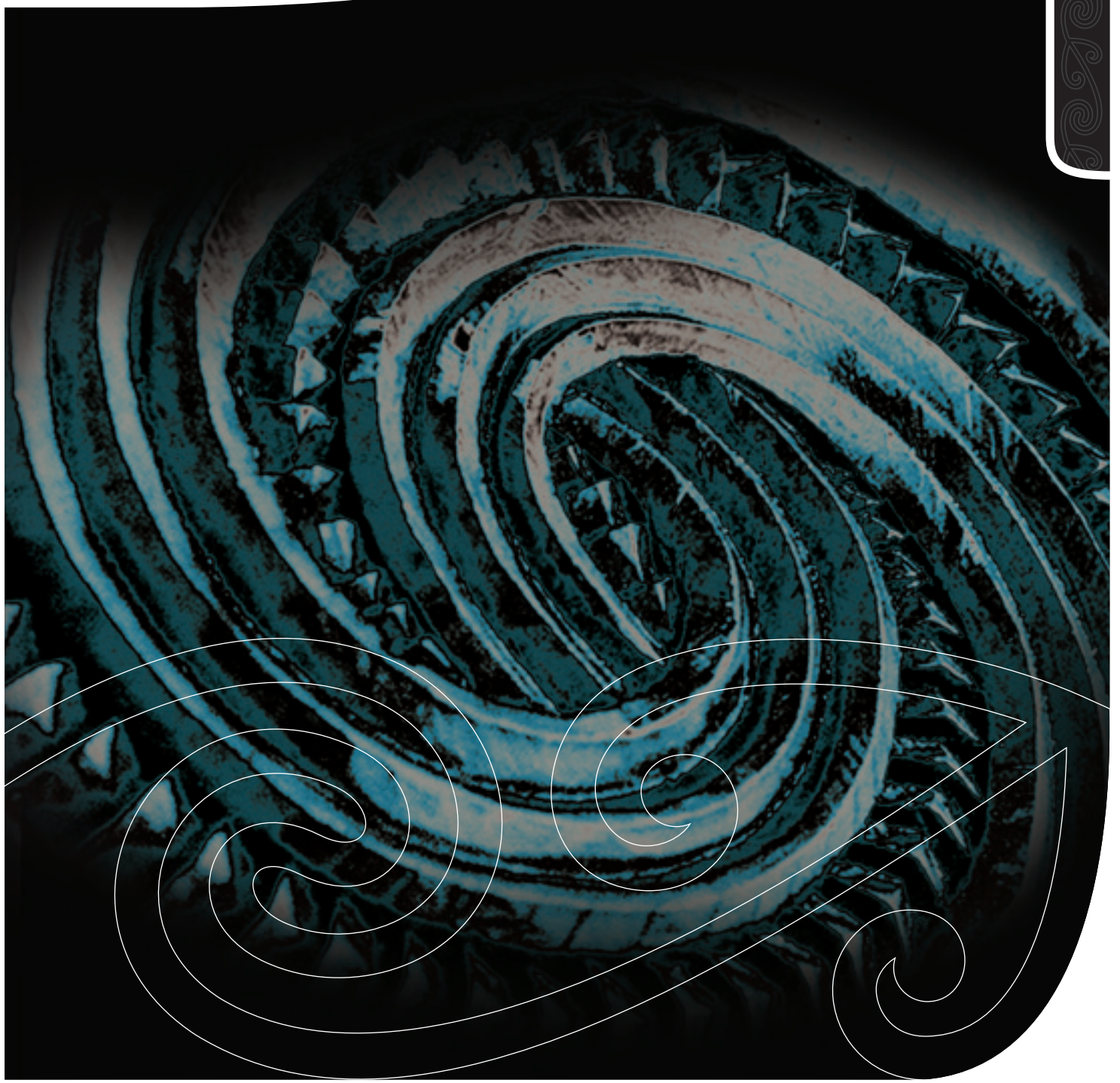




Te Puni Kōkiri
REALISING MĀORI POTENTIAL

Annual Report

For year ended 30 June 2006





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

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OCTOBER 2006



Annual Report of



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

for the year ended
30 June 2006

Presented to the House of Representatives
pursuant to the Public Finance Act 1989



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 2006.

A handwritten signature in cursive script, appearing to read 'Leith Comer'.

Leith Comer
Chief Executive

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FROM THE CHIEF EXECUTIVE

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In 2006, we are able to look back and reflect on our efforts and the tremendous gains that have been made by Māori.

Māori unemployment is at an unprecedented low, more Māori are participating and achieving at all levels of education, we see them working across all spectrums of the economy, their asset base is growing, they make a strong contribution to the New Zealand economy, and the Māori language is thriving.

Over the past fifteen years Te Puni Kōkiri has helped to build capability in Māori communities.

Specifically we have been able to:

- Build Māori organisational capacity;
- Deliver programmes aimed at reducing inequalities;
- Direct funds at Māori identified priorities;
- Provide information, advice and facilitation to support whānau, hapū, iwi and Māori;
- Engage with Māori at all levels; and
- Celebrate success across sport, arts, culture and enterprise.

Today, it is time to direct that capability to best effect.

All of Te Puni Kōkiri's efforts are about realising Māori Potential so that Māori can enjoy success as Māori. We have strengthened our role as the government's lead policy advisor on Crown and Māori relationships; through

our network of ten regional offices, we are working with more Māori communities – have strengthened connections at the local level feeding back into the policy loop; we have created better synergies with other agencies in the Māori Affairs portfolio such as Te Māngai Pāho, Te Taura Whiri, Maori Television Service and the Hui Taumata Taskforce.

There have been many achievements over the past twelve months and these are mentioned throughout this report, but undoubtedly, the one most notable has been the concerted efforts in fine tuning the Māori Potential Approach – the way in which Te Puni Kōkiri gives effect to its strategic outcome of *Māori succeeding as Māori*. We have already started working with the Education sector agencies as education and skills development are key priorities in the Māori Potential Approach. It is intended to involve Social Development, Employment and State Services to encourage a greater level of collaboration and cross agency work in line with the Māori Potential Approach.

Associated with this work has been the reprioritisation of funding (to reflect the alignment of programmes to policy outcomes under the Māori Potential Approach) that will see Te Puni Kōkiri move away from short term funding solutions to longer term outcome driven investments. A more focused investment based approach will accelerate education and skill development so Māori can move into sustainable jobs in areas of skills shortages.

By building on earlier gains, Te Puni Kōkiri has a window of opportunity, particularly over the next five years to really accelerate Māori into the future. We shall:

- Work in closer partnerships with Māori communities;
- Strengthen regions;
- Make strategic investments in capability;
- Continue action on the ground leading to measurable outcomes; and
- Enhance cross-agency collaboration

I am heartened with the progress thus far and passionate about the potential ahead, in what has been a very encouraging twelve months.

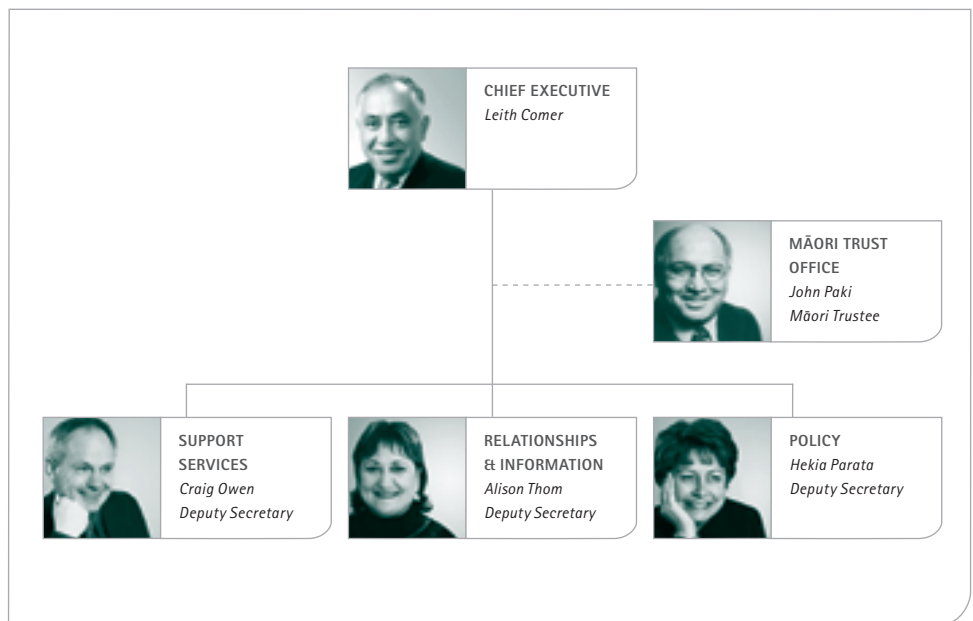
I wish to record, on behalf of the Executive Leadership Team, the appreciation for the dedicated commitment of both management and staff of Te Puni Kōkiri during the past year.



Leith Comer
Chief Executive



ORGANISATIONAL INFORMATION



LEITH COMER

Leith Comer led the Executive Leadership team that were responsible for the day-to-day management of Te Puni Kōkiri. The team met regularly to consider strategy, policy, corporate activities and monitoring of overall performance.

HEKIA PARATA, DEPUTY SECRETARY POLICY

The Policy Wāhanga - was responsible for leading the core policy advice function, for managing the inputs of information and knowledge, critical analysis, monitoring and evaluation, and the quality assurance structures and processes that ensured the timeliness, relevance, efficiency, effectiveness, and originality of policy output.

ALISON THOM, DEPUTY SECRETARY RELATIONSHIPS & INFORMATION

Three key areas of focus has seen us: provide the effective delivery of funding programmes; develop strategic and purposeful relationships – partnering with our stakeholders to achieve mutual goals and the outcome of *Māori succeeding as Māori*; and provision of Business Development Services. In 2005/06 individual regional plans and their associated selected priorities were agreed. In addition, an investment strategy framework was developed to assist Te Puni Kōkiri in decisions underpinning the interventions to be undertaken. This approach moving forward will enable us to strengthen our planning at both a national and regional level and allow for interventions to be properly aligned to the government outcomes, strategies and priorities.

CRAIG OWEN, DEPUTY SECRETARY SUPPORT SERVICES

The key areas of focus for Support Services are the implementation of Te Puni Kōkiri's People Capability and Knowledge Management Strategies.

Highlights in 2005/06 were: the successful completion of collective Employment Agreements for Māori Trust Office staff and then other Te Puni Kōkiri staff with the Public Service Association; establishment and implementation of an internal audit programme; completion of an information audit and the implementation planning for Knowledge Management.

JOHN PAKI, MĀORI TRUSTEE

The role of the Māori Trustee has been in existence since 1921 and is now governed by the Māori Trustee Act 1953 to:

- protect and enhance the interests of Māori clients and their resources;
- manage the adverse effects of fragmented and multiple ownership of Māori land, and
- provide fair, proper and prudent administration and management of clients' assets within the principles and obligations of trusteeship and agency.



CORPORATE STATEMENTS



Te Puni Kōkiri is an integrated agency that administers funding programmes for community development; monitors the impact of government services in Māori communities; and advises on government policy affecting Māori wellbeing.

The outcomes Te Puni Kōkiri sought to achieve are documented in the *Statement of Intent – 1 July 2005*, and were expanded upon in the form of Output Areas with associated outputs for delivery in the *2005/06 Output Plan*.

Consistent with what is now regarded as best practice, The Executive Leadership Team developed key corporate statements that follow, with a clear destination in mind:

STRATEGIC OUTCOME: MĀORI SUCCEEDING AS MĀORI

Te Puni Kōkiri's efforts were directed towards its Strategic Outcome which recognised the importance of Māori as individuals, in organisations and in collectives, achieving a sustainable level of success. Such success was demonstrated by Māori:

- participating in and benefiting from education and economic opportunities, including employment, that assisted them

to reach their full potential

- institutions that were robust and effectively managed
- flourishing as people within a strong culture
- flourishing in enterprise
- creating and maintaining healthy families
- being innovative models for other businesses, organisations, communities, or countries
- having beneficial partnerships with local, national and international stakeholders, including businesses.

DEFINED ROLE:

TE PUNI KŌKIRI IS PRINCIPAL ADVISOR ON GOVERNMENT-MĀORI RELATIONSHIPS

- leading Māori Public Policy
- managing Relationships and Information

As a state agency solely focused on Māori, Te Puni Kōkiri is well positioned to provide leadership and support to its stakeholders in making the most effective contribution to the Strategic Outcome. This was achieved by leading and supporting government through high quality policy advice, effective monitoring, and building and maintaining strong relationships.

Te Puni Kōkiri recognised the Strategic Outcome could not be achieved without the collaboration and efforts of key stakeholders including the wider state sector agencies, whānau, hapū, iwi, Māori organisations and communities, local and international

businesses, and other organisations.

Instrumental to Te Puni Kōkiri’s ability to carry out its role effectively were:

- its networks with Māori and other partners;
- its organisational and staff commitment to realising Māori potential;
- the proportion of Māori staff in leadership, policy and monitoring roles, and in roles working alongside Māori;
- the proportion of staff who had an understanding of Māori aspirations and who could build positive relationships with

Māori individuals and groups; and

- the public’s perception that Te Puni Kōkiri provided a single point of contact for people interested in issues, opportunities and/or information related to Māori.

PURPOSE:
‘REALISING MĀORI POTENTIAL’

To achieve this purpose Te Puni Kōkiri continued to fine tune the Māori Potential Approach to realising Māori potential; thereby achieving a balance between realising potential and remedying deficit. This was influenced by a number of factors:

More emphasis on ...	Less emphasis on...
Multi-dimensional Māori potential, strengths, and opportunities	Single dimension repair of deficit, disparity and dysfunction
Investing in Māori as an integrated, but culturally distinct, indigenous community	Targeting Māori as a socio-economically disadvantaged ethnic minority
Investment in Māori people	Predominant focus on institutional responses

CEA AT TE PUNI KŌKIRI

The first Collective Employment Agreement (CEA) since 1992 was signed between Te Puni Kōkiri and the PSA in February 2006 after PSA members of the Māori Trust Office ratified the agreement. A second agreement for the rest of Te Puni Kōkiri was signed in June 2006. This is seen as a forward looking partnership between management and staff.





INTERNSHIPS

Over the summer of 2005/2006 Te Puni Kōkiri ran its second Intern programme, building on the success of previous internships. Interns had the opportunity to experience first-hand the operation of a state sector organisation, and in particular the opportunity to work with an organisation that encourages Māori realising their potential. The internship programme was such a success that all three continue to work for Te Puni Kōkiri either on a full-time basis or part-time whilst continuing their studies.

The Māori potential approach was guided by the following principles:

- **Māori Potential:** sought opportunities for Māori to change their life circumstances, improve their life choices and achieve a better quality of life. The principle recognised that Māori are multi-dimensional, aspirational people who are supported by a distinctive culture and value system.
- **Culturally Distinct:** respected Māori as first people of Aotearoa New Zealand and recognised and valued the cultural capital with which Māori enriched their communities. This reflected on the role of Māori and their indigenous culture within the wider society.
- **Māori Capability:** built the capability of Māori people, extended their sense and range of choices and power to act. This principle reflected the need for Māori to view themselves as the catalysts to affect change.

COMMON APPROACH:

TE PUNI KŌKIRI 'MOVING FORWARD TOGETHER'

Te Puni Kōkiri means a group 'moving forward together', for which there were two components – internal and external collaboration. In order for Te Puni Kōkiri to work effectively as an organisation, all parts of the organisation worked with a common purpose, commitment and focus.

External collaboration was also critical to Te Puni Kōkiri's effectiveness. This was enhanced by the ability of Te Puni Kōkiri staff to strengthen relationships with: Māori, the state sector, and business and communities.

STRATEGIC INTERNAL OBJECTIVES

Three Strategic Internal Objectives were pursued to enable Te Puni Kōkiri to better fulfil its role, and thereby, enhancing its contribution to *Māori succeeding as Māori*.

These Objectives were:

- **to establish and sustain leadership of Māori Public Policy**

Substantial work within Te Puni Kōkiri has seen the Māori Potential Approach being developed in response to the Minister of Māori Affairs intention to reframe and lead an updated approach to Māori Affairs policy based on realising Māori potential.

The Māori Potential approach helps us to take a more balanced view of Māori between 'remediating deficit' and 'realising potential'. It is an aspirational and culturally anchored approach to Māori development which seeks to affirm the capability, initiative and aspiration of Māori to make choices for themselves and provide opportunities that support Māori to do this in a way that supports cultural identity and contributes to exceptional life quality.

When fully implemented, the Māori Potential Approach will support Te Puni Kōkiri and other state sector agencies to:

- Identify outcomes that contribute to the

realisation of Māori potential.

- Determine and prioritise policy and investment decisions that contribute to these outcomes.
- Baseline Māori experience across these outcomes and over time, map the characteristics of success and determinants that contribute to these outcomes.
- Prioritise intervention areas and monitor and report on the effectiveness of these in contributing to realised potential and measurable gain.
- Report on cost effectiveness and contestability between interventions.
- Evaluate intra and inter-departmental performance in respect of contributing to Māori potential.
- Recommend future priorities, best practice and best practitioners.
- Provide a longitudinal, consistent and coordinated overview of Māori in New Zealand.

- **to build and sustain relationships**

Te Puni Kōkiri worked to implement a Relationship Management Strategy to strengthen the approach to building and sustaining relationships with Māori. This complemented work Te Puni Kōkiri jointly led with the Ministry of Justice in producing Crown/Māori Relationship Instruments (CMRI) for state sector use, to guide relationships between Māori and government as representatives of the Crown. Significant work focused on the practical development and maintenance of relationships that culminated





MANAGEMENT AND LEADERSHIP DEVELOPMENT

We have invested in our staff to improve management and leadership, public sector, technical and professional skills.

We have initiated a senior manager development programme in the Policy wāhanga that will eventually be rolled out throughout Te Puni Kōkiri and our regional staff have undertaken an innovative development programme delivered via cluster hui.

We have also developed an intranet-based learning and development framework, 'Realising Potential', as a one-stop shop of resources, information and ideas to support managers and staff identify development and learning needs, opportunities and solutions.

in the CMRI Guidelines being approved by Cabinet in May 2006.

- **to build and sustain capability.**

Te Puni Kōkiri recognised the importance of building and sustaining the capability of staff and ensured internal systems and processes supported them. The strategic objective to make Te Puni Kōkiri a desirable career destination for talented graduates, experienced professionals and public servants continues to be refined and developed.

Key areas of work in 2005/06 have seen improvements that included:

- the implementation of a remuneration strategy which included salary ranges in the public service's top quartile: a simplified recruitment process; the implementation of an ongoing job evaluation and sizing programme; and a marked reduction in staff turnover;
- each Wāhanga, or division, produced its own training and development plan;
- A collective employment agreement between the Public Service Association members and the Māori Trust Office staff, and one with Te Puni Kōkiri was successfully negotiated; and
- Initiatives centred on career development and leadership opportunities for staff.

KEY INTERNAL ACTIVITIES

In support of the three Strategic Objectives four key internal activities were identified that supported each objective. They included:

- **Testing and refining the Māori Potential Approach**

Te Puni Kōkiri led the development of a macro-policy approach to Māori Public Policy through work on the Māori Potential Approach. *Māori succeeding as Māori* relies on realising Māori potential in ways that are culturally authentic and attuned. To ensure this and to do so in a consistent, co-ordinated, and transparent way, a macro policy approach was applied that had the following dimensions:

- Achieving the Intermediate Outcomes of Māori optimising their experiences in the areas of Well-being, Knowledge, Leadership and Resources for sustainable success
- Recognising the Approach had the following **principles**:
 - Māori are multi-dimensional and diverse
 - Māori are integrated but culturally distinct communities
 - Māori people are powerful actors in their own lives.

- **Implementing the Knowledge Management Strategy**

Te Puni Kōkiri acknowledges the importance of quality Knowledge Management to its work.

Quality Knowledge Management enables staff to maximise the knowledge Te Puni Kōkiri can access, create, and share – particularly with key stakeholders. Strengthening of research, analysis and information capacity began during 2004/05. One aspect was the appointment of Information Advisors within the regions.

Te Puni Kōkiri built on this structural development by further developing associated information collection and dissemination systems and processes. A review of Information Management policy, procedures and practices within Te Puni Kōkiri considered the benefits and operational challenges Information Advisor positions contributed to our procedures and information sets.

Work for this activity included:

- building on a stock-take of our information resources, by conducting an information audit which included how staff use information;
- revising our Information Management Policy;
- up-dating our Knowledge Management Strategy; and
- reviewing, maintaining and upgrading our Information Technology systems to ensure they were still relevant, not prone to malfunction and abuse, and that breakdowns were kept to a minimum.

Also in 2005/06, as part of an ongoing Te Puni Kōkiri information programme, the first run of





WELLNESS WEEK

A Wellness week pilot programme for Te Puni Kōkiri staff was organised in November 2005. The programme came about as a result of an identified need to try and find ways to help staff achieve their personal potential, in particular providing support to staff to achieve optimal physical and emotional wellbeing.

fact sheets about Māori Women in Business, Māori in Rugby, Māori in Contemporary Music, The Māori Asset Base, Māori in Sport and Leisure Activity, and Māori in Australia were produced. These have been made available to the public and placed on the intranet website: www.tpk.govt.nz.

• **Implementing the Relationship Management Strategy**

Te Puni Kōkiri acknowledged the importance of high quality relationships and generation of relevant information to implement Strategic and Intermediate Outcomes. An improved Relationship Management Strategy assisted in strengthening relationships across the organisation, those we have with Māori, and those with other key stakeholders who also had a role to improve outcomes for Māori.

The network of regional offices and how they generate relationships and information for policy interventions was also strengthened.

In particular, the implementation of the Relationship Management Strategy involved:

- Activating, developing and realising Māori Potential through our relationships;
- Building stronger relationships with whānau, hapū, iwi, Māori organisations and communities, to enable them to develop sustainable opportunities for themselves;
- Strengthening partnerships between Māori and other key stakeholders;
- Gathering information from the regions to inform Māori development activities and investment in Māori people;
- Using information gathered to inform policy development; and
- Facilitating timely involvement for government engagement with Māori and increasing our connectivity with them.

• **Implementing the People Capability Strategy**

The *People Capability Strategy to 2010* is aimed at attracting, developing and retaining a sustainable supply of highly skilled people who will effectively contribute to *Māori succeeding as Māori*. A review of people capability identified recruitment and retention of experienced staff as a key focus for Te Puni Kōkiri.

Activities in 2005/06 included:

- continuing to review and refine the Human Resources Framework, and development of associated strategies and initiatives;
- establishing learning and career development frameworks for potential leaders and other employees that ensured staff were able to achieve and sustain high performance in their current roles and to be developed to take on future roles, including leadership in Te Puni Kōkiri and the wider public service; and
- establishing recruitment, selection and development processes that identify, select and develop new and returning entrants with the potential to take on Te Puni Kōkiri roles.

LEGISLATION AND RESPONSIBILITIES OF THE MINISTER

In addition to the general policy responsibility, the Minister of Māori Affairs had particular responsibility for the impacts of government on Māori people, for the impacts of Māori policy on the general public, and for the well-being of the relationships between the Crown and the Treaty Partners, the iwi, hapū, and Māori citizens of New Zealand.

In undertaking these responsibilities the Minister had statutory obligations and powers under a wide variety of Acts. These required the Minister to:

- Participate as a member of a particular board or statutory body
- Make appointments (to particular boards or statutory bodies)
- Make recommendations regarding appointments
- Perform other miscellaneous powers or duties.

MEMBERSHIP OF BOARDS AND COMMITTEES

The Minister is Chairperson of the *Māori Purposes Fund Board*, established under the Māori Purposes Fund Board Act 1934 to administer the Māori Purposes Fund. The general purposes of the Board included:

- The promotion of the health, education and social and economic welfare of Māori;
- Encouragement and teaching of Māori arts and crafts;
- Research into and publication of books and papers on the arts and crafts, language, customs, traditions, and history of the Māori and cognate races of the Pacific Ocean;

- The preservation of the Māori language.

The Minister is also Chairperson of the *Māori Soldiers Trust Committee*, established under the Māori Soldiers Trust Act 1957 to administer the Soldiers Fund Account for the benefit of Māori veterans and their dependants. The Minister had responsibility to appoint other members for a term of two years.

Under the Waitangi National Trust Board Act 1932 the Minister is an ex-officio member of the Board and is also a member of the Hauraki Gulf Forum, a committee of the Auckland Regional Council.

APPOINTMENTS MADE BY THE MINISTER

Several ministerial appointments were required under various enactments. The Minister of Māori Affairs had responsibility for appointing:

- Māori Trust Boards;
- Māori Land Court Judges;
- Legal Services Board;
- District Legal Services Committees;
- Māori Land Court Rules Committee;
- Māori Land Court Consultative Committee;
- Wi Pere Trust;
- Bledisloe Trust;
- Kaiapoi Reserve Board;
- Te Taura Whiri I te Reo Māori;
- Māori Soldiers Trust;
- Māori Wardens;
- New Zealand Geographic Board;
- Poutama Trust;





TURNOVER AT TE PUNI KŌKIRI

Te Puni Kōkiri is managing turnover by being an organisation that treats its employees well; provides competitive remuneration; promotes job satisfaction; and, provides an organisational culture with effective leadership. As an indication that Te Puni Kōkiri has been successful in these measures, turnover has decreased significantly from previous years.

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- Te Māngai Pāho (Te Reo Whakapuaki Irirangi);
- Māori Television Service.

The Minister was also required to be consulted on appointments to the following organisations:

- Arts Council of New Zealand Toi Aotearoa;
- New Zealand Conservation Authority;
- Conservation Boards;
- Board of the Education and Training Support Agency;
- Māori Heritage Council;
- Queen Elizabeth the Second National Trust;
- Planning Judges or Alternate Planning Judges;
- Planning Commissioner or Deputy Planning Commissioner;
- Board of Trustees of New Zealand Historic Places Trust;
- Legal Services Board - one member;
- District Legal Services Committees - one member to each committee.

OTHER STATUTORY ROLES AND RESPONSIBILITIES

The Minister of Māori Affairs has certain statutory functions under various Acts.

Significant responsibilities under Māori Affairs legislation included:

- Approving Māori Trustee borrowing, selling, leasing or otherwise disposing of any land under the Māori Trustee Act 1953;
- Referring matters to the Māori Land Court for inquiry and making applications to the Court to set land aside as Māori reservation under Te Ture Whenua Māori Act 1993;
- Appointing Māori Wardens under the Māori Community Development Act 1962;
- Overseeing the financial accountability and elections of Māori Trust Boards under

the Māori Trust Boards Act 1955, including the appointment and removal of Board members;

- Recommending suitable persons to the Governor General for appointment as chairperson and members of the Waitangi Tribunal and appearing before the Tribunal on matters relating to land or interest transferred to or vested in State Enterprise relating to Crown Forest land under the Treaty of Waitangi Act 1975.

LEGISLATION ADMINISTERED BY TE PUNI KŌKIRI

As well as complying with general legislation under which Te Puni Kōkiri and other government agencies were required to conduct their affairs, Te Puni Kōkiri and therefore the Minister, were responsible for administering the following 29 Acts of Parliament. This administrative role included responsibility for: monitoring compliance, reviewing the legislation, and enacting required amendments.

- Hauraki Māori Trust Board Act 1988;
- Lake Waikaremoana Act 1971;
- Maniapoto Māori Trust Board Act 1988;
- Māori Affairs Restructuring Act 1989;
- Māori Community Development Act 1962;
- Māori Housing Act 1935;
- Māori Land Amendment and Māori Land Claims Adjustment Act 1926;
- Māori Language Act 1987;
- Māori Purposes Act 1926-1981;
- Māori Purposes Act 1991;
- Māori Purposes Act 1993;
- Māori Purposes (Wi Pere Trust) Act 1994;
- Māori Purposes Fund Act 1934-1935;
- Māori Reserved Land Act 1955;
- Māori Soldiers Trust Act 1957;
- Māori Trust Boards Act 1955;

- Māori Trustee Act 1953;
- Māori Vested Land Administration Act 1954;
- Ministry of Māori Development Act 1991;
- Orakei Act 1991;
- Tarawera Forest Act 1967;
- Tauranga Moana Trust Board Act 1981;
- Te Rūnanga O Ngāti Awa Act 1988;
- Te Rūnanga O Ngāti Porou Act 1987;
- Te Rūnanga O Ngāti Whātua Act 1988;
- Te Ture Whenua Māori Act 1993;
- Treaty of Waitangi Act 1975;
- Whanganui River Trust Board Act 1988;
- Broadcasting Act 1989, Part IVA.

In addition, Te Puni Kōkiri administered the following statutory regulations:

- Aupouri Māori Trust Board Order 1985
- Aupouri Māori Trust Board Order 1986
- East Coast Māori Trust Lands Block Committees' Regulations 1936
- Māori Land Court Fee Regulations 1993
- Māori Land Court Rules 1994
- Māori Occupation Orders Regulations 1994
- Māori Reservation Regulations 1994
- Māori Purposes Fund Regulations 1937
- Māori Trust Office Regulations 1954
- Māori Housing Regulations 1960
- Māori Land Court Judges' Travelling Allowances Regulations 1960
- Māori Community Development Regulations 1963
- Maori Land Court (Jurisdiction) Order 1996
- Māori Trust Board Regulations 1985
- Mawhera Incorporation Order 1976
- Maniapoto Māori Trust Board Order 2002
- Ngāti Whātua of Orakei Māori Trust Board Order 1983
- Ngāti Whātua of Orakei Māori Trust Board Order 1990

- Ngāi Whātua O Orakei Māori Trust Board Order 1997
- Parininihi ki Waitotara Incorporation Order 1976
- Tai Tokerau Māori Trust Board Order 1987
- Taranaki Māori Trust Board Order 1990
- Te Arawa Māori Trust Board Order 1988
- Te Awapuni Moana Order 1996
- Te Rūnanga o Ngāti Awa Order 1999
- Te Rūnanga o Ngāti Porou Order 1989
- Te Rūnanga o Ngāti Porou Order 1993
- Whakatōhea Māori Trust Board Order 1996
- Whakatū Incorporation Order 1977
- Whanganui River Māori Trust Board Order 1996

Te Puni Kōkiri's statutory roles and responsibilities are prescribed by the Ministry of Māori Development Act 1991 and have been further developed by Cabinet. The roles and responsibilities describe how Te Puni Kōkiri does its job in achieving the Government's objectives for Māori.

MONITORING AND LIAISING

Te Puni Kōkiri monitors and liaises with other agencies¹ who provide services to or for Māori, as required under section 5 (1) (b), of the Ministry of Māori Development Act 1991.

Since 2004/05, Te Puni Kōkiri has moved its focus and resources from providing effectiveness audits or detailed reports on operational efficiencies to reach a balance between retrospective and forward-looking monitoring. Te Puni Kōkiri is more involved at the front-end of policy development in setting of outcomes and strategies, ensuring that Māori have an appropriate voice in this process.



GOVT3

In 2005/06 Te Puni Kōkiri signed up to the Govt3 programme, and in the first year elected to focus on developing baseline data in the following areas: waste reduction; fuel efficiency of vehicles; environmentally 'friendly' consumables; and building energy usage.

¹ Labour; Social Development; Transport; Health; Culture and Heritage; Agriculture and Fisheries; Education; Foreign Affairs and Trade; Justice; Tertiary Education Commission; Housing; Office of Treaty Settlements; Environment; Conservation; Economic Development.





PANDEMIC PLANNING

Te Puni Kōkiri's work in developing the pandemic response is focused on addressing the needs of staff, and our role in supporting the work of the National Welfare Pandemic Working Group.

In 2005/06 our focus has been on developing collaborative and purposeful relationships, partnering with stakeholders to achieve mutual goals and the strategic outcome of Māori succeeding as Māori. An example of these is shown in the table below:

Region	Government Agency	Planned activity
National Office	DoL, MSD, TEC	Mayoral Taskforce roll-out.
National Office	MAFFish	Awareness raising of customary fisheries and fisheries management issues
National Office	Charities Commission	Awareness raising of changes to Charitable status as a result of new legislation
National Office	MSD	Assistance with consultation on Out of School Services
National Office	Families Commission	Assistance with consultation on Out of School Services
National Office	NZ Local Government Assoc; Gisborne, Western BoP and Tauranga Councils	Assistance with information regarding rates arrears on Māori general land.
National Office	National Welfare Recovery Group	Co-ordination of Māori committee input into national recovery planning
Te Tai Tokerau	MSD	Trade training: Inter-sectoral forum; Hokianga Tourism
Tāmaki Makaurau	MSD, DHB, Papakura Council	Māori Outcomes Community Plan
Waikato	MSD	Increase level of Māori participation in local government processes
Waikato	MSD/WINZ	Employment brokerage

Region	Government Agency	Planned activity
Te Arawa	HNZC	Joint delivery of housing solutions – includes SHAZ solutions to targeted communities.
Te Arawa	MSD & Waiariki Polytech	Trade training initiative
Te Moana a Toi	MSD	Economic working group initiative as part of Community Outcomes, Bay of Plenty
Takitimu	MSD	Strategy development to reduce unemployment
Takitimu	MSD, Corrections, Justice	Strategy development to reduce recidivism rates among Maori
Takitimu	MSD	Reduce unemployment – specific project framed around Te Hikoi Tuatahi Trust, based in Napier
Takitimu	MSD, TEC, MoEd	Establish Marae based trade training in conjunction with registered training provider and other agencies.
Te Whanganui a Tara	MSD	Māori Trade Training initiative
Te Whanganui a Tara	MSD, Corrections	Identify pathways for Prisoner Reintegration Project
Te Tai Hauauru	Corrections	To reduce recidivism rates among Māori – Te Wairua o Ngā Tangata Māori Probation Programme



RECRUITMENT

Te Puni Kōkiri has established an internal standard that drives the time to recruit new employees into the organisation. A benchmark of 32 days has been established, this fits with recruitment industry target times for the Wellington Public Service market. Te Puni Kōkiri line managers have had assistance to achieve this target and are now aiming to find further efficiencies to achieve a 28 day average.





STATE SECTOR RETIREMENT SAVINGS SCHEME (SSRSS) UPTAKE AT TE PUNI KŌKIRI

Savings behaviour and support of the government's State Sector Retirement Savings Scheme is strong at Te Puni Kōkiri. We compare favourably with the rest of the Public Service, with an average of forty four percent of staff participating in the scheme compared to thirty seven percent across the wider public service.

We place a strong emphasis on monitoring and liaising by evaluating our interventions to build an understanding of intervention outcomes that will guide our future investments. We have built and refined the strategic focus and tools to fulfil the purpose of Realising Māori Potential and continue to be innovative in identifying prudent ways to deliver effective and efficient services for Māori.

While the focus in 2005/06 has been on developing collaborative and purposeful relationships; the 2006/07 focus will expand upon that initial work to ensure information about the quality of interventions is captured to inform good practice approaches that can then be promoted across other state sector agencies. Here, the emphasis is on what is working for Māori.

Where evidence suggests that interventions are not working for Māori, an appraisal approach may be employed which reviews and reports against:

- Māori specific priorities
- Organisation's priorities
- Government's stated priorities

Within these priorities, the intention is to promote mutual gain and maximise positive relationships.

As part of the Māori Potential Approach, Te Puni Kōkiri will strive to identify opportunities for greater synergy between all public sector agencies to ensure that interventions are delivered and measured in a seamless, integrated manner.

This initiative will complement the investment already made in the strong Regional networks where we have 103 new Government workers connecting with Māori. This includes 33 Te Puni Kōkiri staff in the regions dedicated to the funding programmes of Kaitātaki-A-Rohe and Kapohia ngā Rawa, refer to page 46-47 of this report.

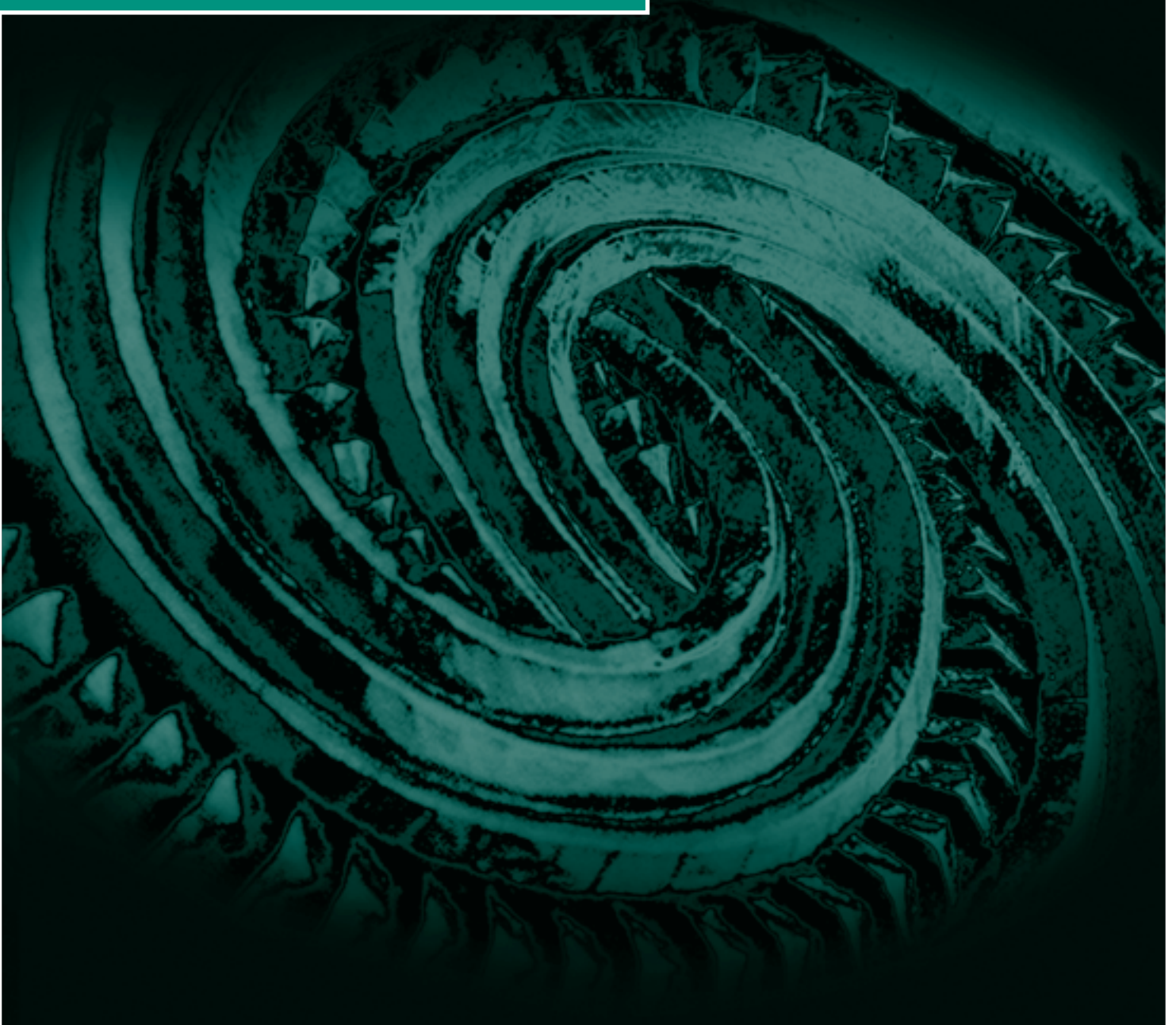
CROWN ENTITY MONITORING

Monitoring of Te Māngai Pāho (TMP), Te Taura Whiri I te Reo Māori (TTW), and the Māori Television Service (MTS) was carried out within Te Puni Kōkiri by the Risk and Assurance unit with input from both the Policy wāhanga and Finance unit. Regular Quarterly reports were received from each entity and regular meetings held with them.

In addition Te Puni Kōkiri provided advice about the development of the key planning documents, such as the Statements of Intent. Through this process, Te Puni Kōkiri took active steps to ensure that these entities addressed the goals and functions of the Māori Language Strategy in their planning and reporting.



STATEMENT OF SERVICE
PERFORMANCE



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 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 fairly reflect the financial position and operations of Te Puni Kōkiri for the year ended 30 June 2006.

Signed



*Leith Comer
Chief Executive
27 September 2006*

Countersigned



*Julie-Anne Morrison
Group Manager Finance
27 September 2006*

AUDIT REPORT

TO THE READERS OF THE FINANCIAL STATEMENTS OF TE PUNI KŌKIRI (THE MINISTRY OF MĀORI DEVELOPMENT) FOR THE YEAR ENDED 30 JUNE 2006

The Auditor-General is the auditor of Te Puni Kōkiri (the Ministry of Māori Development). The Auditor-General has appointed me, Stephen Lucy using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of Te Puni Kōkiri, on his behalf, for the year ended 30 June 2006.

Unqualified opinion

In our opinion the financial statements of Te Puni Kōkiri on pages 27 to 88:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the financial position of Te Puni Kōkiri as at 30 June 2006;
 - the results of its operations and cash flows for the year ended on that date;
 - its standards of delivery performance achieved, as compared with the forecast standards outlined 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 outlined in the statement of forecast service performance adopted at the start of the financial year; and
- The schedules of non-departmental activities fairly reflect the assets, liabilities, revenues, expenses, contingencies and commitments managed by Te Puni Kōkiri on behalf of the Crown for the year ended 30 June 2006.

The audit was completed on 27 September 2006 and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and 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 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. 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. 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 disclosures are adequate.

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

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

Responsibilities of the Chief Executive and the Auditor

The Chief Executive is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Te Puni Kōkiri as at 30 June 2006 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the standards of delivery

performance achieved by Te Puni Kōkiri and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. In addition, the schedules of non-departmental activities must fairly reflect the assets, liabilities, revenues, expenses, contingencies and commitments managed by Te Puni Kōkiri on behalf of the Crown for the year ended 30 June 2006. The Chief Executive's responsibilities arise from sections 45A, 45B and 45(1)(f) of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements 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.

In addition to the audit we have carried out an assurance review over the selection of preferred suppliers, which are compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in Te Puni Kōkiri.



S B Lucy
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Te Puni Kōkiri for the year ended 30 June 2006 included on Te Puni Kōkiri web site. The Chief Executive is responsible for the maintenance and integrity of Te Puni Kōkiri web site. We have not been engaged to report on the integrity of Te Puni Kōkiri web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 27 September 2006 to confirm the information included in the audited financial statements presented on this web site.

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

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2006

INTRODUCTION

The Statement of Service Objectives for Te Puni Kōkiri is detailed in the *Statement of Intent – 1 July 2005*. This forms the output objectives for the year against which this service performance statement reports.

POLICY AND MONITORING – SOCIAL AND CULTURAL

Description

Within this output class the Minister purchased:

- advice on the development of policies and programmes that specifically impacted on the social and cultural status of Māori people and resources; and
- monitoring of other state sector agencies' initiatives, aimed at influencing policies and programmes that delivered equitable social and cultural outcomes for Māori.

Te Puni Kōkiri policy advice included strategic advice to government on the effective use of resources and interventions in order to enhance Māori social and cultural development.

Quality, quantity and timeliness performance measures for Ministerial Servicing and Policy Advice are reported under Ministerial Servicing Performance in this report.

All work produced was aligned to the Key Output Areas: Whānau Development; Leadership and Governance; and Culture as

contained in the *Statement of Intent – 1 July 2005* and the *Output Plan of 2005/06*. The specific outputs included:

Whānau Development

The performance measure required:

- Report on Whānau Development: Action and Research Programme 2004/05 by 31 August 2005; and
- A report on Whānau Development policy direction and 3–5 year strategy by 30 June 2006.

Recognising that whānau are the catalyst for effecting positive change among their members and within their wider collective of hapū and iwi, Te Puni Kōkiri's work was anchored in the philosophy of *Māori succeeding as Māori*. Our job has been to do whatever we can to make sure there is ample opportunity and choice for Māori people to succeed in whatever field they choose. One of the ways we are doing this is by investing in whānau. The Whānau Development: Action and Research programme (WDAR) was initiated to gather the information and data we need to develop policy that is best suited to the needs and aspirations of whānau. The key achievements to date have included:

- Comprehensive analysis of the WDAR programme and experiences of 2004/05, together with the intentions for 2005/06 were reported on time to the Minister of Māori Affairs by 31 August 2005;
- Documented WDAR operational models to inform wider Māori Potential



- implementation thinking;
- Determined outcome areas and research questions for specific WDAR research commissioned in 2005/06;
- Research plan was completed; and
- The research approach for WDAR was completed and researchers were assigned for thirteen sites.

Whānau Development: Action and Research (WDAR)

WDAR aims to: improve policy and operational understanding of the nature of whānau; identify the capacity and capability requirements of whānau; build capacity to invest in whānau development; and, assist whānau to test and improve the robustness and efficacy of their whānau development interventions. WDAR is intended to support the development of a more refined policy approach to whānau and to evaluate the efficacy of that approach in contributing to whānau well-being and success, and to *Māori succeeding as Māori*.

In 2005/06, Te Puni Kōkiri worked specifically on, and provided for deeper probes into, the three enablers of Whakamana, Mātauranga, and Rawa, and in turn the benefits that accrue to Te Ira Tangata. The proposed broad approach comprised three core strands: whānau-specific initiatives; research; and, co-production.

Whānau-Specific Initiatives

1. In the *Mātauranga* area, initiatives included: a pilot programme to build whānau financial literacy; examination of the knowledge transfer and skills development requirements to effectively manage whānau assets; a documentary

on transmission (to whānau whānui) of the body of knowledge of Hekenukumai Busby; a programme to re-engage youth in meaningful learning opportunities with full whānau participation; and facilitation of whānau realisation of their reo aspirations.

2. In the *Rawa* area, initiatives included: examination of the nature and extent of whānau resources and options for sustainable utilisation; the development of natural resource management tools/resources; the development and trial of resources to support whānau planning and prioritisation; and exploration of marae development opportunities.
3. In the *Whakamana* area, initiatives included: examination of the inherent conflict and complementarity of traditional and contemporary (including commercialisation) utilisation of whānau assets – particularly in the effective exercise of kaitiakitanga, the development of tools to support effective whānau leadership, succession planning; and the development of whānau capability to make informed decisions and effectively govern.

There were also specific research initiatives funded that involved research on the economic development of whānau as collectives, particularly as related to small business, land-based initiatives, and whānau participation in iwi economic development.

As at 30 June 2006, three of the four researcher final reports had been received. These findings are being analysed and will contribute to a final report to the Minister of Māori Affairs. The fourth project involved the implementation of a pilot financial literacy scheme in five schools and with whānau in the

South Island. As there was a delay in gaining agreement from these schools, the evaluation could not commence until later in the 2005/06 year. This evaluation is expected to be completed by 30 September 2006.

A report on whānau development policy direction and 3-5 year strategy by 30 June 2006, has been subsumed into associated work with the Māori Potential Approach.

Leadership and Governance

The performance measure required a report on the Te Puni Kōkiri proposal by 30 June 2006.

Accepting that the ability of Māori to lead their own development and influence those areas that support the realisation of Māori potential, Te Puni Kōkiri has continued leadership of a new governance model for Māori collectives with key work that has included:

- Completion of an expert legal review;
- Review of policy proposals in light of draft Law Commission report;
- Workshop with Law Commissioners to interrogate policy proposals; and
- Cabinet approval of a submission outlining progress towards completing policy proposals for a new statutory governance model for Māori collectives.

Governance Model

Te Puni Kōkiri has been working to develop detailed policy proposals for a new governance model, specifically designed to meet the needs of Māori collectives that manage communal assets and resources. This work has been informed by the feedback from the comprehensive public consultation process, and the views of key government departments

and stakeholders. Te Puni Kōkiri has also been working closely with the Law Commission on issues relating to Māori governance.

The new governance model provides for a more dynamic and flexible framework than those currently available. It enables Māori collectives to shape their governance entity to suit their specific size, asset base, activities and functions. As an example, an entity will be able to be shaped by a whānau for the purposes of land development, a hapū to govern marae-based activities and by an iwi to meet the government's policy requirements for post-settlement governance entities.

The initial report back to Cabinet by 30 June 2006, on final policy proposals for legislation was extended by two months, to allow for an assessment of the recommendations contained in the Law Commission's report *Waka Umanga: A proposed law for Māori governance entities*. Provided that Cabinet agrees, legislation could be introduced in 2007.

Culture

The performance measure required:

- An annual report on the implementation of the Māori Language strategy by 30 June 2006; and
- A report on the delivery of the Māori Language Information Programme by 30 June 2006.

Te Puni Kōkiri achieved the above requirements in addition to continuing the ongoing engagement with Māori Language Strategy lead agencies and prepared a summarised report on progress for Ministers in November 2005. Considerable work has been done in promoting the utility of Māori culture,



language and heritage for the advantage of Māori as individuals, whānau, hapū and iwi to encourage active Māori identification and engagement with, and development of their culture, language and heritage.

Māori Language

In 2005/06, Te Puni Kōkiri continued to lead the implementation of the Māori Language Strategy (MLS). The MLS articulates the goals and roles of government in supporting the growth and development of the Māori language. Te Puni Kōkiri is responsible for inter-agency coordination and monitoring.

As part of this work, Te Puni Kōkiri undertook a series of meetings with MLS agencies to support the planning and implementation work of other agencies, and hosted fora to discuss inter-agency coordination around Māori language issues.

Lead agencies continue to strengthen and align existing programmes and policies to the MLS, and there is evidence that they also are strengthening their critical awareness of Māori language issues. Implementation of the MLS in key sectors continues.

The MLS provided the impetus for the development of several new initiatives in 2005/06 including the planning and implementation of the *Whānau Language Development* programme, which will be rolled-out into communities during 2006/07, and primary research work about aspects of the Māori language. Research projects included a survey trial of the *Health of the Māori Language*; and planning was undertaken to conduct a stock-take of Māori language programmes and services provided in the

government sector. The *Attitudes towards the Māori Language Survey* was also completed in 2005/06. Full-scale implementation of the research projects is scheduled to occur during 2006/07.

Māori Broadcasting

Te Puni Kōkiri has strategic and operational responsibilities in Māori broadcasting. In the past year, Te Puni Kōkiri progressed work to strengthen the strategic context of Māori broadcasting and to align the development of a Māori Broadcasting Strategy to the Māori Potential Framework. Work will remain focused on strategic development in 2006/07.

During 2005/06, Te Puni Kōkiri implemented a process to monitor stations' use of Māori reserved frequencies and also completed a series of research projects which explored the contribution of broadcasting to Māori language revitalisation efforts. Findings from this work will be used to inform ongoing policy advice and intervention planning in the broadcasting sector.

In addition, Te Puni Kōkiri continued to monitor the performance of Māori broadcasting organisations to ensure that initiatives aimed at influencing policies and programmes, delivered equitable social and cultural outcomes for Māori.

Leading the development and implementation of the Māori Potential Approach

The performance measure required:

- A Māori Potential Baseline Report by 30 June 2006; and
- A Māori Potential Toolkit by 30 June 2006.

The realisation of Māori Potential is a forward looking, innovative approach that seeks to accelerate Māori from intergenerational dependency to being high performing contributors to the New Zealand economy and society. It's about improved life quality that focuses on Māori people as the key catalyst for change. It affirms that Māori have the capability, initiative and aspiration to make choices for themselves, and seeks opportunities for them that support their cultural identity and ultimately contribute to improved life quality.

The major development in 2005/06 was the endorsement by Cabinet for the establishment of three new Non-Departmental Output Expenses (NDOE's) to align Te Puni Kōkiri funding arrangements with the Māori Potential Approach. These three, Whakamana (leadership), Mātauranga (knowledge/skills) and Rawa (resources) are a direct link to the strategic investment areas identified through the Māori Potential Approach.

The proposed Baseline Report work has been collapsed into the economic forecasting work and is now subject to a longer timeframe.

As a consequence, the full Māori Potential Toolkit has been deferred while other work is progressed that will give rise to various parts of the Toolkit. The Toolkit is expected to be produced in late 2006, as it will be informed through the practical experience of implementing the approach through our planning, investment, monitoring and evaluation work.

Ongoing work being completed early in 2006/07 includes:

- implementing the Communications Strategy signalling Te Puni Kōkiri's intent in giving effect to the Māori Potential Approach;
- coordinating Roadshows delivering training workshops on outcomes, indicators, intervention logic and the art of strategic conversations;
- continuing to develop collateral and tools to support staff effecting the Māori Potential Approach; and
- developing a monitoring, evaluation, research and performance measurement approach to inform Māori Potential Reference Points planning and capture.

In addition to the core policy work mentioned above, Te Puni Kōkiri monitored and liaised with other state sector agencies to ensure that their initiatives were aimed at influencing policies and programmes that delivered equitable social and cultural outcomes for Māori. The emphasis has been focused on both retrospective monitoring and forward-looking monitoring to more effectively utilise resources. Forward-looking monitoring is working collaboratively at the beginning of programme development to ensure that Māori have an appropriate voice. Te Puni Kōkiri has been working collaboratively in 2005/06, particularly in the areas of Health, Education and Justice.



FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/05 Actual \$000		30/06/06 Actual \$000	30/06/06 Supp Estimates \$000	30/06/06 Main Estimates \$000
6,637	Revenue Crown	6,804	6,804	6,145
174	Other Revenue	326	326	350
6,811	Total Revenue	7,130	7,130	6,495
6,415	Total Expenses	7,040	7,130	6,495
396	Net surplus/(deficit)	90	0	0

POLICY AND MONITORING - ECONOMIC AND ENTERPRISE

Description

Within this output class the Minister purchased:

- advice on the development of policies and programmes that specifically impacted on the economic and enterprise status of Māori people and resources;
- monitoring of other state sector agencies' initiatives, aimed at influencing policies and programmes that delivered equitable economic and enterprise outcomes for Māori; and
- provision of Māori business development services.

Te Puni Kōkiri policy advice included strategic advice to government on the effective use of resources and interventions in order to enhance Māori economic development. The aim of these policies was to help ensure the retention and development of the Māori resource base for future generations.

Quality, quantity and timeliness performance measures for Ministerial Servicing and Policy Advice are reported under Ministerial Servicing Performance in this report.

All work produced was aligned to the Key Output Area of Economic Opportunities as contained in the *Statement of Intent – 1 July 2005* and the *Output Plan for 2005/06*. The specific outputs included:

Leading a research programme focused on Māori market participation

The performance measure required a research report on Māori market participation completed by 30 June 2006.

Realising that active and meaningful Māori participation in society, whether local, national or global, relies on both collective and personal wealth and income status, Te Puni Kōkiri led the development of a scoping paper on Māori economic development that considers employment, education and enterprise opportunities. The output required a research report on Māori market participation to be completed by June 2006, however the work completed in 2005/06 has been integrated into the Māori economic forecasting model – as a direct result of the Māori Potential Approach. This will lead to an *Economic Forecasting Report* in 2006/07 that will include an assessment of the skills, conditions and environments that will position Māori to take advantage of such opportunities over the next 10 – 20 years.

Hui Taumata

Hui Taumata 2005 endorsed independent action by Māori for economic development. With government support, the Hui Taumata Taskforce was established for the purpose of advancing the strategies of the Hui Taumata 2005. The Taskforce works through undertaking research and action projects which are funded through Vote Māori Affairs, and by networking across Māori, business, trade union, academic and government sectors. Te Puni Kōkiri was directed by Cabinet to report quarterly on the activities of the Taskforce, and complete a comprehensive review of the achievements of the Taskforce for the 2005/06 year with a recommendation on future government support.

The Taskforce has contributed to the strategies of Hui Taumata 2005 in three ways: through developing strategies for Māori



economic development; projects designed to contribute to these strategies; and by networking between Māori and key sectors of the economy. They have undertaken twelve projects in areas such as workplace productivity, entrepreneurialism, leadership in governance, and economic data reform. These directly align with the strategies from Hui Taumata 2005 of increasing Māori capability, reinforcing excellent leadership and governance, working in collaboration and partnership, and a focus of high achievement and quality outcomes. Te Puni Kōkiri reported to Cabinet on their activities, and has completed a comprehensive review of their achievements. The review indicates that the achievements of the Taskforce have provided significant building blocks for the future which the Hui Taumata envisaged. The Taskforce has undertaken ongoing engagement with Māori, and this has shown strong support for their contribution to Māori economic development.

Māori Land Development: The Way Forward

Te Puni Kōkiri has been actively participating in a whole of government approach to Māori land development, and leading specifically in:

- Continuing current programmes, including training programmes, targeted at enhancing governance and helping to overcome access to information and access to finance issues;
- Reviewing the results of twenty-four recent one-off projects and reporting on options for further support to Māori land development; and
- The formation and chairing of a senior officials group consisting of eight other state sector agencies to improve communication and foster a whole of government approach to Māori land issues.

In regards to the review of the projects intended to support Māori land development, sixteen projects were allocated for review, to date fourteen have been completed. Of these, 7 were considered by Te Puni Kōkiri to have been successful in promoting business growth and sustainable land development. Five projects were considered to have been unsuccessful – for various reasons and the outcomes from the remaining two projects are yet to be determined as they are in the early stages of implementation. Initial analysis of these results has enabled officials to develop broad general conclusions where government can further assist Māori in developing their land resources.

Māori Business Development Services

- Investment in the Business Facilitation Service (BFS)
- Administration of the Whānau Development Enterprise Fund (WDEF)
- Nominations and Appointments processes
- Māori Land Facilitation Service
- Governance Mentoring services

Business Facilitation Service (BFS)

In 2005/06, \$2.331m was expensed (compared to a departmental budget of \$2.560m) for BFS. In addition the entire provision of \$1.778m was spent under Business Development to expand the quality and scope of BFS and performance of Māori and Māori organisations in governance arrangements. This included establishment of pilot initiatives for BFS specialist mentoring and specialist advisor turnaround, governance, and land facilitation projects.

Outputs included:

- 782 registrations (target 1000) were received for BFS assistance. The target was

not achieved due to the additional time taken to process applications ensuring that only those who were “business ready” and “sustainable” businesses became registered and assisted by the service.

- 317 new and existing Māori businesses received business start up (included business expansion and turnaround) assistance although the initial target was 200 new businesses. This exceeded expectations by almost 60 percent.

A particular highlight in 2005/06 was winning the prestigious Vero Excellence in Business Support Award, which recognised Te Puni Kōkiri's significant support for Public/Private Sector Partnership. The Awards ran alongside the hugely successful Small Business Expo, which attracted over 7000 New Zealand business owners in May 2006. This was the first time that a dedicated Māori Development Zone featured at the Expo – an initiative led by Te Puni Kōkiri to showcase Māori business champions.

The BFS will implement a new delivery model in 2006/07 and a shift in strategic focus that will see growing and sustainable businesses supported, and specific sectors (ICT, creative sector, sustainable energy) targeted. It is also planned to continue support for business start-ups.

Whānau Development Enterprise Fund (WDEF)

In 2005/06 \$1.493m was expensed (from \$1.511m appropriated) to support proposals from organisations that support network and collaborative-based activities or promote Māori business.

Nominations and Appointments processes

Ongoing enhancements to the Nominations and Appointments process across the government sector have realised an increase of 5.4% in the use of the database for the entire state sector.

Māori Land Facilitation Service (MLFS)

The performance measure required 30 land-holding entities mentored by 30 June 2006.

A total of 58 land-holding organisations received mentoring to 30 June 2006. The MLFS client evaluation phase commenced in mid-January 2006, and an informal field evaluation was completed. Twenty five blocks were visited, featuring discussions with a mixture of Māori Trustee, owners and mentors. 100% (target was 80%) of responding clients rated MLFS as 'useful' to 'extremely useful' and all Client blocks visited, said that MLFS was useful to their planning/development.

Governance Mentoring Service

The performance measure required three Māori entities mentored by 30 June 2006,

A pilot programme for five marae in Mahia was completed and positive results ensued in relation to the respective boards and committees having greater awareness of: roles and responsibilities; governance issues and processes; and the need to have tools and plans in place.

A second pilot, assisting a Trust Board, had a significant positive impact in helping create a strategic planning approach and initiating stronger understanding of the governance and management roles. Further work was undertaken to develop a governance manual specifically for that Board.



A third pilot was undertaken with an iwi group developing its governance structure, strategies and vision in preparation for receiving its Treaty settlement. The approach of using an advisory panel of experts helped provide 'perspective' to the leaders in understanding their roles across various dimensions such as culture, finance, succession, and strategies. It also led to providing targeted assistance to underpin their operational requirements in preparing for receipt and management of resources and ongoing strategies.

Governance Website information

The performance measure required development and dissemination of three publications by 30 June 2006.

Over the past 12 months new material has been added to *The Effective Governance Website* including Federation of Māori Authorities/Te Puni Kōkiri case studies, material on multi-structures and corporate governance articles from magazines. The website has seen a rapid growth in the number of visitors, increasing from 1000 visitors to 4000 visitors per month. Further analysis has

been undertaken which will shape the ongoing development of material, including practical tools and templates relating to governance.

Two publications in the *Boardwalk* series were completed and in the process of being published as at 30 June 2006. The third remained in draft form, with two further publications in the series at the preparatory stages. Progressing the series of five over two years is on track.

In addition to the core work of policy advice, Te Puni Kōkiri monitored and liaised with other state sector agencies to ensure that their initiatives were aimed at influencing policies and programmes that delivered equitable economic and enterprise outcomes for Māori. The emphasis has been focused on both retrospective monitoring and forward-looking monitoring to more effectively utilise resources. Forward-looking monitoring is working collaboratively at the beginning of programme development to ensure that Māori have an appropriate voice. Te Puni Kōkiri has been working collaboratively in 2005/06, particularly in the areas of Health, Education and Justice.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/05 Actual \$000		30/06/06 Actual \$000	30/06/06 Supp Estimates \$000	30/06/06 Main Estimates \$000
13,479	Revenue Crown	10,756	10,756	13,428
142	Other Revenue	382	382	373
13,621	Total Revenue	11,138	11,138	13,801
12,944	Total Expenses	11,063	11,138	13,801
677	Net surplus/(deficit)	75	0	0

POLICY – CROWN-MĀORI RELATIONSHIPS

Description

Within this output class the Minister purchased policy advice on the relationship between Māori and the Crown and on the links between that relationship and outcomes for Māori. It included all Treaty policy issues and advice on the impact of legislation not addressed in any other output class.

This output provides advice on issues that relate to defining and enhancing the inter-relationships between whānau, hapū and the Crown, and intra-relationships of the Crown and Māori established by the Treaty of Waitangi.

Quality, quantity and timeliness performance measures for Ministerial Servicing and Policy Advice are reported under Ministerial Servicing Performance in this report.

All work produced was aligned to the Key Output Area of Natural Resources as contained in the *Statement of Intent – 1 July 2005* and the *Output Plan of 2005/06*. The specific outputs included:

Natural Resources

Natural resources are those physical assets that Māori have inherited and acquired relating to land, water and air, and are important to Māori cultural values, economic development and Crown – Māori relationships. Te Puni Kōkiri's related policy work covered the natural and physical resources that preserve those cultural and economic relationships that iwi,

hapū and Māori have with central and local government. In 2005/06, considerable work was completed, culminating in a submission of a paper – *Realising Māori Potential: Leveraging off Māori Resources*, which was approved by Cabinet on 16 June 2006.

Crown Māori Relationship Instruments²

Te Puni Kōkiri in conjunction with the Ministry of Justice developed a communications strategy to: promulgate the *CMRI Guidelines*; provide support to Ministers and departments in applying the Guidelines; and assist the Crown entities. The *CMRI Guidelines* were developed to further promote effective working relationships between the Crown and Māori, of which one outcome is to support Māori in realising their own potential.

Foreshore and Seabed legislation

Te Puni Kōkiri provided policy advice on negotiations, negotiations policy and customary rights.

The Māori Purposes Bill

The Bill was referred to the Māori Affairs Select Committee after its First Reading on 27 June 2006. The Māori Purposes Bill comprises amendments to Te Ture Whenua Māori Act 1993, the Treaty of Waitangi Act 1975, the Māori Fisheries Act 2004, and the Māori Commercial Aquaculture Claims Settlement Act 2004.

Marine Reserves Bill

Te Puni Kōkiri worked with the Department of Conservation and the Ministry of Justice on proposals to align the Marine Reserves Bill

² The agreed definition of a CMRI is 'a documented agreement or arrangement, signed by both parties, that establishes or recognises an ongoing collaborative relationship between Ministers, government agencies or Crown entities, and a whānau, hapū, iwi, Māori organisation and Māori community. [CAB Min (04) 25/8].



with the Foreshore and Seabed Act 2004.

Treaty Settlements

A paper outlining options to assist speeding up the Treaty Settlements process was completed.

Māori Trustee Review

The review progressed with inter-agency consultation occurring among officials from Te Puni Kōkiri, Treasury, Department of Prime Minister and Cabinet, State Services Commission and Māori Trust Office. Work was advanced on enhancing Māori economic development, particularly in relation to options for an ongoing relationship between the Māori Trustee, Te Puni Kōkiri and the Poutama Trust. Work is continuing on costing a funding agreement which will ensure the Māori Trustee is adequately resourced to fulfil all his statutory functions and meet Crown obligations under the Treaty of Waitangi.

Te Puni Kōkiri has designed a work programme which covers all the outstanding issues and seeks to manage the fiscal and Treaty-related risks to the Crown. The programme includes five work-streams to be pursued in 2006/07:

- Develop and negotiate a funding agreement;
- Revest properties managed by the Māori Trustee with their beneficial owners (which includes the identification of these beneficiaries);
- Review a suitable interest regime for the rate of return to beneficiaries from common fund monies invested by the Māori Trustee;
- Reinststate a realistic governance regime pertaining to the General Purposes Fund; and
- Explore an enhanced role for the Māori Trustee, consistent with the Māori Potential Approach.

Sustainable Water Programme

Policy advice contributing to the development of consultation and communication strategies was completed for the Sustainable Water Programme of Action and Oceans Policy.

Ahuwhenua Trophy Competitions

Te Puni Kōkiri continued its support of the Awards – AgResearch 2006 Māori Dairy Excellence. These awards were a great opportunity to celebrate Māori excellence and success in dairy farming.

Wai 262

Te Puni Kōkiri was one of three agencies leading the Crown's response on the Indigenous flora and fauna claim. Te Puni Kōkiri will continue to be responsible for preparing the Crown's evidence for the claim as it relates to this agency. Tribunal hearings of Crown evidence are likely to be in December 2006 or January 2007 and Te Puni Kōkiri will continue to have a key role in involving Ministers in decisions over the claim.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/05 Actual \$000		30/06/06 Actual \$000	30/06/06 Supp Estimates \$000	30/06/06 Main Estimates \$000
7,310	Revenue Crown	7,456	7,456	6,432
252	Other Revenue	11	11	0
7,562	Total Revenue	7,467	7,467	6,432
7,109	Total Expenses	7,467	7,467	6,432
453	Net surplus/(deficit)	0	0	0



RELATIONSHIPS AND INFORMATION

Description

This class of outputs involved working actively at a local level to assist Māori to achieve their aspirations. It included interacting with whānau, hapū, iwi, Māori, Māori communities and organisations, other state sector agencies, local government, non-government and the private sector. It included the effective flow of information to and from Head Office to ensure the views of Māori in the regions were informing policy advice and activities.

Quality, quantity and timeliness performance measures for Ministerial Servicing are reported under Ministerial Servicing Performance in this report.

All work produced was aligned to the Relationship Management Strategy Key Output Area as contained in the *Statement of Intent – 1 July 2005* and the *Output Plan for 2005/06*.

Specific services and examples by region of Te Puni Kōkiri involvement include:

- connecting whānau, hapū, iwi, Māori communities and Māori organisations with people (inside and outside government) and resources (including funds) that accelerated initiatives aimed at increasing Māori participation;
- strengthening partnerships with and between Māori, and other stakeholders;
- collection and analysis of local level information to inform our policy advice; and
- providing a platform for local inter-agency collaboration.

TAITOKERAU

Māori trade training initiative

Te Puni Kōkiri recognised the potential of Māori youth in Northland and has investigated a number of initiatives that could increase the number of young Māori in apprenticeships, trades and industry training.

With this in mind Te Puni Kōkiri has invested capacity building funds into Te Rūnanga O Te Rarawa’s new housing strategy. This strategy has seen the Rūnanga enter into a joint venture with the Northland Polytechnic to offer Māori youth a free, one year, pre-trade carpentry course.

This programme arises from a trade training initiative that has been running successfully for the last three years. To date, trainees have built two houses which were then sold to Housing New Zealand.

Te Puni Kōkiri continues to support the long term objectives of the programme which include:

- developing a transferable (carpentry) trade training/apprenticeship model
- producing a policy and procedure manual for the (carpentry) trade training/ apprenticeship model.

TĀMAKI MAKAU

Māori tri-lingual interpreters

Te Puni Kōkiri has supported the Māori Deaf Community through investment and the development of Māori sign language for the use and benefit of the Māori Deaf Community.

The second phase of Te Puni Kōkiri’s involvement is an investment in tri-lingual interpreters to enhance the capability of the

Māori Deaf Community. The interpreter's primary roles have been to co-ordinate; develop policies, strategic direction, networking, and developing sustainable economic plans.

Te Puni Kōkiri has had a long standing involvement in the Deaf Community. The recent passing of the New Zealand Sign Language Act in April 2006 recognised sign language as an official language of New Zealand along with Māori and English and provided people with the right to use and access it in Courts of Law.

WAIKATO

Maraeroa C Incorporation investment

The Maraeroa C Incorporation has developed a number of projects with the support of Te Puni Kōkiri by providing information, advice and brokering during the development of the Incorporation's business infrastructure. As a result Maraeroa C has been involved in a number of robust projects. They include a home ownership project that enabled beneficiaries to bridge the "deposit gap" into a home and the development of the Pureora Tourism Centre.

The tourism project aims to turn 25 hectares of existing Incorporation estate into native flora which will include harakeke and tanekaha plantations; a native plant nursery and a viewing facility and auditorium.

TE ARAWA

Taupo Salix Project

Te Puni Kōkiri, Environment Bay of Plenty and Māori land owners worked collaboratively on a dual purpose project that looked at alternative energy sources and nitrate pollution of major

waterways in the Rotorua and Taupo region. Māori landowners are significant stakeholders.

Te Puni Kōkiri's investment has seen the pilot planting of 10ha of Salix trees (scrub willow) on Māori land in the Rotorua and Taupo region using inmates from Rangipō prison to undertake the planting.

A project co-ordinator, funded by Te Puni Kōkiri, has researched and identified the commercial opportunities surrounding Salix. Also, it is envisaged that Te Puni Kōkiri will be involved in further research into a bio-refinery plant that will be ready for the first Salix harvest in 2008.

Keeping our kids off the streets

Te Puni Kōkiri has been involved in a unique restorative justice programme in Rotorua. The programme provides an alternative pathway for students at risk of being suspended or expelled. The *Mahi Ngātahi Programme* has been so successful that it has received international recognition.

The programme has been funded by Te Puni Kōkiri for two years. It targets young people between nine and 13 years and brings the offender and the victim together in a neutral environment where both parties can reach a new understanding, repair any damage and restore relationships.

TE MOANA Ā TOI

Growing up Smart

Smart-Growth is a 50-year strategy to manage future growth in the Western Bay of Plenty. It is an area with significant Māori history and a large Māori population, and Te Puni Kōkiri is ensuring local iwi and Māori groups are



involved with the planning, right from the start.

Te Puni Kōkiri has played a pivotal role in brokering the relationships with Māori who need to be involved in this strategy, by providing funding for an advisor to lead tāngata whenua involvement in the implementation of the strategy.

Matatā Community Project

Te Puni Kōkiri has funded the position of Co-ordinator responsible for producing the Matatā Community Response Plan. The Plan will ensure that the Community is well prepared in the event of a civil defence emergency.

The Co-ordinator's success in bringing together all sectors of the Matatā community and producing a plan with their full support has led to the request to make a direct contribution to the National Civil Defence Emergency Management Plan. Te Puni Kōkiri is now part of the Civil Defence Advisory Welfare Committee.

TAKITIMU

Māori Dairy Farmers

Te Puni Kōkiri has provided the Group with advice and assistance to enable it to become an incorporated body. Part of the Group's current strategy is to support young Māori to gain the experience required to enter dairy farming and to utilise Māori-owned land in the Southern Hawkes Bay. Also, scholarships are available to young farmers through the Māori Education Foundation.

A significant outcome from this project has been the financial gains made by members of the Ikaroa Māori Dairy Farmers Discussion Group and the investment made in young

Māori entering the dairy industry.

Programme of Excellence – Te Aute College

Te Puni Kōkiri is currently the main facilitator of a Programme of Excellence at Te Aute College. The programme is focused on having the students, the local community and their families involved with the college and all aspects of their children's education pathway. Te Puni Kōkiri considers this an excellent example of building Māori potential.

Te Puni Kōkiri was instrumental in bringing the Ministry of Education and the Tertiary Education Commission into the project and hopes that its investment will create a template, based on the programme of excellence, which will be given to other schools in the Takitimu region.

Violence Free Wairarapa (VFW) Campaign

Wairarapa is the only district in the Wellington region to record a drop in the rate of family violence. Police believe that this reduction can be attributed to the success of a Te Puni Kōkiri funded initiative called Violence Free Wairarapa (VFW) which is in its third year of a three year programme.

Funding from Te Puni Kōkiri allowed VFW to appoint an experienced community member as Kaitātaki ā Rohe (KAR). The KAR acts as a link between the various agencies involved in preventing family violence to facilitate and broker relationships between key agencies and organisations to achieve a violence-free Wairarapa.

TE TAIRĀWHITI

Te Iwi o Rākaipaaka

Based in the Nūhaka area, Te Iwi o Rākaipaaka

Incorporation has been looking at potential developments to generate local employment and business growth in tourism and Māori land development.

Te Puni Kōkiri has provided investment support, including funding for strategic planning, robust governance and management, and capacity building. The significance of the investment by Te Puni Kōkiri has enabled this community to identify and build on their strengths to ensure community needs are being met and businesses are successful.

Along with a Strategic Plan, Te Iwi o Rākaipaaka Incorporation has developed a Resource Management Plan. This document guides the Nūhaka Kāinga –Toiwhenua project (Nūhaka Eco-Village project) – a pilot aimed at the ecological restoration of Nūhaka village and the local marae.

Ngāi Tāmanuhiri Charitable Trust

Te Puni Kōkiri has invested in Ngāi Tāmanuhiri Charitable Trust, supporting its strategic planning, capacity building and a specific scoping and viability exercise. The exercise was focused on building an economic base from Treaty Settlements and the provisions of the Māori Fisheries Act 2004.

The success of this investment has enabled the Trust to explore the development of iwi resources to prepare a sustainable base for future generations.

For example, Ngāi Tāmanuhiri has the longest coastline of the three Tūranganui-a-Kiwa tribes along the East Coast and this prompted the Trust to look into the viability of an Aquaculture Management business. However,

an investigative working group – resourced by Te Puni Kōkiri – found that the current climate for developing a marine farm was unfavourable.

Te Puni Kōkiri's support and investment has enabled the Trust to carry out quantitative research which has enabled it to explore solutions for providing work within the community and for future generations.

Computers in Homes

Te Puni Kōkiri is committed to an initiative which will encourage families from low decile schools to own computers and become IT savvy. This programme is seen as empowering the whole family and making access to further education easier.

Wairoa Primary School is leading the way for the "Computers in Homes" programme on the East Coast. The objective of this programme is to enable families from low decile schools to own donated computers and to help parents become computer savvy enough to assist with their children's learning.

Te Puni Kōkiri has helped establish a Wairoa Cluster of schools through relationship brokering, encouraging families to commit to the programme and supporting two more schools to join the initiative.

TE WHANGANUI Ā TARA

Hongoeka Community Development Trust

Te Puni Kōkiri has invested in the Hongoeka Community Development Trust based in Plimmerton, Wellington. This investment has enabled the Trust to assess and strategise the future economic development of the entire Hongoeka Māori land block including:



- Assessment of the potential of all people who whakapapa to this land block;
- Research the development potential of the vacant land and surrounding sea;
- Research with NIWA for a land based aquaculture project;
- Develop the sustainability and productivity of this micro-community; and
- Enhance the well-being through providing a balanced economic base.

TE WAI POUNAMU

Te Roopu o Tane Mahuta Trust

Young Māori under 17 years who are at risk of becoming long-term unemployed are now attending courses for work development, specialising in tourism and leadership development, because of the assistance provided by Te Puni Kōkiri.

Te Puni Kōkiri has funded the Trust's specialist training scheme that targets under 17 year olds who have no formal qualifications and are not eligible for income support.

Kaiapoi Māori Reserve

Te Puni Kōkiri facilitated a successful scoping and consultation exercise with land owners to design a plan for the full development of the land block for the benefit of local land owners.

Ultimately, the full development of the land will re-enfranchise Māori land owners, enable ecological research to be undertaken, and identify and develop springs, waahi tapu and resource consent issues.

PERFORMANCE

Quantity

- Regular proactive reports at least quarterly, on all regional issues and/or activities were

prepared and referred to the Minister of Māori Affairs.

- Monthly reports on the status of deliverables in regional work programmes were provided to the Deputy Secretary – Relationships and Information and subsequently included in the monthly wāhanga reports to the Chief Executive. The reports included:

- information on the number of interventions completed;
- key dates when tasks were completed.

- Time spent on interventions conducted by regional offices was captured through the Information Research Management System (IRMS) and reported to National Office.

Quality

- Informal feedback was obtained from the network of Kaiwhakarite (fieldworkers) and other staff in the regions, through the programme evaluations which informed our working relationships with whānau, hapū, iwi, Māori communities and organisations.
- Feedback from key stakeholders that indicated a general satisfaction with services provided was also gained from meetings in each region, attended by the Chief Executive.

These processes superseded our initial intention to measure increased satisfaction through formal surveys in all regional offices.

Timeliness

- The specified deliverables in the Te Puni Kōkiri Output Plan 2005/06 were assessed by comparison against deadlines set in the output plan as modified during the course of the year. Timeliness in relation

to deadlines set has been commented on for specific outputs included in this Annual Report.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/05 Actual \$000		30/06/06 Actual \$000	30/06/06 Supp Estimates \$000	30/06/06 Main Estimates \$000
8,812	Revenue Crown	10,292	10,292	9,645
0	Other Revenue	17	17	0
8,812	Total Revenue	10,309	10,309	9,645
8,702	Total Expenses	10,309	10,309	9,645
110	Net surplus/(deficit)	0	0	0



OPERATIONS MANAGEMENT

Description

This output class involved the provision of Māori business development services and high quality services to support Māori development through the design, delivery, and management of community investment programmes.

This output class complemented the Relationships and Information services by providing programmes, funding, and operational support. It also supported future policy advice development by providing information on 'flax-roots' learning experiences.

Quality, quantity and timeliness performance measures for Ministerial Servicing are reported under Ministerial Servicing Performance in this report.

All work produced was aligned with the Key Output Areas as contained in the *Statement of Intent – 1 July 2005* and the *Output Plan for 2005/06*.

As part of our approach to enabling Māori to participate and succeed as Māori, in 2005/06 Te Puni Kōkiri delivered a number of funding programmes to groups.

These included:

- Departmental³ Programmes
 - Kaitātaki-Ā-Rohe (KAR)
 - Special Housing Action Zones (SHAZ)
 - Kapohia ngā Rawa (KNR)
- Non-Departmental⁴ Programmes

- Capacity Building
- Whānau Development – Action and Research Programmes
- Whānau Development – Sport and Culture
- Local Level Solutions/Development
- Direct Resourcing of Local Level Solutions (DR)
- Māori Regional Tourism Organisation (MRTO)

PROGRAMMES

Kaitātaki-Ā-Rohe (KAR)

In 2005/06 \$3.243m was expensed (from a \$3.300m departmental budget). A total of 40 KAR Māori development investments were planned and 43 were approved that advanced Māori development.

The KAR programme sought to create an environment where government could work together with whānau, hapū, iwi, Māori organisations and communities to progress their development requirements through the assistance of a Māori development worker. To this end, this programme also serves to reduce inequalities.

The programme responded directly to Māori development by providing a development worker who was able to be:

- selected from, work with, and be accountable to their communities;
- engaged on community-directed development initiatives; and
- jointly supported by Te Puni Kōkiri and the community.

³ Departmental Programmes are funded from within the Vote Māori Affairs Departmental Appropriation: Operations Management.

⁴ Non-Departmental Programmes are funded from Vote Māori Affairs Non-Departmental Expenditure and Appropriations.

Special Housing Action Zones (SHAZ)

The performance measure required support to at least nine SHAZ projects by 30 June 2006.

In 2005/06 \$0.440m was expensed (from a \$0.456m departmental budget). Eleven housing projects were supported with SHAZ operational funding.

The primary objective of the SHAZ Programme was to resolve serious housing need within a designated Special Housing Action Zone by facilitating and resourcing a hapū, iwi, and/or an appropriate community response.

A secondary objective was to ensure each housing intervention produced at least one parallel intervention relevant to the government's social policy goals, such as, improved health, employment or training opportunities for hapū, iwi, and local community members, and reducing inequalities.

Kapohia ngā Rawa (KNR)

The performance measure required implementation of the programme by 30 November 2005.

In 2005/06 \$1.341m was expensed (from a \$2.911m departmental budget). The low expenditure was due to the programme taking longer to establish than expected. Implementation of the programme occurred in the last quarter of 2005/06. \$1.3m of available programme funding was transferred to support the Treaty of Waitangi Information Programme operated by the State Services Commission.

The objectives of the KNR programme were to:

- transform the experience of Māori from dependency to development through education, employment and enterprise; and
- guide Māori towards sustainable choices and appropriate decision making.

The programme consisted of development workers and mentors spread among the ten Regional Offices to assist communities to access information and support them in its use.

Capacity Building

In 2005/06, the Capacity Building programme consisted of two Non-Departmental appropriations; Capacity Assessment (\$1.027m appropriated) and Building Capacity in Māori Communities (\$7m appropriated). These appropriations provided a two stage approach to both Capacity Building programmes listed below, where stage one involved the assessment of proposals, and stage two was more about the projects/organisations actually funded.

Capacity Building – General

In 2005/06, \$7.262m was expensed (\$6.160m was budgeted and later increased to \$7.270m). The initial intention to support an estimated 160 projects was optimistic. A total of 107 projects met the criteria for funding. Of these, five were for projects under \$2,000, and 102 projects were funded for amounts between \$2,000 and \$150,000.

The primary objective of Capacity Building – General was to strengthen the ability of whānau, hapū, iwi, Māori organisations and communities. To this end, this programme also serves to reduce inequalities. A key focus area for the Capacity Building Fund



was to support the development of strategies, structures, systems and skills that enable Māori to achieve their own development aspirations.

The capacity that Te Puni Kōkiri was assisting to build was the ability of whānau, hapū, iwi, Māori organisations and communities to prepare for and respond to their own opportunities and challenges.

Capacity Building – Strengthening Management and Governance (SMG)

In 2005/06, \$0.757m was expensed (\$1.867m was budgeted with the remaining \$1.11m reallocated to Capacity Building – General). A total of 53 organisations were assessed through this programme. The variance between actual expenditure and the original budget is due to more funding of Capacity Building – General projects.

The SMG programme strengthened the competency and accountability amongst Māori organisations involved in the delivery of Government service contracts and identified and grew a critical mass of strong Māori organisations as models of effective governance and management.

The programme supported Māori organisations to undertake an organisational analysis and implement tailored interventions to enhance or improve performance.

At an operational level, the core elements of the programme included:

- An independent analysis of Māori organisations' governance and management arrangements and performance;
- Targeted development with tailored

strategies to meet identified needs in the governance and/or management area; and

- Relationship brokerage with public and/or private sector organisations for the provision of funding, support or specialist advice.

The SMG programme was able to provide organisations with an independent analysis of their current operating performance in key governance and management areas. The purpose of the analysis was to:

- highlight organisational strengths;
- indicate areas of weakness and recommend specific strategies for improvement;
- indicate potential areas of risk and suggest interventions for the management of these; and
- inform the organisations' strategic direction and decision making.

Whānau Development – Action and Research Programmes (WDAR)

This programme relates to the development and strengthening of whānau in order to realise their social, cultural and economic potential and is based on testing the hypothesis that whānau are the core unit of Māori society. Arguably measures that strengthen whānau are also likely to strengthen the foundations of Māori society and support Māori development. Successful whānau will realise their own potential, and will lead to optimal and sustainable success for the communities of which they are a part.

Interventions were implemented across ten Te Puni Kōkiri regions to 30 June 2006, with \$7.835m of a \$7.895m appropriation expended. The interventions that were implemented included: whānau connections;

whānau development local initiatives; whānau enterprise; whānau Māori language development; learning communities; early childhood education; and natural resources – collective decision making.

In 2005/06 Te Puni Kōkiri was able to provide whānau and those working with whānau with a means of exploring in detail a variety of different approaches to whānau development. This process will itself provide long-term benefits for whānau. In addition, the development of the reports, plans and proposals will provide a basis for further intervention decisions to be taken by Te Puni Kōkiri in future budget years.

Whānau Development Sport and Culture

The performance measure required support to ten National Māori organisations by 30 June 2006.

In 2005/06 \$1.509m was expensed (from \$1.511m appropriated) in support of 129 (of which 11 were national Māori organisations) Whānau Development Sport and Culture initiatives at a national, regional and local level.

This contestable fund was focused on providing support and assistance to community-led and/or – based sports and cultural activities aimed at strengthening whānau.

Initiatives focused on a wide range of sporting and cultural activities including:

- kapa haka;
- manu kōrero speech competitions;
- art and craft training and development;
- leadership training;

- tikanga and whānaungatanga;
- Matariki celebrations;
- Whānau activity days with various events;
- Pa wars – waka ama, rugby, netball; and
- Contributions to regional sports tournaments.

Local Level Solutions

In 2005/06 \$3.645m was expensed (from \$3.543m appropriated and then increased to \$3.706m in the Supplementary Estimates). A total of 17 projects were funded.

The primary objective of Local Level Solutions was to develop Māori communities simultaneously by funding initiatives developed at the local level by Māori. Local Level Solutions responded to whānau, hapū, iwi, Māori organisations' and communities' self-identified priorities, and assisted them to continue their work and achieve long-term goals for those communities. This programme also serves to reduce inequalities.

Direct Resourcing of Local Level Solutions

This programme was designed to pilot a funding mechanism that ensured resources could be made directly available to hapū, iwi and Māori to support their own development goals and aspirations.

In 2005/06, only contracts entered into in previous years were progressed with no new projects funded. Nevertheless the budget was \$3.663m of which \$1.396m was expended on the contracts that had been entered into previously.

An in-principle expense transfer of \$2m to the 2006/07 financial year was agreed by Ministers, reference CAB Min (06) 34/3 to fund



initiatives from Hui Taumata.

Māori Regional Tourism Organisation (MRTO)

In 2005/06 \$0.175m was expended (from \$0.175m appropriated) to support 12 Māori Regional Tourism Organisations. Nine of these have completed the three year funding stream and are operating on an annual funding of \$5k per year. They have combined this resource in order to facilitate and secure ongoing funding until such time as they are self sustaining. The remaining three are still working within the three year funding stream as they joined the programme later.

The purpose of this fund was to assist MRTO to complete plans that:

- developed business capabilities within Māori tourism businesses;
- enhanced the quality of Māori tourism in the regions;
- promoted the interests of Māori tourism within key industry organisations; and
- strengthened relationships with existing regional tourism organisations.

Quality

Quality was monitored through reporting on progress and achievements of the programmes within the monthly reports from each region to National Office.

Stakeholder surveys

- Informal feedback was obtained from the network of Kaiwhakarite (fieldworkers) and other staff in the regions, by way of programme evaluations which informed our working relationships with whānau, hapū, iwi, Māori communities and organisations.

- Feedback from key stakeholders indicating a general satisfaction of services provided was also gained from meetings in each region, attended by the Chief Executive.

These processes superseded our initial intention to measure increased satisfaction through formal surveys in all regional offices.

Quality Standards

- Work was generally produced according to quality standards outlined in the Te Puni Kōkiri Capacity Administration Guidelines manuals in relation to the administration of capacity building programmes;
- Work was produced according to quality standards set out in the Te Puni Kōkiri Effectiveness Audit Standards for all evaluation audits.

Timeliness

- The specified deliverables in the *Output Plan 2005/06* were assessed by comparison against deadlines set in the Output Plan as modified during the course of the year. Timeliness in relation to deadlines set has been commented on for specific outputs under Ministerial Servicing Performance in this report.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/05 Actual \$000		30/06/06 Actual \$000	30/06/06 Supp Estimates \$000	30/06/06 Main Estimates \$000
11,813	Revenue Crown	13,651	13,651	13,909
0	Other Revenue	39	17	0
11,813	Total Revenue	13,690	13,668	13,909
11,642	Total Expenses	13,528	13,668	13,909
171	Net surplus/(deficit)	162	0	0



SERVICES TO THE MĀORI TRUSTEE

Description

This output class involved the provision of full office services to the Māori Trustee, including personnel, accommodation and corporate support.

The Māori Trustee (as established by The Māori Trustee Act 1953) exists:

- to protect and enhance the interests of Māori clients and their resources
- to manage the adverse effects of fragmented and multiple ownership of Māori land
- to provide fair, proper and prudent administration and management of clients'

assets within the principles and obligations of trusteeship and agency.

The quality and quantity of services were provided as detailed in the agreement between the Chief Executive of Te Puni Kōkiri and the Māori Trustee.

The Māori Trustee's assessment of the services provided by Te Puni Kōkiri was sought, and he indicated that he was more than satisfied with the level of services provided by and agreed to, with Te Puni Kōkiri. The cost of the services provided did not exceed the fee for services negotiated with the Māori Trustee at the beginning of the financial year.

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/05 Actual \$000		30/06/06 Actual \$000	30/06/06 Supp Estimates \$000	30/06/06 Main Estimates \$000
4,067	Revenue Crown	4,586	4,586	4,586
0	Other Revenue	40	40	0
4,067	Total Revenue	4,626	4,626	4,586
4,066	Total Expenses	4,327	4,626	4,586
1	Net surplus/(deficit)	299	0	0

MINISTERIAL SERVICING PERFORMANCE

The performance measure set in the *Statement of Intent – 1 July 2005* aimed to:

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

Te Puni Kōkiri met the agreed ministerial servicing timelines across all output classes as outlined below, in 93% of cases in 2005/06. This is an improvement on 2002/03, 2003/04 and 2004/05 performance where 79%, 86% and 87% of ministerial documents respectively met the timelines. This upward trend is expected to continue.

Outputs	Delivery Timeframe Target	Delivery Timeframe Actual
Responses to Ministerial correspondence	Within one month	91%
Parliamentary Questions	Individually agreed	97%
Briefings	Individually agreed	93%
Speech notes	Individually agreed	84%
Official Information Act requests	Within 20 working days	95%
Ombudsman Complaints	Within 20 working days	N/A
Reports to the Māori Affairs Committee	Individually agreed	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.

Te Puni Kōkiri seeks formal feedback from the Minister of Māori Affairs, in a four monthly survey, on his assessment of the quantity, quality and timeliness of policy advice (including oral advice). This 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 response to the survey the Minister said he was satisfied that "good" progress had occurred in the quality and timeliness of papers received.

QUALITY

In addition to the Minister's satisfaction survey, the completion and referral of high quality policy advice (as defined by the quality characteristics) was assessed by an independent expert in Public Sector policy.

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	Target	Score
Purpose	3.00	3.16
Logic	3.00	3.00
Accuracy	3.00	3.33
Options	3.00	3.20
Consultation	3.00	3.40
Practicality	3.00	3.60
Presentation	3.00	3.33
Average	3.00	3.29

In addition, all advice provided was supported by a quality management process listed below:

- internal peer review
- adherence to the standards of the *Te Puni Kōkiri Quality Assurance Handbook* which defines quality standards; describes how the standards are determined, assessed and reported; describes the process of developing quality policy advice; and outlines the corporate support for these practices and processes.
- all Cabinet papers complied with the *Cabinet Office Manual*.

PERFORMANCE AGREEMENTS

Performance agreements are developed annually for permanent staff. The performance agreement forms the basis for six monthly (as at December and June) individual performance reviews. The core competencies that are in the agreement have been identified as skills fundamental to the work of Te Puni Kōkiri. This process is an important part of the organisation's evaluation of each individual's contribution to the work of Te Puni Kōkiri, and is an effective vehicle for continuous improvement.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006

Reporting Entity

Te Puni Kōkiri is a Government Department as defined by section 2 of the Public Finance Act 1989.

These financial statements have been prepared in accordance with section 45 of the Public Finance Act 1989.

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

STATEMENT OF DEPARTMENTAL ACCOUNTING POLICIES

Measurement System

Measurement and recognition rules applied in the preparation of the Departmental statements and schedules are consistent with generally accepted accounting practice and Crown accounting policies. The financial statements have been prepared on an historical cost basis.

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 Budget Night Estimates as amended by the 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. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Cost Allocation

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 asset utilisation. The depreciation and capital charge of IT assets are allocated to outputs on the basis of budgeted staff hours 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 staff hours attributable to each output. Property and other premises costs, such as maintenance, are charged to wahanga (business units) on the basis of budgeted full time equivalents (FTEs).

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

Debtors and Receivables

Debtors and receivables are recorded at



estimated realisable value, after providing for doubtful and uncollectible debts.

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. Payments under these leases are charged as expenses in the period in which they are incurred.

Fixed Assets

The initial cost of a fixed asset is the value of the consideration given to acquire or create the asset and any directly attributable costs of bringing the asset to working condition for its intended use. Fixed assets costing more than \$5,000 are capitalised and recorded at historical cost.

Fixed assets costing less than \$5,000 that are part of the approved Annual Replacement Programme of Te Puni Kōkiri are also capitalised.

The profit or loss on disposal of a fixed asset is the difference between the net disposal proceeds and the net carrying amount. This is credited or expensed to the Statement of Financial Performance.

Depreciation

Depreciation is provided on a straight line basis on all fixed assets, so as to allocate the cost of assets, less any estimated residual value, over their useful lives. The estimated economic useful lives and associated depreciation rates

of classes of assets are:

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

The cost of leasehold improvements is capitalised and amortised over the unexpired period of the building lease or the estimated remaining useful life of the improvement, whichever is shorter.

Employee Entitlements

Te Puni Kōkiri makes provision in respect of any liability for annual leave, long service leave and retiring leave. Annual leave is recognised as it accrues to employees at the greater of current rates of pay or average daily earnings over the previous 52 weeks. Long service and retiring leave is calculated on an actuarial basis based on the present value of expected future entitlements.

Statement of Cash Flows

Cash means cash balances on hand and held in bank accounts.

Operating activities includes cash received from all income sources of Te Puni Kōkiri and cash payments made for the supply of goods and services.

Investing activities are those activities relating

to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

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 Financial Performance.

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.

Goods and Services Tax (GST)

The Statement of Financial Position is exclusive of GST, except for Creditors and Payables, and Debtors and Receivables, which are GST inclusive. The comparative information in the Statement of Departmental Expenditure and Capital Expenditure Appropriations has been presented on a GST inclusive basis. All other statements are GST exclusive.

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 Payables or Debtors and Receivables (as appropriate).

Taxation

Government departments are exempt from the payment of income tax in terms of the Income

Tax Act 2004. Accordingly, no charge for income tax has been provided for.

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.

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.

Taxpayers' Funds

This is the Crown's net investment in Te Puni Kōkiri.

Changes in Accounting Policies

There has been a change in the Fixed Assets policy to increase the capitalisation threshold to \$5,000 (\$1,000 in 2004/05). This change applies to new fixed asset purchases only and does not have a material impact in 2005/06. There has been no adjustment to fixed assets purchased prior to 1 July 2005.

The capitalisation threshold has been increased to \$5,000 to reduce administration costs and ensure management responsibility for minor asset purchases is at budget manager level.

All other policies have been applied on a basis consistent with previous years.



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2006

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

30-Jun-05 Actual		Note	30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	30-Jun-06 Supp. Estimates \$000s
	REVENUE				
52,118	Crown		53,545	54,145	53,545
316	Department		814	723	793
252	Other	1	1	0	0
52,686	Total Revenue		54,360	54,868	54,338
	OUTPUT EXPENSES				
22,107	Personnel Costs	2	26,612	28,511	28,511
27,232	Operating Costs	3	25,507	23,987	23,809
1,270	Depreciation	4	1,308	1,982	1,711
269	Capital Charge	5	307	388	307
50,878	Total Expenses		53,734	54,868	54,338
1,808	Net Operating Surplus		626	-	-

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

For information on major variances against budget refer note 11 on page 71.

STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2006

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-05 Actual \$000s		30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	30-Jun-06 Supp. Estimates \$000s
3,360	Taxpayers' funds as at 1 July	3,835	3,835	3,835
1,808	Net Operating Surplus	626	0	0
1,808	Total recognised revenues and expenses for the year	626	0	0
475	Capital Contributions	1,000	1,000	1,000
(1,808)	Provision for repayment of surplus to the Crown	(626)	0	0
3,835	Taxpayers' funds as at 30 June	4,835	4,835	4,835

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

For information on major variances against budget refer note 11 on page 71.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2006

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-05 Actual \$000s		Note	30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	30-Jun-06 Supp. Estimates \$000s
3,835	TAXPAYERS' FUNDS		4,835	4,835	4,835
	Represented by:				
	ASSETS				
	CURRENT ASSETS				
11,442	Cash		8,325	3,277	4,612
313	Prepayments		225	200	200
87	Short term receivables & advances		269	50	50
11,842	Total current assets		8,819	3,527	4,862
	NON-CURRENT ASSETS				
2,723	Physical assets	6	4,066	6,124	4,149
2,723	Total non-current assets		4,066	6,124	4,149
14,565	Total Assets		12,885	9,651	9,011
	LIABILITIES				
	CURRENT LIABILITIES				
6,911	Creditors & Payables	7	5,569	3,150	2,510
175	Provision for Restructuring	8	0	0	0
1,808	Provision for repayment of surplus		626	0	0
1,689	Employee Entitlements	9	1,848	1,500	1,500
10,583	Total current liabilities		8,043	4,650	4,010
	NON-CURRENT LIABILITIES				
147	Employee Entitlements	9	7	166	166
10,730	Total Liabilities		8,050	4,816	4,176
3,835	Net Assets		4,835	4,835	4,835

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

For information on major variances against budget refer note 11 on page 71.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2006

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

30-Jun-05 Actual \$000s		30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	30-Jun-06 Supp. Estimates \$000s
CASH FLOWS-OPERATING ACTIVITIES				
Cash was provided from:				
Supply of outputs to				
52,118	Crown	53,545	54,145	53,545
316	Department	814	723	793
286	Other	(93)	0	150
52,720		54,266	54,868	54,488
Cash was disbursed for:				
Production of outputs				
(22,002)	Personnel	(26,593)	(28,511)	(28,681)
(24,328)	Operating	(26,811)	(23,987)	(28,385)
(340)	Net GST Paid	(210)	0	0
(269)	Capital Charge	(307)	(388)	(307)
(46,939)		(53,921)	(52,886)	(57,373)
5,781	Net cash flows from operating activities	345	1,982	(2,885)
CASH FLOWS-INVESTING ACTIVITIES				
Cash was provided from:				
210	Sale of physical assets	35	200	200
Cash was disbursed for:				
(1,767)	Purchase of physical assets	(2,689)	(4,943)	(3,337)
(1,557)	Net cash flows from investing activities	(2,654)	(4,743)	(3,137)

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

For information on major variances against budget refer note 11 on page 71.



30-Jun-05 Actual \$000s		30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	30-Jun-06 Supp. Estimates \$000s
CASH FLOWS-FINANCING ACTIVITIES				
	Cash was provided from:			
475	Capital Contributions	1,000	1,000	1,000
	Cash was disbursed for:			
(937)	Repayment of surplus	(1,808)	0	(1,808)
(462)	Net cash flows from financing activities	(808)	1,000	(808)
3,762	Net Increase/(Decrease) in Cash Held	(3,117)	(1,761)	(6,830)
7,680	Add opening cash balance	11,442	5,038	11,442
11,442	Closing Cash Balance	8,325	3,277	4,612

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

For information on major variances against budget refer note 11 on page 71.

RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2006

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 Financial Performance on page 58 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on pages 61-62.

30-Jun-05 Actual \$000s		30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	30-Jun-06 Supp. Estimates \$000s
1,808	Net Operating Surplus	626	0	0
	Add: Non-cash items			
1,270	Depreciation	1,308	1,982	1,711
895	Asset Write-downs	0	0	0
2,165	Total non-cash items	1,308	1,982	1,711
	Add/(Less) movements in working capital items			
95	(Increase)/Decrease in debtors and receivables	(182)	0	37
2	(Increase)/Decrease in prepayments	88	0	113
1,667	Increase/(Decrease) in Creditors & Payables	(1,517)	0	(4,576)
105	Increase/(Decrease) in current employee entitlements	19	0	(170)
1,869	Net movements in working capital	(1,592)	0	(4,596)
	Add/(Less) investing activity			
(61)	Loss/(Gain) on sale of fixed assets	3	0	0
(61)	Total investing activity	3	0	0
5,781	Net cash flow from operating activity	345	1,982	(2,885)

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

For information on major variances against budget refer note 11 on page 71.



STATEMENT OF COMMITMENTS AS AT 30 JUNE 2006

The Statement of 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.

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.

Operating leases include lease payments for premises and motor vehicles.

30-Jun-05 Actual \$000s		30-Jun-06 Actual \$000s
	Accommodation lease commitments	
2,745	Less than one year	2,894
2,557	One to two years	2,779
6,999	Two to five years	5,969
509	More than five years	170
12,810	Total accommodation lease commitments	11,812
	Other operating commitments	
72	Less than one year	434
0	One to two years	352
0	Two to five years	88
0	More than five years	0
72	Total other operating commitments	874
12,882	Total commitments	12,686

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

For information on major variances against budget refer note 11 on page 71.

STATEMENT OF CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2006

The Statement of 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 2006. It does not include general or unspecified business risks or conditions.

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
	Contingent Liabilities	
0	Personnel claims	138
0	Total Contingent Liabilities	138

STATEMENT OF UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2006

As at 30 June 2006, Te Puni Kōkiri had no unappropriated expenditure (30 June 2005: nil)

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

For information on major variances against budget refer note 11 on page 71.



STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2006

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

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000	30-Jun-06 Main Estimates \$000s	30-Jun-06 Supp. Estimates \$000s
VOTE: MĀORI AFFAIRS				
Appropriation for classes of outputs				
7,266	Policy and Monitoring - Social and Cultural	7,040	6,495	7,130
14,647	Policy and Monitoring - Economic and Enterprise	11,063	13,801	11,138
8,054	Policy - Crown Māori Relationships	7,467	6,432	7,467
9,804	Relationships and Information	10,309	9,645	10,309
13,119	Operations Management	13,528	13,909	13,668
4,574	Services to the Māori Trustee	4,327	4,586	4,626
57,464	Total Appropriations for Classes of Outputs	53,734	54,868	54,338

The comparative information presented in the Statement of Departmental Expenditure and Capital Expenditure Appropriations has been presented on a GST inclusive basis. This comparative information has not been restated to exclude GST, as approved appropriations for the 2005 financial year were made on a GST inclusive basis, and any restatement of the comparative information would not reflect those approved appropriations.

The accompanying accounting policies and notes form part of these Financial Statements.
For information on major variances against budget refer note 11 on page 71.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 1: Revenue Other

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
61	Gain on Sale of Assets	0
191	Other Revenue	1
252	Total Other Revenue	1

Note 2: Personnel Costs

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
21,652	Salaries and Wages	25,357
455	Other Personnel Costs	1,255
22,107	Total Personnel Costs	26,612

Note 3: Operating Costs

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
118	Audit fees for audit of financial statements	129
2	Other fees charged by auditors	3
2,598	Operating lease rentals	2,765
162	Overseas and Pacific Travel	209
1,837	Domestic Travel	1,810
889	Printing, Books and Publicity	924
3,208	Contract Workers	2,154
4,748	Consultancy Fees	4,805
1,206	MBFS Commission	979
3,688	Programmes	3,503
928	Telecommunications	1,309
190	Computer Related Expense	192
895	Asset Write-downs	0
6,763	Other Operating Costs	6,725
27,232	Total Operating Costs	25,507



Note 4: Depreciation Charge

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
396	EDP Equipment	363
215	Motor Vehicles	295
53	Office Equipment	16
31	Furniture & Fittings	122
232	Leasehold Improvements	222
343	Software Systems	290
1,270	Total Depreciation Costs	1,308

Note 5: Capital Charge

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
269	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 2006 was 8.0% (2005: 8.0%).	307

Note 6: Fixed Assets

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
	EDP Equipment	
1,275	Cost	1,529
(542)	Accumulated depreciation	(906)
733	EDP Equipment - net book value¹	623
	Motor Vehicles	
1,270	Cost	1,538
(278)	Accumulated depreciation	(517)
992	Motor Vehicles - net book value	1,021
	Office Equipment	
245	Cost	252
(226)	Accumulated depreciation	(242)
19	Office Equipment - net book value	10
	Furniture and Fittings	
197	Cost	725
(48)	Accumulated depreciation	(171)
149	Furniture and Fittings - net book value¹	554
	Leasehold Improvements	
374	Cost	2,164
(175)	Accumulated depreciation	(397)
307	Work-in Progress Refurbishments	0
506	Leasehold Improvements - net book value¹	1,767
	Software Development	
1,556	Cost	1,612
(1,232)	Accumulated depreciation	(1,521)
324	Software Development - net book value	91
	Total Fixed Assets	
5,224	Cost	7,820
(2,501)	Accumulated depreciation	(3,754)
2,723	Total net book value of fixed assets	4,066

¹ The 30th June 2005 net book values are net of asset write-downs totalling \$0.895 million. These write-downs represent assets now obsolete as a result of the TPK House re-fit and change to a wireless IT environment.



Note 7: Creditors and Payables

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
1,762	Trade Creditors	1,176
4,777	Accrued Expenses	4,231
372	GST payable	162
6,911	Total creditors and payables	5,569

Note 8: Provision for Restructuring

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
1,009	Opening Balance	175
0	Additional Provisions made during the year	3
(375)	Charged against provision for the year	(178)
(459)	Unused amounts reversed during the year	0
175	Closing Provision for restructuring	0

Note 9: Employee Entitlements

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
CURRENT LIABILITIES		
1,105	Annual Leave	1,407
562	Salaries and Wages	398
22	Long Service and Retirement Leave	43
1,689	Total current portion	1,848
NON-CURRENT LIABILITIES		
147	Long Service and Retirement Leave	7
147	Total non-current portion	7
1,836	Total employee entitlements	1,855

Note 10: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2006" for an explanation of significant budget changes between the 2005/06 Main Estimates and 2005/06 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 302 and 305).

Note 11: Explanation for Significant Variances

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

Statement of Financial Performance (page 58)

	30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	Variance \$000s
Personnel Costs	26,612	28,511	1,899
Operating Costs	25,507	23,987	(1,520)

Personnel Costs – the variance mainly relates to delays experienced in appointing staff to new positions.

Operating Costs – additional operating costs were incurred as a result of; administration of the Hui Taumata Taskforce and Māori Women's Development Fund which were appropriated in the Supplementary Estimates, as well as use of contractors and consultants to cover vacancies.

Statement of Financial Position (page 60)

	30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	Variance \$000s
Cash	8,325	3,277	(5,048)
Physical assets	4,066	6,124	2,058
Creditors & Payables	5,569	3,150	(2,419)

Cash – the increase in cash is largely due to more than anticipated levels of Creditors and Payables, the Net Operating Surplus and the timing of cash requirements for the National Office fit-out.

Physical assets – the variance is largely due to the decision to lease instead of purchase majority of replacement fleet vehicles, lower than anticipated costs for office leasehold improvements, and delays in software development costs.



Creditors and Payables – the variance reflects the timing of cash requirements for the National Office fit-out and larger year end accruals than originally forecast.

Statement of Cash Flows (page 61)

	30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	Variance \$000s
Net cash flows from operating activities	345	1,982	1,637

The variance mainly relates to more than expected cash being disbursed for payments to previous year's creditors due to higher creditor balances at the end of 2004/05 than anticipated.

Statement of Departmental Expenditure and Capital Expenditure Appropriations (page 66)

	30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	Variance \$000s
Policy and Monitoring – Economic and Enterprise	11,063	13,801	2,738
Policy – Crown Māori Relationships	7,467	6,432	(1,035)
Relationships and Information	10,309	9,645	(664)

The variance mainly relates to the realignment of strategic priorities between the above output classes. This particularly reflects increased activity around Treaty of Waitangi Claims and Settlements and the Māori Trust Office review within Policy – Crown Māori Relationships. The increase in Relationships and Information reflects increased capability and capacity to strengthen local level assistance to Māori and translate regional priorities to inform policy advice and activities.

Note 12: Financial Instruments

Te Puni Kōkiri is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable and accounts payable.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to Te Puni Kōkiri, causing Te Puni Kōkiri to incur a loss. In the normal course of its business, Te Puni Kōkiri incurs credit risk from trade debtors, and transactions with financial institutions and the New Zealand Debt Management Office (NZDMO).

Te Puni Kōkiri does not require any collateral or security to support financial instruments with

financial institutions that Te Puni Kōkiri deals with, or with the NZDMO, as these entities have high credit ratings. For its other financial instruments, Te Puni Kōkiri does not have significant concentrations of credit risk.

Fair Value

The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. Te Puni Kōkiri has no significant exposure to interest rate risk on its financial instruments.

Under section 46 of the Public Finance Act, Te Puni Kōkiri cannot raise a loan without Ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure for funds borrowed.

Note 13: Related Party Information

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

Te Puni Kōkiri enters into numerous transactions with other government departments, Crown agencies and state-owned enterprises on an arm's length basis. These transactions are not considered to be related party transactions.

Apart from those transactions described above, Te Puni Kōkiri has not entered into any related party transactions, except for where:

Te Puni Kōkiri staff who works 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.



Note 14: Transition to New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS)

Te Puni Kōkiri will be adopting NZ IFRS for the first time in its audited financial statements for the year ending 30 June 2008. This timetable is in line with the adoption of NZ equivalents to IFRS in the consolidated financial statements of the Government reporting entity.

Te Puni Kōkiri will be adopting the accounting policies of the financial statements of the Government. Te Puni Kōkiri are in the process of evaluating the differences, if any, between current policies and the policies of the financial statements of the Government.

This will culminate in the production of a provisional NZ IFRS opening balance sheet as at 1 July 2006 by December 2006. This provisional balance sheet will be subject to audit assurance.

Implementation of NZ IFRS will be managed within the Finance Group of Te Puni Kōkiri. At this stage no material issues have been identified. However, the actual impact of adopting NZ IFRS may vary from this initial assessment, and the variation may be material.

Note 15: Objectives specifying the financial performance

30-Jun-05 Actual		30-Jun-06 Actual	30-Jun-06 Budget Estimates ¹	
	Performance Indicators	Unit		
	OPERATING RESULTS			
252	Revenue: Other	\$000s	1	0
50,878	Output Expenses	\$000s	53,734	54,868
	Operating Surplus before Capital			
2,077	Charge	\$000s	933	388
1,808	Net Surplus	\$000s	626	0
	WORKING CAPITAL			
946	Net Current Assets	\$000s	551	(1,289)
92	Current Ratio	%	94	137
60	Average Debtors Outstanding	days	60	60
30	Average Creditors Outstanding	days	30	30
	RESOURCE UTILISATION			
	Physical Assets			
2,723	Total Physical Assets at Year End	\$000s	4,066	6,124
8	Value per Employee	\$000s	10	15
65	Additions as % of Physical Assets	%	66	81
	Taxpayers Funds			
3,835	Level at Year End	\$000s	4,835	4,835
11	Level per Employee	\$000s	12	12
	FORECAST NET CASH FLOWS			
5,781	Surplus/(deficit) Operating Activities	\$000s	345	1,982
(1,557)	Surplus/(deficit) Investing Activities	\$000s	(2,654)	(4,743)
(462)	Surplus/(deficit) Financing Activities	\$000s	(808)	1,000
3,762	Net Increase/(decrease) in Cash Held	\$000s	(3,117)	(1,761)
	HUMAN RESOURCES			
26	Staff Turnover	%	16	20
5.5	Average Length of Service	Years	5.4	5.2
342	Total Staff	No.	390	411

Budget Estimates ¹ - as provided in the 2005/06 Te Puni Kōkiri Statement of Intent.



NON-DEPARTMENTAL FINANCIAL STATEMENTS AND SCHEDULES

30-Jun-05 Actual \$000s		30-Jun-06 Actual \$000s
4,638	Revenues and Capital Receipts	4,615
104,761	Expenses	97,740
43,367	Assets	63,672
14,207	Liabilities	19,440

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 2005/06.

STATEMENT OF NON-DEPARTMENTAL ACCOUNTING POLICIES

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.

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 Budget Night Estimates as amended by the Supplementary Estimates and any transfer made by Order in Council under section 26A of the Public Finance Act 1989.

Comparatives

To ensure consistency with the current year, certain comparative information has been restated or reclassified where appropriate. This has occurred:

- where classifications have changed between periods, and (if appropriate).
- where Te Puni Kōkiri has made additional disclosure in the current year and where a greater degree of disaggregation of prior year amounts and balances is therefore required.

The comparative information presented in the Non Departmental Financial Statements and Schedules has been presented on a GST inclusive basis. This comparative information has not been restated to exclude GST, as approved appropriations for the 2005 financial year were made on a GST inclusive basis, and any restatement of the comparative information would not reflect those approved appropriations.

Revenue

Te Puni Kōkiri derives revenue through the provision of outputs to the Crown and for services to third parties. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Goods and Services Tax (GST)

The comparative information in the Statement of Non-Departmental Expenditure and Capital Expenditure Appropriations has been presented on a GST inclusive basis. All other statements are GST exclusive.

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 Payables or Debtors and Receivables (as appropriate).

Debtors and Receivables

Debtors and receivables are recorded at estimated realisable value, after providing for doubtful and uncollectible debts.

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 Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Changes in Accounting Policies

There have been no changes to the accounting policies. Accounting policies have been applied on a basis consistent with previous years.



SCHEDULE OF NON-DEPARTMENTAL REVENUE FOR THE YEAR ENDED 30 JUNE 2006

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

30-Jun-05 Actual \$000s	Note	30-Jun-06 Actual \$000s	30-Jun-06 Supp. Estimates \$000s
Current Revenue			
<i>Non-Tax Revenue</i>			
155		(25)	165
166		35	0
4,065	1	4,327	3,802
7		6	10
4,393	Total Current Revenue	4,343	3,977
Capital Revenue			
245		272	325
245	Total Capital Revenue	272	325
4,638	Total Crown Revenue	4,615	4,302

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

SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2006

The Schedule of Expenses summarises Non-Departmental expenses that Te Puni Kōkiri administers on behalf of the Crown. Further details are provided in the Statement of Non-Departmental Expenditure and Capital Expenditure Appropriations on pages 80 to 81. Figures are GST exclusive.

30-Jun-05 Actual \$000s	Note	30-Jun-06 Actual \$000s	30-Jun-06 Supp. Estimates \$000s
Non-Departmental Expenses			
Total Operating Annual Appropriations			
73,608		67,252	67,268
500		477	480
30,462		29,193	32,401
104,570		96,922	100,149
167		794	1,922
24		24	37
<i>Provision for Write Off's</i>			
24		(5)	0
0		0	0
(1,198)	1	4,327	4,586
(1,174)		4,322	4,586
103,587		102,062	106,694

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 2006**

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-05 Actual	Note	30-Jun-06 Actual	30-Jun-06 Supp. Estimates
\$000s		\$000s	\$000s
Operating Annual Appropriations			
<i>Non-departmental output expenses</i>			
45,374	2	40,332	40,332
10,575	3	11,019	11,019
1,809	4	1,608	1,608
2,371	5	2,315	2,315
499		440	456
12,980	6	11,538	11,538
73,608		67,252	67,268
<i>Benefits and other unrequited expenses</i>			
500		477	480
500		477	480
<i>Other expenses to be incurred by the Crown</i>			
220		196	196
200		178	178
1,100	7	1,027	1,027
7,464	8	6,992	7,000
639	9	830	830
5,254	10	3,645	3,706
4,262	11	1,396	3,663
7		6	6
6		8	36
95		84	84
277		175	175
1,134	12	1,493	1,511
8,119	13	7,835	7,895
1,685	14	1,509	1,511

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

0	Māori Women's Development Fund	1,867	2,000
0	Beyond Hui Taumata	1,952	2,533
0	Loss from sale of Mauao Reserve	0	50
30,462		29,193	32,401
104,570	Total Operating Annual Appropriations	96,922	100,149
	<i>Capital Contributions to other persons or organisations</i>		
167	Rural Lending	794	1,922
167	Total Capital Contributions	794	1,922
	<i>Appropriations for Other Expenses</i>		
24	Payments to Trust Boards	24	37
24	Total Other Expenses	24	37
104,761	Total Non-Departmental Appropriations	97,740	102,108

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



SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2006

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-05 Actual \$000s		Note	30-Jun-06 Actual \$000s
	Current Assets		
41,029	Cash		41,697
0	Accounts Receivable/Prepayments		19,127
41,029	Total Current Assets		60,824
	Non-Current Assets		
	<i>Māori Trust Office</i>		
46,173	Māori Trustee - Debt	1	50,500
(46,173)	Māori Trustee - Debt Provision	1	(50,500)
0	Total Non-Current Assets		0
	Investments		
156	<i>Section 460A Loans</i>	15	156
	<i>Rural Lending</i>		
4,352	Total Loans	16	3,792
(2,215)	Less : Provision for doubtful debts		(1,145)
2,137			2,647
	Māori Land Development		
	<i>Investments comprise Advances to -</i>		
179	Crown owned stations		179
(179)	Less : Provision for doubtful debts		(179)
0			0
2,293	Total Investments		2,803

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

	Property Plant and Equipment	
45	Land	45
45	Total Property Plant and Equipment	45
43,367	Total non-departmental assets administered by Te Puni Kōkiri	63,672

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2006

30-Jun-05 Actual		30-Jun-06 Actual	30-Jun-05 Supp. Estimates
\$000s		\$000s	\$000s
	Current Liabilities		
13,994	Creditors and Payables	19,218	2,867
213	Other Liabilities	222	0
14,207	Total Current Liabilities	19,440	2,867

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



SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2006

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-05 Actual \$000		30-Jun-06 Actual \$000
	Category	
0	Whanau Development - Enterprise	602
1,571	Direct Resourcing	0
586	Local Level Solutions	0
69,913	Crown Entities & Non-Government Organisations	53,798
72,070	Total Crown Commitments by Category	54,400
	Out year commitments	
72,070	Less than one year	54,400
0	One to two years	0
0	Two to five years	0
0	More than five years	0
72,070	Total Crown Commitments by out year	54,400

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

STATEMENT OF NON-DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2006

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 2006. It does not include general or unspecified business risks or conditions. This schedule is exclusive of GST.

30-Jun-05 Actual \$000		30-Jun-06 Actual \$000
3,322	Income Tax and GST indemnity	2,358
100	Public Liability Claims	120
26	Funding programmes	0
3,448	Total Contingent Liabilities	2,478

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.

NOTES TO THE NON-DEPARTMENTAL FINANCIAL STATEMENTS AND SCHEDULES FOR THE YEAR ENDED 30 JUNE 2006

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. A 100% provision against the Māori Trustee's debt is shown to reflect that the debt has not yet been "called".

Note 2: Māori Television Broadcasting

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



Note 3: Māori Radio Broadcasting

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

Note 4: 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 5: 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 6: Māori Television Channel

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

Note 7: Capacity Assessment

To enable whānau, hapū, iwi, Māori organisations and Māori communities to undertake assessments of their current capacity and development needs.

Note 8: Building Capacity in Māori Communities

Capacity Building aims to assist Māori communities to develop the strategies, governance and infrastructures through which they can plan and undertake their own development.

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: Local Level Solutions/Development

Local Level Solutions provides capable entities with resources to achieve particular aims, such as an improvement in services or asset management.

Note 11: Direct Resourcing of Local Level Solutions

Direct Resourcing provides established Māori organisations with funding to allow them to act as umbrella organisations, acting as conduits for funding and taking care of accountability requirements on behalf of smaller, less established organisations.

Note 12: Whānau Development – Enterprise

To promote sustainable Māori business and sector networks

Note 13: Whānau Development – Action Research Programmes

To support whānau determined initiatives aimed at strengthening whānau.

Note 14: Whānau Development – Sport and Culture

To support community based activities that bring whānau together.

Note 15: Section 460A Loans

This reflects advances and other assistance provided under section 460A of the Māori Affairs Act 1953, which is now administered by Te Puni Kōkiri under Part II of the Māori Affairs Restructuring Act 1989.

Note 16: 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 17: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2006" for an explanation of significant budget changes between the 2005/06 Main Estimates and 2005/06 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 302 to 305).



Note 18: Explanation for Significant Variances

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

	30-Jun-06 Actual \$000s	30-Jun-06 Main Estimates \$000s	Variance \$000s
Direct Resourcing of Local Level Solutions	1,396	3,663	2,267

Direct Resourcing projects typically require a multi-year investment. As such, there have not been any new projects funded since 2003/04 in readiness for the transition of this programme to the new investment programmes effective from 1 July 2006.

An expense transfer into 2006/07 of \$2 million was approved by the Cabinet in September 2006.

Note 19: 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.

REPORT ON EQUAL EMPLOYMENT OPPORTUNITIES (EEO)

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 by identifying targets that will ensure Te Puni Kōkiri has the people with the capabilities to become the driving force *for Māori succeeding as Māori* in the Public Service. 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.

During the 2005/06 year the Chief Executive signed off on an action plan to review the EEO framework within Te Puni Kōkiri including a review of the policies that underpin EEO. This work will continue into future years. There was active participation in the State Services Commission review of Public Service Goals beyond 2010, and progress was made in ways those with disabilities are able to access our services through upgrades to both our premises and internet sites.

REPORT ON EFFECTIVENESS IN REDUCING INEQUALITIES

Government has introduced policies and programmes aimed at ensuring equitable outcomes for Māori. The success of this process is shown by improvements for Māori in the cultural, educational and social arenas.

To ensure these gains are maintained and built on for the future, further investment will be needed given the relative youthfulness and faster growth rates of the Māori population. Continued development on this existing foundation of achievement will create an environment where Māori can succeed as Māori.

To this end, Te Puni Kōkiri contributes to the Government's reducing inequalities policy and work programme by working extensively with Māori to ensure that government policies, programmes and services are informed by those at the local level, and hence contribute to the wider vision of *Māori succeeding as Māori*.

Te Puni Kōkiri recognises that an exclusive focus on disparity and disadvantage will not by itself realise the potential of Māori for self-fulfilment and contribution to New Zealand. During 2005/06 Te Puni Kōkiri refined the Māori Potential Approach to Realising Māori Potential that will eventually lead to a stronger focus on identifying the enablers of Māori success, and using this knowledge to inform policy development in the wider state sector.

Within the Māori Potential Approach we are working alongside established provider organisations so that they can learn more from Māori communities as to how the government can best assist Māori to achieve their goals.

