000s	30-Jun-12 Main Estimates \$000s	30-Jun-12 Variance \$000s
Cash	11,372	28,004	(16,632)

The Cash balance as of the Main Estimates included the Crown surpluses from previous years which have since been returned to the NZDMO. The variance also reflects higher than anticipated level of creditors and other payables at year end.

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES (PAGE 105)

	30-Jun-12 Actual \$000s	30-Jun-12 Main Estimates \$000s	30-Jun-12 Variance \$000s
Creditors and Payables	6,355	3,896	2,459

The variance is a result of higher year end accruals than originally forecast.

Note 5: Financial instruments

30-Jun-11 Actual \$000s		30-Jun-12 Actual \$000s
	Loans and receivables	
23,505	Cash and cash equivalents	11,372
	Financial liabilities measured at amortised cost	
9,072	Creditors and other payables	6,780

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 6: Related party transactions

Te Puni Kōkiri provides funding through the Crown appropriation process to other entities controlled, significantly influenced, or jointly controlled by the Crown. Funding to these government-related entities for the year ended 30 June 2012 totalled \$86 million (2010/11 \$85 million).

Note 7: 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

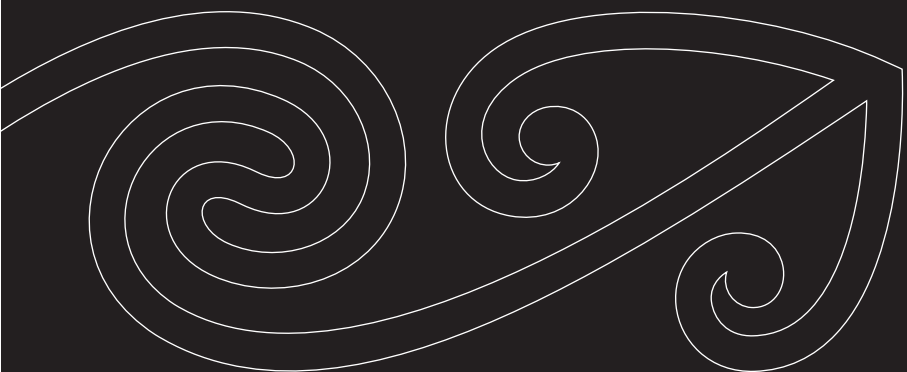
The investment in these entities is recorded within the Financial Statements of the Government on a line by line basis. No disclosure is made in this schedule.

Please refer to the Annual Reports at the following websites:

- Te Māngai Pāho at www.tmp.govt.nz;
- Te Taura Whiri i te Reo Māori at www.tetaurawhiri.govt.nz; and
- Māori Television Service at www.Māoritelevision.com

for information on their financial performance and position.







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