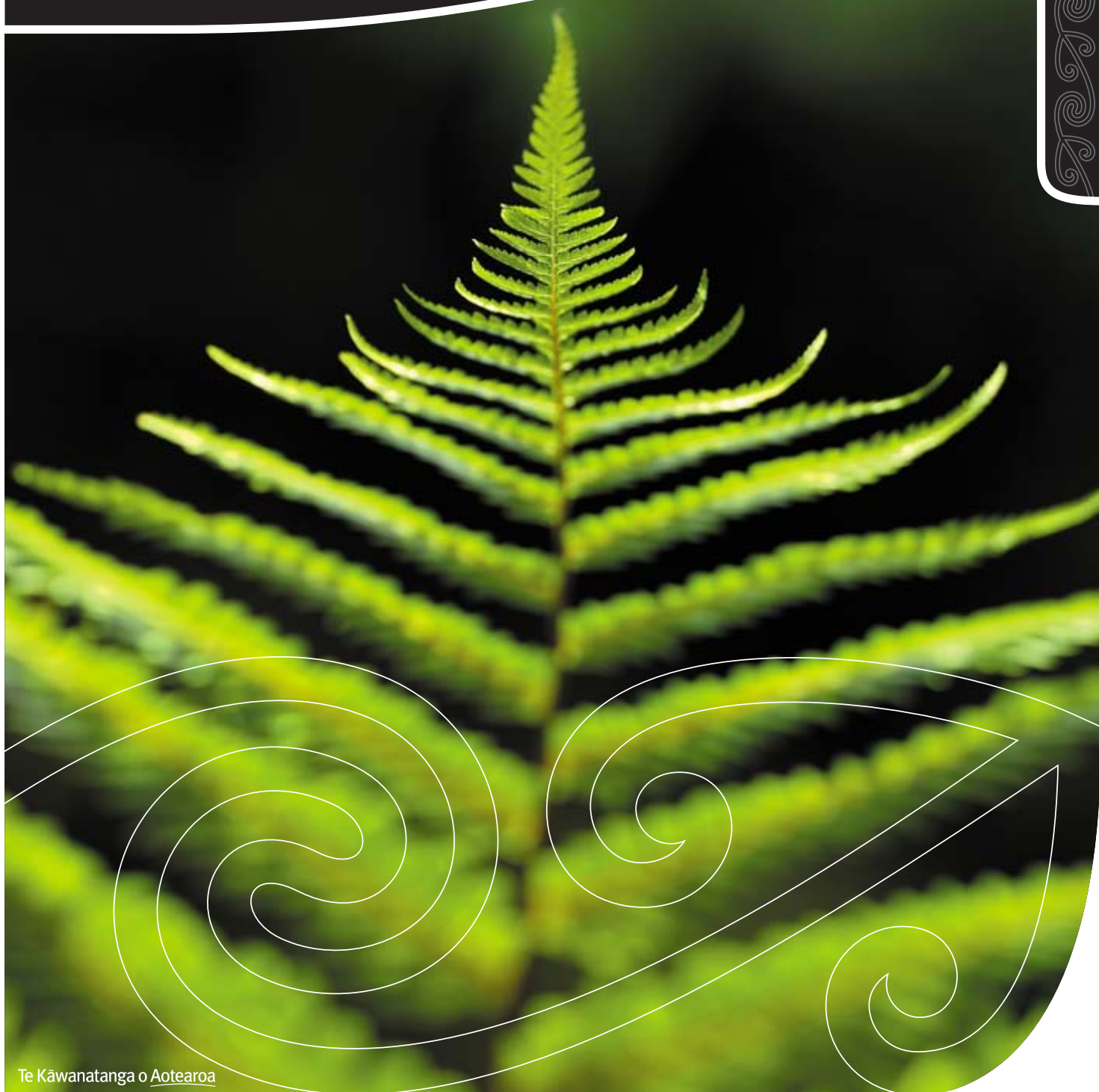




**Te Puni Kōkiri**  
REALISING MĀORI POTENTIAL

## Annual Report

*For year ended 30 June 2011*





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

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OCTOBER 2011



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 2011  
FOR THE YEAR ENDED 30 JUNE 2011





## MINISTER OF MĀORI AFFAIRS

I have the honour to present to you the annual report of Te Puni Kōkiri  
for the year ended 30 June 2011.

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

Leith Comer  
*Chief Executive*

## DIRECTORY

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Audit New Zealand  
Wellington  
on behalf of the Auditor General

### Bankers

Westpac

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## MAI TE MANAHAUTŪ FROM THE CHIEF EXECUTIVE

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

I am pleased to provide this Annual Report that details financial and non-financial performance, including selected key achievements and challenges during the 2010/11 year, in what was another positive period for the Ministry.

Undoubtedly the 22 February Christchurch earthquake presented us with the greatest challenge. I was however immensely proud with the subsequent efforts of Ministry personnel who worked tirelessly alongside Te Rūnanga o Ngāi Tahu to co-ordinate and support the almost immediate offers of relief support made available by iwi and Māori communities across the country, as well as the support from within the Ngāi Tahu whānui. At its peak, Te Puni Kōkiri temporarily increased its core roster in Christchurch from 8 full-time staff, to 36 co-opted from across the Ministry.

I am pleased to advise that considerable progress has been made with the implementation of the Whānau Ora approach. The first six months focused on:

- Establishing governance arrangements – centrally and regionally;
- Selection of the first group of provider collectives;
- Strengthening the engagement of whānau with provider collectives;
- Building relationships between providers and agencies; and
- Initial design of measurement approaches.

The last six months of the financial year has seen the 25 selected provider collectives in the first wave consolidating their relationships, developing models for service delivery, and identifying their key steps at an organisational level, to establish enhanced services for whānau.

Te Reo Mauriora, the independent report released following the review of the Māori Language Strategy, from July 2010 to April 2011, identified a need to focus on whānau and community language development and the importance of strengthened Crown-Māori relationships. Te Puni Kōkiri will contribute further, to the development of the whole-of-government response to this review and implement Cabinet's decisions arising from the review.



A delegation of Māori business leaders visited China in September 2010 focusing on the practice of whanaungatanga and manaakitanga to create opportunities for doing business with one of the World's giant economies. The delegation had meetings with Chinese political and business leaders and visited ethnic minority communities in southwest China. One of the successes of this visit was potentially unlocking Māori-Chinese commercial partnerships. A subsequent visit in June 2011 meant we were able to further build and develop relationships and discuss business with a number of Chinese companies and provincial government leaders.

The Māori Economic Taskforce established by the Minister of Māori Affairs has reported back on some critical Māori economic development work, at a summit in Auckland on 5th May 2011. This was a positive opportunity to celebrate the advances made by Māori whānau, businesses, entrepreneurs, iwi and land groupings. The Taskforce and Te Puni Kōkiri have partnered on a range of initiatives: to commission research that includes Māori innovation and Māori investment and capital markets; Māori Professional and Training Groups (a total of 1800 training and job placements), and Māra Kai - Community Gardens to name a few.

Last November, the Māori Purposes Bill 2010 was introduced into the House. This omnibus Bill amends Acts relating to Māori Affairs and progresses a number of matters, including amendments to the Māori Trust Boards Act; Māori Fisheries Act; Estate of Pukepuke Tangiora; and Te Ture Whenua Māori Act. Te Puni Kōkiri was instrumental in steering these matters into the Parliamentary environment.

In the Treaty settlements arena, Ministers recognised in June 2011, mandates for all twelve Hauraki iwi, a significant achievement given the very complex nature, with a wide range of groups and interests, in the Hauraki rohe.

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

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



Leith Comer  
*Chief Executive*



# HE KUPU WHAKATAKI

## INTRODUCTION

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

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

We focus predominantly on:

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

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

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

# STATEMENT OF RESPONSIBILITY

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

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

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

In my opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of Te Puni Kōkiri for the year ended 30 June 2011.

*Signed*



Leith Comer  
Chief Executive  
30 September 2011

*Countersigned*



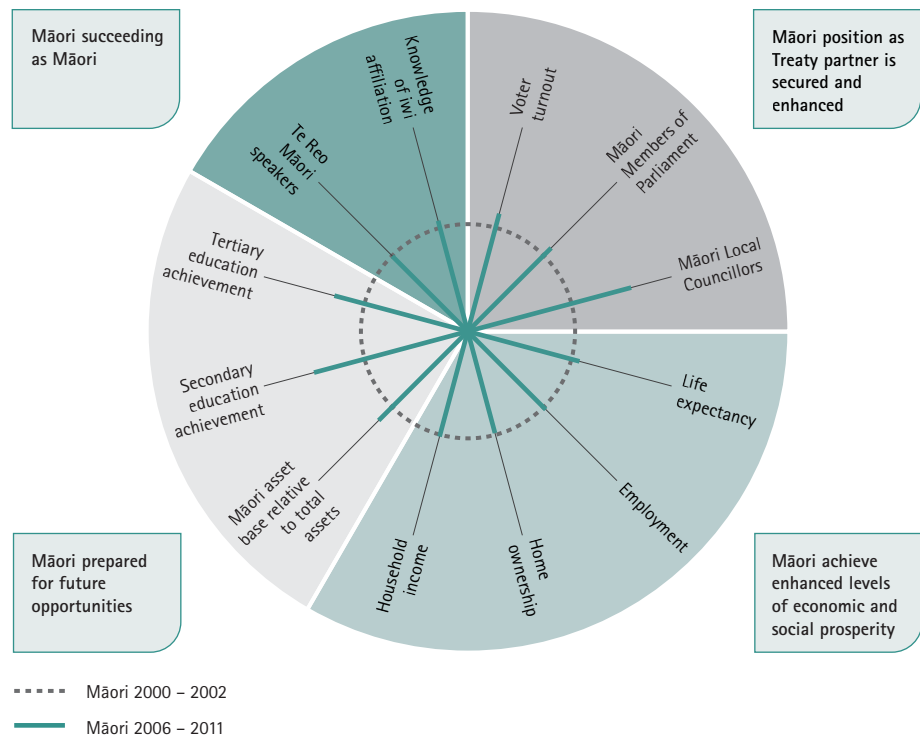
Michelle Ewington  
Chief Financial Officer  
30 September 2011



# KEY OUTCOME INDICATORS

The chart below shows key statistical findings on the progress of Māori and gives an overall view of the general progress Māori have made across the selected indicators since the year 2000. The most recent indicator values for Māori (2006-11) are compared with historical values (2000-02)<sup>1</sup>.

The table reports on the results/effectiveness of Te Puni Kōkiri's activities/outputs linked to high level outcomes. These measures were specifically designed to report on the extent to which our activities directly impact on the outcomes being pursued. See pages 12-17.



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 2011. Where a spoke falls outside the circle, the outcomes have improved since 2000-02. Where a spoke falls within the circle, outcomes have deteriorated since 2000-02.

The chart shows that Māori have made gains in the last decade across all the reported indicators, with the exceptions of home ownership, 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.

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.

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 achieve more explicit articulation of outcome targets in the future. The chart depicts the baseline data (2006-11) for key outcome indicators, and shows recent trends in these indicators (progress since 2000-02).

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

✓ increase / improvement

✗ decrease / decline

Outcome Statement	Key Outcome Indicator	Reported Indicator	Initial	Current	Data Next Available	Progress
<b>Te Tiriti o Waitangi:</b> 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)	62.4 (2008)	2011	✓
		2. Māori members of Parliament (%)	15.8 (2002)	16.4 (2008)	2011	✓
		3. Māori elected in Local Elections (%)	4.0 (2001)	8.0 (2007)	2012	✓
<b>Whānau Ora:</b> 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)	2011	✓
		3. Increased levels of Māori employment	5. Māori employment rate (%)	55.1 (Jun 2001)	57.2 (Jun 2011)	2011
	4. Increased levels of Māori home ownership	6. Māori individual housing tenure (%)	31.7 (2001)	30.1 (2006)	2014 <sup>2</sup>	✗
	5. Increased levels of Māori household income	7. Māori households in bottom income quintile (%)	24.3 (Jun 2002)	25.1 (Jun 2010)	2011	✗
<b>Te Ao Hurihuri:</b> 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 <sup>3</sup> (%)	1.2 (2001)	2.3 (2010)	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)	55.5 (2010)	2012
	10. Māori with post school qualifications (%)		21.2 (2001)	27.9 (2006)	2014 <sup>2</sup>	✓
<b>Te Ao Māori:</b> 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 <sup>2</sup>	✗
		9. Increased knowledge of iwi affiliation	12. Māori who know their iwi (%)	75.2 (2001)	79.5 (2006)	2014 <sup>2</sup>

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

3. 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-assetbaseincpend-2011.pdf](http://www.tpk.govt.nz/_documents/taskforce/met-rep-assetbaseincpend-2011.pdf)

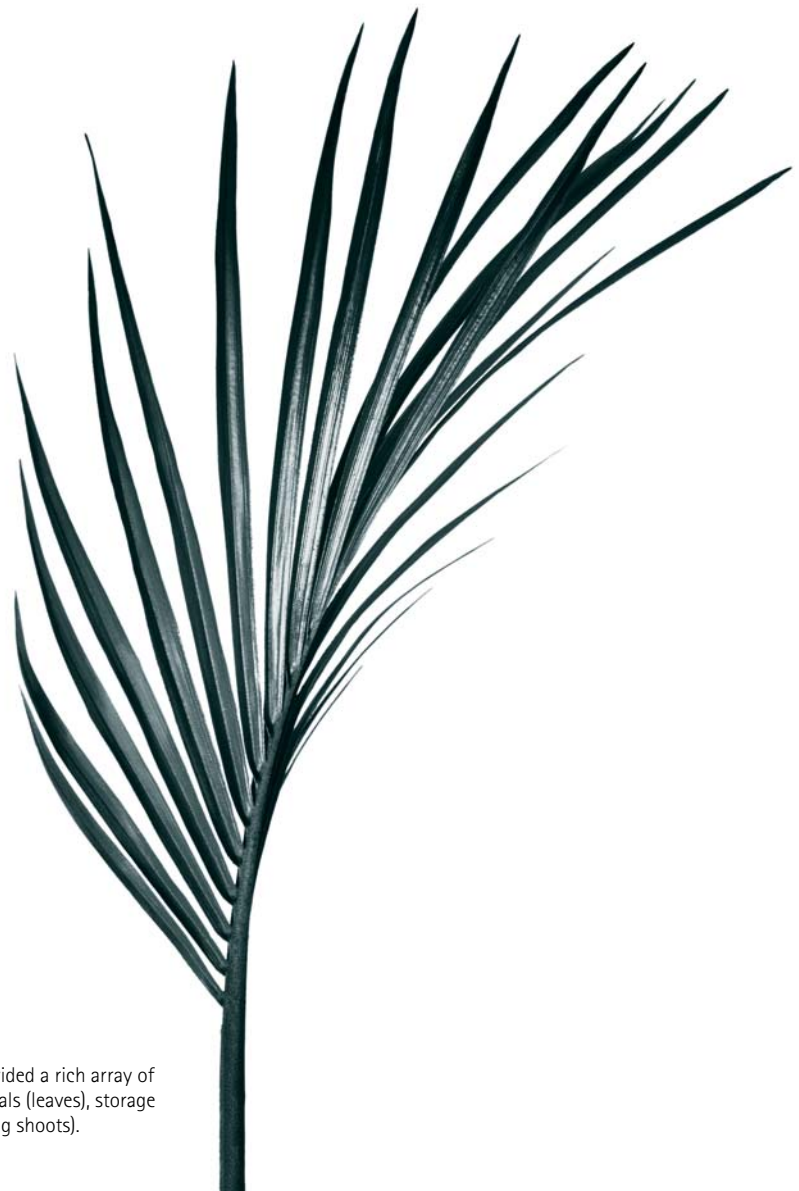


# KEY IMPACT MEASURES - 2010/11

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The following information reports the impact of Te Puni Kōkiri's activities/outputs on key outcomes as stated in the Outcome Framework (2010-13 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.



**NIKAU** – the off-spring of Tane and Tunarangi, nikau provided a rich array of benefits for Māori including thatching and weaving materials (leaves), storage containers (outer trunk), necklaces (berries) and food (young shoots).

## 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
Pre-entry, entry and progress in negotiations processes. (Target: 95% of mandate and ratification decisions reflect Te Puni Kōkiri advice, and within expected timeframes.)	Te Puni Kōkiri continues to participate and in some cases lead mandate and ratification work. In particular the mandating of the Hauraki and Tamaki collectives has been a major achievement. Minister's decisions reflected our advice and timeframes were met in all instances – target of 95% was achieved.
Resolution of inter and intra iwi disputes. (Target: Settlement progress resumes as a result of 80% of facilitated interventions.)	Facilitation was offered to 8 iwi groups and remains ongoing with 3 iwi groups. Amongst groups that accepted the offer of facilitation and where it is complete, all (100%) have resumed settlement progress.
Enhanced PSGE readiness to manage settlement assets. (Target: Positive feedback on Te Puni Kōkiri interventions is received from Post Settlement Governance Entities participating in the Common Measurement Tool Survey.)	Positive feedback was obtained in a survey to Post Settlement Governance Entities (PSGEs) distributed for the year ended 30 June 2011. Only one survey respondent specifically mentioned the PSGE process. They rated Te Puni Kōkiri at an average satisfaction of 4.9 out of 5. An additional 6 survey respondents indicated they received at least one Treaty Settlement service from Te Puni Kōkiri. The average rating for all Treaty Settlement service recipients averages at 4.4 out of 5.
Impact: Māori are increasingly involved in government processes	
Impact measures	Results
Enhanced opportunities for Māori input into government decision making. (Target: Direct consultation with Māori occurs on 100% of Te Puni Kōkiri led policy and legislative proposals.)	Consultation with Māori stakeholders has been held on the policy and legislative proposals led by Te Puni Kōkiri including for example; <ul style="list-style-type: none"> <li>• Māori Purposes Bill #2;</li> <li>• The Māori Tourism Society were actively involved in developing the Māori Tourism Strategy Action plan;</li> <li>• Mokomoko pardon;</li> <li>• Review of the Māori Television Service Act;</li> <li>• The negotiations to vest the New Zealand Māori Arts and Crafts Institute in Ngāti Whakaue and Tūhourangi Ngāti Wāhiao; and</li> <li>• Whānau Ora, enabling whānau to inform and shape service development.</li> </ul>
Success rate of nominations and appointments advice. (Target: 35%)	Te Puni Kōkiri has provided nominations advice for 172 Government appointed boards or organisations. For the 102 boards where the outcome is known, 67% of the successful Māori appointees were nominated by the Minister of Māori Affairs and/or Te Puni Kōkiri.



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

### Impact: Ensure consideration of impact on Māori and whānau wellbeing informs key decisions

<i>Impact measures</i>	<i>Results</i>
Government is better apprised of the issues impacting on the wellbeing of Māori and whānau.(No target specified.)	Advice has been provided to Government on the following issues impacting on Māori and whānau wellbeing: employment; welfare reform; criminal justice; housing; alcohol and drug addiction; health and education. Work has been ongoing with agencies across the social and justice sector e.g. The Ministry of Social Development (Youth Pipeline); the Ministry of Education (Youth Guarantee and Early Childhood Education); the Ministry of Justice (Drivers of Crime); and the Ministry of Health.
Key agencies are better apprised on issues impacting on programme and service effectiveness for Māori and whānau. (Target: Quality of policy advice assessed as minimum 3 on a 1-5 scale, and has a positive impact on the lead agency.)	Specific advice on programme and service effectiveness was provided on a range of matters including: early childhood education services; early parenting and maternity services; transition services from education into employment; addiction treatment services. In all cases specific prioritisation of Māori has been included in programme and service design.  The quality of Te Puni Kōkiri policy advice in general was externally assessed at 5.53 on a scale of 1-6

### Impact: Enable whānau to inform and shape service delivery and access services appropriate to their needs

<i>Impact measures</i>	<i>Results</i>
Increased level of engagement with Māori and whānau. (Target: No specific targets set until baseline data collected.)	Through the 25 selected provider collectives under the Whānau Ora approach, all providers have been required to engage with whānau to identify key areas of service delivery change to meet whānau needs and aspirations. Approximately 1200 whānau (involving over 14,000 individuals) were engaged in planning at the whānau level and are working to existing service delivery, where they need to. Additionally, Kāitoko Whānau and Oranga Whānau worked with more than 700 vulnerable whānau to provide facilitation and brokerage to appropriate services.
Improved accessibility of services to Māori and whānau. (Target: No specific targets set until baseline data collected.)	Access to services for Māori and whānau is improved through Kāitoko Whānau, Oranga Whānau, Māori Wardens and Whānau Ora Provider Collectives. In February 2011, Te Puni Kōkiri Whānau Ora Providers and Māori Wardens also joined the Rapid Response Team to the Christchurch earthquake alongside Te Puni Kōkiri and the Co-ordinated Government Response effort.
Improved service co-ordination. (Target: 15-20 Whānau Ora providers established.)	In 2010/11 25 Whānau Ora provider collectives were established, covering more than 150 individual providers in key parts of the country. During the year, they have been resourced to develop their Programmes of Action to identify the model of service delivery they will apply to support Whānau Ora. Additionally, resources were provided for whānau navigation to improve service coordination.

### Impact: Build whānau resilience and self-reliance

<i>Impact measures</i>	<i>Results</i>
Increase in self-assessed resilience by whānau. (No specific target set until baseline data collected.)	The Whānau Integration, Innovation and Engagement Fund supporting whānau planning activities approximately 1,200 whānau involving around 14,000 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.
Increase in the number of whānau identifying as self-reliant. (No specific target set until baseline data collected.)	An outcomes framework and indicators have been completed for this purpose and baseline data collection is underway through programmes and services focused on whānau.



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

Impact: Ensure consideration of impact on education and skills pathways informs key decisions	
Impact measures	Results
Government is better apprised of the issues impacting on Māori education and skills pathways. (No target specified.)	<p>Advice has been provided on issues impacting on Māori education and skills to Government including on the Tertiary Education Strategy, Youth Guarantee and Welfare Reform. This has led to a specific focus on Māori in these areas.</p> <p>Ongoing work with other agencies and stakeholder groups including the Ministry of Education, the Tertiary Education Commission, the Ministry of Social Development, Career Services, key institutions in the Tertiary sector and Industry Training Organisations on education and skills pathways for Māori.</p>
Increased availability of Māori centred education, skills and training opportunities. (Target: Quality of policy advice assessed as minimum 3 on a 1-5 scale, and has a positive impact on the lead agency.)	Ongoing work with all stakeholders within the education and training sector. Of particular note this year are two initiatives supporting the realisation of training and employment opportunities for Māori in the Canterbury recovery. These include a partnership between Ngāi Tahu and the Christchurch Polytechnic Institute of Technology in preparation for the re-build, and a programme with INFRATRAN that included the training for 25 Māori to NZQA Level 5 in Demolition and Re-cycling to support the rebuild. A further initiative saw the provision of 100 cadetships across a range of industries through contracts with five employers saw Māori exposed to new skills and career development opportunities.
Impact: Enhance services for Māori businesses	
Impact measures	Results
Increased availability of Māori business services. (No target specified.)	Achieved with 469 Māori business owners and entrepreneurs receiving business advice over the full year.
Increased uptake of business services by Māori businesses. (Target: Service provision to over 200 Māori businesses has positive business results according to business owners.)	<p>Results of a survey of Māori SME owners engaged through MBFS indicate a level of 3.77 out of 5 of satisfaction with services provided by MBFS account managers and contracted business mentors.</p> <p>MBFS has provided mentoring support to more than 300 businesses, with positive business results that included:</p> <ul style="list-style-type: none"> <li>• Okains Bay Seafood Ltd, a fish harvesting and exporting company to obtain NZTE funding and explore markets in the USA and Middle East. This has opened up opportunities to progress the development of new environment-friendly products with high-end innovation and research;</li> <li>• newly established Māori company, Snooze Cube Ltd, to secure a 5-year lease contract with United Arab Emirates to install 10 units of sleeping pods in Dubai Airport. The snooze cube is a high-tech sleeping cubicle designed by Māori entrepreneurs;</li> <li>• Assisted the Pukekura Blue Penguin Trust, a joint venture partnership between Korako Karetai Trust and Otago Peninsula Trust, develop a business case for the establishment of an eco-tourism business based on penguin viewing at Pilot's Beach on the Otago Peninsula;</li> <li>• Strengthen relationships with the Ministry of Science and Innovation to access funding for three innovative Māori businesses; and</li> <li>• assisted Māori land owners optimise the benefits of, and mitigate the potential negative impacts of the New Zealand Emission Trading Scheme (NZ ETS), the MBFS embarked on offering (preliminary) business advice and mentoring support that help Māori land owners have; a better understanding on the benefits and pitfalls of the NZ ETS; and assist land owners who are interested in applying for the allocation of units or exemptions from the scheme. 240 Māori land blocks have been assisted through the MBFS mentoring support and through the Māori Potential Fund (MPF).</li> </ul>



Impact: Enhance opportunities for utilisation of assets

Impact measures	Results
<p>Māori are more aware of asset utilisation opportunities. (No target specified.)</p>	<p>Programmes creating asset utilisation opportunities and increased awareness include:</p> <ul style="list-style-type: none"> <li>• Māori Tourism Action Plan and related funding;</li> <li>• Mechanisms for delivery of Aquaculture Treaty Settlement and Undue Adverse Effects test;</li> <li>• Assisting Māori land owners to make informed decisions regarding pre-1990 forests and the Emissions Trading Scheme;</li> <li>• Analysis of opportunities for participation in the Resource Management Act;</li> <li>• Guide for improving Iwi management plans; and</li> <li>• Guide on Cultural Impact Assessments. Impact for Māori will be better determined once programmes have been implemented.</li> </ul> <p>Additional areas of impact have seen, BERL commissioned to produce <i>Te Ripoata Ohanga Māori mō Te Waiariki</i> (refer page 42) the MBFS activity (refer page 30), and Economic Taskforce initiatives (refer page 50).</p>
<p>Barriers to asset utilisation are reduced. (Target: At least 2 barriers to the utilisation of Māori land are addressed through policy and/or legislative intervention.)</p>	<p>Barriers to asset utilisation are being reduced through a joint work plan between the Ministry of Agriculture and Forestry and Te Puni Kōkiri to empower Māori landowners to achieve their land aspirations. The work plan includes:</p> <ul style="list-style-type: none"> <li>• Māori land owners being informed of investment opportunities and risks under the Emissions Trading Scheme (ETS);</li> <li>• Funding to support at least 15 Māori land blocks to identify options to enhance land development through a facilitated collective approach; and</li> <li>• Scoping a potential review of Te Ture Whenua Māori Act 1993.</li> </ul>

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

Impact: Strengthen Māori language and culture	
<i>Impact measures</i>	<i>Results</i>
Enhanced levels of support for and action on Māori language and culture initiatives. (No target specified.)	Te Puni Kōkiri has continued to provide direct support for Māori language and culture initiatives being undertaken by third parties (for example, He Kāinga Kōrerorero, Māori Language Week, Kura Whānau Reo, and Te Reo at Rugby World Cup). We have also undertaken policy work to secure resources for Māori language and culture initiatives through Budget 2011 (that is, reallocated funding for Mā Te Reo and iwi radio).
Direct support and promotion of language and culture initiatives results in increased numbers of and participation in events. (Target: Uptake of Māori radio and television programmes by 50% of Māori population; 75% of participants in selected programmes and events are satisfied with the Māori language outcomes.)	Te Puni Kōkiri completed an impact survey of Māori language services in 2010/11. It showed that, among respondents, 63% of Māori adults had watched the Māori Television Service within the last 7 days, and 16% had listened to iwi radio within that timeframe. Some 66% of respondents with increased Māori language proficiency attributed some of their gain to the provision of these services.  Funding assistance was also provided to a wide range of smaller community events such as manu kōkero and kapa haka competitions and, as in previous years, Te Puni Kōkiri enabled many communities to hold Matariki celebrations.
Impact: Strengthen cultural infrastructure	
<i>Impact measures</i>	<i>Results</i>
Marae are more aware of their development requirements (Target: 500 individualised marae development reports.)	Marae development reports were provided to 547 marae as part of the Marae Development project. These reports will form the basis for an ongoing work programme to provide advice about Marae development opportunities.
Increased levels of marae capability. (Target: 50 marae prepare marae development plans.)	Te Puni Kōkiri processed in excess of 140 proposals from marae for development activities in 2010/11. Particular themes include: support for 20 marae to host Rugby World Cup teams (details were announced on 30 June 2011); and support for marae to provide civil defence facilities during the Christchurch earthquake events. Of the 547 marae surveyed, 40% (220) had strategic plans; 38% (200) had action plans and 12% (65) succession plans.
Participation in iwi and hapū based events. (Target: No specific target pending collation of baseline information.)	Te Puni Kōkiri has provided support for more than 70 iwi and hapū based events in 2010/11 to allow participation in: kapa haka festivals; speech competitions; 'Pa Wars' events; wānanga and others.

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# 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 2011

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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 77, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, statement of departmental expenses 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;
- the non financial performance information of the Ministry that comprises the statement of service performance on pages 22 to 67 and the report about outcomes on pages 10 to 17; and
- the schedules of non departmental activities of the Ministry on pages 100 to 106 that comprise the schedule of assets, schedule of liabilities and schedule of contingent assets and liabilities as at 30 June 2011, the schedule of expenditure, statement of expenditure against appropriations, statement of unappropriated expenditure,

schedule of revenue, schedule of trust monies and the schedule of movements between departments for the year ended on that date and the notes to the schedules that include accounting policies and other explanatory information.

### Opinion

In our opinion:

- the financial statements of the Ministry on pages 70 to 77:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Ministry's:
    - financial position as at 30 June 2011;
    - 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 2011; and
    - unappropriated expenses and capital expenditure for the year ended 30 June 2011.
- the non financial performance information of the Ministry on pages 22 to 67 and 10 to 17:
  - 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 2011, 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 106, fairly reflect:
  - the assets, liabilities, contingent assets and liabilities and trust monies as at 30 June 2011 managed by the Ministry on behalf of the Crown; and
  - the revenues, expenditure, expenditure against appropriations, movements between Departments and unappropriated expenditure for the year ended on that date managed by the Ministry on behalf of the Crown.

Our audit was completed on 30 September 2011. 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;
- schedules of non departmental activities, in accordance with the Treasury Instructions 2010 that 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 (the Ministry of Māori Development) for the year ended 30 June 2011 included on Te Puni Kōkiri's website. Te Puni Kōkiri's Chief Executive is responsible for the maintenance and integrity of Te Puni Kōkiri's website. We have not been engaged to report on the integrity of Te Puni Kōkiri's website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and schedules of non-departmental activities since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance and schedules of non-departmental activities named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and schedules of non-departmental activities. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and schedules of non-departmental activities and related audit report dated 30 September 2011 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 2011

### INTRODUCTION

The Statement of Service Objectives for Te Puni Kōkiri is detailed in the *Information Supporting the Estimates of Appropriations and the Information supporting the Supplementary Estimates* for the year ending 30 June 2011. This forms the output objectives for the year against which this service performance statement reports.

### POLICY – SOCIAL AND CULTURAL

#### Scope of Appropriation:

Advice on policies and programmes that

specifically impact on the social and cultural status of Māori people and resources.

#### Our Approach:

In 2010/11 Te Puni Kōkiri prioritised its work with social development and justice sector agencies, and other agencies with an interest in strengthening the policy and operational environment to improve education, health, justice, housing and employment outcomes for Māori whānau. Te Puni Kōkiri also continued to lead work associated with the Māori Language Strategy (MLS), Māori Broadcasting and E-Media Outcomes Framework.

### OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2009/10	Performance Measures <sup>4</sup>	Actual Standard 2010/11	Budget Standard 2010/11
	<b>Policy Advice</b> Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual – Evidenced by:		
5.57	<ul style="list-style-type: none"> <li>An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6</li> </ul>	Six Cabinet papers were assessed, score of 5.53	Minimum score of 4
4.16	<ul style="list-style-type: none"> <li>An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 5</li> </ul>	4.78	Minimum score of 3
92%	<ul style="list-style-type: none"> <li>Policy advice is provided within the agreed timeframes</li> </ul>	84% on time	95% meets timeframes

4. The first six measures are identical in all three Policy appropriations



<b>Statutory Monitoring</b>			
100%	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	Two monitoring reports substantiated, 100%	100%
<b>Research</b>			
3	Sample of research/statistical reports externally validated against criteria	1	Minimum of 3 reports sampled
4	All externally validated reports reviewed will have been assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely - on a scale of 1 to 5	One report validated, 4.5	Minimum score of 3
<b>Māori Language Strategy (MLS)</b>			
6	Hold monthly meetings with MLS lead agencies (TTWh, TMP, MTS, Ministry of Education, Ministry for Culture and Heritage and the National Library) in order to monitor agency activity/contribution towards MLS outcomes	12 meetings held with lead agencies, 4 with Officials Committee of MLS	6 meetings with MLS lead agencies, and 6 with Officials Committee of MLS
2	Monitor Māori language content on MTS and Iwi Radio (not funded by TMP) to ensure compliance with legislative requirements and licence agreement requirements	3 monitoring reports were completed by 30 June 2011	2 monitoring reports by 30 June 2011
Not Applicable	Prepare Annual Report on Implementation of Māori Language Strategy	Report prepared but not finalised as at 30 June 2011	Report prepared by 30 June 2011
Not Applicable	Develop and run a Crown Entity Impact Survey covering TMP, TTWh, and MTS to develop a baseline impact measure of the effectiveness of the agencies impact on the increased use and proficiency of the Māori language	Completed as required and results published	Survey completed by 30 November 2010



<b>Māori Language Value-for-Money Review</b>			
Undertake a review of Māori language activity and funding across Government agencies and Review findings/recommendations to Government:			
Not Applicable	<ul style="list-style-type: none"> <li>within agreed timeframes</li> </ul>	N/A. Review undertaken by Independent Panel, TPK provided secretariat	95% meets timeframes
Not Applicable	<ul style="list-style-type: none"> <li>The Minister is satisfied with the review process and implementation of review recommendations on a scale of 1 to 5</li> </ul>	N/A. Ministerial assessment on review process not sought. Recommendations from Panel report – Te Reo Mauriora still under consideration by Government	Minimum score of 3
Not Applicable	<ul style="list-style-type: none"> <li>The Review provides for consultation across all interested parties, including a facility for receiving submissions</li> </ul>	Completed, through 14 hui with iwi throughout the country, and direct submission facility	Opportunity afforded to all interested parties to participate in consultation hui and to make a direct submission to the Review panel
<b>Broadcasting and e-Media Strategy</b>			
Not achieved	Report to the Ministers of Māori Affairs and Finance on a review of the Māori Television Service Act 2003	Completed	Within agreed timeframes
Not Applicable	Māori reserve radio frequencies allocated on new agreements	95% achieved by 30 May 2011	95% of new licence agreements are in place by 30 May 2011
Not Applicable	Prepare annual report on implementation of Māori Broadcasting and E-Media Strategy	Achieved	Completed by 30 June 2011

Monitor Māori Language and Broadcasting agencies funded through Vote Māori Affairs (TTWh, TMP, MTS)			
Not achieved	Advice to responsible Ministers as above along with comments on their Quarterly performance	95% achieved	95% of timeframes met
10	Facilitate regular meetings with agencies on matters of mutual interest	6 meetings	Minimum of 4 meetings by 30 June 2011

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

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

## OUTPUT PERFORMANCE

In 2010/11, Te Puni Kōkiri worked on a number of initiatives to ensure that Māori language, culture and cultural infrastructure was accessible and strengthened.

Leadership was provided by Te Puni Kōkiri on the government's current Māori Language Strategy (MLS) through the co-ordination of Māori language activities of the lead agencies involved in the MLS.

Regular meetings were convened with MLS lead agencies (Te Taura Whiri i te Reo Māori (TTWh), Te Māngai Pāho (TMP) – Māori Broadcasting Funding Agency, Māori Television Service (MTS), Ministry of Education, Ministry for Culture and Heritage and the National Library) in order to monitor agency activity/ contribution towards MLS outcomes.

Te Puni Kōkiri monitored and compiled two reports on the Māori language content of the MTS and Iwi Radio (not funded by TMP) to ensure compliance with their accountability requirements.

In November 2010, a Crown Entity Impact Survey covering TMP, TTWh, and MTS was developed and commissioned by Te Puni Kōkiri, to establish a baseline impact measure of each agency's impact on the increased use and proficiency of the Māori language. This involved 1,503 Māori people aged 15 years and over being surveyed through telephone interviews, and has a sampling error of plus or minus 3%, with (5% confidence).

Results from the survey were released through three fact-sheets: - covering:

- Mā te Reo and Kōrero Māori websites administered by TTWh;
- Māori Television; and
- Iwi radio stations (funded by Government through TMP).

During 2010/11, Te Puni Kōkiri continued to provide policy leadership on the Māori broadcasting and e-media strategy, including:

- consultation with Māori stakeholders from November 2010 to February



2011, on Cabinet decisions and specific recommendations around Te Pūtahi Paoho (Māori electoral college for MTS) membership;

- policy advice to Ministers' on legislative reforms arising from the review of the Māori Television Service Act;
- research, monitoring, and operational assistance to iwi radio; and
- provision of new licence agreements, to all iwi radio station. These licence agreements require the iwi stations to develop and implement Māori language plans that reflect the language profiles and aspirations of their local communities

Te Puni Kōkiri continued to provide advice and support for Māori to identify cultural development opportunities during 2010/11. Many events of cultural significance were supported throughout the year from the recovery of lost taonga, to assisting with staging Ratana celebrations 2011. Additionally, assistance has been provided to marae for iwi based initiatives targeted to reinforce their cultural heritage. The results of the Marae Development Survey will be used to develop and implement a forward-looking work programme.

## SELECTED ACHIEVEMENTS:

### Māori Language Strategy

The Minister of Māori Affairs commissioned an independent panel to review the Māori Language Strategy and Sector. This review was undertaken between July 2010 and April 2011, when the panel released its report *Te Reo Mauriora*. Key themes in this report include, among other things: greater emphasis on home and community language development; stronger Crown-Māori relationships; and enhanced roles for Māori in Māori language

services. Work is currently underway to provide advice about the development of a new Māori Language Strategy.

### Māori Broadcasting and E-Media Outcomes Framework

New licence agreements have been developed for iwi radio stations. These licence agreements require the iwi stations to develop and implement Māori language plans that reflect the language profiles and aspirations of their local communities. Te Puni Kōkiri has provided technical support and additional funding for the implementation of the new licence agreements, including the community-oriented language plans. In addition, Te Puni Kōkiri provided support for Ngā Pū Waea, the Māori Broadband Working Group. Ngā Pū Waea will work with Telecom and Vodafone during the roll-out of broadband initiatives to ensure that Māori interests are appropriately reflected.

### Marae Development

Te Puni Kōkiri completed research for the marae development survey in 2010/11 and prepared a report for publication. The report is undergoing final editing for publication in 2011/12. This report will describe the health of marae across New Zealand in terms of physical infrastructure, people and cultural development. It will form the basis for an ongoing work programme to provide advice about marae development opportunities. In related work about the management of taonga Māori, support has been provided for exhibitions and activities that showcase Māori cultural development, including the *E Tū Ake* exhibition at Te Papa and the development of Te Waka Māori as part of Rugby World Cup 2011 celebrations.

## FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/10 Actual \$000		30/06/11 Actual \$000	30/06/11 Supp Estimates \$000	30/06/11 Main Estimates \$000
8,662	Revenue Crown	8,272	7,980	8,230
471	Other Revenue	341	361	361
<b>9,133</b>	<b>Total Revenue</b>	<b>8,613</b>	<b>8,341</b>	<b>8,591</b>
8,578	Total Expenses	8,084	8,341	8,591
<b>555</b>	<b>Net surplus/(deficit)</b>	<b>529</b>	-	-



## POLICY – ECONOMIC AND ENTERPRISE

### Scope of Appropriation:

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

### Our Approach:

Te Puni Kōkiri's priority was to ensure that 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 2009/10	Performance Measures <sup>5</sup>	Actual Standard 2010/11	Budget Standard 2010/11
	<b>Provision of on-going policy advice</b> Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual - Evidenced by:		
5.57	<ul style="list-style-type: none"> <li>An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6</li> </ul>	Six Cabinet papers were assessed, score of 5.53	Minimum score of 4
4.16	<ul style="list-style-type: none"> <li>An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 5</li> </ul>	4.78	Minimum score of 3
92%	<ul style="list-style-type: none"> <li>Policy advice is provided within the agreed timeframes</li> </ul>	84% on time	95% meets timeframes
	<b>Monitoring</b>		
100%	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	Two monitoring reports substantiated, 100%	100%
	<b>Research</b>		
1	Sample of research/statistical reports externally validated against criteria	1	Minimum of 3 reports sampled

5. The first six measures are identical in all three Policy appropriations

4	All externally validated reports reviewed will have been assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely - on a scale of 1 to 5	One report validated, 4.5	External Assessment -minimum score of 3
<b>Māori Business Facilitation Service (MBFS)</b>			
Administer the Māori Business Facilitation Service through:			
881	<ul style="list-style-type: none"> <li>Frontline engagement with Māori SME owners to determine mentoring readiness</li> </ul>	838	800-900
526 with 60% new	<ul style="list-style-type: none"> <li>Provide new and existing businesses with assessment, planning and mentoring assistance</li> </ul>	469: 225 were new businesses, 48% of total	420 - 450 (at least 50% to be new businesses)
5	<ul style="list-style-type: none"> <li>Support to Māori business networks or professional clusters</li> </ul>	5	3
3.5	<ul style="list-style-type: none"> <li>Māori SME owners engaged through MBFS provide positive feedback on the service provided on a scale of 1 to 5</li> </ul>	Satisfaction level of 3.77	Minimum score of 3.5
<b>Supporting Māori Innovation</b>			
Not Applicable	Provide information/training, and other capacity to Iwi/Māori organisations that supports improved Māori innovation and science outcomes	Commissioned research and case studies re engagement between Māori entities and science sector to support the building of capability and capacity	Engagement and information sharing is occurring with a range of Iwi/Māori organisations, and priorities identified
Not Applicable	Facilitate Iwi/Māori engagement with government to identify mutually important science and innovation priorities	Science and Innovation Forum has been deferred, planned to be held during 2012	Māori Innovation Forum or similar events are held to identify mutual science and innovation priorities



## OUTPUT PERFORMANCE

In 2010/11, Te Puni Kōkiri supported a number of activities to continue to build better pathways for young Māori into employment in key industries. This has included around 100 cadetships and a range of activities to assist Māori asset holders and businesses to better prepare and connect with their future labour force. Development and implementation of these industry training initiatives were aimed at supporting Māori to maximise employment and training opportunities in the trades. This included a three year agreement with InfraTrain to recruit and train over 700 Māori in the civil infrastructure industry and provide 15 scholarships to Māori to gain higher qualifications.

Te Puni Kōkiri supported 45 Māori achieving the National Diploma in Business from across the 5 primary sector networks. The Growing Māori Assets work announced in Budget 2010 will assist with this initiative established over the last year, and alongside cadetships, will help foster opportunities for young Māori to get access into jobs in growing industries.

Additionally, a particular focus on skills and welfare in the Canterbury region was identified following the devastating February earthquake. Already, to assist with the skills requirements of the rebuild Te Puni Kōkiri has selected a Provider to work with Industry Training Organisations and employers to support at least 200 Māori into the construction sector.

*Ko Ngā Tumanako o Ngā Tāngata Whai Whenua Māori – Owner Aspirations Regarding the Utilisation of Māori Land*, was published by Te Puni Kōkiri in April 2011. This research report provides insight into the economic, cultural

and social aspirations that Māori communities have for their land ownership and provides a platform for ongoing work in targeting opportunities to lift the productivity of Māori land in order to realise its economic potential.

### **Māori Business Facilitation Service (MBFS)**

During 2010/11, 838 clients (target 800-900) were provided assistance through the provision of business advisory services (568), workshops (60), support to Rugby World Cup (RWC) business club (126), and the conduct of business impact survey for earthquake affected businesses in Christchurch.

Additionally, 469 Māori business owners and entrepreneurs (target 420-450) received business advice, of which more than 430 clients were referred to Te Puni Kōkiri contracted business mentors.

Support was also provided (target 3) to 5 Māori business networks or clusters; Tāmaki Makarau, Te Tairāwhiti, Te Humeke, Takiwai, and Matatau Māori Business Centre.

Te Puni Kōkiri surveyed Māori SME owners engaged through MBFS this year, and the results indicate a 3.77 score out of 5 (target was minimum score of 3.5) level of satisfaction with services provided by the account managers and contracted business mentors.

In 2010/11, a number of economic opportunities for Māori have been identified and delivered through the RWC 2011 work programme.

Te Puni Kōkiri has provided ongoing policy advice in 2010/11, to Ministers' and sector agencies, specifically the Ministry of Social Development on Youth Pipeline, Ministry of Education on Youth Guarantee, Ka Hikitia, Early Childhood Education, and compulsory and tertiary education.



In terms of Māori participation in natural resource management, and following Cabinet's consideration of the policy reform package in December 2010, Te Puni Kōkiri has been involved in refining options and working directly with the Ministry for the Environment to undertake further analysis of issues and options. In addition, Te Puni Kōkiri has completed three further important pieces of policy work:

- Economic analysis of opportunities for improved participation in the Resource Management Act;
- Practice guide improving iwi management plans; and
- Practice guide on Cultural Impact Assessments.

## SELECTED ACHIEVEMENTS:

### Shanghai Expo

Te Puni Kōkiri and the Minister of Māori Affairs led and supported a range of initiatives to promote and support the "Māori competitive edge" in business, including the work of the Ministerial Economic Taskforce and the Minister-led delegation of Māori business leaders to the 2010 Trade Expo in Shanghai. The delegation had meetings with Chinese political and business leaders and visited ethnic minority communities in southwest China. Positive relationship development has seen the establishment of international business relationships, potentially leading to Māori-Chinese commercial partnerships.

A follow-up business-related delegation visit led by the Chief Executive of Te Puni Kōkiri took place in June 2011, encouraging Māori business relationships in China.

### Rugby World Cup

Through the hosting of Rugby World Cup 2011, there is an unprecedented opportunity to showcase the very best of Aotearoa New Zealand's business and cultural offerings to a truly global market.

Te Puni Kōkiri has progressed work in 2010/11 including:

- liaison with iwi and Māori groups across the country, and with government and RWC officials, to ensure that Māori people, and Māori culture, play a strong and vital part in showcasing our nation to in-bound visitors and to worldwide audiences;
- assisting up to twenty marae to seek Qual Mark accreditation, both as ongoing business opportunities for those marae and, with the RWC looming, to help respond to the surge in demand for tourist accommodation;
- working jointly with the Ministry of Economic Development and Māori business networks to ensure Māori business owners, alongside other kiwi businesses, are available to host in-bound business people during RWC; and
- planning two Te Waka based events focused on promoting Māori business.

### InfraTrain

Te Puni Kōkiri's relationship with InfraTrain, the Infrastructure Industry Training Organisation, was developed as part of Te Puni Kōkiri's response to the Prime Minister's 2009 Job Summit. The focus on infrastructure sought to maximize opportunities for Māori emerging from the Government's significant investment in infrastructure.



In 2010/11, Te Puni Kōkiri investment allowed for 259 Māori to receive training in initial, and/or advanced infrastructure industry qualifications, and a further 8 Māori received civil engineering diploma scholarships. It is proposed to continue working with InfraTrain to support more Māori development through infrastructure-related qualification pathways and employment opportunities.

#### **Cadetships**

The Cadetships Programme was originally developed also, as part of Te Puni Kōkiri's response to the Prime Minister's 2009 Job Summit.

In 2010/11, Te Puni Kōkiri support has enabled for one hundred and one cadets to be employed across a range of industries through contracts with five employers. Cadetships expose cadets to new skill and career development opportunities, and develop generic and industry-specific skills; build the confidence and ability of cadets to move into employment opportunities in non-traditional industries/roles; and enable employers to improve their recruitment, retention and business productivity. It is also intended to continue the Cadetships Programme in 2011/12.

#### **Professional Group Training**

Through the Ministerial Economic Taskforce, the Professional Group Training project created 1,550 training places and 252 job places – a total of 1800 training and job placements. Five initiatives were established across key industries including information technology, accounting, the science sector, teaching, architecture and design and worked with employers, industry associations, sector bodies, schools and universities.

#### **Māori Tourism Strategy**

Supporting the development of a Māori Tourism Strategy – an interagency governance group comprising the New Zealand Māori Tourism Society, Te Puni Kōkiri, the Ministry of Economic Development, Tourism New Zealand, the Ministry for Culture and Heritage, the Department of Conservation and New Zealand Trade and Enterprise has made significant progress toward completion of a Māori Tourism Action Plan for implementation over the next 3 years which seeks to:

- raise the quality and consistency of Māori tourism products;
- improve the business capability and performance of Māori tourism operators; and
- better promote Māori tourism.

A key feature of the action plan is recognition of the value of integrating Māori tourism into existing investment in the tourism sector.

#### **Christchurch Employment**

Following the February earthquakes, a particular focus on skills and welfare in the Canterbury region has been underway. To assist with the skills requirements of the rebuild, Te Puni Kōkiri has undertaken a "Request for Proposal" to select an agent to work with Industry Training Organisations and employers to support at least 200 Māori into the construction sector.

## FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/10 Actual \$000		30/06/11 Actual \$000	30/06/11 Supp Estimates \$000	30/06/11 Main Estimates \$000
12,038	Revenue Crown	10,831	10,899	12,297
30	Other Revenue	24	23	23
<b>12,068</b>	<b>Total Revenue</b>	<b>10,855</b>	<b>10,922</b>	<b>12,320</b>
11,778	Total Expenses	10,436	10,922	12,320
<b>290</b>	<b>Net surplus/(deficit)</b>	<b>419</b>	<b>-</b>	<b>-</b>



## POLICY – CROWN MĀORI RELATIONSHIPS

### Scope of Appropriation:

Advice on relationships between Māori people and the Crown. It includes 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 2009/10	Performance Measures <sup>6</sup>	Actual Standard 2010/11	Budget Standard 2010/11
<b>Policy Advice</b>			
Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual – Evidenced by:			
5.57	An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6	Assessment score of 5.53	External Assessment – minimum score of 4
4.16	An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 5	Assessment score of 4.78	Ministerial Assessment – minimum score of 3
92%	Policy advice is provided within the agreed timeframes	84% on time	95% meets timeframes
<b>Statutory Monitoring</b>			
100%	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	2 monitoring reports substantiated, 100%	100%

6. The first six measures are identical in all three Policy appropriations

<b>Research</b>			
1	Sample of research/statistical reports externally validated against criteria	1	Minimum of 3 reports sampled
4	All externally validated reports reviewed will have been assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely - on a scale of 1 to 5	1 report validated 4.5	External Assessment - minimum score of 3
<b>Treaty Settlements</b> Provide advice, facilitation and brokerage to support government's goal of settling all historic claims by 2014 on: mandate and representation; governance and settlement ratification; protection mechanism; settlements policy:			
100%	<ul style="list-style-type: none"> <li>Mandate and ratification responsibilities to negotiating parties and Ministers are conducted within agreed timeframes</li> </ul>	95% timeframes met for hui observed	95% of timeframes met
100%	<ul style="list-style-type: none"> <li>Mandate and ratification decisions reflect Te Puni Kōkiri advice</li> </ul>	95%	95%
80%	<ul style="list-style-type: none"> <li>Resolution of inter and intra iwi, and Crown-Māori disputes - settlement progress resumes as a result of facilitated interventions</li> </ul>	100%	80%
Not Applicable	<ul style="list-style-type: none"> <li>Policy advice provided to Minister of Māori Affairs on settlement offers</li> </ul>	Achieved through 36 Cabinet papers relating to settlement offers	100% of all settlement offers
Achieved	Cabinet paper and Annual Report prepared on the implementation of Waitangi Tribunal recommendations - for tabling in the House of Representatives	8 September 2010	By 31 August 2010



<b>Law Reform</b>			
100%	Undertake direct consultation with Māori on Te Puni Kōkiri led legislative proposals.	Consultation completed – in relation to the Māori Purposes No. 2 Bill and Māori Television Service Act	100% of Te Puni Kōkiri led legislative proposals
<b>Nominations and Appointments</b>			
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:			
93.5%	<ul style="list-style-type: none"> <li>nominations and appointments process is undertaken within agreed timeframes</li> </ul>	96%	95% of timeframes met
58.7%	<ul style="list-style-type: none"> <li>success rate of advice provided on nominations to Government appointed organisations and bodies</li> </ul>	67%	30% to 35%
<b>Māori Trustee Monitoring</b>			
Achieved	Monitor the quarterly performance of the Māori Trustee against the accountability requirements of the Funding Agreement, and provide advice on performance to the Minister	95%	95% of timeframes met
2	Facilitate regular meetings with the Māori Trustee (and/or MT staff) on issues of mutual interest	6	Minimum of 4

## OUTPUT PERFORMANCE

Te Puni Kōkiri has worked with 78 iwi groups throughout the settlement process. Te Puni Kōkiri has also worked with the Office of Treaty Settlements and provided advice on mandating and representation, governance and post-settlement, governance entities, the protection mechanism and settlement policy.

In total, Te Puni Kōkiri has:

- progressed 16 outside of Treaty settlement issues, which contribute to the overall progression of Treaty settlements;
- attended 7 Protection Mechanism Official's Committee meetings;
- provided advice on 103 properties that are subject to protection mechanism processes;
- arranged for 76 ratification, and 78 mandate hui to be observed for 11 and 22 iwi groups respectively;
- provided advice to the Minister of Māori Affairs through various Cabinet papers relating to settlement offers, as well as advice on 17 ratification strategies;
- advised 46 iwi groups on mandating processes;
- provided advice to iwi groups and the Office of Treaty Settlements on 12 ratification strategies, 6 Post Settlement Governance Entities; and
- advised 25 iwi groups on their mandate strategies and provided advice to the Office of Treaty Settlements on 14 mandate strategies.

Te Puni Kōkiri facilitated interventions to iwi in 2010/11, particularly (Ngāi Tūhoe, Tūhourangi Ngāti Wāhioa, Ngāti Ruapani ki Waikaremoana, and Ngāti Rahiri tumutumu) to assist with settling internal disputes, which has enabled the iwi to progress their

settlement activity at the pace and in a manner that met their goals and aspirations.

Te Puni Kōkiri has also been active in leading the Wai 262 Secretariat to prepare for the whole of government response to the Tribunal's report. The main activities have included; interaction with various agencies, briefing to the Attorney-General and Minister of Māori Affairs, and the communications strategy.

Information was provided to the Minister of Māori Affairs on the planned review of New Zealand's constitutional arrangements, and on the establishment of the Constitutional Advisory Panel (CAP).

Advice was also provided to the Minister of Māori Affairs on the Marine and Coastal Area (Takutai Moana) Act legislation, passed into law on 31 March 2011, including the role of the Minister under the new Act. Ongoing work in this area relates to the implementation of this Act.

Policy advice on a range of issues was provided to the Minister of Māori Affairs and other officials in 2010/11, in relation to iwi/Māori property rights and natural resources. This included:

- advice on Canterbury earthquake recovery;
- freshwater rights and interests;
- achieving enhanced iwi participation in the Resource Management Act processes; and
- advice on iwi involvement in minerals and petroleum exploration.

Te Puni Kōkiri has participated in cross-sector fora including the Natural Resources Sector and provided policy advice for whole of government policy discussions on rights and interests, including co-management of natural resources.



Regarding advice on issues associated with Māori property rights, Te Puni Kōkiri has:

- prepared a Cabinet paper seeking approval for the composition of the Māori Land Advisory Group;
- drafted the terms of reference for *Māori land: Next Steps* report and provided advice to the Minister of Māori Affairs;
- provided advice on a proposed review of the Māori Reserved Lands Amendment Act; and
- negotiated an ex-gratia payment to the Koranga Te Kere Whānau Trust for their exclusion from the Māori Reserved Land Amendment Act and associated compensation regime.

In 2010/11, the Māori Affairs Committee released its report into the financial performance and operations of the Māori Trustee as well as a new Funding Arrangement.

Te Puni Kōkiri officials worked with the Māori Trustee in 2010/11 to assist with the development of an Outcomes framework and in particular focusing on the Measures and Targets section of the new Funding Agreement, which covers a two year period and allows for variations should the new Māori Trustee have any concerns.

Quarterly reports were provided in accordance with the Funding Agreement, and advice was provided to the Minister of Māori Affairs in accordance with expected timeframes. Meetings were also held regarding the development of the new Funding Agreement.

## SELECTED ACHIEVEMENTS:

### Treaty Settlements

A key priority for Te Puni Kōkiri in 2010/11 has been to continue to support the Government's aspirational goal of settling all historical Treaty of Waitangi claims by 2014, particularly by:

- providing facilitation to assist groups with mandate or overlapping claims;
- providing advice on ratification strategies and results;
- providing advice on post-settlement governance entities as suitable entities to hold settlement assets; and
- providing advice on the land-banking of surplus Crown properties for possible use in future Treaty settlements.

In addition, Te Puni Kōkiri has finalised several initiatives outside of the Treaty settlement process designed to assist iwi in reaching Treaty settlements including:

- bringing into effect the Wakarewarewa and Roto-a-Tamaheke Vesting Act 2009, vesting the Whakarewarewa Reserves in Ngāti Whakaue and Tūhourangi Ngāti Wāhiao;
- the transfer of part of the Kaharau Waahi Tapū to Te Roroa;
- the finalisation of a \$5 million payment to Ngāti Rārua Ātiawa Iwi Trust in recognition that they had not received market rentals on their leased lands; and
- gaining Cabinet's agreement to an ex-gratia payment to the Karanga Te Kere Whānau Trust to address their historical rental losses and omission from the Māori Reserved Land Amendment Act 1997 with respect to reserves in Taumarunui.



### Post Settlement Environment

Over the past year, work continued toward building a new era of Crown-Māori relationships that are focused on creating and capitalising on future opportunities rather than being remedial in nature.

Work continues on the implementation of the Waikato River accords and the Taranaki-Whānui Accord (signed in March 2011) the Ngāa Rauru Kitaha Accord and the development of the Ngāti Porou and Te Hiku accords, and the Ngāi Tūhoe Mana Motuhake Accord.

### Legislation

Te Puni Kōkiri has had significant input into legislative reform of particular importance to Māori, including among others the Marine and Coastal Area (Takutai Moana) Act. Our forward legislative programme also remains significant, with for example, current work underway on the Māori Television Service Act and Māori Community Development Act reviews.

In November 2010, the Māori Purposes Bill 2010 was introduced into the House. This Māori Purposes Bill progresses a number of matters, including:

- Māori Trusts Boards Act - amending the accountability regime within the Māori Trust Boards Act to remove Māori Trust Boards from the Auditor-General's purview, enabling them to appoint their own auditors, and more closely locating the accountability of Māori Trust Boards with their constituents by, for example, requiring Trust Boards to hold an Annual General Meeting.
- Māori Fisheries Act - amending provisions within the Māori Fisheries Act to enable the transfer of assets from a Mandated

Iwi Authority (that received Fisheries Settlement assets) to another entity that represents the same set of beneficiaries. These amendments exempt the transfer of fisheries assets between two entities within the same iwi from provisions of the Māori Fisheries Act requiring the assets to be offered for sale to other iwi or Te Ohu Kai Moana Trustee Limited.

- The Estate of Pukepuke Tangiora - amending legislation affecting the Estate of Pukepuke Tangiora to remove Crown involvement in the administration of the Estate and extend the distribution period for the Estate to allow for a reasonable period of time for beneficiaries to come to a decision upon a future governance entity.
- Te Ture Whenua Māori Act - a number of technical amendments to Te Ture Whenua Māori Act.

### International Activities

In July/August 2010, Te Puni Kōkiri supported the Minister of Māori Affairs management of the visit of Professor James Anaya, the United Nations Special Rapporteur on Indigenous Issues, including engagements with iwi and Māori groups.

Te Puni Kōkiri led a government delegation to the United Nations Permanent Forum on Indigenous Issues in May 2011, and made 3 interventions at the Forum. A CANZUS (Canada, Australia, NZ and USA) meeting in Washington was also attended, to discuss issues that state governments identified as key for their consideration of issues relating to indigenous peoples.

Throughout 2010/11 Te Puni Kōkiri provided advice on a range of international issues and instruments as required.



### Statutory Appointments

During the 2010/11 year, Te Puni Kōkiri led processes to enable key statutory appointments in the Māori Affairs portfolio to be made, including the Māori Trustee, two

appointments and eight re-appointments of Waitangi Tribunal members and two appointments and one re-appointment to the bench of the Māori Land Court.

### FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/10 Actual \$000		30/06/11 Actual \$000	30/06/11 Supp Estimates \$000	30/06/11 Main Estimates \$000
6,052	Revenue Crown	6,498	6,524	6,122
38	Other Revenue	30	29	29
<b>6,090</b>	<b>Total Revenue</b>	<b>6,528</b>	<b>6,553</b>	<b>6,151</b>
5,832	Total Expenses	6,352	6,553	6,151
<b>258</b>	<b>Net surplus/(deficit)</b>	<b>176</b>	<b>-</b>	<b>-</b>

## RELATIONSHIPS AND INFORMATION

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

### Our Approach:

Our focus has been on the development of

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

## OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2009/10	Performance Measures	Actual Standard 2010/11	Budget Standard 2010/11
Achieved	Provide brokerage, facilitation, information and other support to state sector agencies, local government, non-government organisations and others to engage with and encourage Māori inclusion and access to resources and services generally and to assist the Treaty settlement process in particular	Achieved through the weekly issues briefing (local level reporting), oral briefings, and on themes in written form	Regular (at least quarterly) proactive reports on Regional activities prepared and referred to the Minister
4.09	Satisfaction with regional based facilitation, brokerage, information and support is evidenced via positive feedback on a scale of 1 to 5 through an annual stakeholder survey	Overall score of 4.6	Minimum score of 3
<b>Treaty Settlements</b>			
80%	Resolution of inter and intra Iwi, and Crown-Māori disputes - settlement progress resumes as a result of facilitated improvements	100%	80%

## SELECTED ACHIEVEMENTS

### Christchurch Earthquake

In respect of the 22 February Christchurch earthquake, Te Puni Kōkiri worked directly

alongside Te Rūnanga o Ngāi Tahu to coordinate and support the almost immediate offers of relief support made by iwi and Māori communities across the country, as well as the support on offer from within Ngāi Tahu whānui.



Te Puni Kōkiri temporarily increased its core roster in Christchurch from 8 full-time staff to, at its peak, 36 staff co-opted from across the ministry. This was made up of a mix of senior management cover, analysts, kaiwhakarite (regional facilitators), business facilitation service advisors and regional co-ordinators of Māori Wardens groups.

Due to damage to, and the inaccessibility of, the local Te Puni Kōkiri premises, the Ministry also reassigned five departmental vehicles, IT and other operating hardware from other regional offices to enable the deployed staff to function on the ground in Christchurch.

Accordingly, within the first 24 hours of the 22 February earthquake local Te Puni Kōkiri was able to make direct contact with three of the four local marae:

- Rehua marae (Christchurch city);
- Ngā Hau e Whā marae (Aranui, Christchurch East); and
- Tuahiwi marae (Waimakariri district, North Canterbury) to ascertain the welfare and immediate support needs of those marae communities.

In turn Te Puni Kōkiri was able to make support referral requests to Civil Defence and provide direct relief funding support to assist the marae in the various respite, accommodation and other relief-related roles they were able to perform for affected whānau, their local communities and government and non-government agencies.

Within a further 48 hours officials were also able to visit Rāpaki marae (past Lyttleton, which had been temporarily cut off by road) and arranged, through civil defence personnel, a series of food, water and other essential item drops to assist the largely isolated community.

### **Māori Asset Base in Waiariki**

Te Puni Kōkiri regional offices Te Moana ā Toi and Te Arawa commissioned BERL to produce *Te Ripōata Ohanga Māori mō Te Waiariki*. This report provides a quantitative description of the Māori economy and asset base; identifies opportunities for strategic growth and development in Waiariki; and details qualitative information on key organisations as well as existing or potential relationships for development. The Waiariki rohe consists of the Territorial Local Authority areas of the Western Bay of Plenty, Tauranga City, and the Rotorua, Whakatāne, Kawerau, and Ōpōtiki Districts, and includes the asset base of 16 iwi.

### **Satisfaction Survey**

Te Puni Kōkiri undertook a stakeholder survey of its clients in 2010/11 to better understand the levels of satisfaction with the quality of our services particularly; advice on settlements, facilitation, brokerage, Māori Potential Fund and mandate/ratification/post settlement governance entity processes. Randomly selected clients (82) were chosen to participate in the written survey of which 35 (42%), responses were received.

The survey questionnaire included among others, eight core questions from the Common Measurement Tool of the State Services Commission Kiwi's Count national survey designed to measure the key drivers of client satisfaction. In terms of those key drivers of satisfaction, the results were extremely positive. Clients were asked to rate Te Puni Kōkiri's service experience on a scale of 1 to 5, where 1 = "very poor" and 5 = "very good". The average score overall was 4.6, where a minimum sought was 3.

## FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/10 Actual \$000		30/06/11 Actual \$000	30/06/11 Supp Estimates \$000	30/06/11 Main Estimates \$000
7,830	Revenue Crown	7,282	7,303	7,653
52	Other Revenue	60	40	40
<b>7,882</b>	<b>Total Revenue</b>	<b>7,342</b>	<b>7,343</b>	<b>7,693</b>
7,726	Total Expenses	7,333	7,343	7,693
<b>156</b>	<b>Net surplus/(deficit)</b>	<b>9</b>	<b>-</b>	<b>-</b>



## OPERATIONS MANAGEMENT

### Scope of Appropriation:

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

### Our Approach:

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

## OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2009/10	Performance Measures	Actual Standard 2010/11	Budget Standard 2010/11
	<p><b>Māori Potential Funds:</b> 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>		
100%	Investment proposals meet specified programme criteria	All projects met the criteria for process and the programme	100%
Not Applicable	Funding recipients sampled are satisfied with the level of Te Puni Kōkiri service in administering/ managing the investment process on a scale of 1 to 5	4.5	Minimum score of 3
2 Evaluations completed	<p>Evaluations are undertaken across key investments and/or investment categories to inform policy and programme development and as a means of measuring outcome impacts and value for money. Specific evaluations in 2010/11 across the Māori Potential Fund will include (but not limited to):</p> <ul style="list-style-type: none"> <li>• Cadetship Programme</li> <li>• Māori Language based investments</li> <li>• Tourism based investments</li> </ul>	<p>Cadetship Outcomes Framework completed.</p> <p>Māori Language Stock-take completed.</p> <p>Tourism delayed, work has been refocused to include evaluation of Māori Tourism Strategy Action Plan</p>	Completed by 30 June 2011

<b>Iwi Housing Support:</b> Refers to the management of the Special Housing Action Zones (SHAZ) programme funded through the Non-Departmental Output Expense; Iwi Housing Support			
9	Number of development proposals supported across Māori communities	11 proposals (2 Far North, 2 Whanganui, 3 Tauranga, 2 Te Arawa, 1 South Auckland, and 1 Professional Services) supported	A minimum of 8 housing projects are in development. All investment proposals meet the criteria prescribed in the SHAZ programme guidelines
70%	Investment in development proposals leads to the entity securing financing to undertake/ complete construction - number of proposals accepted for co-funding with Housing New Zealand or other capital investors	Two projects are moving toward completion, with one signing a Letter of Acceptance for capital funds of \$1.5 million (from Housing NZ) in June 2011.	One to two housing projects
100%	Percentage of funded proposals meet accepted deliverables	100%	90%
<b>Land Management Unit:</b> Write-off the residual rural lending loan portfolio			
13	Establish a number of management structures over Māori land in cooperation with owners (28 to be established)	8	10 land blocks
23	Release a number of blocks of Māori owned land from Part 2 of the Māori Affairs Restructuring Act 1989 (45 to be released)	13	15 land blocks
8	Clear a number of Crown owned land blocks through the Crown land disposal process (6 to be cleared)	6	6 land blocks
4	Dispose of a number of Crown owned land (9 to be disposed)	6	6 land blocks



## OUTPUT PERFORMANCE

### Investment Management

During 2010/11, Te Puni Kōkiri funded in excess of 800 projects totalling \$20 million through the Mātauranga, Rawa and Whakamana Non-Departmental Output Expense (NDOE) appropriations. The delivery of investments were primarily undertaken by Te Puni Kōkiri's network of regional offices and utilised our strong relationships with Māori communities, in which funding becomes an extension of wider community based facilitation and brokerage activities.

Christchurch Earthquake relief: Te Puni Kōkiri provided over 30 emergency grants to marae and community organisations undertaking relief activities related to the Canterbury earthquakes. The Ministry has also put in place funding agreements with Te Rūnanga o Ngāi Tahu and He Oranga Pounamu to assist them with wider earthquake relief and recovery measures.

### Evaluations

#### *Māori Tourism Strategy Action Plan*

An Inter-departmental Implementation Group (IDIG) that includes Te Puni Kōkiri has been formed by the New Zealand Māori Tourism Society to develop a Māori Tourism Action Plan. There is the potential to increase the impact of various tourism initiatives being undertaken by publicly funded agencies, with implications for Māori Tourism, through increased co-ordination and collaboration between them. The group will report back to Cabinet on, among other things, an evaluation framework and associated performance measures that will ultimately inform new investments and activities to strengthen and promote Māori Tourism.

Work to date has centred on developing and clarifying outcomes for the Māori Tourism Strategy Action Plan, as well as ensuring that Māori tourism information and data are available to inform the impact evaluation in 2012/13.

#### *Rugby World Cup*

Te Puni Kōkiri has worked with Rugby New Zealand 2011, New Zealand 2011, and other agencies to support planning for the Rugby World Cup (RWC) tournament and Real Festival New Zealand. The underlying aim has been to ensure that there is meaningful engagement in hosting RWC 2011. This engagement will help position Māori to leverage economic, socio-political and economic opportunities off the Rugby World Cup (RWC). For example, there will be over 200 public events with strong Māori content spread across all 15 host regions throughout the country. The Waka Māori pavilion and free-to-air coverage on Māori Television will provide real focal points for the Māori contribution.

Te Puni Kōkiri has worked to support successful planning and implementation of the investments and to ensure that it is well placed to evidence success over the course of the investment. The work centred on clarifying outcomes and performance measures, developing the key evaluation questions that are important to key stakeholders, providing reporting templates and guidance to improve data collection and management information that will assist in the economic evaluation and performance story narrative post-RWC events.

#### *Cadetships*

The Cadetships Programme was originally developed as part of Te Puni Kōkiri's



wider response to the Prime Minister's 2009 Job Summit. In recognition of rising unemployment due to the global economic recession, the Job Summit sought to generate actions for measurable improvement in employment outcomes.

Cadetships had historically provided a successful pathway for employment, offering a relatively inexpensive option for: employers to recruit and develop capability; and for Māori cadets to gain confidence, employment experience, general and job-specific skills, formal qualifications, industry networks, and employment.

Te Puni Kōkiri has worked to support successful planning and implementation of investments and to ensure that Te Puni Kōkiri is well placed to evidence success over the course of the investment. The work centred on clarifying outcomes and performance measures, developing the important questions that key stakeholders want answered, providing reporting templates and guidance to improve data collection and management information that will assist in the impact evaluation in 2012.

### Land Management

On-going progress has been made as administration of Māori blocks is returned to Owners or their Trusts. The disposal of Crown blocks is slow, because of the need to meet the requirements of the Protection Mechanism. Several blocks are in the final stages of having Te Puni Kōkiri administration completed, but the release from the provisions of Part II of the Māori Affairs Restructuring Act 1989 is reliant on owners being prepared to assume administration of their own land, and delays in achieving that objective can be encountered.

It was the intention in 2010/11 to clear 10 blocks through the Crown Land Disposal process. The state of progress was:

- 3 Hautu Blocks cleared for Central North Island claim;
- Lot 5 DP 42395 block is cleared for Land-banking;
- Lot 1 DP 42395 block is subject to Agreement for Sale and Purchase; and
- Waipapa B3 is held for Treaty Settlement with Ngāti Pahauwera.

The remaining 4 blocks were still being processed as at 30 June 2011. As noted the 6 blocks above have been cleared, but final completions as to disposal are now reliant on other matters to be completed prior to being able to actually conclude the disposal and transfer of the title from Te Puni Kōkiri.

## SELECTED ACHIEVEMENTS:

### Economic Development

Te Puni Kōkiri continued to support work-streams initiated by the Māori Economic Taskforce with projects related to marketing of lobster for export, innovation in the Māori economy, public private partnerships and access to capital markets. Additional investments in the area of economic development included investigation into a Māori venture fund; support for an Iwi business consortium in Tāmaki-Makaurau; and a continuation of support for Māori industry and trade training.

### Māra Kai

Te Puni Kōkiri continued its support to Māori communities (225 projects in 2010/11) wishing to establish or develop Māra Kai that promoted the sharing of gardening knowledge including customary techniques and nutrition.



An example of its success is in Te Arawa, where Whakarewarewa Charitable Trust created a maara kai within the living thermal village at Whakarewarewa. The project team crafted a garden that will be sustainable throughout the winter and summer with crops of vegetables and herbs for the village Kōhanga Reo, village residents, kaumātua, kuia and the whare kai.

#### Culture and Cultural Identity

Te Puni Kōkiri provided significant support to the Whānau Language Development programme administered by Te Ataarangi Educational Trust and to Te Matatini to host the national Kapa Haka Competition in Tairāwhiti. Funding assistance was also provided to a wide range of smaller

community events such as manu kōrero and kapa haka competitions and, as in previous years, Te Puni Kōkiri enabled many communities to hold Matariki celebrations.

#### Rugby World Cup

Te Puni Kōkiri recognised the economic and cultural opportunities for Māori arising out of Rugby World Cup 2011. Te Puni Kōkiri has sought to leverage outcomes for Māori off the Māori Television Service's free to air broadcasts of the Cup. In addition a large number of Māori organisations have decided to hold events or pursue opportunities that coincide with Rugby World Cup. Te Puni Kōkiri has assisted these organisations on a case-by-case basis.

## FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/10 Actual \$000		30/06/11 Actual \$000	30/06/11 Supp Estimates \$000	30/06/11 Main Estimates \$000
10,308	Revenue Crown	9,390	9,417	8,691
397	Other Revenue	511	52	52
<b>10,705</b>	<b>Total Revenue</b>	<b>9,901</b>	<b>9,469</b>	<b>8,743</b>
10,069	Total Expenses	9,381	9,469	8,743
<b>636</b>	<b>Net surplus/(deficit)</b>	<b>520</b>	<b>-</b>	<b>-</b>

## MINISTERIAL ECONOMIC TASKFORCE

### Scope of Appropriation:

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

### OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2009/10	Performance Measures	Actual Standard 2010/11	Budget Standard 2010/11
100%	Work programmes in place for each of the workstreams agreed between the Minister and the Taskforce members (7 workstreams)	Achieved	100%
<b>Progress across workstreams:</b>			
Not Applicable	<ul style="list-style-type: none"> <li>is to the satisfaction of the Minister on a scale of 1 to 5</li> </ul>	5	Minimum score of 3
95%	<ul style="list-style-type: none"> <li>within agreed timeframes</li> </ul>	Achieved	95% of timeframes met

### OUTPUT PERFORMANCE

Te Puni Kōkiri has continued to provide secretariat support and assistance to The Ministerial Māori Economic Taskforce, to position Māori for future economic opportunities. At the local level, it has supported a number of initiatives to create training and job placements for Māori. It has also enhanced Māori interests in growth areas, including telecommunications, exporting into major global markets, and co-investment opportunities. Research about the Māori asset base and economy has highlighted the importance of Māori participation in the economy to the overall New Zealand economy. Information on particular Taskforce achievements is available on the Te Puni Kōkiri website.

The Māori Economic Taskforce commissioned research through BERL that shows the Māori asset base for 2010 is estimated at \$36.9 billion. This comprises assets of trusts and incorporations of \$4 billion, other Māori entities of \$6.7 billion, businesses of self-employed Māori of \$5.4 billion, and businesses of Māori employers of \$20.8 billion. While concentrated in the primary industries, there was a significant quantity of asset holdings across the range of other industries.

The Māori Economic Summit convened in May 2011 was an opportunity to highlight the success of the Ministerial Māori Economic Taskforce and the various projects undertaken by the Taskforce over the last two years. It was a positive opportunity to celebrate the



advances made by Māori whānau, businesses, entrepreneurs, iwi and land groupings. It consisted of high calibre people from a wide cross section of Māori enterprises and incorporations, Non Government Organisations (NGO's), civic and community leaders, and Māori working together.

#### Māori Economic Taskforce

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

*Selected achievements have included:*

- **Ngā Pū Waea**  
The Taskforce had previously made a submission on the Government's Broadband programme that has resulted in the establishment of Ngā Pū Waea, which will work with Telecom and Vodafone on the multi-million dollar roll-out of the Rural Broadband Initiative (RBI) and the Ultrafast Broadband initiative (UFB) over the next six years. Ngā Pū Waea will provide advice on

connectivity to marae, iwi, hapū and Māori providers and whānau; investment into broadband; as well as advice on developing trade-training and employment placements.

- **Koura Inc**

Koura Inc was a company formed earlier this year, by various Māori lobster quota owners. Through Koura Inc, Māori lobster interests are looking to consolidate their interests to compete in this exciting market. Māori make up about 30% of lobster quota owners and account for approximately 43% of the total lobster exports. Between 85-90% of New Zealand lobster is now consumed by China

- **Iwi Co-investment**

This initiative produced resources to help iwi make informed decisions about whether to participate in infrastructure investment. It has included workshop-style wānanga to build awareness and capability of iwi. The resources have been distributed online and in hard copy at various wānanga. It has helped iwi develop their thinking about infrastructure opportunities, public private partnerships (PPP), and practical kaupapa Māori models for commercial collaboration. The initiative has identified potential PPP opportunities in a variety of sectors.

## FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/10 Actual \$000		30/06/11 Actual \$000	30/06/11 Supp Estimates \$000	30/06/11 Main Estimates \$000
500	Revenue Crown	496	500	500
-	Other Revenue	-	-	-
<b>500</b>	<b>Total Revenue</b>	<b>496</b>	<b>500</b>	<b>500</b>
485	Total Expenses	468	500	500
<b>15</b>	<b>Net surplus/(deficit)</b>	<b>28</b>	<b>-</b>	<b>-</b>

## INTEGRATED WHĀNAU SOCIAL ASSISTANCE

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

### OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2009/10	Performance Measures	Actual Standard 2010/11	Budget Standard 2010/11
	<p><b>Kāitoko Whānau and Oranga Whānau Programmes:</b> 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>		
50 and 21 respectively	Number of Kāitoko Whānau workers & Oranga Whānau workers engaged to work with vulnerable Māori and whānau	50 Kāitoko Whānau and 21 Oranga Whānau workers are in place	Average of 50 and 21 respectively
Not Applicable	Vulnerable whānau are connected to appropriate and essential support services	730 Whānau referrals were connected to support services, consisting of approximately 2107 individuals as at 30 June 2011	Minimum of 1,000 whānau by 31 December 2010
	<p><b>Māori Wardens Programme:</b> A programme to enhance the capacity and capability of Māori Wardens through enhanced training and improved resources</p>		
7	Regional co-ordinators are in place to support Māori Wardens in undertaking their community level social assistance role	7 Regional Coordinators in place.	Average of 7 Regional Coordinators in place during the year



Framework in place Feb. 2010	Establish a nationwide training framework for Māori Wardens	Completed, framework is focusing on delivering basics needed to enable Warden to operate to a standard	Achieve NZQA – unit standard
259	Undertake Māori Warden training (across course offerings)	Over 400 have attended training courses	250 to 300 attend courses
Not Applicable	Māori Wardens gain NZQA – unit standards from accredited training courses attended	86% have been accredited	75% to 80% of attendees
60%	Māori Wardens (warranted) have been allocated uniforms and have access to the appropriate safety equipment whilst on duty	86%	70% to 75%
Not Applicable	Māori Wardens regional groups are satisfied with the level of regional coordination provided through the programme on a scale of 1 to 5	No formal survey, assessment of 3 based on the feedback via monthly reports from regional co-ordinators	Overall score of no less than 3

## SELECTED ACHIEVEMENTS:

### Whānau Social Assistance Programmes

Whānau Social Assistance programmes aim to enhance the overall well being of Māori, by supporting our most vulnerable whānau to build a long-term sustainable Māori economy.

**Kaitoko Whānau**, meaning family support, are community-based workers in Māori communities focused on improving service delivery for families, rather than individuals, to foster positive development of the whānau whānui. They work alongside families experiencing hardship, and assist them to connect with government agencies, local councils and other social service providers

to ensure appropriate assistance is made available. Additionally, these workers liaise with community groups and Māori Wardens to promote and encourage a wider network of support.

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

A formative evaluation of Kaitoko and Oranga Whānau to be completed in 2011/12, will

inform programme improvement and future planning. Information gathered on the role and value of whānau navigators will also assist in developing policy and processes.

### Māori Wardens

The Māori Wardens Project, a joint initiative between Te Puni Kōkiri and the NZ Police was established to build the capacity and capability of Māori Wardens.

Its successes are:

- The delivery of the first dedicated fund for Māori Wardens to deliver community-based services, and support national events, including activities such as patrolling, event safety and security, community support, local level training, organisational development, and professional services; and
- In terms of development, a suite of training programmes - Foundation Training, NZ Fire Training, First Aid Training, ETITO Security

Training, and Advocacy Training has been undertaken by approximately 400 Māori Wardens throughout New Zealand in 2010/11. Training was designed to increase and improve the skills and capabilities of Māori Wardens, and has resulted in the delivery of a sound community-based voluntary service. 80 Māori Wardens acquired NZQA credits towards a Level 2 National Security Certificate in the past twelve months, and overall Wardens with warrants, has increased markedly since the project started from 490 in July 2007 to 860 in June 2011.

The findings from a Te Puni Kōkiri evaluation of the Māori Wardens programme, commenced in 2011 will support future management decisions and potentially inform the governance entity for wardens following the review of the Māori Community Development Act. The evaluation is due to be completed in 2011/12.

## FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/10 Actual \$000		30/06/11 Actual \$000	30/06/11 Supp Estimates \$000	30/06/11 Main Estimates \$000
7,704	Revenue Crown	7,519	7,582	7,708
-	Other Revenue	-	-	-
<b>7,704</b>	<b>Total Revenue</b>	<b>7,519</b>	<b>7,582</b>	<b>7,708</b>
7,659	Total Expenses	7,507	7,582	7,708
<b>45</b>	<b>Net surplus/(deficit)</b>	<b>12</b>	<b>-</b>	<b>-</b>



## WHĀNAU ORA ADMINISTRATION

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

### OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Actual Standard 2009/10	Performance Measures	Actual Standard 2010/11	Budget Standard 2010/11
	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", where additional performance measures are detailed in the Section 32A report to Parliament		
	<p><b>Whānau Ora Implementation Advice to Minister</b> Provision of advice to the Minister Responsible for Whānau Ora (the Minister) on policy settings, priorities and regional management:</p>		
Not Applicable	<ul style="list-style-type: none"> <li>To the satisfaction of the Minister based on a qualitative survey asking for feedback</li> </ul>	Satisfaction level rated at 4 from scale of 1-5	Feedback is positive
94%	<ul style="list-style-type: none"> <li>Within agreed timeframes</li> </ul>	84%	95% meets timeframes
	<p><b>Regional Leadership Groups</b></p>		
	Establish 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		



Not Applicable	<ul style="list-style-type: none"> <li>To the satisfaction of the Governance Group based on a qualitative survey asking for feedback</li> </ul>	A process has been developed for gathering feedback. Survey yet to be completed	Feedback is positive
<b>Whānau Ora Delivery</b>			
Not Applicable	Implement a nationwide Expression of Interest (EOI) process to select first and potentially successive groups of providers to implement Whānau Ora	25 provider collectives selected	15-20 providers selected
Not Applicable	Work with key stakeholders to support Whānau Ora Providers / Collectives to develop whānau-centred services	Activity reports are submitted monthly to the Whānau Ora Governance Group	Report on activities quarterly
Not Applicable	Delivery of integrated services to whānau	TPK worked with MSD to assist Whānau Ora Provider Collectives in developing 20 integrated contracts	15 to 20 providers delivering integrated services to whānau
Not Applicable	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	Reports to Minister in April and May 2011	2 reports on implementation of Whānau Ora Action Research programme and key findings
Not Applicable	Report to Cabinet on guidelines, criteria and accountability mechanism (including performance measures) for the use of non-departmental appropriations	Cabinet agreed to criteria and accountability mechanism	By 31 July 2010 Cabinet agreement to recommendations
Management of the non-departmental funding to ensure:			
Not Applicable	<ul style="list-style-type: none"> <li>Initiatives funded meet the agreed criteria and adhere to the accountability requirements</li> </ul>	All 210 proposals approved met criteria	100%



## OUTPUT PERFORMANCE

Whānau Ora is about empowering families to take control of their future, where every New Zealander is self-determining, living a healthy lifestyle, participating fully in society, and economically secure. This has required a change in the way in which policies, programmes and services are designed and delivered across the social sector. Whānau Ora is an inclusive, culturally-anchored approach to service delivery.

In 2010/11, Te Puni Kōkiri's output performance is summarised as:

- Reports provided to the Minister Responsible for Whānau Ora and Cabinet Social Policy Committee on the implementation of the Whānau Ora approach;
- The completion of a nationwide Expression of Interest process and the selection of 25 provider collectives incorporating more than 150 health and social service providers;
- The development of Programmes of Action by the 25 provider collectives with more than 60% of these assessed by the end of the financial year;
- Intensive agency engagement across Te Puni Kōkiri, the Ministry of Health and the Ministry of Social Development to support provider collectives with initial development of Whānau Ora approaches and with contract integration;
- Ten action research groups have been selected and engaged to work alongside provider collectives to capture, feedback and record the change process with providers, with agencies and with whānau; and
- The support provided to the Whānau Ora Governance Group and the ten Regional Leadership Groups to provide regional and national level oversight of the implementation of the Whānau Ora approach.

While Whānau Ora provider collectives have been supported to develop Programmes of Action and business cases for investment in organisational change, they have continued to offer existing services to individuals, families, whānau, and communities.

Our focus has been working with the provider collectives to design mechanisms that engage and enable whānau to take their own positive steps. In the last financial year, the Whānau Ora Governance Group considered some Programmes of Action from the provider collectives, which outlined the changes they intended to make to their service delivery model and the key steps they will take to implement these.

These Programmes of Action are the result of considerable work undertaken across collectives of providers and include: organisation change strategies, outcomes indicators and measurement approaches, evidence of engagement with whānau on service delivery expectations; information technology and infrastructure design; and workforce and practice development. At the same time as developing Programmes of Action and delivering existing services, a number of these organisations have invested significantly in building strong relationships with each other over the months since they were selected.

Throughout the year, Te Puni Kōkiri has worked closely with the Ministry of Social Development and the Ministry of Health, nationally and through District Health Boards at the regional level. The Ministry of Health has assisted with service delivery model development and information technology advice, while the Ministry of Social Development has led work on the integration of provider contracts. More than 50 providers have indicated an interest in an integrated

contract with most seeking to progress these once their Programmes of Action have advanced into implementation.

Te Puni Kōkiri has also worked directly with whānau to engage them in whānau planning processes. Around 1200 whānau (involving around 14,000 individuals) are engaging in planning at the whānau level and are connecting to existing service delivery, where they need to. This is an important process for many whānau and has provided one of the first opportunities for whānau to be taking a lead role in charting their own futures.

There have been two pathways to access the supported whānau planning. One provides for whānau already engaged with a Whānau Ora provider collective. The other arises from participation through family trusts, marae trusts or through iwi and community organisations, via involvement with Regional Leadership Groups, and engagement with local community provider/s.

#### *Measuring progress*

Research, evaluation and monitoring to provide information on the achievement of

results have been built into the Whānau Ora Approach. Action research with whānau to gauge success of the design, implementation and impact of the approach will be extended to encompass further providers.

The Whānau Ora Action Research provides a useful feedback loop on progress with implementation and will identify early signals of whānau success.

Officials from across agencies continue to refine mechanisms to collect data on individuals and whānau engaged in Whānau Ora services. This includes examining how to best identify the number of whānau involved in whānau focused programmes.

Research activity to date has centred on developing baseline data on location of whānau ora providers, type of services delivered, and target groups to identify current accessibility levels of services to whānau. Further research activity is expected to take place over a period of 18 months through to September 2012 to collect information on the impacts of whānau planning and will be reported in the 2012/13 Annual Report.

## FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/10 Actual \$000		30/06/11 Actual \$000	30/06/11 Supp Estimates \$000	30/06/11 Main Estimates \$000
1,076	Revenue Crown	9,819	9,902	9,236
-	Other Revenue	20	-	-
<b>1,076</b>	<b>Total Revenue</b>	<b>9,839</b>	<b>9,902</b>	<b>9,236</b>
1,019	Total Expenses	9,383	9,902	9,236
<b>57</b>	<b>Net surplus/(deficit)</b>	<b>456</b>	<b>-</b>	<b>-</b>



## 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 2010/11, 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 2010/11 included a focus on:

- Māori participation in the 2011 Rugby World Cup;
- Measuring the impact of the Whānau Ora initiative;
- Māori entrepreneurship;
- The growth of the Māori economy; and
- Māori and Local Government, including Māori participation in Resource Management Act processes.

### 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 2010/11 included:

- Two published fact sheets:
  - Māori families and households, and
  - Māori life satisfaction.
- A Māori Environmental Benchmark Report was prepared that enables close monitoring of Māori and the environment;
- An analysis of the General Social Survey that investigated the drivers of Māori Wellbeing; and
- Quarterly briefings on the Household Labour Force Survey provided the Minister of Māori Affairs with up to date advice on Māori employment trends during 2010/11.

In addition, ongoing work was carried out with key agencies to improve the collection, definition and interpretation of Māori statistics across official statistic collections. This included supporting Statistics New Zealand to develop the Māori Social Survey, and undertake the review of Tier 1 Statistics.

### Improving effectiveness for Māori

Te Puni Kōkiri produced a draft monitoring report reviewing the State sector's contribution to improving Māori youth transitions from secondary to tertiary education. The findings of this draft report have been substantiated by an external expert. The report is currently being prepared for release to the four government agencies involved in the review.

Te Puni Kōkiri produced a monitoring framework to assist Waikato-Tainui to track the implementation of the Waikato-Tainui (Waikato River) Treaty settlement. This was done in accordance with the Māori Affairs Accord negotiated under the settlement. The monitoring framework was reviewed and endorsed by an independent expert before being provided to Waikato-Tainui for their use.

During the 2010/11 year, the Minister of Māori Affairs sought to promote improvements to Government effectiveness for Māori through enhancements to the existing public sector accountability framework. This work remains as one of the Minister of Māori Affairs key on-going priorities.



## 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 1843 official documents in 2010/11 and achieved a ministerial servicing timeline across all output classes of 85%. This result is disappointing and steps have been implemented in-house to improve the processing of all documents more appropriately in future.

Delivery Timeframe Actual 2009/10	Outputs	Delivery Timeframe Actual 2010/11	Delivery Timeframe Target
94.5%	Responses to Ministerial correspondence	83%	Within one month
87.8%	Parliamentary questions	94%	Within 4 working days
91%	Briefings	86%	Individually agreed
93%	Speech notes/Talking Points	79%	Individually agreed
85%	Official Information Act requests	79%	Within 20 working days
100%	Ombudsman complaints	67%	Within 20 working days
100%	Reports to the Māori Affairs Committee	100%	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, and the Minister Responsible for Whānau Ora.

Te Puni Kōkiri received formal feedback from the Minister of Māori Affairs and the Minister Responsible for Whānau Ora 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 both Ministers' 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 policy advice in six Cabinet papers selected at random. The assessment was based on the quality criteria outlined in the Te Puni Kōkiri Policy Guide and Quality Assurance Handbook. A random sample of significant papers was assessed.

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 with a comparison to 2009/10 in the table below.

Score 2009/10	Assessment Criteria	Score 2010/11
4.75	Purpose	6.00
5.75	Logic	4.80
6.00	Accuracy	6.00
5.50	Options	5.00
6.00	Consultation	6.00
6.00	Practicality	6.00
5.00	Presentation	4.80
Not assessed	Timeliness	5.66
5.57	Average	5.53



# ORGANISATIONAL HEALTH AND CAPABILITY

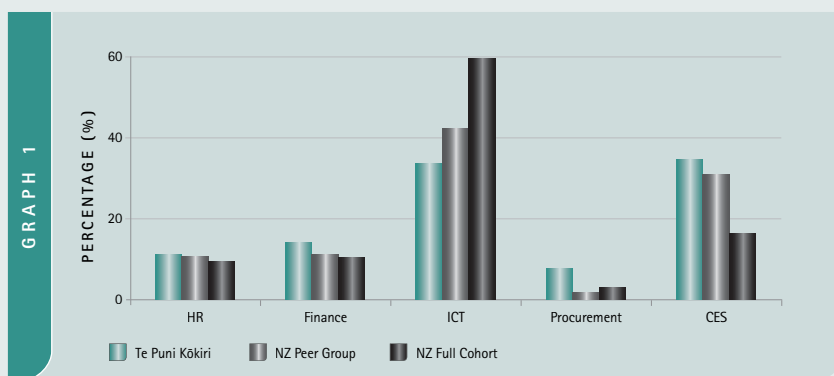
The priorities for the development of our organisational health and capability are set out in the Statement of Intent 2010–2013. In addition, Te Puni Kōkiri has set the following organisational health indicators, baseline data and trends to demonstrate improvement in status, and on levels of achievement:

Organisational Health Indicator	Baseline Data/Trends
Stakeholder Surveys (annual)	A stakeholder survey <sup>7</sup> conducted in 2010/11 across key regional stakeholders showed positive results (42% response rate) average score of 4.6, minimum of 3 sought. Survey also of MBFS clients revealed satisfaction level of 3.77, minimum of 3 the target.
Staff Engagement Survey (bi-annual)	The staff engagement survey (completed in April/May 2010) demonstrated positive shifts in staff engagement by 4.1% and 5.8% respectively since 2008. It also demonstrated strong comparisons against central Government benchmark data; engaged staff at 29.1%, (benchmark: 22.7%). Disengaged staff were 5.7% (benchmark: 10.6%)
Staff Turnover (annual) is equal to, or lower than the public sector average.	At June 2011: unplanned turnover was 7% (public sector average: 9%), an improvement from 11.5% at 30 June 2010.
Independent Audit Ratings of our management control environment (annual)	<p><b>Based on Audit NZ ratings for 2010/11</b></p> <ul style="list-style-type: none"> <li>• Financial information, systems, and controls 'very good' (2010: 'very good');</li> <li>• Management control environment 'good' (2010: 'good'); and</li> <li>• Service performance information, systems, and controls 'needs improvement' (2010: 'needs improvement')</li> </ul>
BASS Benchmarking Results capturing our performance of administrative and support service functions (annual)	The first BASS benchmarking results were published during 2010/11 and pertained to the 2009/10 financial year. The summary results are illustrated in the graph below. Draft results for the 2010/11 financial year show improvements across all Administration & Support functions (subject to Treasury validation) against our 2009/10 results.
Independent Review of Policy Advice (annual)	For the year ended 30 June 2011, assessed overall quality as 5.53 out of a possible score of 6 (5.57 in 2009/10)

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



## BASS BENCHMARKING SUMMARY RESULTS – 2009/10 FINANCIAL YEAR



	HR	Finance	ICT	Procurement	CES <sup>8</sup>
<b>Te Puni Kōkiri</b>	10.71%	13.11%	34.56%	6.42%	35.20%
<b>NZ Peer Group (median)</b>	10.68%	10.25%	41.87%	1.16%	31.96%
<b>NZ Full Cohort (median)</b>	9.04%	10.09%	59.79%	1.66%	16.35%

### METRIC COMMENTARY

This metric shows the agency's distribution of administrative and support costs by function compared to the median of the distribution for the agency's peer group<sup>9</sup> and the full NZ cohort.

#### Working Better Together

The Whānau Ora philosophy and approach has seen significant cross agency and Non-Government Organisation (NGO) sector arrangements at an unprecedented level. The 25 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.

8. Corporate and Executive Services - includes Communications, Library, Document Management, planning, Audit and Risk Management and Legal.

9. 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 the Ministry of Fisheries



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 other NGOs working collaboratively with iwi, hapū, rūnanga, whānau trusts and marae committees.

In 2010/11 Te Puni Kōkiri was active in leading the WAI 262 Secretariat to prepare for the whole of government response. The main activities included interaction with various agencies, briefing the Attorney-General and Minister of Māori Affairs, and providing a communications strategy.

A working group consisting of officials from various departments and agencies with interest in tourism generally, and Māori specifically, was convened in 2010/11 by the New Zealand Tourism Society to develop a Māori Tourism Strategy Action Plan.

The efforts of Te Puni Kōkiri in respect of the February Christchurch earthquake was a clear example of working collaboratively, with other agencies, Civil Defence, iwi, Māori communities, and directly with Te Rūnanga o Ngāti Tahu.

In 2010/11, Te Puni Kōkiri has more specifically, worked with the Ministry of Social Development regarding the Youth Pipeline project, and the Ministry of Education with the Youth Guarantee, Ka Hikitia, Early Childhood Education, compulsory and tertiary education programmes. Ongoing policy advice to government on issues impacting on the wellbeing of Māori and whānau has also been provided in association with other agencies; Ministry of Social Development, Ministry of Education, Ministry of Justice and Ministry of Health.

### People Capability

Te Puni Kōkiri had a successful People Capability Strategy for 2005 to 2010, the implementation of which saw consistent lowering of staff turnover, measured year on year and consistent improvement in staff engagement scores. A draft 2011 to 2015 People Capability strategy has been prepared, that builds on the achievements to date and refines our focus in terms of workforce development. The strategy is due to be finalised later in 2011.

Activities in 2010/11 included:

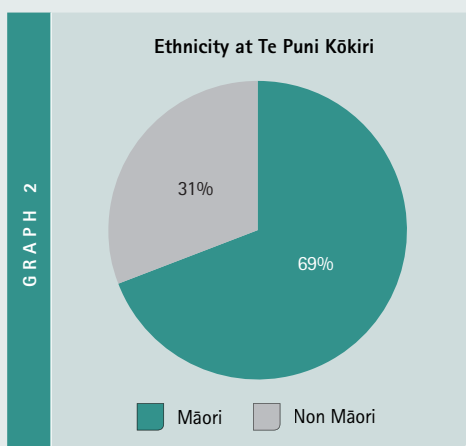
- Successful establishment of a new Wāhanga (Directorate) and related staff capability to operationalise the Whānau Ora programme;
- Continued refinement of our electronic induction process (e-induction) and changes to our recruitment advertising practice, with increased emphasis on web-based advertising and continued reduction of our cost to recruit, while maintaining focus on recruiting the right people (as measured by turnover in the first year of employment);
- Workshops that ensure all Te Puni Kōkiri staff understand their obligations as Public Servants during the election period;
- Preparation of a new People Capability Strategy and associated Remuneration Strategy;
- Negotiation of a new Collective Employment Agreement with the PSA, including a new market based remuneration strategy, elements of which were included in the proposed CEA; and
- Support for organisational change initiatives.

### Leadership Development

Te Puni Kōkiri is committed to continuing the development of our leaders. In particular we develop our leaders through the Leadership Development Centre and the Australia and New Zealand School of Government, with Te Puni Kōkiri employees undertaking programmes with both these agencies. This past year we have also collaborated across the Natural Resources Sector (NRS) agencies, in providing leadership development opportunities for new managers. Te Puni Kōkiri continues to provide secondment, project and acting opportunities to support leadership, professional and personal development.

### Equal Employment Opportunitites

Te Puni Kōkiri aims to have a workforce that reflects our stakeholders and is inclusive. The Ministry 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 2010/11 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.

A review of social media applications was completed during the period to understand how social media could be utilised as a communications and business tool. It is our intention to launch two Face-book sites during 2011/12 as initial pilots to test the review findings.

### Maintaining an Evaluation Programme

In 2010/11 Te Puni Kōkiri revised and strengthened its evaluation strategy from a focus purely on community based investment categories to include a wider scope of departmental outputs. The revised strategy has set the direction for all Te Puni Kōkiri evaluation activity for the next three years and is aligned with Government and organisational priorities.

The strategy and associated work programme is monitored by an Evaluation Advisory Group to ensure that operational decision-making needs are being met.



Evaluation activity undertaken in 2010/11 included a focus on:

- Māori Tourism Strategy Action Plan
- Māori participation in the 2011 Rugby World Cup;
- Cadetships Programme;
- Kaitoko and Oranga Whānau programmes;
- Māori Wardens programme; and
- Whānau Ora-based Service Development

#### **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 2010/11 included:

Review of the Relationships & Information Wāhanga (draft findings);

- Review of the Support Services Wāhanga;
- Review of Departmental contracting policies and processes;

- Programme of Rolling Expenditure Reviews instigated; and
- Process improvements within the Ministerial servicing function.

Te Puni Kōkiri is making good progress in developing measures for assessing our effectiveness and efficiency. These include:

- BASS Benchmarking results available for 2009/10 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, Treaty Settlements 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.

Te Puni Kōkiri is also a member of the Natural Resources Sector (NRS) group and is participating in the NRS Shared Capability Work Programme. The programme seeks opportunities for efficiencies through collaboration across the sector. Current priorities for the programme include Leadership and Management Development, Strategic Finance Capability, and Geospatial.

### Performance Improvement Actions

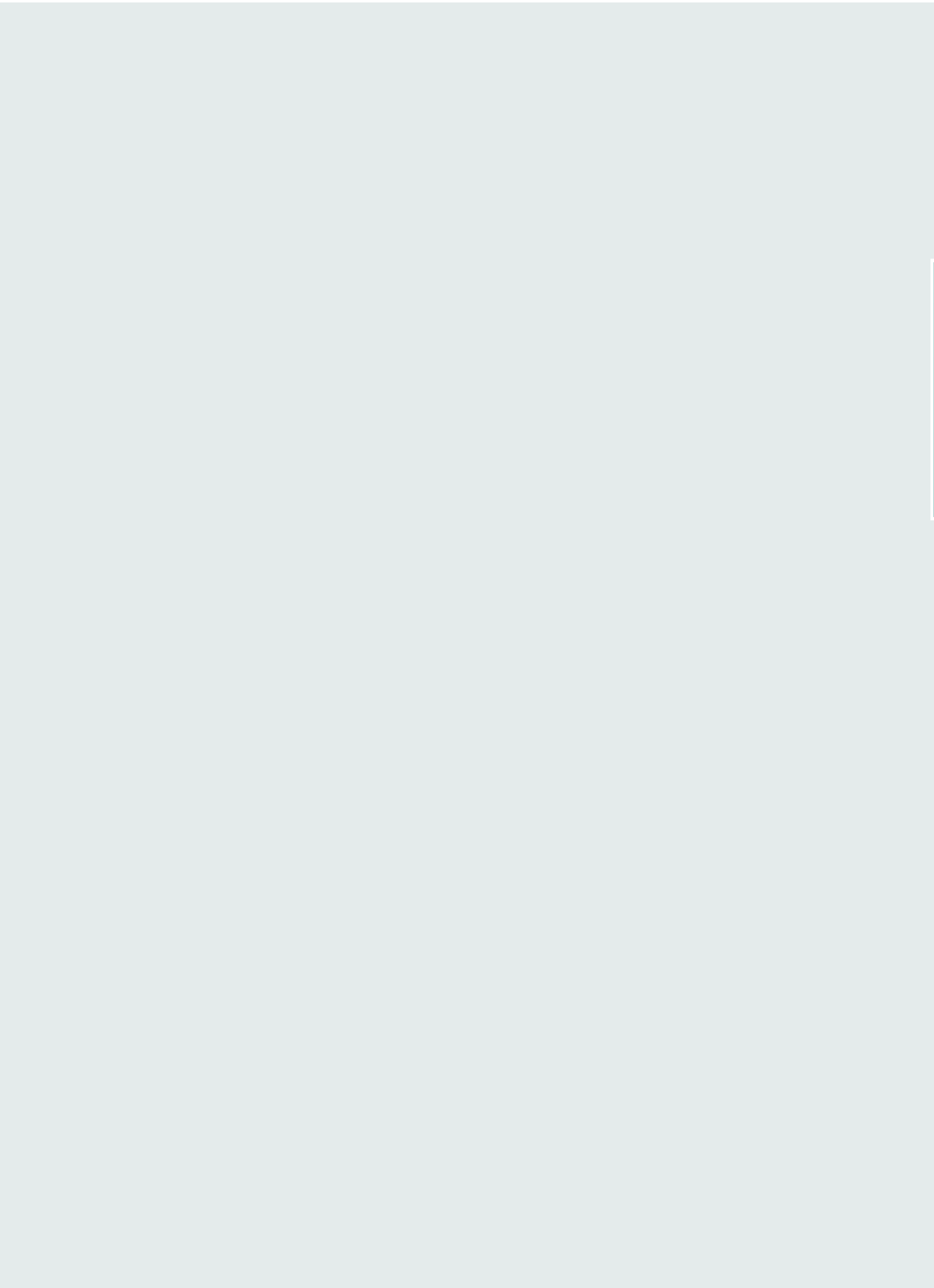
The Performance Improvement Framework (PIF) independent review undertaken in early 2010, confirmed Te Puni Kōkiri's delivery against its core business and key priorities to be of a high standard overall. Te Puni Kōkiri has responded quickly to the review recommendations and has made steady progress against the agreed Action Plan.

On-going prioritisation, together with instigating a *Priority Alignment Review* to address functional and structural issues, has ensured that Te Puni Kōkiri is able to continue to meet agreed government priorities. The Priority Alignment Review underway internally has identified a range of business processes for fuller consideration, including for example, contract management, Ministerial servicing, and automating accounts payable.

Other activities have included:

- Establishment of a work plan focused on high priority strategic policy issues, to include Māori rights and interests in water, Constitutional Review, Crown-Māori relationships in a post settlement environment, economic strategy, Māori language, State Sector effectiveness for Māori, and WAI 262;
- Managing operating expenditure through a programme of targeted expenditure reviews and active participation in collaborative procurement arrangements offered across the public sector; and
- Rationalisation of support service functions through the active consideration of business process improvements, greater use of technology, outsourcing and opportunities for cross-agency collaboration.







 FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

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-10 Actual		Note	30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s			\$000s	\$000s	\$000s
<b>Income</b>					
54,170	Crown		60,107	59,807	60,107
988	Other revenue	2	986	505	505
<b>55,158</b>	<b>Total Income</b>		<b>61,093</b>	<b>60,312</b>	<b>60,612</b>
<b>Expenses</b>					
28,735	Personnel	3	29,352	31,854	29,977
22,584	Operating	4	28,204	26,845	29,171
1,481	Depreciation and amortisation	5	1,041	1,266	1,117
346	Capital charge	6	347	347	347
<b>53,146</b>	<b>Total Expenses</b>		<b>58,944</b>	<b>60,312</b>	<b>60,612</b>
<b>2,012</b>	<b>Net Surplus / (Deficit)</b>		<b>2,149</b>	-	-
-	Other comprehensive income		-	-	-
<b>2,012</b>	<b>Total Comprehensive Income</b>		<b>2,149</b>	-	-

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 2011

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-10 Actual		30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
<b>Assets</b>				
<b>Current Assets</b>				
10,384		10,588	4,545	8,019
373	7	298	50	50
290		180	114	114
<b>11,047</b>		<b>11,066</b>	<b>4,709</b>	<b>8,183</b>
<b>Non-current Assets</b>				
2,735	8	1,898	4,230	2,135
216	9	111	283	172
<b>2,951</b>		<b>2,009</b>	<b>4,513</b>	<b>2,307</b>
<b>13,998</b>		<b>13,075</b>	<b>9,222</b>	<b>10,490</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
5,018	10	3,711	2,000	3,268
-	12	74	-	-
2,012		2,149	-	-
2,016	11	2,275	1,814	1,814
<b>9,046</b>		<b>8,209</b>	<b>3,814</b>	<b>5,082</b>
<b>Non-current Liabilities</b>				
331	11	245	787	787
<b>331</b>		<b>245</b>	<b>787</b>	<b>787</b>
<b>9,377</b>		<b>8,454</b>	<b>4,601</b>	<b>5,869</b>
<b>Taxpayers' Funds</b>				
4,621		4,621	4,621	4,621
<b>4,621</b>		<b>4,621</b>	<b>4,621</b>	<b>4,621</b>
<b>13,998</b>		<b>13,075</b>	<b>9,222</b>	<b>10,490</b>

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 2011

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-10 Actual		30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s		\$000s	\$000s	\$000s
<b>6,146</b>	<b>Balance at 1 July</b>	<b>4,621</b>	<b>4,621</b>	<b>4,621</b>
2,012	Total comprehensive income	2,149	-	-
(2,012)	Repayment of operating surplus to the Crown	(2,149)	-	-
(1,525)	Capital withdrawals	-	-	-
<b>4,621</b>	<b>Balance at 30 June</b>	<b>4,621</b>	<b>4,621</b>	<b>4,621</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

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

30-Jun-10 Actual		30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s		\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>				
<b>Receipts from:</b>				
54,170	Crown	60,107	59,807	60,107
320	Department(s)	552	505	505
381	Other	509	-	499
<b>Payments to:</b>				
(18,823)	Suppliers	(29,327)	(30,583)	(34,496)
(29,359)	Employees	(29,485)	(31,318)	(29,371)
(346)	Capital charge	(347)	(347)	(347)
(811)	Goods and services tax (net)	600	3,200	3,203
<b>5,532</b>	<b>Net Cash from Operating Activities</b>	<b>2,609</b>	<b>1,264</b>	<b>100</b>
<b>Cash Flow from Investing Activities</b>				
<b>Receipts from:</b>				
61	Sale of property, plant and equipment	95	-	80
<b>Purchase of:</b>				
(524)	Property, plant and equipment	(436)	(2,281)	(533)
(22)	Intangible assets	(52)	-	-
<b>(485)</b>	<b>Net Cash from Investing Activities</b>	<b>(393)</b>	<b>(2,281)</b>	<b>(453)</b>
<b>Cash Flow from Financing Activities</b>				
(5,497)	Repayment of surplus	(2,012)	-	(2,012)
-	Capital contribution	-	-	-
(1,071)	Other financing cash outflows	-	-	-
<b>(6,568)</b>	<b>Net Cash from Financing Activities</b>	<b>(2,012)</b>	<b>-</b>	<b>(2,012)</b>
<b>(1,521)</b>	<b>Net Increase / (Decrease) in Cash</b>	<b>204</b>	<b>(1,017)</b>	<b>(2,365)</b>
11,905	Cash at the beginning of the year	10,384	5,562	10,384
<b>10,384</b>	<b>Cash at the end of the year</b>	<b>10,588</b>	<b>4,545</b>	<b>8,019</b>

The accompanying notes form part of these financial statements.



## RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2011

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-10 Actual  \$000s	30-Jun-11 Actual  \$000s	30-Jun-11 Main Estimates \$000s	30-Jun-11 Supps Estimates \$000s
<b>2,012</b>	<b>2,149</b>	-	-
<b>Net Operating Surplus</b>			
<b>Add: Non-cash items</b>			
-	298	-	-
1,481	1,041	1,266	1,117
1,481	1,339	1,266	1,117
<b>Total non-cash items</b>			
<b>Add/(Less) movements in working capital items</b>			
(286)	75	-	499
(50)	110	-	-
2,883	(1,317)	-	(1,750)
(512)	259	(2)	254
2,035	(873)	(2)	(997)
<b>Net movements in working capital</b>			
<b>Add/(Less) investing activity</b>			
4	(6)	-	(20)
4	(6)	-	(20)
<b>Total investing activity</b>			
<b>5,532</b>	<b>2,609</b>	<b>1,264</b>	<b>100</b>
<b>Net cash flow from operating activities</b>			

The accompanying notes form part of these financial statements.

## STATEMENT OF DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2011

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-10 Actual \$000s		30-Jun-11 Actual \$000s
<b>Accommodation lease commitments</b>		
1,266	Less than one year	3,072
487	One to two years	2,819
439	Two to five years	7,334
24	More than five years	678
<b>2,216</b>	<b>Total accommodation lease commitments</b>	<b>13,903</b>
<b>Other operating commitments</b>		
311	Less than one year	190
204	One to two years	-
-	Two to five years	-
-	More than five years	-
<b>515</b>	<b>Total other operating commitments</b>	<b>190</b>
<b>2,731</b>	<b>Total commitments</b>	<b>14,093</b>

The accompanying notes form part of these financial statements.



## STATEMENT OF DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2011

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 2011. It does not include general or unspecified business risks or conditions.

30-Jun-10 Actual \$000	30-Jun-11 Actual \$000
<b>Contingent Liabilities</b>	
30 Other Liability claims	-
<b>30 Total Contingent Liabilities</b>	<b>-</b>
<b>Contingent Assets</b>	
- Christchurch earthquake disruption - insurance claims	98
<b>- Total Contingent Liabilities</b>	<b>98</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2011

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

30-Jun-10 Actual		30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s		\$000s	\$000s	\$000s
<b>VOTE: MĀORI AFFAIRS</b>				
<b>Appropriation for classes of outputs</b>				
8,578	Policy - Social and Cultural	8,084	8,591	8,341
11,778	Policy - Economic and Enterprise	10,436	12,320	10,922
5,832	Policy - Crown Māori Relationships	6,352	6,151	6,553
7,726	Relationships and Information	7,333	7,693	7,343
10,069	Operations Management	9,381	8,743	9,469
1,019	Whānau Ora Administration	9,383	9,236	9,902
7,659	Integrated Whānau Social Assistance	7,507	7,078	7,582
485	Ministerial Economic Taskforce	468	500	500
<b>53,146</b>	<b>Total Appropriations for Classes of Outputs</b>	<b>58,944</b>	<b>60,312</b>	<b>60,612</b>
<b>Departmental Capital Expenditure</b>				
<b>524</b>	<b>Te Puni Kōkiri - Capital Expenditure PLA</b>	<b>488</b>	<b>2,281</b>	<b>533</b>

The Statement of Departmental Expenditure and Capital Expenditure against appropriations includes remeasurements of \$0.003 million.

### Expenses and capital expenditure approved under section 26B of the Public Finance Act 1989

Nil (Nil for the year ended 30 June 2010).

### Expenses and capital expenditure incurred in excess of appropriation

Nil (Nil for the year ended 30 June 2010).

### Expenses and capital expenditure incurred without appropriation or other authority, or outside scope of appropriation

Nil (Nil for the year ended 30 June 2010).

### Breaches of projected departmental net assets schedules

Nil (Nil for the year ended 30 June 2010).

## STATEMENT OF DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2011

There was no unappropriated expenditure for the year ended 30 June 2011 (Nil for the year ended 30 June 2010).

Explanation of major variances against budget is detailed in note 16. 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. Accordingly, Te Puni Kōkiri has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the department are for the year ended 30 June 2011. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 30 September 2011.

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

### STATEMENT OF COMPLIANCE

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

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

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

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain assets and liabilities

as identified in this statement of accounting policies.

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

### CHANGES IN ACCOUNTING POLICIES

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

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

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

### EARLY ADOPTION OF THE REVISED NZ IAS 24 RELATED PARTY DISCLOSURES

Te Puni Kōkiri has early adopted NZ IAS 24 Related Party Disclosures (Revised 2009). The effect of early adopting the revised NZ IAS 24 is:

- more information is required to be disclosed about transactions between the Ministry and entities controlled, jointly controlled, or significantly influenced by the Crown;
- commitments with related parties require disclosure; and



- information is required to be disclosed about any related party transactions with Ministers of the Crown with portfolio responsibility for the Ministry. An exemption is provided from reporting transactions with other Ministers of the Crown.

### 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 Te Puni Kōkiri, 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 2014. The Ministry has not yet assessed the effect of the new standard and expects it will not be early adopted.

- FRS-44 *New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments)* – These were issued in May 2011 with the purpose of harmonising Australia and New Zealand's accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The amendments must first be adopted for the year ended 30 June 2012. The Ministry has not yet assessed the effects of FRS-44 and the Harmonisation Amendments

As the External Reporting Board is to decide on a new accounting standards framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS with a mandatory effective date for annual reporting periods commencing on or after 1 January 2012 will not be applicable to public benefit entities. This means that the financial reporting requirements for public benefit entities are expected to be effectively frozen in the short-term. 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**

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.

#### 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 and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

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

#### **Presentation of employee entitlements**

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

### **SUPERANNUATION SCHEMES**

#### **Defined contribution schemes**

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

### **PROVISIONS**

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

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

### **TAXPAYERS' FUNDS**

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

### **COMMITMENTS**

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

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



## GOODS AND SERVICES TAX (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## INCOME TAX

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

## CONTINGENT ASSETS AND LIABILITIES

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

## NET OPERATING SURPLUS

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

## BUDGET FIGURES

The budget figures are those included in the Ministry's Forecast Financial Statement published in the Information Supporting the Estimates of Appropriation for the year ending 30 June 2011. In addition, the financial statements also present the updated budget information from the 2010/11 Supplementary Estimates.

## STATEMENT OF COST ACCOUNTING POLICIES

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

### Criteria for direct costs

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

### Criteria for indirect costs

'Indirect costs' are those costs that cannot be attributed in an economically feasible manner, to a specific output.

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

Personnel costs (excluding those of Support Services 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:

#### **Retirement and long service leave**

An analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities is disclosed in note 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 2011.



**Note 2: Other Revenue**

30-Jun-10 Actual \$000		30-Jun-11 Actual \$000
535	SSRSS employer's contribution-recoveries	530
120	KiwiSaver employer's contribution-recoveries	146
330	Māori Trustee-service fees	301
3	Other Revenue	9
<b>988</b>	<b>Total Other Revenue</b>	<b>986</b>

**Note 3: Personnel Costs**

30-Jun-10 Actual \$000		30-Jun-11 Actual \$000
28,110	Salaries and Wages	28,620
625	Other Personnel Costs	732
<b>28,735</b>	<b>Total Personnel Costs</b>	<b>29,352</b>



**Note 4: Operating Costs**

30-Jun-10 Actual \$000		30-Jun-11 Actual \$000
143	Audit fees for audit of financial statements	152
13	Other fees charged by auditors	-
2,867	Operating lease rentals	2,877
83	Overseas and Pacific Travel	171
1,748	Domestic Travel	2,725
809	Printing, Books and Publicity	939
1,065	Contract Workers	1,415
3,088	Consultancy Fees*	6,834
2,024	MBFS Commission	1,819
4,758	Programmes	4,661
1,049	Telecommunications	827
289	Computer Related Expense	297
18	Koha	18
511	Conference/Hui	894
488	Legal Fees	361
222	Māori Wardens uniforms	78
1,090	Building Maintenance/Heat, Light & Power/Rates	1,137
448	Motor Vehicle running costs	565
297	Software Maintenance	246
4	(Gain)/Loss on Sale of Assets	(6)
81	Honoraria/Meeting Fees	290
-	Impairment Loss	298
1,489	Other Operating Costs	1,604
<b>22,584</b>	<b>Total Operating Costs</b>	<b>28,204</b>

\*Consultancy Fees include the cost of research, which in 2010/11 included the Action Research Programme for Whānau Ora \$2.154m (Nil in 2009/10).



**Note 5: Depreciation Charge**

30-Jun-10 Actual \$000		30-Jun-11 Actual \$000
203	EDP Equipment	247
568	Motor Vehicles	553
2	Office Equipment	1
163	Furniture & Fittings	59
445	Leasehold Improvements	107
100	Software Systems	74
<b>1,481</b>	<b>Total Depreciation Costs</b>	<b>1,041</b>

**Note 6: Capital Charge**

30-Jun-10 Actual \$000		30-Jun-11 Actual \$000
346	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 2011 was 7.5% (2010: 7.5%).	347

### Note 7: Debtors and Other Receivables

30-Jun-10 Actual \$000	30-Jun-11 Actual \$000
373 Debtors	298
- Less Provision for impairment	-
<b>373 Total Debtors and other receivables</b>	<b>298</b>

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

	2010/11			2009/10		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000s	Impairment \$000	Net \$000
Not past due	298	-	298	373	-	373
Past due 1-30 days	-	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-	-
Past due 61-90 days	-	-	-	-	-	-
Past due > 90 days	-	-	-	-	-	-
<b>Total</b>	<b>298</b>	<b>-</b>	<b>298</b>	<b>373</b>	<b>-</b>	<b>373</b>

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

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

There is a nil provision for impairment as of 30 June 2011 (Nil for 2010).



## Note 8: Property, Plant and Equipment

	EDP Equipment \$000s	Motor Vehicles \$000s	Office Equipment \$000s	Furniture & Fittings \$000s	Leasehold Improvements \$000s	Total \$000s
<b>Cost or valuation</b>						
Balance at 1 July 2009	1,892	3,204	271	1,174	2,139	8,680
Additions	383	117	-	23	-	523
Transfer to Māori Trustee	(25)	(354)	(16)	(31)	(37)	(463)
Disposals	(912)	(102)	-	(1)	-	(1,015)
<b>Balance at 30 June 2010</b>	<b>1,338</b>	<b>2,865</b>	<b>255</b>	<b>1,165</b>	<b>2,102</b>	<b>7,725</b>
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)
<b>Balance at 30 June 2011</b>	<b>1,031</b>	<b>2,714</b>	<b>256</b>	<b>1,184</b>	<b>2,134</b>	<b>7,319</b>
<b>Accumulated depreciation</b>						
Balance at 1 July 2009	1,440	584	255	803	1,567	4,649
Depreciation expense	203	568	3	179	429	1,382
Eliminate on disposal	(913)	(37)	-	(1)	-	(951)
Transfer to Māori Trustee	(4)	(79)	(3)	(3)	(1)	(90)
<b>Balance at 30 June 2010</b>	<b>726</b>	<b>1,036</b>	<b>255</b>	<b>978</b>	<b>1,995</b>	<b>4,990</b>
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)
<b>Balance at 30 June 2011</b>	<b>620</b>	<b>1,451</b>	<b>256</b>	<b>1,000</b>	<b>2,094</b>	<b>5,421</b>
<b>Carrying amounts</b>						
At 1 July 2009	452	2,620	16	371	574	4,031
At 30 June and 1 July 2010	612	1,829	-	187	107	2,735
<b>At 30 June 2011</b>	<b>411</b>	<b>1,263</b>	<b>-</b>	<b>184</b>	<b>40</b>	<b>1,898</b>

## Note 9 : Intangible Assets

	Acquired software	Internally generated software	Total
	\$000s	\$000s	\$000s
<b>Cost or valuation</b>			
Balance at 1 July 2009	1,457	572	2,029
Additions	21	-	21
Disposals	(336)	-	(336)
Transfer to Māori Trustee	-	(109)	(109)
<b>Balance at 30 June 2010</b>	<b>1,142</b>	<b>463</b>	<b>1,605</b>
Balance at 1 July 2010	1,142	463	1,605
Additions	52	-	52
Impairment losses	-	(83)	(83)
Disposals	-	-	-
<b>Balance at 30 June 2011</b>	<b>1,194</b>	<b>380</b>	<b>1,574</b>
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 July 2009	1,246	407	1,653
Amortisation expense	99	-	99
Disposals	(336)	-	(336)
Transfer to Māori Trustee	-	(27)	(27)
<b>Balance at 30 June 2010</b>	<b>1,009</b>	<b>380</b>	<b>1,389</b>
Balance at 1 July 2010	1,009	380	1,389
Amortisation expense	74	-	74
Impairment losses	-	-	-
Disposals	-	-	-
<b>Balance at 30 June 2011</b>	<b>1,083</b>	<b>380</b>	<b>1,463</b>
<b>Carrying amounts</b>			
At 1 July 2009	211	165	376
At 30 June and 1 July 2010	133	83	216
<b>At 30 June 2011</b>	<b>111</b>	<b>-</b>	<b>111</b>



**Note 10: Creditors and Payables**

30-Jun-10 Actual \$000		30-Jun-11 Actual \$000
2,408	Trade Creditors	8
2,421	Accrued Expenses	3,724
189	GST payable	(21)
<b>5,018</b>	<b>Total creditors and payables</b>	<b>3,711</b>

**Note 11: Employee Entitlements**

30-Jun-10 Actual \$000		30-Jun-11 Actual \$000
<b>Current Liabilities</b>		
1,347	Annual Leave	1,481
546	Salaries and Wages	651
9	Long Service Leave	13
114	Sick Leave	130
<b>2,016</b>	<b>Total current portion</b>	<b>2,275</b>
<b>Non-Current Liabilities</b>		
331	Long Service Leave	245
<b>331</b>	<b>Total non-current portion</b>	<b>245</b>
<b>2,347</b>	<b>Total employee entitlements</b>	<b>2,520</b>

For the calculation of long service leave, discount rates of 2.84% for year 1, 3.81% 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. Management anticipate that the restructuring will be completed within 12 months of balance date.

	Provision for Restructure \$000
Balance at 1 July 2009	-
Additional provisions made	-
Amounts used	-
Unused amounts reversed	-
<b>Balance at 30 June 2010</b>	<b>-</b>
Balance at 1 July 2010	-
Additional provisions made	74
Amounts used	-
Unused amounts reversed	-
<b>Balance at 30 June 2011</b>	<b>74</b>

### 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 \$60m (2010 \$54m) to provide services to the public for the year ended 30 June 2011.

#### *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 2011 totalled \$2.4 million (2009/10 \$1.9 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.

#### 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.

##### *Ministerial Economic Taskforce*

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

During 2010/11, Te Puni Kōkiri has entered into transactions with organisations associated with Taskforce members on an arm's length basis. The individual Taskforce members were precluded from Taskforce decisions on endorsement of the respective projects.

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

##### *Te Roopu Pakihi*

Te Puni Kōkiri entered into a Māori Potential Fund contract with Te Roopu Pakihi for \$304,000 (GST exclusive) for the period December 2009 to April 2010. The remaining value of the contract was \$64,000 at the end of June 2010. It has been fully paid in 2010/11.

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

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



### Key management personnel compensation

30-Jun-10 Actual \$000		30-Jun-11 Actual \$000
1,101	Salaries and other short-term employee benefits	1,367
32	Post-employment benefits	17
1,133	Total key management personnel compensation	1,384

Key management personnel include the Chief Executive and the four members of the Executive Leadership Team (ELT). The 2010/11 financial year includes the full year impact of the new position for Deputy Secretary Whānau and Social Policy and appointments to two vacant deputy secretary positions, occurring late 2009/10 and early 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 Responsible 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 2010/11 (nil 2009/10).

#### 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 2011" for an explanation of significant budget changes between the 2010 Main Estimates and 2010/11 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 607 and 613).



### 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-11 Actual \$000s	30-Jun-11 Main Estimates \$000s	Variance \$000s
Personnel	29,352	31,854	(2,322)
Operating	28,204	26,845	1,359

**Personnel:** The variance is mainly due to positions remaining vacant and/or taking longer than expected to be recruited to, given the specialist nature of a number of Te Puni Kōkiri's position descriptions.

**Operating:** The variance is largely due to a combination of higher contractor costs covering vacancies until permanent appointments were made, additional funding received in the supplementary estimates for Te Waka showcasing and festival programmes for the Rugby World Cup and Te Puni Kōkiri's relief effort for the Christchurch earthquake.

#### Statement of Financial Position (page 71)

	30-Jun-11 Actual \$000s	30-Jun-11 Main Estimates \$000s	Variance \$000s
Cash and cash equivalents	10,588	4,545	6,043
Property, plant and equipment	1,898	4,230	(2,332)
Creditors and other payables	3,711	2,000	1,711

**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 under spend is largely due to the decision to defer the purchase of 32 motor vehicles, a number of EDP hardware 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-11 Actual \$000s	30-Jun-11 Main Estimates \$000s	Variance \$000s
<b>Departmental Expenditure</b>			
Policy-Social and Cultural	8,084	8,591	(507)
Policy-Economic and Enterprise	10,436	12,320	(1,884)
Operations Management	9,381	8,743	638
Integrated Whānau Social Assistance	7,507	7,078	429
<b>Departmental Capital Expenditure</b>			
Te Puni Kōkiri - Capital Expenditure PLA	488	2,281	(1,793)

The variances above for departmental expenditure largely reflect the fiscally neutral transfers between departmental appropriations actioned by Te Puni Kōkiri in the 2011 March Baseline Update.

This was the result of reprioritisation of our work programme to provide a sharpened focus on achieving Treaty Settlements by 2014; implementation of Whānau Ora; enhancing Māori economic performance; supporting Māori culture and indigeneity; and advising on and supporting enhanced Crown-Māori relationships.

The underspend for departmental capital expenditure reflects the decision to defer the replacement of 32 motor vehicles, a number of EDP hardware and leasehold improvement assets.

**Note 17: Financial instrument**

30-Jun-10 Actual \$000s		30-Jun-11 Actual \$000s
<b>Loans and receivables</b>		
10,384	Cash and cash equivalents	10,588
373	Debtors and other receivables	298
10,757	Total loans and receivables	10,886
<b>Financial liabilities measured at amortised cost</b>		
5,018	Creditors and other payables	3,711

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



## Market risk

### *Currency risk*

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

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

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

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

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

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

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

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

### *Interest rate risk*

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

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

### Credit risk

Credit risk is the risk that a third party will default on its obligation to the Ministry, causing the Ministry to incur a loss.

In the normal course of its business, credit risk arises from debtors, deposits with banks and derivative financial instrument assets.

The Ministry is only permitted to deposit funds with Westpac, a registered bank, and enter into foreign exchange spot and forward contracts with the New Zealand Debt Management Office or any counterparty that meets the minimum credit rating criteria. These entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

### Liquidity risk

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

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

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

\$000	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
<b>2011</b>				
Creditors and other payables	3,711	-	-	-
<b>2010</b>				
Creditors and other payables	5,018	-	-	-



## NON-DEPARTMENTAL STATEMENTS AND SCHEDULES FOR THE YEAR ENDED 30 JUNE 2011

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 2011

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

30-Jun-10 Actual \$000s	30-Jun-11 Actual \$000s	30-Jun-11 Main Estimates \$000s	30-Jun-11 Supps Estimates \$000s
<b>Current Revenue</b>			
<i>Non-Tax Revenue</i>			
8 Interest on Advances	-	-	-
128 Miscellaneous Receipts	77	10	10
<b>136 Total Current Revenue</b>	<b>77</b>	<b>10</b>	<b>10</b>
<b>Capital Revenue</b>			
54 Repayment of Advances	-	-	-
5 Gain on Sale of Properties	4	-	-
<b>59 Total Capital Revenue</b>	<b>4</b>	<b>-</b>	<b>-</b>
<b>195 Total Crown Revenue</b>	<b>81</b>	<b>10</b>	<b>10</b>

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2011.

## SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2011

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 102-103. Figures are GST exclusive.

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30-Jun-10 Actual		30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s		\$000s	\$000s	\$000s
<b>Non-Departmental Expenses</b>				
<b>Operating Annual Appropriations</b>				
103,524	Non-Departmental Output Expenses	118,776	131,314	130,772
478	Benefits and Other Unrequited Expenses	476	480	480
15,579	Other Expenses to be Incurred by the Crown	10,245	9,575	10,647
<b>119,581</b>	<b>Total Operating Annual Appropriations</b>	<b>129,497</b>	<b>141,369</b>	<b>141,899</b>
3,995	Capital Expenditure	956	956	956
15	Appropriations for Other Expenses	15	15	15
(10)	Provision for Write Off's-Rural Lending	-	-	-
<b>123,581</b>	<b>Total Non-Departmental Expenses</b>	<b>130,468</b>	<b>142,340</b>	<b>142,870</b>

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2011.



## STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2011

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-10 Actual	30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s	\$000s	\$000s	\$000s
<b>Operating Annual Appropriations</b>			
<i>Non-Departmental Output Expenses</i>			
40,332	40,332	40,332	40,332
11,344	11,344	11,344	11,344
2,128	1,808	1,808	1,808
3,204	3,204	3,204	3,204
449	586	456	586
16,574	16,611	16,611	16,611
10,649	10,421	10,421	10,421
-	1,000	1,000	1,000
-	368	160	660
<i>Whānau Ora-based Service Development MCOA</i>			
-	7,137	17,100	17,100
-	4,916	6,600	6,600
-	12,053	23,700	23,700
<i>Māori Potential Framework</i>			
6,502	8,284	8,316	8,316
6,899	6,779	7,146	6,796
5,443	5,986	6,816	5,994
18,844	21,049	22,278	21,106
<b>103,524</b>	<b>118,776</b>	<b>131,314</b>	<b>130,772</b>
<i>Benefits and Other Unrequited Expenses</i>			
478	476	480	480
<b>478</b>	<b>476</b>	<b>480</b>	<b>480</b>



30-Jun-10 Actual		30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s		\$000s	\$000s	\$000s
	<i>Other Expenses to be Incurred by the Crown</i>			
196	New Zealand Māori Council	196	196	196
1,156	Māori Wardens	1,167	1,178	1,178
626	Māori Registration Service	626	626	626
-	Payments to Housing Corporation of New Zealand	-	36	-
131	Te Pūtahi Paoho	131	131	131
-	Ngāti Rarua and Atiawa iwi Trust ex-gratia payment	5,000	5,000	5,000
-	Taumarunui Lease Compensation	250	-	250
-	Te Waka	494	-	822
160	Regional Tourism Organisations-Planning	-	-	-
600	Kaharau Land Transfer	-	-	-
3,432	Part 2 Loans Write-offs	-	-	-
-	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
7,000	Wharewaka-Waterfront Development	-	-	-
33	Administrative expenses for Crown Land	7	13	49
500	Turanganui-a-Kiwa Capacity Building	500	500	500
<b>15,579</b>	<b>Total Other Expenses to be Incurred by the Crown</b>	<b>10,245</b>	<b>9,575</b>	<b>10,647</b>
<b>119,581</b>	<b>Total Operating Annual Appropriations</b>	<b>129,497</b>	<b>141,369</b>	<b>141,899</b>
	<i>Capital Contributions to other persons or organisations</i>			
1,400	Māori Television Channel	-	-	-
1,995	Maori Trustee Capital	956	956	956
600	Kaharau Land Purchase	-	-	-
<b>3,995</b>	<b>Total Capital Contributions</b>	<b>956</b>	<b>956</b>	<b>956</b>
	<i>Appropriations for Other Expenses</i>			
15	Payments to Trust Boards	15	24	15
<b>15</b>	<b>Total Other Expenses</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>123,591</b>	<b>Total Non-Departmental Appropriations</b>	<b>130,468</b>	<b>142,340</b>	<b>142,870</b>

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 2011.



## STATEMENT OF NON-DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2011

There was no unappropriated expenditure for the year ended 30 June 2011 (\$7.0 million for the year ended 30 June 2010).

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30-Jun-10 Unappropriated Expenditure \$000s	30-Jun-11 Unappropriated Expenditure \$000s	30-Jun-11 Main Estimates \$000s	30-Jun-11 Supps Estimates \$000s
<b>Non-Departmental Other Expense</b>			
7,000	-	-	-
<p><b>Wharewaka – Waterfront Development–30 June 2010</b></p> <p>One-off funding of \$7.0 million was appropriated in Budget 2008 to support the construction of a Wharewaka complex on the Wellington Waterfront. Delays in finalising an appropriate governance arrangement for the project resulted in a delay in expending the appropriation with an in-principle expense transfer approved in the 2009 March Baseline Update to transfer the full appropriation from 2008/09 to 2009/10.</p> <p>Due to an oversight, the \$7.0 million was subsequently paid in full to the Wharewaka o Pōneke Charitable Trust on 24 August 2009, on furnishing of the appropriate accountability documents. However, as this expenditure occurred prior to the Minister of Māori Affairs and the Minister of Finance jointly confirming the final amount of the expense transfer and authorising the necessary change to appropriation being included in the 2009/10 Supplementary Estimates and, in interim expense being met from the imprest supply, the expenditure was technically unappropriated.</p>			

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 2011.

## SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2011

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-10 Actual		30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
<b>Current Assets</b>				
29,585	Cash	23,505	66,970	28,004
<b>29,585</b>	<b>Total Current Assets</b>	<b>23,505</b>	<b>66,970</b>	<b>28,004</b>
<b>Property Plant and Equipment</b>				
3,330	Land	2,565	3,125	3,330
<b>3,330</b>	<b>Total Property Plant and Equipment</b>	<b>2,565</b>	<b>3,125</b>	<b>3,330</b>
<b>32,915</b>	<b>Total non-departmental assets administered by Te Puni Kōkiri</b>	<b>26,070</b>	<b>70,095</b>	<b>31,334</b>

## SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2011

30-Jun-10 Actual		30-Jun-11 Actual	30-Jun-11 Main Estimates	30-Jun-11 Supps Estimates
\$000s		\$000s	\$000s	\$000s
<b>Current Liabilities</b>				
5,435	Creditors and Payables	8,604	3,655	3,856
<b>Non-Current Liabilities</b>				
42	Other Liabilities	468	465	465
<b>5,902</b>	<b>Total Current Liabilities</b>	<b>9,072</b>	<b>4,120</b>	<b>4,321</b>

An explanation of major variances against budget is 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 2011.



## SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2011

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-10 Actual \$000s		30-Jun-11 Actual \$000s
	<b>Category</b>	
2,408	Māori Potential Fund	6,546
-	Whānau Ora	3,092
91,350	Crown Entities & Non-Government Organisations	87,620
<b>93,758</b>	<b>Total Crown Commitments by Category</b>	<b>97,258</b>
	<b>Out year commitments</b>	
93,501	Less than one year	97,125
257	One to two years	133
-	- Two to five years	-
-	- More than five years	-
<b>93,758</b>	<b>Total Crown Commitments by out year</b>	<b>97,258</b>

## STATEMENT OF NON-DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2011

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 2011. 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 2011 (2009/10 nil).

### Contingent assets

The Ministry on behalf of the Crown has no contingent assets as at 30 June 2011 (2009/10 nil).

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2011.

## 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 2010/11.

#### *Basis of Preparation*

The non-departmental schedules and statements have been prepared in accordance with the accounting policies of the Financial Statements of the Government, Treasury Instructions, and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules and statements are consistent with New Zealand generally accepted accounting practice as appropriate for public benefit entities.

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

#### *Statement of Compliance*

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

#### *Measurement System*

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

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

#### *Accounting Policies*

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

#### *Budget Figures*

The budget figures are those presented in the 2009 Main Estimates as amended by the 2009/10 Supplementary Estimates and any transfer made by Order in Council under section 26A of the Public Finance Act 1989.



### *Revenue*

Te Puni Kōkiri derives revenue through the provision of outputs to the Crown and for services to third parties. Revenue is measured at the fair value of consideration received.

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

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

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

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

### *Commitments*

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

### **Note 2: 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). All other land blocks are held at cost. For the 2008/09 financial year, Independent valuations were done by Veitch Morison Valuers Ltd, Garton and Associates, E.I. Clissold and QV Valuations between 26 May 2009 and 8 July 2009.

### **Note 3: Explanation for Significant Budget Changes**

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2011" for an explanation of significant budget changes between the 2010 Main Estimates and 2010/11 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 614 to 614).

The major changes included:

#### ***New appropriations***

- Te Waka (\$0.822m) – to support the construction of a large transportable even marquee, in the shape of a traditional waka to be located on the Auckland waterfront.
- Taumarunui Lease Compensation (\$0.500m) – a one-off ex-gratia payment to the Karanga Te Kere Whānau Trust to address their historical rental losses and omission from the Māori Reserved Land Amendment Act 1997 with respect to reserves in Taumarunui.

#### **Additional appropriations**

- Strengthening and Promoting Maori Tourism (\$4.500m over three years) – new funding for an action plan that will focus on raising the quality and consistency of Māori tourism products, improving the business capability and performance of Māori tourism operators and better promoting Māori tourism. A total of \$1.0m from this appropriation has been transferred to 2013/14.
- Iwi Housing Support (\$0.130m) – new funding for part implementation of the Ratana Housing Strategy.

#### **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**

	30-Jun-11 Actual	30-Jun-11 Main Estimates	Variance
	\$000s	\$000s	\$000s
Whānau Ora-based Service Development MCOA	12,053	23,700	(11,647)
Strengthening and Promoting Māori Tourism	368	160	208
Te Waka	494	-	494
Taumarunui Lease Compensation	250	-	250
Te Ariki Trust	-	21	(21)

Almost all the non-departmental and capital expenditure appropriations were fully expensed by 30 June 2011 with the exception of the following appropriations, where in-principle expense transfers are in place to enable under spends to be transferred to 2011/12, reflecting the forecast funding profiles. Transfers, up to a maximum of the following amounts can be moved to 2011/12.

- \$11.647m for Whānau Ora based Service Development;
- \$0.292m for Strengthening and Promoting Māori Tourism; and
- \$0.328m for Te Waka.

The under-spend in Whānau Ora-based Service Development mainly 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 only commenced in June 2011.

The Te Waka and Taumarunui Lease Compensation are new appropriations that were appropriated in the Supplementary Estimates of Appropriations for the year ending 30 June 2011.

The Te Ariki Trust appropriation of \$0.021m is for the costs of administering the new Te Ariki Trust and was not used in 2010/11 as the trustees had not been appointed.



## SCHEDULE OF NON-DEPARTMENTAL ASSETS

	30-Jun-11 Actual \$000s	30-Jun-11 Main Estimates \$000s	Variance \$000s
Cash	23,505	66,970	(43,465)

The Cash balance as of the Main Estimates included the Crown surpluses from previous years which have since been returned to the NZDMO. This is partially offset by underspends against the Main Estimates and a higher than anticipated level of creditors and other payables at year end.

## SCHEDULE OF NON-DEPARTMENTAL LIABILITIES

	30-Jun-11 Actual \$000s	30-Jun-11 Main Estimates \$000s	Variance \$000s
Creditors and Payables	8,604	3,655	4,949

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

### Note 5: Financial instruments

30-Jun-10 Actual \$000s		30-Jun-11 Actual \$000s
	<b>Loans and receivables</b>	
29,585	Cash and cash equivalents	23,505
	<b>Financial liabilities measured at amortised cost</b>	
5,902	Creditors and other payables	9,072

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: 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:

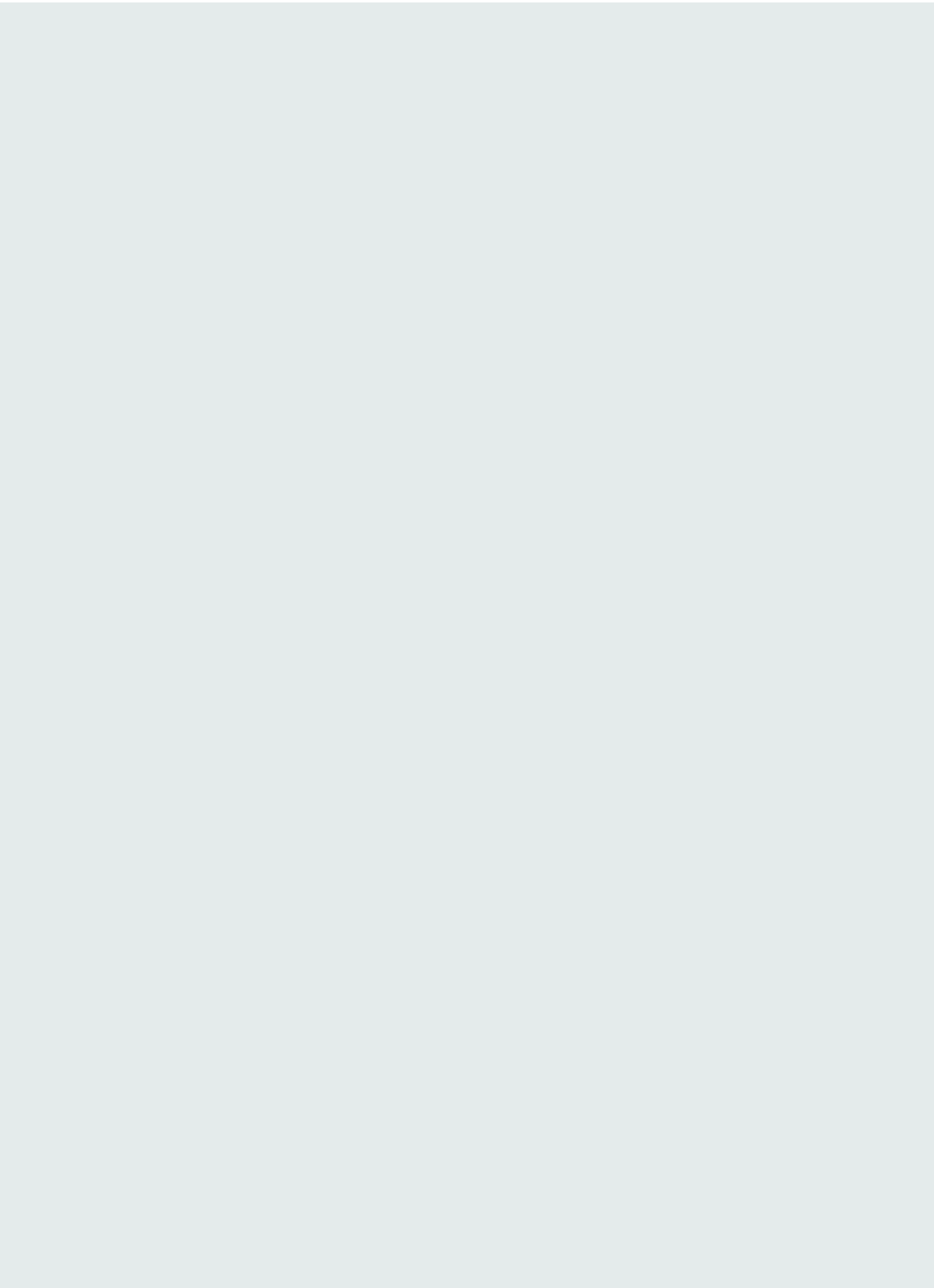
Te Māngai Pāho at [www.tmp.govt.nz](http://www.tmp.govt.nz)

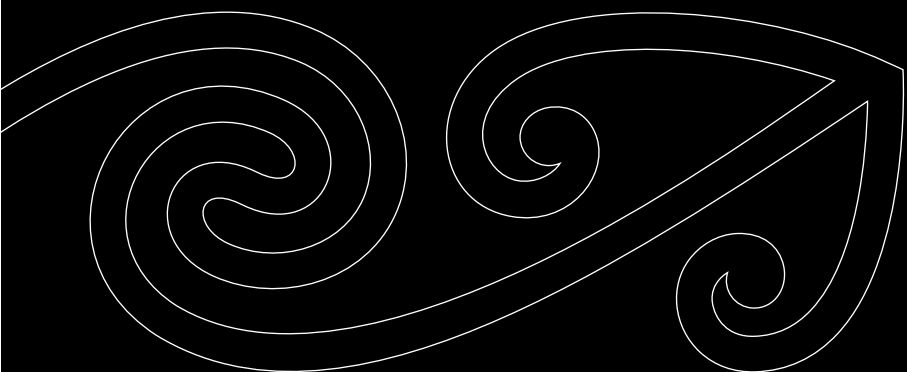
Māori Television Service at [www.Māoritelevision.com](http://www.Māoritelevision.com) and

Te Taura Whiri i te Reo Māori at [www.tetaurawhiri.govt.nz](http://www.tetaurawhiri.govt.nz)

for information on their financial performance and position.









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