



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

Annual Report

For year ended 30 June 2009





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

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OCTOBER 2009



PŪRONGO Ā-TAU
ANNUAL REPORT OF



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

MŌ TE MUTUNGA O TE TAU I TE
30 O NGĀ RĀ O PIPIRI 2009
FOR THE YEAR ENDED 30 JUNE 2009



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 2009.

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

Leith Comer
Chief Executive

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Westpac

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MAI TE MANAHAUTŪ FROM THE CHIEF EXECUTIVE

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Rau rangatira mā, tēnā koutou,
E aku nui, e aku rahi, tēnā hoki koutou,
Otirā tēnā rā tātou katoa.

Ka nui taku hari me taku koa e puta ana tēnei pūrongo ā-tau 2008/2009 hei pānuitanga mā tātou katoa. Kei te whakaaturia atu tēnei pūrongo ā-tau i ngā mahi kua pīkautia e Te Puni Kōkiri ki te whakatutuki i ngā huanga o te Pānui Whāinga 2008.

I am pleased to provide the Annual Report for 2008/09, which details the Te Puni Kōkiri financial and non-financial performance, along with progress towards outcomes identified in the 2008 Statement of Intent.

After the November 2008 general election Te Puni Kōkiri revised its priorities to focus on responding to the expectations and direction of the new government. In so doing, accountability documents were developed to include performance improvement actions centred around value for money initiatives, capping of the public sector and to ensure our services are provided effectively and efficiently.

It was an extremely busy start to 2009 for Te Puni Kōkiri in our role assisting the Government and supporting many national and regional Māori initiatives and events, including the Māori Economic Summit, and the Jobs Summit hosted by the Prime Minister. Improving the delivery of industry and trades training to Māori was a priority that emerged from the summits, as was the Minister's Māori Economic Taskforce which is tasked with developing initiatives that assist Māori through the recession and to prepare them for the opportunities that will accompany New Zealand's economic recovery.

There have been many achievements over the past twelve months and these are identified throughout this report. However I would like to mention some special highlights here, particularly

- Our involvement in brokering relationships between Māori and the Crown to resolve historical Treaty of Waitangi issues;
- Creating pathways for Māori to succeed as Māori – supporting events like:
 - Te Waka Toi Awards;
 - Te Matatini;
 - Māori language week;
 - 2009 Ahuwhenua Trophy – the pinnacle of excellence and success in Māori farming;
 - Honouring the achievements of Sir Graham Latimer;
 - Atamira 2009 Māori in the City;
- The dedication of staff in concluding a long and complex process spanning two decades, that has seen the Māori Trustee become a stand-alone organisation; and
- A successful partnership with Infra-Train
 - the Infrastructure Industry Training Organisation – targeting 250 trade training places for Māori.

I am looking forward to working with our Ministers and excited by the opportunities ahead to achieve Māori aspirations.

2008/09 has been challenging but rewarding and I would especially like to acknowledge the leadership and commitment of the senior management team and all staff for their work over the past year. Their support has been greatly appreciated.

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



Leith Comer
Chief Executive



HE KUPU WHAKATAKI

INTRODUCTION

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

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

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

Our main function is that of an integrated policy ministry, with the full breadth of policy functions, including research, policy development, 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 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 2009.

Signed



Leith Comer
Chief Executive
30 September 2009

Countersigned



Julie-Anne Morrison
Acting Deputy Secretary Support Services
30 September 2009



AUDIT REPORT

TO THE READERS OF TE PUNI KŌKIRI'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

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The Auditor General is the auditor of Te Puni Kōkiri (the Ministry of Māori Development). The Auditor General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the financial statements and statement of service performance included in the annual report of Te Puni Kōkiri for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of Te Puni Kōkiri on pages 42 to 68:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - Te Puni Kōkiri's financial position as at 30 June 2009;
 - the results of its operations and cash flows for the year ended on that date;
 - its expenses and capital expenditure incurred against each appropriation administered by Te Puni Kōkiri and each class of outputs included in each output expense appropriation for the year ended 30 June 2009; and
 - its unappropriated expenses and capital expenditure for the year ended 30 June 2009.
- The schedules of non-departmental activities on pages 69 to 83 fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by Te Puni Kōkiri on behalf of the Crown for the year ended 30 June 2009.
- The statement of service performance of Te Puni Kōkiri on pages 14 to 40:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards included in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses included in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 30 September 2009, and is the date at which our opinion is expressed as at that date.

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

Basis of Opinion

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

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

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

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

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Chief Executive;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

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

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

Responsibilities of the Chief Executive and the Auditor

The Chief Executive is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand.

The financial statements must fairly reflect the financial position of Te Puni Kōkiri as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date.

The financial statements must also fairly reflect the expenses and capital expenditure incurred against each appropriation administered by Te Puni Kōkiri and each class of outputs included in each output expense appropriation for the year ended 30 June 2009. The financial statements must also fairly reflect Te Puni Kōkiri's unappropriated expenses and capital expenditure for the year ended on that date.

In addition, the Chief Executive is responsible for preparing schedules of non-departmental activities, in accordance with the Treasury Instructions 2008 that must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by Te Puni Kōkiri on behalf of the Crown for the year ended 30 June 2009.



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

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

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of the Public Finance Act 1989.

Independence

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

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



Phil Kennerley
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand



 STATEMENT OF SERVICE
PERFORMANCE



STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2009

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INTRODUCTION

The Statement of Service Objectives for Te Puni Kōkiri is detailed in the Information Supporting the Estimates of Appropriations for the year ending 30 June 2009. This forms the output objectives for the year against which this service performance statement reports.

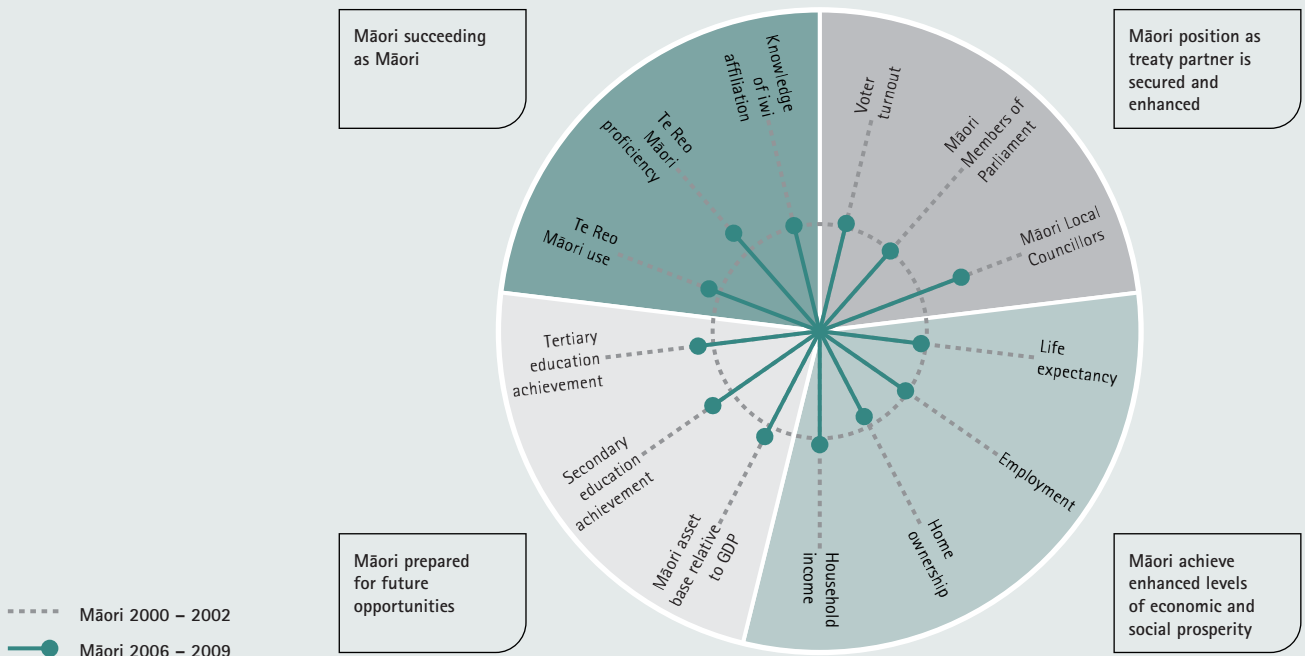
KEY OUTCOME INDICATORS – MĀORI PROGRESS SINCE 2000

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 (2006-09) are compared with historical values (2000-02) ¹.

The chart shows that Māori have made gains since 2000 across all the reported indicators, with the exception of home ownership.

The largest gains occurred in the areas of local government representation, secondary education, and tertiary education.



Note: The inner circle represents historic average outcomes for Māori for each indicator between 2000 and 2002, and the spokes represent the most recent average outcome between 2006 and 2009. 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.

¹ It is important to note that 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.

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 2008/09 Te Puni Kōkiri’s priority was 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.

A continued focus this year was to support the Whānau Language Development programme, which is now in its third successful year of operation.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2008/09:

Performance Measures	Budget Standard	Actual Standard
Generic Measure: Policy advice will be in accordance with the Quality Assurance Handbook and the Cabinet Manual, and will receive at least a satisfactory assessment for each of the quality criteria in assessments of Ministerial satisfaction and annual independent assessment.	4 Ministerial assessments and one Independent assessment.	1 Ministerial assessment was completed by the Minister of Māori Affairs covering the period 1 January to 30 June 2009. One independent assessment was also completed and results are reported under Ministerial Servicing.
Generic Measure: Reporting deadlines agreed with the Minister will be met.	95%	A ministerial servicing timeline of 93.4% was achieved.
Specific Measures: Report to the Minister of Māori Affairs on the following key areas of work: <ul style="list-style-type: none"> • Government contributions towards enhancing the quality of life and experiences of Māori in at least one key outcome area. • Māori Language Strategy. • Māori Broadcasting and E-media Strategy. 	3 reports.	Achieved.



Specific Measures: Report to the Minister of Māori Affairs on the performance of Māori language and broadcasting agencies funded through Vote Māori Affairs.	4 reports per agency.	Achieved.
Specific Measure: Report to the Ministers of Māori Affairs and Finance on a review of the Māori Television Service Act 2003 by 30 June 2009.	1 review report.	Achieved.

SELECTED ACHIEVEMENTS:

Social Programmes

Support was provided to Mana Social Services restorative justice programme for 9-13 year olds who are at "high risk" of disengaging from the education system. This has assisted schools in the Rotorua area to promote positive engagement with students and their whānau to reduce the likelihood of students being suspended, stood down or excluded from school.

In 2008/09 we continued work on developments in industry and trades training. This included a number of investments in pilot projects and other models of trades training, to allow us to respond quickly to the priorities emanating from the Jobs Summit. We were also involved across government to support Māori into employment, particularly as part of inter-agency teams supporting the Prime Minister's Jobs Summit and responding to the development of a wide range of initiatives.

Māori Language Strategy

Te Puni Kōkiri provided to the Minister of Māori Affairs an Annual Report on the Implementation of the Māori Language Strategy (MLS) in 2008/09. The report highlighted several key initiatives that

Te Puni Kōkiri and other MLS agencies were undertaking, above and beyond the "business as usual" activities, and including, inter alia: implementation of the Whānau Language Development programme; development of a Māori language social marketing and research programme; the launch of a bilingual website celebrating the 28th Māori Battalion; and the publication of several research reports on the Health of the Māori Language in 2006. The Annual Report on the Implementation of the MLS also described progress on the joint review of the MLS by Te Puni Kōkiri and Te Taura Whiri i te Reo Māori.

Māori Broadcasting and E-Media Strategy

Te Puni Kōkiri provided advice to the Minister of Māori Affairs about the Māori Broadcasting and E-Media Strategy. It included information about: the management and use of Māori reserved radio frequencies; the review of licence agreements for iwi radio stations; consideration of the spectrum requirements for Māori broadcasting and e-media; the establishment of a Māori Broadcasting Infrastructure Forum; and research into the uptake of e-media devices among Māori. As part of this work, we provided the Minister with ownership advice about Te Māngai Pāho and the Māori Television Service (and Te Taura

Whiri). This advice indicated that the Māori language and broadcasting agencies in Vote: Māori Affairs were: focused on their core business; consistent in the delivery of their outputs; and financially sound.

Te Puni Kōkiri also facilitated the development and presentation of the Review of the Māori Television Service Act 2003 by an independent panel. The review report was tabled in Parliament in May 2009.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/08 Actual \$000		30/06/09 Actual \$000	30/06/09 Supp Estimates \$000	30/06/09 Main Estimates \$000
6,907	Revenue Crown	9,007	8,505	6,508
434	Other Revenue	433	361	361
7,341	Total Revenue	9,440	8,866	6,869
6,997	Total Expenses	8,622	8,866	6,869
344	Net surplus/(deficit)	818	-	-



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:

Our particular priority was to ensure that assistance to Māori supported and maintained their economic wellbeing through the economic downturn. 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, 2008/09:

Performance Measures	Budget Standard	Actual Standard
Generic Measure: Policy advice will be in accordance with the Quality Assurance Handbook and the Cabinet Manual, and will receive at least a satisfactory assessment for each of the quality criteria in assessments of Ministerial satisfaction and annual independent assessment.	4 Ministerial assessments and one Independent assessment.	1 Ministerial assessment was completed by the Minister of Māori Affairs covering the period 1 January to 30 June 2009. One independent assessment was also completed and results are reported under Ministerial Servicing.
Generic Measure: Reporting deadlines agreed with the Minister will be met.	95%	A ministerial servicing timeline of 93.4% was achieved.
Specific Measures: Report to the Minister of Māori Affairs on the following key areas of work: <ul style="list-style-type: none"> • Participation and success of Māori in the economy, in at least one key area. • Establishment of the performance and monitoring framework for the Māori Trustee and EEMED, subject to passing of legislation. 	3 reports.	Achieved.

Administer the Māori Business Facilitation Service.	400 engagements with Small and Medium Enterprises (SME's).	353 SME's/micro enterprises registered with the service.
Specific Measure: Provide support for the change management processes associated with establishing the Māori Trustee as a viable and independent stand-alone entity.	According to requirements of final legislation.	Achieved.

SELECTED ACHIEVEMENTS:

Development of Māori Land

A research programme on barriers to realising Māori landowners' aspirations was initiated in 2008/09. A work programme to determine the nature and extent of Māori aspirations for their land will be completed during 2009/10. As part of this work programme, Te Puni Kōkiri will be commissioning case studies describing the aspirations Māori have for their Māori land. They will attempt to show why or why not these aspirations are being achieved, and assess the extent to which they are being realised.

Valuation and Rating of Māori Land

Te Puni Kōkiri is also progressing a programme of work on the valuation and rating of Māori land. In 2008/2009 this involved consulting local authorities and Māori landowners and commissioning methodological and legal research on these issues.

Other Sectoral Work

Te Puni Kōkiri actively worked with lead agencies and Māori stakeholders on the review of aquaculture to look at potential economic opportunities for development. It included involvement in assessing proposals submitted to the Aquaculture Planning Fund. In addition, the Māori Affairs Select Committee requested that Te Puni Kōkiri provide it with an adviser

for the Committee hearings on the Māori Commercial Aquaculture Claims Settlement (Regional Agreements) Amendment Bill 2009.

MĀORI BUSINESS FACILITATION SERVICE

In 2008/09, the MBFS supported:

353 SMEs/micro-enterprises registering with the service, of which 170 were new to business or had been operating for less than six months, and 183 had been operating their existing businesses for more than six months. Outcomes included greater understanding and application of fundamental business and financial concepts; improved cash-flow management; and improved compliance.

394 referrals to other business assistance programmes to grow their businesses. Besides the provision of business advice, other forms of assistance included the use of business tools such as planning templates, related statistics for industry and regional research, and funding assistance. We referred 37 clients to Poutama Trust for possible investment assistance.

Two MBFS young entrepreneurs were invited to showcase products and share their business journey in the 2nd Yulkuum Jerrang Indigenous Economic Conference in Melbourne during May 2009. This has led to: collaboration with a Melbourne-based business to engage Māori rangatira in business, to work on developing



and setting up the infrastructure support for product designs; and increased awareness of and networks for Māori arts and crafts. Support was also provided for the development of a Māori business network for the creative sector, specifically focusing on opportunities in Auckland.

Advisory support was also provided in 2008/09 to a project to develop an investment framework and tools to assess the viability of wind farming, and to another project to develop a procedural framework for four land block owners.

In 2008/09 MBFS worked with the Ministry of Tourism to set up a Māori tourism mentoring programme to improve the quality of Māori cultural tourism operations and market share for international tourists.

MBFS clients (registered from January 2006 to December 2008) were surveyed to assess satisfaction and performance and solicit feedback to improve future service delivery. The results (from 36% of clients) showed that approximately 84% of clients were still trading, and around 92% assessed their experience with the business mentors as "extremely useful" to "useful", acknowledging their value and expertise.

The MBFS monitoring and evaluation activities are being strengthened to collect, analyse, and report better information on the outcomes and value of the service.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/08 Actual \$000		30/06/09 Actual \$000	30/06/09 Supp Estimates \$000	30/06/09 Main Estimates \$000
13,652	Revenue Crown	12,524	12,305	13,561
28	Other Revenue	28	23	23
13,680	Total Revenue	12,552	12,328	13,584
12,837	Total Expenses	11,786	12,328	13,584
843	Net surplus/(deficit)	766	-	-

POLICY – CROWN MĀORI RELATIONSHIPS

Scope of Appropriation:

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

Our Approach:

The emphasis has been to positively influence the engagement and understanding between Māori and the Crown by support in facilitating 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, 2008/09:

Performance Measures	Budget Standard	Actual Standard
Generic Measure: Policy advice will be in accordance with the Quality Assurance Handbook and the Cabinet Manual, and will receive at least a satisfactory assessment for each of the quality criteria in assessments of Ministerial satisfaction and annual independent assessment.	4 Ministerial assessments and one Independent assessment.	1 Ministerial assessment was completed by the Minister of Māori Affairs covering the period 1 January to 30 June 2009. One independent assessment was also completed and results are reported under Ministerial Servicing.
Generic Measure: Reporting deadlines agreed with the Minister will be met.	95%	A ministerial servicing timeline of 93.4% was achieved.
Specific Measures: Report to the Minister of Māori Affairs on the following key areas of work: <ul style="list-style-type: none"> • The Ministry's contribution to facilitating Treaty of Waitangi settlements. • The Crown's progress in implementing the recommendations of the Waitangi Tribunal. • The Ministry's contribution to the consideration of issues associated with Māori property rights with respect to natural resources. 	4 reports.	Achieved.



- The Ministry's involvement in international fora associated with indigenous peoples, and the related rights and interests of Māori people.

Specific Measure: Provide advice on, and monitor, issues associated with the administration of Māori Affairs legislation, including supporting the progress of the Waka Umanga (Māori Corporations) Bill and the Māori Trustee and Māori Development Amendment Bill, and new Bills developed in the 2008/09 year.

Within timeframes required by parliamentary processes.

Achieved.

Report to the Minister of Māori Affairs on the establishment of the Waka Umanga (Māori Corporations) Secretariat.

1 report.

Achieved.

SELECTED ACHIEVEMENTS:

Treaty Settlements

Te Puni Kōkiri provided advice to the Minister of Māori Affairs about various aspects of Treaty of Waitangi settlements. This included mandate and representation advice relating to fourteen iwi. We also provided advice on related issues including the resolution of internal disputes and cross-claims between iwi. In addition, we provided advice on settlement ratification issues for eight iwi, and completed an annual report on the implementation of Waitangi Tribunal recommendations. This was tabled in Parliament in September 2008, in accordance with s.8 of the Treaty of Waitangi Act 1975.

Resource Management

Te Puni Kōkiri has been part of wider government efforts to ensure a greater level of

Māori involvement in resource management planning and decision-making processes during 2008/09.

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

In 2008/09 we worked alongside lead agencies with iwi leaders and their advisers on water resource management and climate change issues.

International Activities

Te Puni Kōkiri participated in the New Zealand delegation to the United Nations Permanent Forum on Indigenous Issues. We also attended the CANZUS (Canada, Australia, New Zealand and United States) group meeting on

indigenous issues. In addition, Te Puni Kōkiri provided advice to Ministers and agencies about Māori interests and opportunities in the international context. This included advice on: indigenous language development, bio-prospecting, and trade opportunities.

Review of Māori Trustee

The long-standing review of the Māori Trustee

was concluded in 2008/09, with the passage of the Māori Trustee Amendment Act 2009. This sets up the Māori Trustee as a stand-alone organisation, and addresses the potential conflict in previous arrangements, where the Māori Trustee was an office conferred on a Te Puni Kōkiri employee.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/08 Actual \$000		30/06/09 Actual \$000	30/06/09 Supp Estimates \$000	30/06/09 Main Estimates \$000
7,296	Revenue Crown	7,121	6,981	7,403
35	Other Revenue	35	29	29
7,331	Total Revenue	7,156	7,010	7,432
7,061	Total Expenses	6,571	7,010	7,432
270	Net surplus/(deficit)	585	-	-



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, 2008/09:

Performance Measures	Budget Standard	Actual Standard
Broker relationships between whānau, hapū, iwi, Māori communities and Māori organisations with people (inside and outside government) and resources (including investments) that can accelerate initiatives aimed at increasing Māori participation in the community.	Report on 10 interagency relationships.	Achieved.
Facilitate relationships with and between Māori, and other stakeholders.	Report on 10 Strategic relationships between Māori and Regional/Local Councils.	Achieved.
Support community based opportunities strengthening Māori cultural practice.	Report on 10 initiatives that contribute to the development of Te Reo Māori Strategies for whānau/hapū/iwi.	Achieved.
Achieve a platform for inter-agency collaboration at the regional level.	Report on 20 initiatives that involve working collaboratively with other Government agencies.	Achieved.
Provide brokerage services between Māori and state sector agencies, local government, non-government organisations and the private sector.	Regular (at least quarterly) proactive reports on all Regional issues or activities prepared and referred to the Minister.	Achieved.

Grow and develop Māori leadership to enable effective relationships/engagements with Māori and local/regional government.	Report on 10 Strategic relationships between Māori and Regional/Local Councils.	
Support the transition of Māori youth into sustainable employment and education.	Report on 10 initiatives whose objectives align to the increased engagement in education and achievement of qualifications.	Achieved.

SELECTED ACHIEVEMENTS:

Digital Photography and Paper Conservation Workshops

Ka nui te pouri i te ngaro hoki o ngā taonga tuku iho a kuia mā koro mā.

After witnessing the loss of taonga, often destroyed as a result of fire on marae, Te Puni Kōkiri became concerned at the lack of knowledge about preservation and ongoing conservation of taonga. As a result, Te Puni Kōkiri met with Te Papa Tongarewa to develop a workshop that assists whānau and marae interested in learning how to preserve, store and archive taonga. With the assistance of experts from Te Papa, whānau were taught how to use their own cameras to take professional photos of whakaahua and taonga. Whānau were then taught about the storage of taonga and how to make your own "perfect fit" paper storage boxes for taonga.

The workshop was aimed at marae representatives and those skilled in photography within the rohe. These representatives were then encouraged to go back and work with their whānau and marae taonga and pass on their newly acquired skills to the wider community. Te Puni Kōkiri sees this workshop as a practical step to ensure that taonga are here for generations to come. Te Papa has since delivered this workshop

throughout the country with the support of Te Puni Kōkiri regional offices.

Takitimu Regional Māori Land Project

Te Puni Kōkiri, with the support of the Māori Trustee and the Māori Land Court, invested in a Takitimu Regional Māori Land Project in Hawke's Bay to assist Māori landowners to develop their land through assessing the needs of their whenua and then identifying opportunities for development. The long-term goals of the project are to: clearly identify Māori land blocks through mapping; have Māori land blocks managed in appropriate and sustainable structures with sound systems and governance; and put development plans in place for the blocks. Critical to the success of this project are the relationships developed with landowners and key stakeholders.

Repatriation of Tūpuna

Te Puni Kōkiri assisted Te Runanga A Rangitāne O Wairau Incorporated to repatriate tūpuna removed from the Wairau between 1938 and 1959 as part of a number of excavations conducted on the Wairau Bar Boulder Bank by archaeologists from Canterbury Museum. This project required the development of memoranda of understanding between various museums, universities and rangitāne; consultative hui with a number of agencies, organisations and iwi; and



development and coordination of cultural protocols. Repatriation of tūpuna kōiwi was completed in April 2009.

Papakāinga Development

A guide providing whānau with step by step instructions to develop housing was launched in 2008/09. The Papakāinga Development Guide has been a collaborative effort between Te Puni Kōkiri, Te Kooti Whenua Māori (the Māori Land Court) and the Hastings District Council. The guide is a response to Māori whānau in the Takitimu region who want to develop papakāinga on ancestral lands. A reference group of whānau who had completed papakāinga projects and those who wanted to develop papakāinga were essential contributors to the guide. We are proud to have had input into the guide which, with its innovative use of Māori metaphors and proverbs, strongly connects with its desired audience. Producing the guide has also strengthened relationships between the three involved agencies and led to the upskilling of key workers from those agencies which deal with papakāinga applications.

Central North Island Forests Treaty Settlement

Te Puni Kōkiri supported the establishment of post-settlement governance entities for iwi involved in the Central North Island Forests Treaty Settlement. The settlement related to historical claims on nine Crown forests in the North Island.

Tauira Kaitiaki Taiao

Together with the Department of Conservation, Te Puni Kōkiri developed a trainee ranger programme, named Tauira Kaitiaki Taiao (TKT), which was tailored specifically for Māori. In consultation with iwi, fifteen Māori cadets were selected to participate in the 21-month TKT cadetship programme from February 2009

to October 2010. Five cadets will be based in each of the Northland, Bay of Plenty and Tongariro/Taupo conservancies.

Strengthening Management and Governance

The Strengthening Management and Governance Programme (SMG) is a Te Puni Kōkiri initiative which aims to develop strong and effective governance and management capacity and capability within Māori organisations that are contracted to deliver government services. The SMG programme enables organisations to critically assess their strengths and weaknesses in order to achieve organisational goals by implementing appropriate strategies. In 2008/09, nine organisations were supported by the SMG programme.

Infrastructure Industries

In 2006 the Waikato Te Puni Kōkiri Regional Office invested in a regional pilot programme with InfraTrain. The project sought to increase the number of Māori moving to higher level qualifications in infrastructure industries. Current statistics show that at least 60% of employees in the civil infrastructure industry are Māori who have no formal qualifications. This project created opportunities for Māori with extensive experience in the industry to achieve the necessary qualifications to move into more senior roles. In December 2008 two Māori cadets from Downer EDI received a scholarship towards their training costs. The project included the development of a Māori recruitment strategy. The strategy was launched in July 2009, and its success will be reported on in due course.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/08 Actual \$000		30/06/09 Actual \$000	30/06/09 Supp Estimates \$000	30/06/09 Main Estimates \$000
8,665	Revenue Crown	9,320	9,134	8,798
48	Other Revenue	48	40	40
8,713	Total Revenue	9,368	9,174	8,838
8,569	Total Expenses	8,732	9,174	8,838
144	Net surplus/(deficit)	636	-	-



OPERATIONS MANAGEMENT

Scope of Appropriation:

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

Our Approach:

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

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2008/09:

Performance Measures	Budget Standard	Actual Standard
<p>Manage investments in the three areas of Whakamana (strengthening of leadership and decision-making); Mātauranga (building of knowledge and skills); Rawa (development and use of resources) Specific investment focus on:</p> <ul style="list-style-type: none"> • Rangatahi, • Cultural success, and • Māori economic success. 	<p>All investment proposals meet the evaluation criteria prescribed in the operations manual.</p>	<p>Achieved.</p>
<p>Manage the delivery of the Kaitataki-a-Rohe programme to provide for community workers.</p>	<p>A minimum of 30 Māori Development worker investment projects are put in place.</p>	<p>31 KaR projects in place at 30 June 2009.</p>
<p>Manage the delivery of the Special Housing Action Zones (SHAZ) programme to provide for capacity building support.</p>	<p>All investment proposals meet the criteria prescribed in the SHAZ programme guidelines.</p>	<p>12 projects were undertaken that met the criteria.</p>
<p>Manage the Kapohia Nga Rawa programme to place key workers into Māori communities to ensure informed decision-making as it relates to the acceleration of development and leveraging opportunities.</p>	<p>A minimum of 20 development workers and mentors are appointed to assist communities to access information and support them in its use.</p>	<p>20 fixed-term and a further 20 "contract for Service" workers and mentors were engaged.</p>

Māori Wardens Programme - establish a nationwide training framework for Māori Wardens.	Completed by 30 June 2009.	Achieved.
Māori Wardens Programme - undertake Māori Warden training (across 3 course types).	480 attend courses.	511 Māori wardens participated in the implemented training framework.
Māori Wardens Programme - appoint and train Regional Co-ordinators.	8	11 fully trained regional co-ordinators were employed.

SELECTED ACHIEVEMENTS:

Investment Management

During 2008/09, Te Puni Kōkiri supported 482 projects, totalling \$22.4 million, through the Mātauranga, Rawa and Whakamana NDOE appropriations. Delivery of investments was made primarily through Te Puni Kōkiri's network of regional offices and utilised our strong relationships with Māori communities, in which funding assistance becomes an extension of wider community based facilitation and brokerage activities. The projects identified under Relationships Et Information, and elsewhere in this report, are a reflection of this work.

Rangatahi: Te Puni Kōkiri invested over \$2.7 million on projects designed to promote personal and professional success by rangatahi. Investments included trade training and career development initiatives, support services for youth and mentoring projects designed to foster leadership skills.

Cultural success: Te Puni Kōkiri invested over \$2.9 million on projects which promoted the expression of Māori culture and cultural heritage. Investments covered a wide range of community events and include Manu Kōrero speech competitions, regional and national

Kapa Haka events, including Te Matatini, and regional Matariki celebrations.

Māori economic success: Te Puni Kōkiri invested over \$4.9 million on projects designed to foster business and economic development for Māori. Investments have enabled the development of regional economic development strategies, business networks and business feasibility studies.

NDOE investments met the performance standards required by government to ensure efficient delivery of Te Puni Kōkiri funding and probity in its use.

Māori Wardens

This year at Waitangi, crowds of around 55,000 people arrived over four days. The call went out to Māori wardens around the motu. Francis Mahanga was responsible for coordinating the 80+ Māori wardens who arrived. She had prepared a number of organisation plans allocating jobs and responsibilities. These were posted in the marquee where the Māori wardens slept and rested over the course of the celebrations. "We have three shifts on rotation, all eight hours long and we are all just used to getting in there and doing the mahi." In the 15 years that Francis has worked at Waitangi, she has



seen a lot of changes. The type of crowds has changed from an unhappy, protesting group, to a day that is whanau orientated. "Our only concern now seems to be the numbers and looking after our people, doing road patrol, crowd control and safety, and the main powhiri." The Māori wardens have been

fortunate that they have not had too many incidents in recent years as people are much more relaxed. "People used to stay away from Waitangi because of the tension, now you can't get a car park anywhere – you have to walk from Paihia!"

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/08 Actual \$000		30/06/09 Actual \$000	30/06/09 Supp Estimates \$000	30/06/09 Main Estimates \$000
16,929	Revenue Crown	18,530	18,188	18,135
65	Other Revenue	91	52	52
16,994	Total Revenue	18,621	18,240	18,187
15,965	Total Expenses	16,625	18,240	18,187
1,029	Net surplus/(deficit)	1,996	-	-

MINISTERIAL ECONOMIC TASKFORCE

Scope of Appropriation:

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

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2008/09:

Performance Measures	Budget Standard	Actual Standard
Provide support for the Minister of Māori Affairs Economic Taskforce.	Level of support provided is to the satisfaction of the Minister.	Achieved.
Meetings of the Taskforce.	5 meetings.	Achieved.
Advice provided by the Taskforce to the Minister on key issues and opportunities for Maori in the economy.	Advice provided on 5 key issues.	Achieved.

SELECTED ACHIEVEMENTS:

Māori Economic Workshop

On 28 January 2009 the Minister of Māori Affairs convened a Māori Economic Workshop to bring leaders and thinkers together to devise responses to the economic downturn in our communities. Te Puni Kōkiri supplied statistics and other information on Māori in the economy to support discussions. The workshop heralded the setting up of the Māori Economic Taskforce.

Māori Economic Taskforce

On 18 March 2009, the Minister of Māori Affairs announced the appointment of a Māori Economic Taskforce to progress responses to the economic downturn. The taskforce comprises the following Māori leaders: Mark Solomon, Ngahiwi Tomoana, Bentham Ohia, Daphne Luke, John Tamihere, June McCabe and Rob McLeod. Leith Comer, Chief Executive of Te Puni Kōkiri, and Hon Georgina te Heuheu, Associate Minister of Māori Affairs, are also members. Te Puni Kōkiri is providing secretarial support for the taskforce as well as information to inform the development of their work programme.



FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/08 Actual \$000		30/06/09 Actual \$000	30/06/09 Supp Estimates \$000	30/06/09 Main Estimates \$000
-	Revenue Crown	203	200	-
-	Other Revenue	-	-	0
-	Total Revenue	203	200	-
-	Total Expenses	111	200	-
-	Net surplus/(deficit)	92	-	-

EEMED ESTABLISHMENT

Scope of Appropriation:

To establish the Entity for Enhancing Māori Economic Development including related transitional costs.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2008/09:

Performance Measures	Budget Standard	Actual Standard
<p>Oversee the establishment of a new entity to enhance Māori economic development including:</p> <ul style="list-style-type: none"> • development of a draft Investment Strategy. • appointment of an Investment Board. 	by 30 June 2009.	EEMED establishment did not proceed.
<p>Provide advice to the Minister of Māori Affairs on issues and Government interests in a new entity to enhance Māori economic development.</p>	To Ministers satisfaction.	Not applicable.

The associated funding to establish EEMED was returned as savings during the Budget 2009 process.



SERVICES TO THE MĀORI TRUSTEE

Scope of Appropriation:

Provision of full office services to the Māori Trustee.

OUTPUT PERFORMANCE MEASURES AND STANDARDS, 2008/09:

Performance Measures	Budget Standard	Actual Standard
Services provided as agreed between the Chief Executive of Te Puni Kōkiri and the Māori Trustee.	To the satisfaction of the Chief Executive of Te Puni Kōkiri and the Māori Trustee.	Achieved.
Formulation of a Purchase Agreement between the Minister of Māori Affairs on behalf of the Crown and the Māori Trustee.	by 30 September 2009.	Purchase Agreement has been drafted and is on track to be completed by 30 September 2009.
Agreed performance measures/standards devised and included in the Purchase Agreement.	by 30 September 2009.	Purchase Agreement has been drafted and is on track to be completed by 30 September 2009.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/08 Actual \$000		30/06/09 Actual \$000	30/06/09 Supp Estimates \$000	30/06/09 Main Estimates \$000
6,345	Revenue Crown	9,373	9,186	9,562
48	Other Revenue	48	40	40
6,393	Total Revenue	9,421	9,226	9,602
6,101	Total Expenses	8,817	9,226	9,602
292	Net surplus/(deficit)	604	-	-

MONITORING

Part of Te Puni Kōkiri's role, enabled through the Ministry of Māori Development Act 1991, is to monitor and liaise with each government department and agency that provides services to or for Māori. During 2008/09, Te Puni Kōkiri embedded into its monitoring role a dual approach that aims to:

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

Te Puni Kōkiri's monitoring and liaison role spans multiple output expenses. Of note, Te Puni Kōkiri completed work on the following:

Statistical Programme

Statistical analysis is a key tool used to monitor trends in outcomes for Māori. Significant projects in 2008/09 contributed to the statistical publishing programme. Three fact sheets were published: on Māori personal income 2003–2008, Māori health/hauora Māori, and Māori and early childhood.

Regional statistical reports based on the 2006 Census were also produced for use by our regional staff. Along with other statistical research these provided a strong evidence base for the development of our policy advice.

Quarterly briefings on the Household Labour Force Survey provided the Minister of Māori Affairs with advice on Māori employment trends during 2008/09. Ongoing work was carried out with key agencies, including Statistics New Zealand, to improve the collection, definition and interpretation of ethnicity statistics across various collections of official statistics. This included close involvement in the development of the Māori social survey.

Research Programme

Through research, Te Puni Kōkiri is adding to the evidence base about what works for Māori at the national and local levels in particular priority areas. In 2008/09 this included research on:

- critical transition points for rangatahi in education, from early childhood through to tertiary education, in both mainstream and Māori medium education; and
- profiling regional investments through case study research.

Taitamariki Potential

Te Puni Kōkiri is producing outcomes-focused reviews which assess the state sector's effectiveness in achieving outcomes for Māori in priority policy areas. Te Puni Kōkiri began a review of services that assist Māori youth to progress from secondary to tertiary education. The review is designed to provide transparency to the state sector's efforts in this priority area for the Government. It will also provide information and tools (such as good practice findings) to help agencies improve their effectiveness. A draft scoping report was completed in consultation with the relevant agencies (the Ministry of Education, Tertiary Education Commission, Careers Services and the Ministry of Social Development). Te Puni Kōkiri compiled results data on the relevant programmes, and will supplement this evidence with its own fieldwork. The target completion date for the report is 30 June 2010.

Adult Literacy and Numeracy

Te Puni Kōkiri completed the penultimate draft of a review of the state sector's contribution to improving literacy and numeracy for the Māori workforce. The report, which covers eight agencies, includes a statistical analysis, a review of government strategies, a stocktake of initiatives and four in-depth case studies. Te Puni Kōkiri is seeking external agency feedback before finalising the report.



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 1490 official documents in 2008/09 and achieved a ministerial servicing timeline across all output classes of 93.4%. This result compares favourably with last year and also shows a slight improvement in processing requests under the Official Information Act.

Outputs	Delivery Timeframe Target	Derelivery Timeframe Actual	Derelivery Timeframe Actual
		2008/09	2007/08
Responses to Ministerial correspondence	Within one month	93.9%	94%
Parliamentary questions	Within 4 working days	100%	95%
Briefings	Individually agreed	94.1%	95%
Speech notes	Individually agreed	93.8%	97%
Official Information Act requests	Within 20 working days	80.5%	79%
Ombudsman complaints	Within 20 working days	100%	100%
Reports to the Māori Affairs Committee	Individually agreed	100%	100%

Quality Assurance

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

When asked how he would rate the quality of the policy advice he received from Te Puni Kōkiri, the Minister replied that it was between good and very good. This advice was in addition to the regular meetings between the Chief Executive and his officials and the Minister of

Māori Affairs throughout the year, where oral feedback was obtained and detailed discussions on issues or priorities occurred.

In addition, an independent expert in public sector policy assessed the completion and referral of high quality policy advice (as defined by the quality characteristics). The assessment was based on the quality of criteria outlined in the Te Puni Kōkiri Quality Assurance Handbook. The assessed papers were chosen at random or for their potential significance.

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

Assessment Criteria	Score 2008/09	Score 2007/09
Purpose	6.00	4.12
Logic	5.00	3.75
Accuracy	5.33	4.25
Options	5.00	3.33
Consultation	4.33	5.00
Practicality	5.66	3.75
Presentation	5.16	3.75
Average	5.21	4.10



ORGANISATIONAL HEALTH AND CAPABILITY

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

The People Capability Strategy to 2010 is aimed at attracting, developing and retaining a sustainable supply of highly skilled people. Significant achievements during the year include the fall in staff turnover from a high of 26% in 2005 to 11.5% by June 2009. This exceeds the target of 15 percent.

Activities in 2008/09 included:

- Supporting the preparation of the Māori Trustee to become a stand-alone entity, including transfer of Te Puni Kōkiri staff into the new entity;
- Refinement of our electronic induction process (e-induction) and changes to our recruitment advertising processes, with a greater emphasis on web-based recruitment and a decrease in more expensive print media advertising; and
- A staff engagement survey.

LEADERSHIP DEVELOPMENT

Te Puni Kōkiri is committed to developing our leadership, both for today and for the future. Our ongoing commitment to state sector-focused leadership development allows us also to strengthen networking and cross-agency collaboration. In particular we focus on developing our leadership through the Australia and New Zealand School of Government and the Leadership Development Centre. During the 2008/09 year our staff were involved in one ANZSOG programme (Executive Master in Public Administration), and

four LDC programmes (Public Sector Advanced Leadership, Leadership in Practice, Maranga Tira, and Foundations for Leadership).

EVALUATIONS

An evaluation of the Strengthening Governance and Management (SMG) programme was completed in August 2008. Findings were positive on the overall performance of the programme and its outcomes for Māori organisations, particularly in their governance and management functions, where it:

- successfully increased the capacity and capability of organisations' governance boards. It was also apparent that ongoing work is required in the governance area to address issues such as board member turnover and how to improve board members' skills and capabilities;
- improved the strategic focus of organisations, helped clarify the distinction between governance and management, and increased board confidence and overall performance; and
- played a key role in improving organisations' management processes and systems. The SMG programme identified areas of weakness and provided support and guidance to address shortcomings.

Two other evaluations were substantially completed (investments in culture and investments in economic development within the Māori Potential Fund) with results expected to be finalised in October 2009.

DEVELOPMENT GOALS FOR THE STATE SERVICES

In 2008/09, Te Puni Kōkiri contributed to the goals set for the state services as follows:

Become an Employer of Choice

The People Capability Strategy to 2010 identified recruitment and retention of experienced staff as a key focus for Te Puni Kōkiri. (See under Organisational Capability for information on achievements.)

Provide Networked State Services

Examples of joint and networked activities are described in a number of places throughout this report.

Demonstrate Value for Money

As part of the line by line review in Budget 2009 Te Puni Kōkiri identified areas for one-off savings in 2008/09. It also undertook to do a more in-depth review of areas for savings that are now reflected as performance improvement actions in 2009/10.

Deliver Coordinated State Agencies

As is demonstrated throughout this report Te Puni Kōkiri coordinated activities with a wide range of state agencies during the year, especially in the areas of resource management, social development, and justice, where progress is being made in areas of concern.

Provide Accessible State Services

Te Puni Kōkiri maintains a key role, particularly in the regions, in linking Māori communities and organisations with other agencies and

services. Instrumental to our ability to carry out this role effectively are:

- Networks with Māori and other partners;
- The proportion of staff who have an understanding of Māori aspirations and can build positive relationships with Māori individuals and groups; and
- The public's perception that Te Puni Kōkiri provides a single point of contact for people interested in issues, opportunities and/or information related to Māori.

Engender Trust in State Services

The following factors enable Te Puni Kōkiri to instil, in people outside the Ministry, confidence in our people, systems and processes:

- Managing conflicts of interest policy;
- Internal audit function.

Additionally, a partnership for quality agreement with the Public Service Association allows for an active relationship based on recognition of a common interest to develop a modern, innovative public service that is highly successful for citizens and for the people who work in the public service. Ensuring success relies on the genuine engagement of Government, public service employers and the Public Service Association.



REPORT ON EQUAL EMPLOYMENT OPPORTUNITIES

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

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

Actions already completed in 2008/09 include staff workshops on creating positive work places and increasing transparency in remuneration processes and remuneration decisions. As a result of our focus on gender equity we have increased our gender pay ratio from 84.7% at the time of our PaEE to 88%.



 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009



STATEMENT OF DEPARTMENTAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2009

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 2009. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 30 September 2009.

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

STATEMENT OF COMPLIANCE

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

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

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

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

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

JUDGEMENT AND ESTIMATIONS

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

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

There are no judgements that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year.

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.

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 department 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 land, buildings, 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 or valuation, less accumulated depreciation and impairment losses.

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

ADDITIONS

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

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

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

DISPOSALS

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

SUBSEQUENT COSTS

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

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Computer Equipment	4 years	25%
Motor Vehicles	5 years	20%
Office Equipment	5 years	20%
Furniture and Fittings	5 years	20%
Leasehold Improvements	up to 12 years*	
Software Development	3 1/3 years	30%

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

INTANGIBLE ASSETS

SOFTWARE ACQUISITION AND DEVELOPMENT

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

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Ministry, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred.

AMORTISATION

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

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

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

An intangible asset that is 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. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of comprehensive income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of comprehensive income, a reversal of the impairment loss is also recognised in the statement of comprehensive income.

For assets not carried at a revalued amount the reversal of an 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 department 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 department recognises a liability and an expense for performance payments where there is a past practice that has created a constructive obligation.

LONG-TERM EMPLOYEE ENTITLEMENTS

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

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

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 department 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 2009. In addition, the financial statements also present the updated budget information from the 2008/09 Supplementary Estimates.

STATEMENT OF COST ACCOUNTING POLICIES

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

Criteria for direct costs

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

Criteria for indirect costs

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

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

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

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

There have been no changes in cost accounting policies.

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.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements the Ministry has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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.

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 2009.

FINANCIAL INSTRUMENT RISKS

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry 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, net debtors and derivative financial instrument assets. 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.

\$000	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2009				
Creditors and other payables	2,137	-	-	-
2008				
Creditors and other payables	6,311	-	-	-

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2009

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-08 Actual		30-Jun-09 Actual	30-Jun-09 Main Estimates	30-Jun-09 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Income				
59,894	Crown	66,078	63,967	64,499
656	Department(s)	681	545	545
2	Other Revenue	2	-	-
60,552	Total Income	66,761	64,512	65,044
Expenses				
29,870	Personnel	32,585	34,521	34,165
26,097	Operating	26,869	27,760	28,943
1,249	Depreciation and amortisation	1,455	1,578	1,527
363	Capital charge	355	653	409
57,579	Total Expenses	61,264	64,512	65,044
2,973	Net Surplus / (Deficit)	5,497	-	-
-	Other comprehensive income	-	-	-
2,973	Total Comprehensive Income	5,497	-	-

The accompanying accounting policies and notes form part of these Financial Statements.
For information on major variances against budget, refer note 13 on page 66



STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2009

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-08 Actual \$000s		30-Jun-09 Actual \$000s	30-Jun-09 Main Estimates \$000s	30-Jun-09 Supps Estimates \$000s
	Balance at 1 July			
4,764	General funds	4,764	4,764	4,764
4,764	Taxpayers' Funds Opening Balance	4,764	4,764	4,764
	Changes in Taxpayers' Funds			
	Income and Expense for the Period			
2,973	Net surplus / (deficit) for the year	5,497	-	-
2,973	Total Income and Expense for the Period	5,497	-	-
	Other Changes			
(2,973)	Repayment of surplus	(5,497)	-	-
-	Capital Contribution	1,382	1,383	1,383
(2,973)	Total Changes in Taxpayers' Funds	(4,115)	1,383	1,383
	Balance at 30 June			
4,764	General funds	6,146	6,147	6,147
4,764	Taxpayers' funds as at 30 June	6,146	6,417	6,417

The accompanying accounting policies and notes form part of these Financial Statements.
For information on major variances against budget, refer note 13 on page 66

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

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-08 Actual		30-Jun-09 Actual	30-Jun-09 Main Estimates	30-Jun-09 Supps Estimates	
\$000s	Note	\$000s	\$000s	\$000s	
Assets					
Current Assets					
12,188	Cash and cash equivalents	9	11,905	7,892	6,557
41	Debtors and other receivables	9	87	450	50
267	Prepayments		240	200	200
12,496	Total Current Assets		12,232	8,542	6,807
Non-current Assets					
3,193	Property, plant and equipment	5	4,031	5,733	3,507
337	Intangible assets	6	376	943	433
3,530	Total Non-current Assets		4,407	6,676	3,940
16,026	Total Assets		16,639	15,218	10,747
Liabilities					
Current Liabilities					
6,311	Creditors and other payables	7	2,137	6,400	2,000
2,973	Repayment of surplus		5,497	-	-
1,902	Employee entitlements	8	2,562	2,371	2,300
11,186	Total Current Liabilities		10,196	8,771	4,300
Non-current Liabilities					
76	Employee entitlements	8	297	300	300
76	Total Non-current Liabilities		297	300	300
11,262	Total Liabilities		10,493	9,071	4,600
Taxpayers' Funds					
4,764	General Funds		6,146	6,147	6,147
4,764	Total Taxpayers' Funds		6,146	6,147	6,147
16,026	Total Liabilities & Taxpayers' Funds		16,639	15,218	10,747

The accompanying accounting policies and notes form part of these Financial Statements.
For information on major variances against budget, refer note 13 on page 66



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2009

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

30-Jun-08 Actual \$000s	30-Jun-09 Actual \$000s	30-Jun-09 Main Estimates \$000s	30-Jun-09 Supps Estimates \$000s
Cash Flows from Operating Activities			
Receipts from:			
59,894	66,078	63,967	64,499
656	681	545	545
449	(17)	-	58
Payments to:			
(25,515)	(31,880)	(28,632)	(33,233)
(29,958)	(30,031)	(34,663)	(37,011)
(360)	(358)	(653)	(412)
119	(863)	3,422	3,450
5,285	3,610	3,986	(2,104)
Cash Flow from Investing Activities			
Receipts from:			
439	200	-	-
Purchase of:			
(1,559)	(2,370)	(4,687)	(1,937)
(126)	(132)	-	-
(1,246)	(2,302)	(4,687)	(1,937)
Cash Flow from Financing Activities			
(866)	(2,973)	-	(2,973)
-	1,382	1,383	1,383
(866)	(1,591)	1,383	(1,590)
3,173	(283)	682	(5,631)
9,015	12,188	7,210	12,188
12,188	11,905	7,892	6,557

The accompanying accounting policies and notes form part of these Financial Statements.
For information on major variances against budget, refer note 13 on page 66

RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2009

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 51 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on page 54.

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s	30-Jun-09 Main Estimates \$000s	30-Jun-09 Supps Estimates \$000s
2,973	Net Operating Surplus	5,497	-	-
	Add: Non-cash items			
1,249	Depreciation and amortisation	1,455	1,578	1,527
1,249	Total non-cash items	1,455	1,578	1,527
	Add/(Less) movements in working capital items			
398	(Increase)/Decrease in debtors and receivables	(46)	-	58
49	(Increase)/Decrease in prepayments	27	-	-
775	Increase/(Decrease) in Creditors & Payables	(4,174)	2,311	(4,311)
(88)	Increase/(Decrease) in current employee entitlements	882	97	622
1,134	Net movements in working capital	(3,311)	2,408	(3,631)
	Add/(Less) investing activity			
(71)	Loss/(Gain) on sale of fixed assets	(31)	-	-
(71)	Total investing activity	(31)	-	-
5,285	Net cash flow from operating activity	3,610	3,986	(2,104)

The accompanying accounting policies and notes form part of these Financial Statements.
For information on major variances against budget, refer note 13 on page 66



STATEMENT OF DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2009

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-08 Actual \$000s		30-Jun-09 Actual \$000s
Accommodation lease commitments		
3,164	Less than one year	3,217
2,744	One to two years	1,093
1,204	Two to five years	350
20	More than five years	-
7,132	Total accommodation lease commitments	4,660
Other operating commitments		
179	Less than one year	324
16	One to two years	319
-	Two to five years	210
-	More than five years	-
195	Total other operating commitments	853
7,327	Total commitments	5,513

The accompanying accounting policies and notes form part of these Financial Statements.
For information on major variances against budget, refer note 13 on page 66

STATEMENT OF DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2009

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 2009. It does not include general or unspecified business risks or conditions.

30-Jun-08 Actual \$000s	30-Jun-09 Actual \$000s
Contingent Liabilities	
- Public Liability claims	257
- Total Contingent Liabilities	257

The Public Liability claim largely relates to the maximum exposure for a business agreement with Telecom. This was disclosed in the Non-Departmental Statement of Contingent Assets and Liabilities in 2007/08 but has now been transferred to the Departmental Statement of Contingent Assets and Liabilities as it is a departmental contract.



STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2009

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

30-Jun-08 Actual		30-Jun-09 Actual	30-Jun-09 Main Estimates	30-Jun-09 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
VOTE: MĀORI AFFAIRS				
Appropriation for classes of outputs				
6,997	Policy - Social and Cultural	8,622	6,869	8,866
12,837	Policy - Economic and Enterprise	11,786	13,584	12,328
7,061	Policy - Crown Māori Relationships	6,571	7,432	7,010
8,569	Relationships and Information	8,732	8,838	9,174
15,965	Operations Management	16,625	18,187	18,240
6,101	Services to the Māori Trustee	8,817	9,602	9,226
49	EEMED Establishment	-	-	-
-	Ministerial Economic Taskforce	111	-	200
57,579	Total Appropriations for Classes of Outputs	61,264	64,512	65,044

STATEMENT OF DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2009

There was no unappropriated expenditure for the year ended 30 June 2009 (Nil for the year ended 30 June 2008).

The accompanying accounting policies and notes form part of these Financial Statements.
For information on major variances against budget, refer note 13 on page 66

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Personnel Costs

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
29,111	Salaries and Wages	31,798
759	Other Personnel Costs	787
29,870	Total Personnel Costs	32,585

Note 2: Operating Costs

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
142	Audit fees for audit of financial statements	143
10	Other fees charged by auditors	-
3,123	Operating lease rentals	3,295
161	Overseas and Pacific Travel	155
2,151	Domestic Travel	2,474
925	Printing, Books and Publicity	950
1,506	Contract Workers	1,306
4,337	Consultancy Fees	5,132
2,136	MBFS Commission	1,835
4,268	Programmes	3,783
1,132	Telecommunications	1,190
243	Computer Related Expense	255
23	Koha	14
5,940	Other Operating Costs	6,337
26,097	Total Operating Costs	26,869



Note 3: Depreciation Charge

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
248	EDP Equipment	245
315	Motor Vehicles	488
3	Office Equipment	5
119	Furniture & Fittings	170
508	Leasehold Improvements	454
56	Software Systems	93
1,249	Total Depreciation Costs	1,455

Note 4: Capital Charge

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
363	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 2009 was 7.5% (2008: 7.5%).	355

Note 5: Property, Plant and Equipment

	EDP Equipment \$000s	Motor Vehicles \$000s	Office Equipment \$000s	Furniture & Fittings \$000s	Leasehold Improvements \$000s	Total \$000s
Cost or Valuation						
Balance at 1 July 2007	1,666	1,464	252	791	2,298	6,471
Additions	287	1,125	-	105	41	1,558
Disposals	-	(927)	-	-	-	(927)
Balance at 30 June 2008	1,953	1,662	252	896	2,339	7,102
Balance at 1 July 2008	1,953	1,662	252	896	2,339	7,102
Additions	238	2,040	16	39	38	2,371
Disposals	(299)	(498)	3	239	(240)	(794)
Balance at 30 June 2009	1,892	3,204	271	1,174	2,138	8,680
Accumulated depreciation						
Balance at 1 July 2007	1,244	669	246	297	822	3,278
Depreciation expense	248	315	3	118	508	1,192
Eliminate on disposal	(2)	(559)	-	-	-	(561)
Balance at 30 June 2008	1,490	425	249	415	1,330	3,909
Balance at 1 July 2008	1,490	425	249	415	1,330	3,909
Depreciation expense	245	488	5	170	454	1,363
Eliminate on disposal	(296)	(329)	(1)	224	(222)	(625)
Balance at 30 June 2009	1,440	584	255	803	1,567	4,649
Carrying amounts						
At 1 July 2007	422	795	6	494	1,476	3,193
At 30 June and 1 July 2008	463	1,237	3	481	1,009	3,193
At 30 June 2009	453	2,620	18	365	575	4,031



Note 6: Intangible assets

	Acquired software \$000s	Internally generated software \$000s	Total \$000s
Cost or valuation			
Balance at 1 July 2007	1,278	494	1,772
Additions	90	87	177
Disposals	-	(52)	(52)
Balance at 30 June 2008	1,368	529	1,897
Balance at 1 July 2008	1,368	529*	1,897
Additions	90	42	132
Disposals	-	-	-
Balance at 30 June 2009	1,458	571	2,028
Accumulated amortisation			
Balance at 1 July 2007	1,125	379	1,504
Amortisation expense	56	-	56
Balance at 30 June 2008	1,181	379	1,560
Balance at 1 July 2008	1,181	379	1,560
Amortisation expense	66	27	93
Balance at 30 June 2009	1,247	406	1,653
Carrying amounts			
At 1 July 2007	153	115	268
At 30 June and 1 July 2008	187	150	337
At 30 June 2009	211	165	376

* Amount includes work-in-progress of \$83,000 (\$83,000 in 2007/08).

Note 7: Creditors and other Payables

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
2,403	Trade Creditors	948
3,667	Accrued Expenses	1,811
241	GST payable/(receivable)	(622)
6,311	Total creditors and payables	2,137

Note 8: Employee Entitlements

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
	Current Liabilities	
1,562	Annual Leave	1,728
317	Salaries and Wages	818
23	Long Service and Retirement Leave	16
1,902	Total current portion	2,562
	Non-Current Liabilities	
76	Long Service and Retirement Leave	297
76	Total non-current portion	297
1,978	Total employee entitlements	2,859

The increase in employee entitlements is largely due to higher salary and wage accrual as at balance date due to timing of the last pay run as well as the SSC common leave provisions for long service leave (came into effect in May 2008) which has a two year impact in 2008/09.

For the calculation of long service leave, discount rates of 3.01% for year 1, 3.82% for year 2 and 5.96% for year 3 and onwards with a salary inflation factor of 2% per year were used. These rates and the model for calculations were provided by the Treasury.



Note 9: Categories of financial instruments

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
Loans and receivables		
12,188	Cash and cash equivalents	11,905
41	Debtors and other receivables	87
12,229	Total loans and receivables	11,992

Note 10: Related party transactions and key management personnel

Related party transactions

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

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

Transactions with related parties

Māori Trustee

The Māori Trustee was a member of the Ministry's Executive Leadership Team till 30 June 2009. In September 2007, Te Puni Kōkiri entered into a Māori Potential Fund contract with the Māori Trustee to the value of \$3.020 million (GST exclusive) for the period from 10 September 2007 to 30 June 2010. The remaining value of the contract as at 30 June 2009 is \$1.200 million.

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

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

Te Puni Kōkiri staff

Te Puni Kōkiri staff who work in local communities may in a private capacity hold executive or advisory positions in local organisations. Some of these organisations may receive funding via Te Puni Kōkiri. These organisations are therefore considered related parties of Te Puni Kōkiri.

Te Puni Kōkiri staff are required to declare any real or potential conflicts of interest. Steps are then taken to ensure that staff members with a conflict of interest are not involved in any Te Puni Kōkiri decisions involving a group/organisation they may be involved with in a private capacity.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Ministerial Economic Taskforce

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

During 2008/09, Te Puni Kōkiri has entered into transactions with organisations associated with Taskforce members 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 those entities at arm's length in the same circumstance are not disclosed.

There are no instances in which Taskforce members had any control or influence over the business transactions of Te Puni Kōkiri during the period.

Key management personnel compensation:

30-Jun-08 Actual \$000s	30-Jun-09 Actual \$000s
1,448	1,382
3	3
1,451	1,385
Total key management personnel compensation	1,385

Key management personnel include the Chief Executive and the four members of the Executive Leadership Team (ELT).

Note 11: 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 12: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2009" for an explanation of significant budget changes between the 2008 Main Estimates and 2008/09 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 499 and 504).



Note 13: Explanation for Significant Variances

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

Statement of Comprehensive Income (page 51)

	30-Jun-09 Actual	30-Jun-09 Main Estimates	Variance
	\$000s	\$000s	\$000s
Personnel	32,585	34,521	(1,936)
Operating	26,869	27,760	(891)
Depreciation and amortisation	1,455	1,578	(123)
Capital charge	355	653	(298)

Personnel: The variance is mainly due to a combination of number of positions remaining vacant or taking longer than expected time to be appointed as well as lower than anticipated costs for the December 2008 remuneration increase.

Operating: The variance is largely due to savings in Contractors/Consultants costs, Conference/Hui costs, and Programme funding. This is mainly due to a concerted effort across the department to demonstrate a responsible attitude to the current economic recession and Value for Money principles of the government. This has led to greater scrutiny of expenditure decisions and reduced expenditure in some cases.

Depreciation and amortisation: The variance relates to delays in delivery and postponement of purchase of a number of assets including those budgeted for the new Māori Trustee which has not been utilised due to delays in planned transition and change management activities.

Capital charge: The variance is largely due to an error in calculating the budget, where all new capital for MTO approved in the Budget 2008 was being used to calculate the capital charge budget, which was later corrected in the Supplementary Estimates to include only the capital related to the 2008/09 financial year.

Statement of Financial Position (page 53)

	30-Jun-09 Actual	30-Jun-09 Main Estimates	Variance
	\$000s	\$000s	\$000s
Cash and cash equivalents	11,905	7,892	4,013
Property, plant and equipment	4,031	5,733	(1,702)
Intangible assets	376	943	(567)
Creditors and other payables	2,137	6,400	(4,263)

Cash and cash equivalents: The increase in cash is largely due to the Net Operating surplus.

Property, plant and equipment: The variance relates to delays in delivery and postponement of purchase of a number of assets including those budgeted for establishment of the new Māori Trustee which has not been utilised due to delays in planned transition and change management activities.

Intangible assets: The variance relates to delays in delivery and postponement of purchase of a number of intangible assets including an Electronic Workflow System (\$0.300 million), enhancements to the Document Management System (\$0.060 million) and GIS Mapping (\$0.120 million) projects which did not proceed as planned. The new software costs associated with the establishment of the new Māori Trustee did not proceed (\$0.266 million) due to delays in planned transition and change management activities.

Creditors and Payables: The variance is mainly due to lower year end accruals and creditors than originally forecasted as we have implemented monitoring mechanisms in response to the Cabinet's directive to all Government departments to improve payment timeframes.

Statement of Departmental Expenditure and Capital Expenditure Appropriations (page 58)

	30-Jun-09 Actual \$000s	30-Jun-09 Main Estimates \$000s	Variance \$000s
Policy – Social and Cultural	8,622	6,869	(1,753)
Policy – Economic and Enterprise	11,786	13,584	1,798
Policy – Crown Māori Relationships	6,571	7,432	861
Operations Management	16,625	18,187	1,562
Services to the Maori Trustee	8,817	9,602	758
Ministerial Economic Taskforce	111	-	(111)

Policy – Social and Cultural: The increase is principally arising from; increased activity in the criminal justice sector; an emphasis on delivering research, information and monitoring outputs in this priority area; additional emphasis on marae development; and the development of a Cultural Futures work programme (this work programme complements and extends the Economic Futures work undertaken in 2007/08).

Policy – Economic and Enterprise: The decrease largely relates to reallocation of resources to recognise increased activity in the Policy – Social and Cultural output.

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



Operations Management: The variance is largely due to the winding down of the Kapohia ngā Rawa (KnR) and Kaitātaka ā Rohe (KAR) programmes which are being replaced by the Whanau Advocates programme in 2009/10.

Services to the Māori Trustee: The Māori Trust Office (MTO) received new funding in 2008/09 and out-years to strengthen current capability/capacity. Due to delays in recruitment to vacant and new positions, a permanent underspend in 2008/09 only of \$0.976m was identified as savings and returned to the Crown during Budget 2009. Net savings of \$0.409 million is due to delays in planned transition and change management activities.

Ministerial Economic Taskforce: This is a new appropriation approved in Budget 2009 for meeting the costs of running the Ministerial Economic Taskforce which provides advice to the Minister of Māori Affairs.

Note 14: Discontinuing Activity – Māori Trust Office

With the enactment of the Māori Trustee Amendment Act 2009, a new stand-alone Māori Trustee entity came into effect on 1 July 2009. This entails the separation of the Māori Trust Office (MTO) from Te Puni Kōkiri and moving the respective MTO balances as at 30 June 2009 to the new Māori Trustee entity. The portion of the balance sheet transferred to the new Māori Trustee entity included working capital of \$1.104 million and Taxpayers equity of \$1.525 million, resulting in a reduction in Taxpayers' equity of Te Puni Kōkiri to \$4.621 million.

From 1 July 2009, the Crown Revenue and associated expenses for the MTO has been transferred from Departmental Output Expense – Services to the Māori Trustee to the new Non-Departmental Output Expense – Māori Trustee Functions. Te Puni Kōkiri is continuing to provide some corporate functions to the Māori Trustee on a cost recovery basis.

Standards and interpretations issued but not yet effective

The Government has elected to early adopt all NZ IFRSs and Interpretations that had been approved by the New Zealand Accounting Standards Review Board (NZ ASRB) as at 30 June 2009 that are not yet applicable, except NZ IAS 1: Presentation of Financial Statements (revised) approved by the NZ ASRB in November 2007. This standard becomes effective for periods commencing on or after 1 January 2009, and was adopted in the forecast financial statements presented with the 2009 Budget, but not those presented with the 2008 Budget, against which these financial statements are compared. Adoption of NZ IAS 1: Presentation of Financial Statements (revised) results in presentation changes only.

The early adoption of these standards and interpretations did not have a material impact on the financial statements.

STATEMENT OF NON-DEPARTMENTAL ACCOUNTING POLICIES

The following 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 2008/09.

Statement of Compliance

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

Measurement System

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

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

Accounting Policies

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

Budget Figures

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

Revenue

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

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

Goods and Services Tax (GST)

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



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

Commitments

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

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.

Financial Instruments

Te Puni Kōkiri is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, 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.

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 overleaf 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.

\$000	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2009				
Creditors and other payables	1,734	-	-	-
2008				
Creditors and other payables	1,932	-	-	-

Financial Assets

Cash and cash equivalents include cash on hand, cash in transit, bank accounts and deposits with a maturity of no more than three months from date of acquisition.

Other financial assets have been designated as loans and receivables. These include Māori Trustee debt and Rural Lending loans.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Loans and receivables issued with duration less than 12 months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired. Interest, impairment losses and foreign exchange gain and losses are recognised in the Statement of Comprehensive Income.

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

Financial Liabilities

Financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using effective interest rate method. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value. Amortisation and, in



SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2009

The Schedule of Expenses summarises Non-Departmental expenses that Te Puni Kōkiri administers on behalf of the Crown. Further details are provided in the Statement of Expenditure and Capital Expenditure Appropriations on pages 74 to 75. Figures are GST exclusive.

30-Jun-08 Actual		30-Jun-09 Actual	30-Jun-09 Supp Estimates
\$000s	Note	\$000s	\$000s
Non-Departmental Expenses			
Operating Annual Appropriations			
98,171	Non-Departmental Output Expenses	95,680	95,847
478	Benefits and Other Unrequited Expenses	478	480
12,474	Other Expenses to be Incurred by the Crown	39,020	46,421
111,123	Total Operating Annual Appropriations	135,178	142,748
1,840	Capital Expenditure	828	1,422
24	Appropriations for Other Expenses	15	24
-	Loss on Revaluation of Crown Land	677	-
(131)	Provision for Write Off's – Rural Lending	(232)	(231)
112,856	Total Non-Departmental Expenses	136,466	143,963

The accompanying accounting policies and notes form part of these Financial Statements.



**STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL
EXPENDITURE APPROPRIATIONS
FOR THE YEAR ENDED 30 JUNE 2009**

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-08 Actual			30-Jun-09 Actual	30-Jun-09 Supp Estimates
\$000s	Note		\$000s	\$000s
Operating Annual Appropriations				
<i>Non-Departmental Output Expenses</i>				
40,332	Māori Television Broadcasting	3	40,332	40,332
10,744	Māori Radio Broadcasting	4	10,744	10,744
1,608	Administration of Māori Broadcasting	5	2,128	2,128
3,204	Promotion of the Māori Language	6	3,204	3,204
455	Iwi Housing Support		454	456
16,506	Māori Television Channel	7	16,539	16,539
530	Treaty of Waitangi Touring Exhibition		-	-
<i>Māori Potential Funds</i>				
6,734	- Matauranga (Knowledge)	8	7,122	7,168
10,569	- Whakamana (Leadership)	8	8,065	8,108
7,489	- Rawa (Resources)	8	7,092	7,168
24,792	Total Māori Potential Funds		22,279	22,444
98,171	Total Non-Departmental Output Expenses		95,680	95,847
<i>Benefits and Other Unrequited Expenses</i>				
478	Rangatiratanga Grants		478	480
478	Total Benefits and Other Unrequited Expenses		478	480
<i>Other Expenses to be Incurred by the Crown</i>				
6,102	Provision for Māori Trustee Debt	1	8,864	9,186
196	New Zealand Māori Council		196	196
178	Māori Wardens		1,156	1,178
626	Māori Registration Service	9	626	626
1	Payments to Housing Corporation of New Zealand		-	36
131	Te Putahi Paoho		131	131

The accompanying accounting policies and notes form part of these Financial Statements.

**STATEMENT OF NON-DEPARTMENTAL UNAPPROPRIATED EXPENDITURE
AND CAPITAL EXPENDITURE
AS AT 30 JUNE 2009**

In terms of the Public Finance Act 1989, approval has been sought under section 26(c) from the Minister of Finance for unappropriated expenditure totalling \$6,156.46 for the year ended 30 June 2009 (nil for the year ended 30 June 2008).

30-Jun-08 Actual \$000s	30-Jun-09 Actual \$000s
Non-Departmental Other Expense	
- Administrative Expenses for Crown Land for year ended 30 June 2009	6
- Administrative Expenses for Crown Land for year ended 30 June 2008	13
- Total	19

Direct costs of Crown land administered by Te Puni Kōkiri under Part 2 of the Māori Affairs Restructuring Act 1989. Previously these costs had been netted against rental income. The unappropriated expenditure relates to expenditure incurred during 2008/09 prior to Cabinet approval under imprest supply to the new appropriation.

The accompanying accounting policies and notes form part of these Financial Statements.

SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2009

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-08 Actual \$000s	Note	30-Jun-09 Actual \$000s
Current Assets		
61,106	Cash	42,500
142	Accounts Receivable/Prepayments	21,106
61,248	Total Current Assets	63,606
Non Current Assets		
<i>Māori Trust Office</i>		
61,343	Māori Trustee - Debt	70,207
(61,343)	Māori Trustee - Debt Provision	(70,207)
-	Total Non Current Assets	-
Investments		
Rural Lending		
1,672	Total Loans	1,389
(646)	Less : Provision for doubtful debts	(357)
1,026		1,032
Māori Land Development		
<i>Investments comprise Advances to -</i>		
179	Crown owned stations	179
(179)	Less : Provision for doubtful debts	(179)
-		-
1,026	Total Investments	1,032
Property Plant and Equipment		
3,082	Land	3,125
3,082	Total Property Plant and Equipment	3,125
66,076	Total non-departmental assets administered by Te Puni Kōkiri	67,763

The accompanying accounting policies and notes form part of these Financial Statements.



SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2009

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
	Current Liabilities	
1,890	Creditors and Payables	1,692
42	Other Liabilities	42
1,932	Total Current Liabilities	1,734

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2009

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-08 Actual \$000s		30-Jun-09 Actual \$000s
	Category	
12,223	Māori Potential Fund	5,336
78,517	Crown Entities & Non-Government Organisations	69,438
90,740	Total Crown Commitments by Category	74,774
	Out year commitments	
88,539	Less than one year	74,726
2,201	One to two years	48
-	Two to five years	-
-	More than five years	-
90,740	Total Crown Commitments by out year	74,774

The accompanying accounting policies and notes form part of these Financial Statements.

STATEMENT OF NON-DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2009

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 2009. It does not include general or unspecified business risks or conditions. This schedule is exclusive of GST.

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
2,358	Income Tax and GST indemnity	16,447
278	Public Liability Claims	-
2,636	Total Contingent Liabilities	16,447

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

The increase in Income Tax, GST and Gift duty indemnity relates to the Crown granting indemnity to Waikato-Tainui against any liability for GST, income tax and gift duty that may arise as a result of a payment of \$20.0 million to the trustees of the Waikato Raupata River Trust for the Waikato Endowed Colleges Trust.

The Public Liability claim largely relates to the maximum exposure for a business agreement with Telecom. This was disclosed in the Non-Departmental Statement of Contingent Assets and Liabilities in 2007/08 but has now been transferred to the Departmental Statement of Contingent Assets and Liabilities as it is a departmental contract.



NOTES TO THE NON-DEPARTMENTAL FINANCIAL STATEMENTS AND SCHEDULES FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Māori Trustee

The Crown incurs expenditure via the Te Puni Kōkiri departmental appropriation under the output class "Services to the Māori Trustee". There is an expectation that this expenditure will be repaid by the Māori Trustee to the Crown at some future date. However, Cabinet have agreed that the accumulated debt will be written off on passing of the Māori Trustee Amendment Act 2009, effective 1 July 2009. A 100% provision against the Māori Trustee's debt is shown to reflect that the accumulated debt will be written off during 2009/10.

Note 2: Revaluation of Crown Land

Te Puni Kōkiri holds a number of Crown land blocks which are intended for disposal. The land blocks held for sale are revalued annually while the others are held at cost. 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: Māori Television Broadcasting

Promotion of Māori language and Māori culture through television broadcasting by Te Māngai Pāho.

Note 4: Māori Radio Broadcasting

Promotion of Māori language and Māori culture through radio broadcasting by Te Māngai Pāho.

Note 5: Administration of Māori Broadcasting

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

Note 6: Promotion of the Māori Language

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

Note 7: Māori Television Channel

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

Note 8: Māori Potential Funds

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

Note 9: Māori Registration Service

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

Note 10: Re-erection of Mataatua Whare

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

Note 11: Māori Women's Development Fund

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

Note 12: Rural Lending

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

The only new advances being made under these provisions are those necessary to complete compensation obligations to lessees where compensation is payable in terms of leases issued under the provisions of Part XXIV of the Māori Affairs Act 1953 and now administered by Te Puni Kōkiri under Part II of the Māori Affairs Restructuring Act 1989.

Note 13: Accounts Receivables/Prepayments

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

Note 14: Crown owned stations

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

The land blocks, as intended were being returned to the original owners with debts that could be serviced from on-going farming activities. Rawhiti station was one of the Crown owned stations in this scheme. This station was formally transferred to Office of Treaty Settlement in December 1997 for a total price which was less than the book value. The loss on sale of \$179,000 was not



appropriated and written off, but has since been treated as an asset of Te Puni Kōkiri, with a corresponding provision for full write-off. The net realisable value of this asset is nil.

Note 15: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2009" for an explanation of significant budget changes between the 2008 Main Estimates and 2008/09 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 170 to 172).

Note 16: Explanation for Significant Variances

The following notes explain significant variances between the Main Estimates and Actuals for Non-Departmental Expenditure.

	30-Jun-09 Actual \$000s	30-Jun-09 Main Estimates \$000s	Variance \$000s
<i>Other Expenses to be Incurred by the Crown</i>			
Provision for Māori Trustee Debt	8,864	4,893	3,971
Wharewaka - Waterfront Development	-	7,000	(7,000)
Sir Robert Mahuta Endowment Fund	20,000	-	20,000
Capital Contributions to other persons or organisations			
Rural Lending	828	1,922	(1,094)

Provision for Māori Trustee Debt: The increase relates to additional funding for transition activities of the Māori Trustee to implement the work programme required in 2008/09 and outyears, including the establishment of a new stand-alone Māori Trustee entity.

Wharewaka – Waterfront Development: In Budget 2008, one-off funding of \$7.0 million was appropriated in 2008/09 to support the construction of a Wharewaka complex on the Wellington Waterfront (Taranaki Street wharf and lagoon). As the appropriate governance arrangements were not formalised by 30 June 2009, no payments were done in 2008/09. An in principle expense transfer into 2009/10 of up to \$7.0 million has been approved.

Sir Robert Mahuta Endowment Fund: This is a new appropriation for one-off funding for the Waikato Endowed Colleges to support the vision of Sir Robert Mahuta for it to be an educational centre providing leadership, innovation, research and scholarship in indigenous development and practices; and in particular to support the College's special focus on the Waikato River.

Rural Lending: The variance is due to a decrease in the number of advances being made to landowners.

Note 17: Categories of financial instruments

30-Jun-08 Actual \$000s		30-Jun-09 Actual \$000s
	Loans and receivables	
61,106	Cash and cash equivalents	42,500
1,168	Debtors and other receivables	22,138
62,274	Total loans and receivables	64,638

Note 18: Crown Entities

In addition to the above, the Minister of Māori Affairs receives administration services in respect of the following Crown Entities:

- Te Māngai Pāho
- Te Taura Whiri I Te Reo Māori

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

Please refer to the Annual Reports at the following websites:

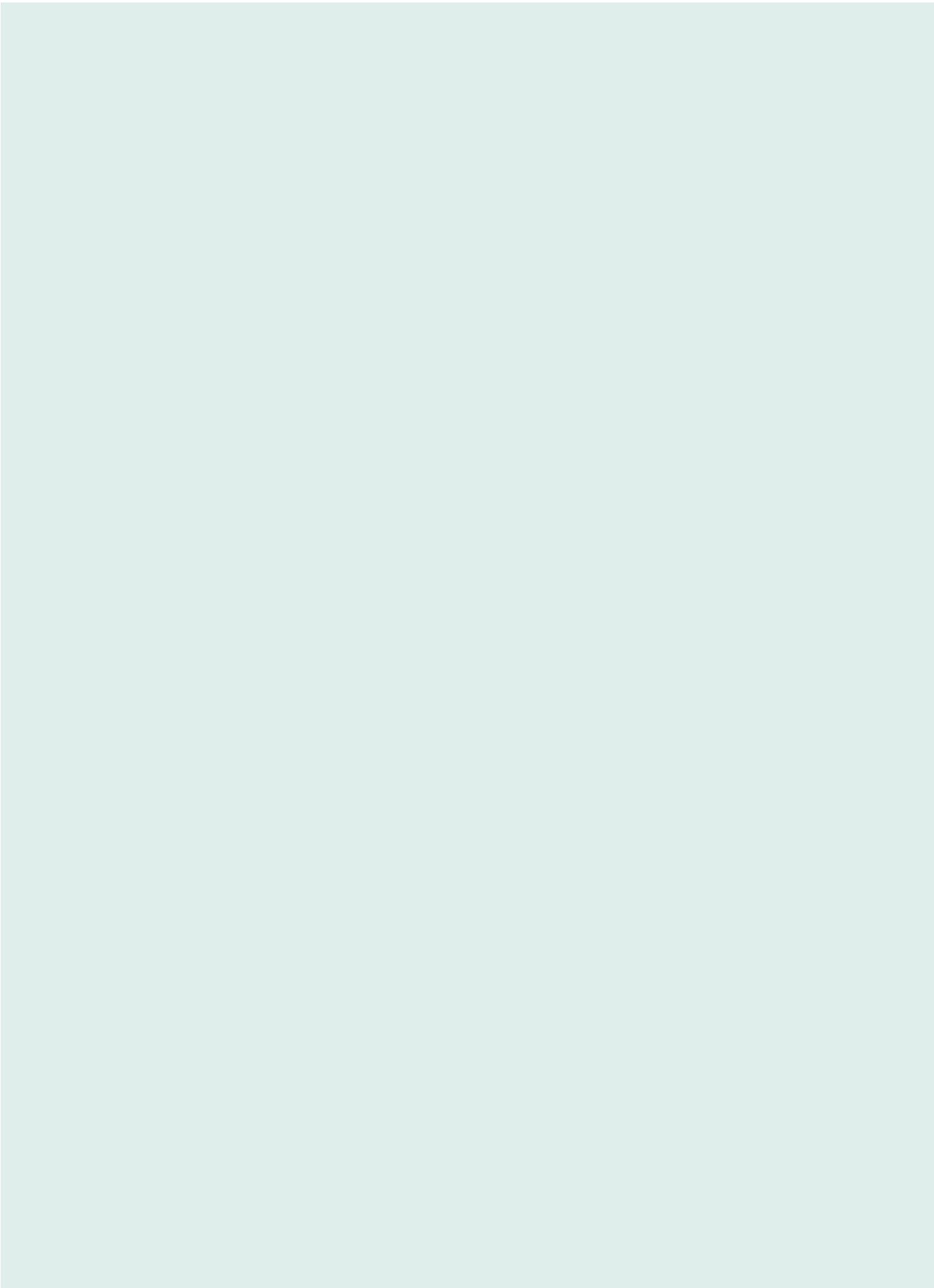
Te Māngai Pāho at www.tmp.govt.nz

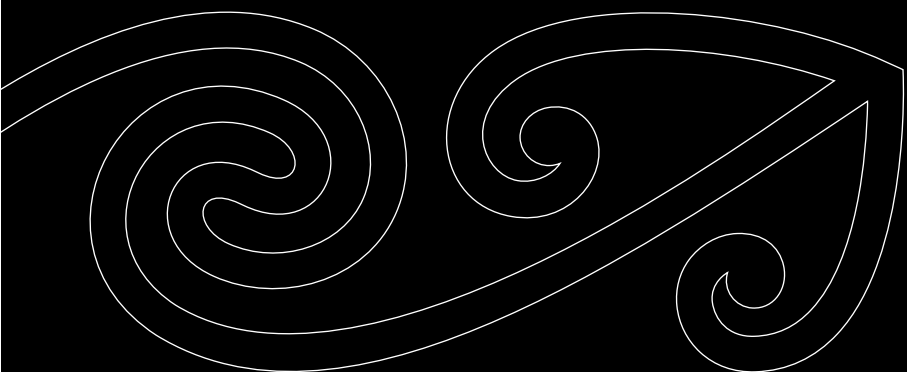
Māori Television Service at www.Māoritelevision.com and

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

for information on their financial performance and position.









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